

Budget Hearing

2016/2017 Budget Amendments

2017/2018 Proposed Preliminary Budget

TRAVERSE CITY AREA PUBLIC SCHOOLS
Traverse City, Michigan

June 26, 2017



CONTENTS

<u>BUDGET HEARING</u>	<u>1</u>
<u>BUDGET AMENDMENTS</u>	<u>2</u>
<u>BUDGET DISCUSSION</u>	<u>3</u>
<u>PRESENTATION</u>	<u>4</u>
<u>PRELIMINARY BUDGET</u>	<u>5</u>
<u>PRELIMINARY BUDGET – ITEMIZED</u>	<u>6</u>
<u>BOND PROGRAMMING</u>	<u>7</u>
<u>CERTIFICATION OF TAXES</u>	<u>8</u>
<u>INDEPENDENT RATING AGENCY REPORT(S)</u>	<u>9</u>
<u>MISCELLANEOUS INFORMATION &/OR NOTES</u>	<u>10</u>

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

BUDGET HEARING

June 26, 2017

6:00 p.m.

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

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

Christine Thomas-Hill
Executive Director
Finance and Operations

Michele Greenan
Executive Assistant

MEMORANDUM

TO: Paul Soma, Superintendent
FROM: Christine Thomas-Hill, Executive Director
DATE: June 26, 2017
**RE: AMENDMENT II to 2016/2017 GENERAL FUND BUDGET and
AMENDMENT II to 2016/2017 SPECIAL REVENUE FUND BUDGET:**

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

Attached please find the proposed final amendments to the 2016/2017 General Fund Budget and Special Revenue Fund Budget.

The General Fund final amendment reflects negative adjustments of \$202,100 from the first budget amendment. These adjustments are considered relatively minor given the size of the general fund budget. Individual explanations of these changes are included with the detailed budgets found immediately following this memo.

The general fund budgeted shortfall stands at approximately \$2 million. As has been discussed in the past, actual expenditures by law must not exceed the total budget. Actual district revenues and expenditures historically show a budget variance of approximately \$1.7 million, and we anticipate that this will occur again in the current year. Taking this variance into account, it is my expectation that our general fund shortfall will be approximately \$350,000 once the books are closed, leaving the district with a fund balance of approximately \$5.75 million.

The \$5.75 million fund balance represents approximately 6% of our budgeted expenditures. Our fund balance is projected to remain below the Board of Education's established target of 10% but will slowly increase over the next three fiscal years as the district will maintain a structurally balanced budget and direct all one-time revenues like property sales directly to the fund balance.

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

Also attached, please find the proposed final amendment to the 2016/2017 Special Revenue Fund Budget. This amendment aligns our budgets with our most current information and expectations. The Community Services fund shows a minor negative bottom line adjustment that recognizes an increase in program revenues and expenses over the first budget amendment. The Food Services fund shows a positive line adjustment. The revenues and expenses have been decreased to reflect participation levels and higher utilization of additional commodities.

An appropriate motion to adopt these amendments would be:

Moved by _____, Supported by _____, to adopt the resolution to approve the second amendment to the 2016/2017 General Fund Budget and the second amendment to the 2016/2017 Special Revenue Fund Budget, dated June 26, 2017.

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

**RESOLUTION FOR ADOPTION
June 26, 2017**

FOR ACTION:

TOPIC:

- Amendment II to 2016/2017 General Fund Budget
- Amendment II to 2016/2017 School Service Fund Budget:
 - Food Services
 - Community Services

RECOMMENDATION:

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

BUDGET INFORMATION: These are revisions to the Preliminary 2016/2017 Budgets.

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

ATTACHMENTS:

- 2016/2017 General Fund Budget Final Amendment
- 2016/2017 School Service Fund Budget Final Amendment:
 - Food Services
 - Community Services

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

Revenue	2016-2017 Original	2016-2017 Amend 1*	2016-2017 Amend 2*	Variance*
Local Restricted and Unrestricted	36,078,126	36,526,868	36,070,008	(456,860)
State Unrestricted	43,375,043	43,028,698	43,430,521	401,823
State Restricted	9,082,541	9,580,708	9,572,903	(7,805)
Federal Restricted	1,647,662	2,506,442	2,506,442	0
Incoming Transfers/Other	2,345,214	2,942,982	3,015,552	72,570
Total Revenues	92,528,586	94,585,698	94,595,426	9,728

Expenditures				
Instruction				
Basic Instruction	48,250,069	48,697,187	48,725,557	28,370
Added Needs	9,455,583	10,050,766	10,048,414	(2,352)
Total Instruction	57,705,652	58,747,953	58,773,971	26,018
Support				
Pupil	3,261,751	3,524,604	3,501,888	(22,716)
Instructional Staff	4,188,904	4,796,672	4,830,642	33,970
General Administration	602,939	598,359	595,341	(3,018)
School Administration	6,696,911	6,616,228	6,622,008	5,780
Business Services	1,754,596	1,747,693	1,624,348	(123,345)
Operations and Maintenance	9,004,081	8,989,233	9,015,575	26,342
Pupil Transportation	5,792,502	5,744,913	5,885,831	140,918
Central Services	2,847,284	2,827,671	2,938,668	110,997
Student Support Services	2,337,948	2,350,824	2,365,598	14,774
Total Support Services	36,486,916	37,196,197	37,379,899	183,702
Community Services	108,853	143,775	146,883	3,108
Other Uses - Outgoing Transfers & Other	331,175	341,822	340,822	(1,000)
Total Expenditures	94,632,596	96,429,747	96,641,575	211,828
Excess Revenue/(Expenditures)	(2,104,010)	(1,844,049)	(2,046,149)	(202,100)
Fund Balance - July 1	6,096,188	6,096,188	6,096,188	0
Fund Balance - June 30	3,992,178	4,252,139	4,050,039	(202,100)
Less Non-Spendable and Assigned	1,591,355	1,515,572	1,539,700	24,128
Unassigned Fund Balance	2,400,823	2,736,567	2,510,339	(226,228)

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	50,000	50,000	50,000	0
Non-Spendable for Prepaids	100,000	100,000	100,000	0
Assigned for Unrestricted "At Risk" Activities	0	0	0	0
Assigned for Curriculum Development	0	0	0	0
Assigned for Building Carryover	541,355	465,572	489,700	24,128
Assigned for Department Carryover	0	0	0	0
Assigned for Building Staff Carryover	0	0	0	0
Assigned for Computer Notes and Leases	0	0	0	0
Assigned for Severance Pay	900,000	900,000	900,000	0
Assigned for Building Supplies	0	0	0	0
Assigned for Budget Stabilization	0	0	0	0
Total Fund Equity Non-Spendable and Assigned	1,591,355	1,515,572	1,539,700	24,128

* Please see attached pages for detailed breakdown of budget and explanation of fluctuations.

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

Revenue	2016-2017 Original	2016-2017 Amend 1*	2016-2017 Amend 2*	Variance	Note
Local Unrestricted	35,978,126	36,456,317	35,997,201	(459,116)	1
State Unrestricted	43,375,043	43,028,698	43,430,521	401,823	2
State Restricted	6,038,708	6,070,190	6,073,387	3,197	
Federal Restricted	20,000	20,000	20,000	0	
Incoming Transfers/Other	2,345,214	2,781,650	2,824,220	42,570	
Total Revenues	87,757,091	88,356,855	88,345,329	(11,526)	

Expenditures					
Instruction					
Basic Instruction	47,129,767	47,531,010	47,583,256	52,246	
Added Needs	7,141,294	6,998,584	7,006,007	7,423	
Total Instruction	54,271,061	54,529,594	54,589,263	59,669	
Support					
Pupil	2,959,094	3,169,242	3,168,447	(795)	
Instructional Staff	3,486,483	3,601,437	3,602,589	1,152	
General Administration	602,939	598,359	595,341	(3,018)	
School Administration	6,696,911	6,616,228	6,622,008	5,780	
Business Services	1,754,596	1,747,693	1,624,348	(123,345)	3
Operations and Maintenance	9,004,081	8,988,386	9,014,728	26,342	
Pupil Transportation	5,704,524	5,622,668	5,743,986	121,318	4
Central Services	2,846,784	2,827,171	2,921,119	93,948	
Student Support Services	2,257,948	2,257,634	2,269,152	11,518	
Total Support Services	35,313,360	35,428,818	35,561,718	132,900	
Community Services	10,378	8,994	8,994	0	
Other Uses - Outgoing Transfers & Other	266,302	233,498	231,503	(1,995)	
Total Expenditures	89,861,101	90,200,904	90,391,478	190,574	
Excess Revenue/(Expenditures)	(2,104,010)	(1,844,049)	(2,046,149)	(202,100)	
Fund Balance - July 1	6,096,188	6,096,188	6,096,188	0	
Fund Balance - June 30	3,992,178	4,252,139	4,050,039	(202,100)	
Less Non-Spendable and Assigned	1,591,355	1,515,572	1,539,700	24,128	
Unassigned Fund Balance	2,400,823	2,736,567	2,510,339	(226,228)	

Fund Equity Non-Spendable and Assigned					
Non-Spendable for Inventories	50,000	50,000	50,000	0	
Non-Spendable for Prepaids	100,000	100,000	100,000	0	
Assigned for Unrestricted "At Risk" Activities	0	0	0	0	
Assigned for Curriculum Development	0	0	0	0	
Assigned for Building Carryover	541,355	465,572	489,700	24,128	
Assigned for Department Carryover	0	0	0	0	
Assigned for Building Staff Carryover	0	0	0	0	
Assigned for Computer Notes and Leases	0	0	0	0	
Assigned for Severance Pay	900,000	900,000	900,000	0	
Assigned for Building Supplies	0	0	0	0	
Assigned for Budget Stabilization	0	0	0	0	
Total Fund Equity Non-Spendable and Assigned	1,591,355	1,515,572	1,539,700	24,128	

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

- (1) Variance is the result of our projected year end accounting entry to close out our Printing Department operations for the fiscal year. The impact of this entry is to decrease expenditures and revenues by the same amount, therefore having no bottom line impact on the overall budget of the district. Also the variance is the result of adjusting local and state funding related to the foundation allowance.
- (2) Variance is the result of adjusting state and local funding related to the foundation allowance. Also there was a small increase in the student count over the first amendment.
- (3) Variance is the result of our projected year end accounting entry to close out our Printing Department operations for the fiscal year. The impact of this entry is to decrease expenditures and revenues by the same amount, therefore having no bottom line impact on the overall budget of the district.
- (4) Variance is the result of adjusting for staffing and related payroll costs as well as budget adjustments to site level transportation line items.

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

Revenue	2016-2017 Original	2016-2017 Amend 1*	2016-2017 Amend 2*	Variance	Note
Local Restricted	100,000	70,551	72,807	2,256	5
State Unrestricted				0	
State Restricted				0	
Federal Restricted				0	
Incoming Transfers/Other	0	161,332	191,332	30,000	5
Total Revenues	100,000	231,883	264,139	32,256	

Expenditures					
Instruction					
Basic Instruction	0	13,931	13,931	0	
Added Needs	95,464	131,456	154,711	23,255	5
Total Instruction	95,464	145,387	168,642	23,255	
Support					
Pupil	0	3,186	3,186	0	
Instructional Staff	561	23,058	27,558	4,500	5
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance	0	847	847	0	
Pupil Transportation	0	0	0	0	
Central Services				0	
Student Support Services	0	13,190	16,446	3,256	5
Total Support Services	561	40,281	48,037	7,756	
Community Services	0	34,130	34,380	250	5
Other Uses - Outgoing Transfers & Other	3,975	12,085	13,080	995	5
Total Expenditures	100,000	231,883	264,139	32,256	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
Unassigned Fund Balance	0	0	0	0	

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

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

Revenue	2016-2017 Original	2016-2017 Amend 1*	2016-2017 Amend 2*	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted	3,043,833	3,510,518	3,499,516	(11,002)	6
Federal Restricted				0	
Incoming Transfers/Other				0	
Total Revenues	3,043,833	3,510,518	3,499,516	(11,002)	

Expenditures					
Instruction					
Basic Instruction	1,107,212	1,004,537	1,003,656	(881)	6
Added Needs	1,356,046	1,817,666	1,810,481	(7,185)	6
Total Instruction	2,463,258	2,822,203	2,814,137	(8,066)	
Support					
Pupil	241,521	266,172	245,706	(20,466)	6
Instructional Staff	193,654	240,769	240,769	0	
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance				0	
Pupil Transportation	52,800	78,400	78,000	(400)	6
Central Services			17,049	17,049	6
Student Support Services	80,000	80,000	80,000	0	
Total Support Services	567,975	665,341	661,524	(3,817)	
Community Services	2,600	4,150	5,031	881	6
Other Uses - Outgoing Transfers & Other	10,000	18,824	18,824	0	
Total Expenditures	3,043,833	3,510,518	3,499,516	(11,002)	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
Unassigned Fund Balance	0	0	0	0	

(6) These variances are the result of fully implementing state restricted programs once final numbers became known. These grants the At-Risk grant and the At-Risk carryover, Great Start Readiness Program, and others. Please see attached schedule for detail of all state programs currently operated by TCAPS.

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

Revenue	2016-2017 Original	2016-2017 Amend 1*	2016-2017 Amend 2*	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted				0	
Federal Restricted	1,627,662	2,486,442	2,486,442	0	
Incoming Transfers/Other				0	
Total Revenues	1,627,662	2,486,442	2,486,442	0	

Expenditures					
Instruction					
Basic Instruction	13,090	147,709	124,714	(22,995)	7
Added Needs	862,779	1,103,060	1,077,215	(25,845)	7
Total Instruction	875,869	1,250,769	1,201,929	(48,840)	
Support					
Pupil	61,136	86,004	84,549	(1,455)	7
Instructional Staff	508,206	931,408	959,726	28,318	7
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance				0	
Pupil Transportation	35,178	43,845	63,845	20,000	7
Central Services	500	500	500	0	
Student Support Services				0	
Total Support Services	605,020	1,061,757	1,108,620	46,863	
Community Services	95,875	96,501	98,478	1,977	7
Other Uses - Outgoing Transfers & Other	50,898	77,415	77,415	0	
Total Expenditures	1,627,662	2,486,442	2,486,442	0	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
Unassigned Fund Balance	0	0	0	0	

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

Federal Grants Summary for Fiscal Year 2016-2017

Restricted Federal Funds (14)	Allocation
IDEA Pre-School Incentives	\$ 70,000.00
State Match Grant - PE Nut (July-Sept)	\$ 13,803.00
State Match Grant - PE Nut (Oct-Jun)	\$ 75,000.00
Title I	\$ 1,210,235.00
Title I Carryover	\$ 156,558.00
Title II Part A	\$ 394,835.00
Title II Part A Carryover	\$ 382,902.00
Title III LEP Carryover	\$ 32,162.00
Title III LEP/Immigrant	\$ 42,079.00
Title IX Indian Education	\$ 55,502.00
Title X McKinney Vento (Homeless Assistance)	\$ 51,624.00
Title X McKinney Vento (Homeless Assistance) Carryover	\$ 1,742.00

Total: \$ 2,486,442.00

State Grants Summary for Fiscal Year 2016-2017

Restricted State Funds (13)	Allocation
At Risk	\$ 1,510,000.00
At Risk Carryover	\$ 481,655.00
Computer Adaptive Tests	\$ 17,049.00
Duel Enrollment	\$ 18,610.00
Early Literacy Targeted	\$ 108,405.00
Early Literacy Targeted Carryover	\$ 50,260.00
First Robotics	\$ 5,000.00
Great Start Readiness Program	\$ 982,800.00
Great Start Readiness Program Carryover	\$ 133,138.00
MI Stem	\$ 5,689.00
Tech Infrastructure 22i	\$ 77,302.00
Tech Infrastructure 22i - Devise Rebate	\$ 87,659.00
Vocational Education	\$ 21,949.00

Total: \$ 3,499,516.00

Local Grants Summary for Fiscal Year 2016-2017

Restricted Local Funds (12)	Allocation
CLC Summer Work/Study Program	\$ 11,435.00
Groundwork Center - BCBS Traverse Heights	\$ 2,500.00
GTB ActivBoard	\$ 214.00
GTB Assembly	\$ 300.00
GTB Enrichment - Old Mission	\$ 1,101.00
GTB Gender Equity	\$ 4,871.00
GTB Homeless	\$ 10,000.00
GTB Indian Ed Language	\$ 54,255.00
GTB Indian Education	\$ 96,000.00
GTB Indian Education Carryover	\$ 18,374.00
GTB - Literacy	\$ 14,469.00
GTB - Sci-Mi-Tech	\$ 5,000.00
GTB Special Ed Swimming	\$ 637.00
GTB Tribal Flags - West Middle School	\$ 580.00
Healthy Kids Grant - BCBS Cherry Knoll	\$ 3,187.00
Learning Points #1 Carryover	\$ 13,340.00
TC Light and Power	\$ 7,056.00
United Way- Pe-Nut	\$ 7,169.00
Way to Grow - Matching	\$ 13,640.00
Youth Corps	\$ 11.00

Total: \$ 264,139.00

Community Service Grants Summary for Fiscal Year 2016-2017

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

Total: \$ 135,000.00

Food Service Grants Summary for Fiscal Year 2016-2017

Restricted Federal Funds (25)	Allocation
Equipment Grant - USDA	\$ 22,400.00

Total: \$ 22,400.00

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

Revenue	2016-2017 Original	2016-2017 Amend 1	2016-2017 Amend 2	Variance	Note
Local	2,449,010	2,421,110	2,322,862	(98,248)	1 / 2
State	283,540	308,953	351,563	42,610	3
Federal	2,342,450	2,371,142	2,327,700	(43,442)	1
Incoming Transfers	20,000	14,000	14,000	0	
Total Revenues	5,095,000	5,115,205	5,016,125	(99,080)	

Expenditures					
Salaries and Wages	1,504,303	1,491,508	1,466,975	(24,533)	4
Employee Benefits	816,879	839,311	842,039	2,728	
Purchased Services	174,502	171,402	144,019	(27,383)	4
Supplies and Other	2,549,316	2,535,584	2,465,692	(69,892)	4
Capital Outlay	50,000	77,400	72,400	(5,000)	
Operating Transfer	0	0	0	0	
Total Expenditures	5,095,000	5,115,205	4,991,125	(124,080)	

Revenues Over/(Under) Expenditures	0	0	25,000	25,000	
Beginning Fund Balance July 1	671,728	671,728	671,728	0	
Ending Fund Balance June 30	671,728	671,728	696,728	25,000	

Variance Explanations

- (1) Variance in local and federal revenue is the result of adjusting for the type of reimbursable meal.
- (2) The remaining variance is from a decrease in a la carte and catering revenue.
- (3) Variance is the result of a prior period adjustment on our State Aid Payment
- (4) Variance in expenses is the result of adjusting for meal participation (a la carte/catering) as well as a savings from utilizing additional commodities.

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

Revenue	2016-2017 Original	2016-2017 Amend 1	2016-2017 Amend 2	Variance	Notes
Local	2,818,750	3,063,150	3,257,900	194,750	
Federal Restricted	135,000	135,000	135,000	0	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	229,175	229,175	228,175	(1,000)	
Total Revenues	3,182,925	3,427,325	3,621,075	193,750	

Expenditures					
Salaries and Wages	1,527,708	1,697,412	1,727,048	29,636	
Employee Benefits	1,118,979	1,210,723	1,279,532	68,809	
Purchased Services	225,718	216,672	264,286	47,614	
Supplies and Other	279,347	314,837	367,553	52,716	
Capital Outlay	26,335	27,540	29,956	2,416	
Transfer to General Fund and Other	135,686	135,686	140,256	4,570	
Total Expenditures	3,313,773	3,602,870	3,808,631	205,761	
Revenue Over/(Under) Expenditures	(130,848)	(175,545)	(187,556)	(12,011)	
Beginning Fund Balance July 1	618,143	618,143	618,143	0	
Ending Fund Balance June 30	487,295	442,598	430,587	(12,011)	

NOTE: This schedule combines Childcare, LEAP, and Community Service Federal Restricted Funds.

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

Revenue	2016-2017 Original	2016-2017 Amend 1	2016-2017 Amend 2	Variance	Notes
Local	2,441,250	2,685,650	2,880,400	194,750	1
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	36,675	36,675	35,675	(1,000)	
Total Revenues	2,477,925	2,722,325	2,916,075	193,750	
Expenditures					
Salaries and Wages	1,260,837	1,429,756	1,485,730	55,974	2
Employee Benefits	945,994	1,038,981	1,116,850	77,869	2
Purchased Services	83,720	75,060	102,397	27,337	2
Supplies and Other	187,702	219,224	259,235	40,011	2
Capital Outlay	200	4,529	4,529	0	
Transfer to General Fund and Other	130,320	130,320	134,890	4,570	
Total Expenditures	2,608,773	2,897,870	3,103,631	205,761	
Revenue Over/(Under) Expenditures	(130,848)	(175,545)	(187,556)	(12,011)	
Beginning Fund Balance July 1	559,608	559,608	559,608	0	
Ending Fund Balance June 30	428,760	384,063	372,052	(12,011)	

Variance Explanations

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

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

Revenue	2016-2017 Original	2016-2017 Amend 1	2016-2017 Amend 2	Variance	Notes
Local	377,500	377,500	377,500	0	
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	192,500	192,500	192,500	0	
Total Revenues	570,000	570,000	570,000	0	
Expenditures					
Salaries and Wages	207,787	208,572	182,234	(26,338)	1
Employee Benefits	134,289	133,046	123,986	(9,060)	1
Purchased Services	118,118	117,732	138,009	20,277	1
Supplies and Other	83,871	87,839	100,544	12,705	2
Capital Outlay	25,935	22,811	25,227	2,416	
Transfer to General Fund and Other	0	0	0	0	
Total Expenditures	570,000	570,000	570,000	0	
Revenue Over/(Under) Expenditures	0	0	0	0	
Beginning Fund Balance July 1	58,535	58,535	58,535	0	
Ending Fund Balance June 30	58,535	58,535	58,535	0	

Variance Explanations

- (1) Variance is the result of a shift from internal employees to contracted employees.
- (2) Variance is the result of full implementation of LEAP program offerings.

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

Revenue	2016-2017 Original	2016-2017 Amend 1	2016-2017 Amend 2	Variance	Notes
Local				0	
Federal	135,000	135,000	135,000	0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)				0	
Total Revenues	135,000	135,000	135,000	0	
Expenditures					
Salaries and Wages	59,084	59,084	59,084	0	
Employee Benefits	38,696	38,696	38,696	0	
Purchased Services	23,880	23,880	23,880	0	
Supplies and Other	7,774	7,774	7,774	0	
Capital Outlay	200	200	200	0	
Transfer to General Fund and Other	5,366	5,366	5,366	0	
Total Expenditures	135,000	135,000	135,000	0	
Revenue Over/(Under) Expenditures	0	0	0	0	
Beginning Fund Balance July 1	0	0	0	0	
Ending Fund Balance June 30	0	0	0	0	

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

**RESOLUTION FOR ADOPTION
June 26, 2017**

FINAL AMENDMENT
2016/2017 GENERAL FUND BUDGET
2016/2017 SPECIAL REVENUE FUND BUDGET
(Food Services and Community Services)

This Final 2016/2017 Budget Amendment shall take effect on June 26, 2017.

AYES:

NAYS:

Resolution adopted.

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

The undersigned duly qualified and acting Secretary of the Board of Education of Traverse City Area Public Schools, Traverse City, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education, Traverse City, Michigan at its study session meeting held on June 26, 2017, the original of which is part of the Board's minutes, and further certifies that notice of the meetings was given to the public under the Open Meetings Act, 1976 PA267, as amended.

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

MEMORANDUM

TO: Board of Education
Paul Soma, Superintendent

FROM: Christine Thomas-Hill, Executive Director

DATE: June 26, 2017

RE: BUDGET HEARING
2016/2017 Final Budget Amendments
2017/2018 Proposed Preliminary Budgets

As our 2017 fiscal year draws to a close, it is time to wrap up our current fiscal year and formally adopt our 2018 preliminary budget. This memo, which has become part of our annual budget adoption process, is included to essentially serve two purposes. First, it provides a recap of highlights from the year just ended. Second, it provides the basis for the expectations and assumptions we used to develop our fiscal year 2018 budget. As assumptions change or further information is made clear throughout the year, the District will, as it has done in the past, make the necessary budget amendments.

Overview

The budgets presented in this booklet represent our best estimate of how fiscal year 2017 will end and give an initial look at what is in store for fiscal year 2018. As required by law, we are adopting our 2018 budget prior to the beginning of the fiscal year.

The District has some clarity over the status of the State's education budget, although the budget still has not been signed by the Governor (as of June 21st). Some variables, most notably state aid revenue and the state-determined retirement rate, can be reasonably estimated at this time. Other variables used in our preliminary budgets, such as the number of pupils, interest revenue, natural gas and diesel fuel costs, and state, federal and local grants, also require estimates.

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

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

General Fund – Revenues

Public schools in Michigan are primarily state-funded institutions. As a result, funding for schools is subject to current economic conditions as well as the direction of the state legislature. As we have seen in the past, funding originally intended for K-12 education has been returned to tax payers in the form of corporate tax relief or redirected to other sources such as higher education.

For 2018, the State is expected to provide a per pupil foundation increase of \$60 per student; with the 2x formula (districts at the minimum foundation allowance level receive an allocation equal to twice the amount received by districts at or above the base foundation) this equates to \$120 per pupil foundation increase for TCAPS.

The total foundation amount we receive is a function of both the state-determined per pupil amount and the number of pupils we educate. Like many districts in Michigan, our overall student population has declined over the last 10 years. However, TCAPS has been creative in expanding opportunities within the shared time revenue funding sources and are able to offer additional classes to non-traditional students in the creation of the Northern Michigan Partnership, which provides opportunities to the homeschool population in the region. Specifically because of this new opportunity, our budget in 2018 reflects 9,804 students vs. 9,805 in 2017, which equates to only 1 student FTE (full-time equivalency) decrease; normally it may have been projected to decline at approximately 80 students. The combination of a \$120 increase in state per pupil allocations, coupled with a projected decrease of 1 student, results in a projected increase of approximately \$1,168,969.

The State appears to be maintaining categorical line items in the 2018 budget. We will continue to monitor the list of categorical funding and determine if TCAPS could possibly benefit. As such, any new categorical funding from the added line items will be included in an amendment once the amounts are determined.

Our state-determined per pupil amounts (noted above) make up approximately 80.9% of our total revenue budget and approximately 85% of our “unrestricted” revenues and, hence, make up the most important source of revenues for the district by a far margin.

As discussed in the introduction of this memo, the State continues their attempt to “cap” the retirement rates for schools. The actual implementation of the cap is nothing more than a

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

As has been the case for the last six years, interest revenues are not expected to be substantial in the 2018 fiscal year. Although the interest rates are beginning to rise, TCAPS will budget \$50,000 for interest revenue in 2018, which represents no change from the 2017 amount.

Revenue for fiscal year 2018 in the form of incoming transfers from TBAISD (Traverse Bay Area Intermediate School District) is budgeted to be approximately \$1.6 million for a variety of items including tax collections, curriculum services, Act 18 Special Education funding, and Medicaid.

Per the advice of TBAISD, the 2017 discretionary distribution that had previously been budgeted by TCAPS, was reduced to zero. Although our original 2017 budget did not include any discretionary distribution, we did receive a discretionary distribution from TBAISD of approximately \$320,000 in December, 2016 and were able to incorporate the revenue in a budget amendment presented to the Board in January, 2017.

Other revenue sources provide valuable and necessary resources for our district. Categorical state funding (e.g., At Risk, Vocational Education added cost, Great Start Readiness Program, etc.), which makes up approximately 2.7%, and Restricted Federal Funding (e.g., Title grants for school improvement, education for homeless children and youth, etc.), which makes up approximately 1.95% of total General Fund revenues, are sources we rely on to fund vital programs throughout the district. These funding sources are projected to be down approximately \$1 million and \$685,000 respectively in the 2018 year as compared to 2017. The decreases are attributable to carryover funds in the 2017 year that are not currently part of the 2018 budget.

Keep in mind that many of these programs have fiscal year-ends other than June 30, which makes reporting on them at this time somewhat confusing. Some of the funds noted as fiscal 2017 will wind up as "carry-over" grants in 2018. We will report more fully on grant funding at our first budget amendment.

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

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

General Fund – Expenditures

The District has a well-documented history of living within its means. This has not been easy. We have made over \$15 million in budget cuts in the past nine years, which have been necessitated by the inequitable and declining funding levels we have received from the State over that time, coupled with large increases in pension and health care costs.

The District is working closely with the Government Finance Officers Association (GFOA) on strategic financial planning (SFP). SFP is a process of directing resources to the district's instructional priorities to impact student achievement. GFOA has developed screening tools to help districts identify opportunities to redirect resources, in addition to providing support with calculating Academic Return on Investment (A-ROI).

In spite of the funding increases and the work with GFOA to redirect resources to instructional priorities noted above, the District will again have to make adjustments. The increase in unrestricted state revenues and other revenue sources were not enough to balance the District's finances on their own. The District continues to make budget adjustments in the 2018 fiscal year. These adjustments are being made for the dual purpose of reducing the budget as well as to allow for funding instructional priorities. The expense reductions and increased revenue being incorporated into the 2018 budget are as follows:

Central Office Restructure	(\$100,000)
Eliminate Elementary World Language	(\$400,000)
Eliminate IB PYP @ Traverse Heights	(\$150,000)
Total Reductions:	(\$650,000)
Childcare programming/International Exchange Program; Northern Michigan Partnership (homeschool initiative)	\$400,000
Miscellaneous Revenue (Facility Use, etc.)	\$100,000
Total Increased Revenue	\$500,000
IB MYP sunset (redirection of resources)	\$92,000

All of the employee group contracts have been settled through June 2020 and the parameters are known. This provides the District with a level of certainty regarding these costs. The impacts of the contract settlements includes a 1.5% salary increase as well as progression on the step schedules. The District has budgeted a 5% increase on health care increases up to the cap.

General Fund – Fund Balance

The 2018 budget shows that we are starting the year with a budgeted shortfall of approximately \$1,620,915. As is the case every year, our budget experience is that our final position will end up with a positive budget variance of approximately 1% of total budgeted expenditures and

revenues (approximately \$1.7 million). Taking this variance into account in the upcoming year, it is expected that we will finish the year adding approximately \$79,085 to fund balance.

It is important to note that, in spite of the well documented challenges posed by the funding climate for schools over the last eight years, the District never stopped responding to the evolving needs of our customers: the students and parents we serve. This is a point of pride for our school system. In the past eight years we've started or expanded numerous programs that have benefitted a wide range of our constituents. Examples of such programs and initiatives include, but are not limited to, the following:

- Northern Michigan Partnership (homeschool initiative)
- World Language 6-12
- Science, Technology, Engineering, and Math (STEM)
- Learning, Enrichment, and Athletic Programs K-8 (LEAP)
- One2World Technology Initiative
- Updated Health and Nutrition Policy
- Community Eligibility Provision (CEP) food program for Blair and Traverse Heights
- Expansion of First Robotics and Lego League
- Expanded Dual Enrollment opportunities
- Early College collaborative with NMC
- International Program
- Increased building security initiatives

All of these programs/initiatives were started while keeping our successful traditional school day and extra-curricular offerings/programs going strong. It is a noteworthy accomplishment that we have been able to maintain the District's financial position in spite of being a base funded district and in spite of the overall decline in resources over the last seven years, while at the same time continuing to serve the students of our district at a high level.

The District continues to monitor all programs relative to their fiscal viability. It is likely that the District will continue to have to make decisions like this in order to achieve a financially balanced position. Our fund balance is projected to remain below the Board of Education's established target of 10% but will slowly increase over the next three fiscal years as the District will maintain a structurally balanced budget and direct all one-time revenues like property sales directly to the fund balance. State funding remains precarious. Within this environment we must continue our work to bring the District back to its target fund balance percentage.

Special Revenue Fund

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

In the case of the Food Services program, cost increases for food, supplies, labor contracts and the employee retirement rate, combined with the required paid lunch equity formula from the

State, have resulted in a recommendation to increase lunch prices by \$0.10 at the elementary level and \$0.15 at the secondary level for the 2018 school year. This increase in price will keep the Food and Nutrition Services Department in a fiscally stable position, resulting in a balanced budget for 2018. The department does currently have a responsible fund balance. It should be noted that the food service program does not rely on any subsidies from the General Fund and pays all overhead costs from its operating revenues, inclusive of reimbursing the General Fund for utility costs.

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

The Childcare Programs within the Community Services Fund were separated from the General Fund in fiscal 2002 and have contributed funds back to the General Fund to help offset certain administrative costs. These programs are operating in the black and are providing opportunities for children who would otherwise not have such opportunities. While it is important to note that the early childhood programs are collectively operating in the black, it is perhaps more important to note the impact these programs are having on children.

LEAP was created at the start of the 2012 school year in part to provide fee-based athletic opportunities for middle school students after the district-funded middle school athletic program was eliminated as part of the 2012 budget cuts. LEAP offerings were further expanded to include elementary fee-based athletics and other enrichment opportunities. The vision for this program remains that it will ultimately operate similar to a community education program that provides self-supporting supplemental educational and recreational programming based on demands of student and adult populations of our district. For the 2017 fiscal year as well as the 2018 fiscal year, the budget includes a contribution of \$192,500 to LEAP as a subsidy through a fund transfer. This has resulted in a recommendation to increase elementary offerings by \$15 (the first increase to elementary offerings since program inception).

Other Funds

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

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

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

It should be noted that our current capital program, as supported by our bond authorization, can fund one elementary reconstruct, critical capital needs, bus replacements and technology upgrades over the next six years. In order to fund major projects in the future, the District will need to pass a new bond authorization. With property values stabilizing and increasing slightly

in our region, it is possible we may be able to propose a no millage increase ballot question sometime in the next three years to infuse much needed dollars into the capital plan. This is an important and visible area of work for our district over the upcoming one to two years.

In relation to our current Capital Projects Fund, we have included a section in this Budget Hearing booklet (Tab 7) that shows expenditures to-date and projects currently underway or completed that are from our 2001, 2004, and 2007 bond authorizations. We will continue to provide this type of reporting to our board and the public in order to keep all interested parties aware of how bond funds are being used. As one can see from these schedules, the bond funds are being used as the District indicated in its campaigns. The continued implementation of these well-established capital plans is serving TCAPS well. All projects undertaken within our bond program have been completed on time and within budget.

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

Conclusion

TCAPS continues to manage its limited resources well, incorporating work with GFOA on strategic financial planning to direct funds to instructional priorities. In spite of the very challenging funding climate in which the State provides us with the lowest level of per pupil funding possible, TCAPS has managed to maintain a comprehensive educational program while at the same time operating within its means. Although we have strategically used fund balance reserves to offset dramatic cuts over the course of many years, the District is focused on funding our instructional priorities. The 2018 fiscal year is structurally balanced and is projected to end with an increase to fund balance. Opportunities to advocate for resources, increase our potential for innovative revenue sources, and our commitment to continuous improvement for increased efficiencies may additionally positively impact this original budget projection throughout the year.

TRAVERSE CITY AREA PUBLIC SCHOOLS

2017-2018 Budget Hearing

June 26, 2017

Making Sense of Budget Information

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

Fiscal Year (FY) 2016/2017 Close

Beginning Fund Equity	\$6,096,188
Budgeted Revenues	\$94,595,426
Budgeted Expenditures	(\$96,641,575)
	<hr/>
	(\$2,046,149)
Projected Variance	\$1,700,000
Ending 2017 Fund Equity (approximate)	\$5,750,039
Ending Fund Equity	6%

FY 2017/2018 Budget Assumptions

Per Pupil Revenue:

2017	TOTAL		\$7,511
2018	<i>Base Foundation</i>	<i>\$60</i>	
	<i>2X Amount</i>	<i>\$60</i>	
2018	TOTAL*		\$7,631

* Estimated; state budget was not yet approved at time of production

FY 2017/2018 Budget Assumptions continued

Student Count:

2017	9,805
2018	<u>9,804</u>
(Decrease)	(1)

Net increase in Per Pupil Revenue: \$1,168,969

Other:

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

FY 2017/2018 Budget Assumptions continued

Expenses:

- ➔ 1.5% salary increase
- ➔ Step increase
- ➔ Retirement rate of 36.88%
- ➔ Health insurance estimate at 5.00% *
- ➔ Other structural adjustments

* Traverse City Education Association rates budgeted at \$0 increase

Other Adjustments in FY 2017/2018 Budget

Revenue	Childcare programming; International Exchange Program; Northern Michigan Partnership	\$400,000
	Miscellaneous Revenue (ex. Facility Use)	\$100,000
Planned <i>Reductions</i>	Restructure Central Office	\$100,000
	Elementary World Language	\$400,000
Adjustments	IB at Traverse Heights	\$150,000
	IB MYP program sunset; redirection of resources	\$92,000

FY 2017/2018 Fund Balance Projection

Beginning Fund Equity (estimate)	\$5,750,039
Budgeted Revenue	\$92,474,569
Budgeted Expenditures	(\$94,095,484)
Budgeted Shortfall	(\$1,620,915)
Projected Variance	\$1,700,000
Projected Excess/(Shortfall)	\$79,085
Ending 2018 Fund Equity (estimate)	\$5,829,124
Ending Fund Equity	6.2%

Variables to Impact FY 2017/2018 Bottom-line and Budget

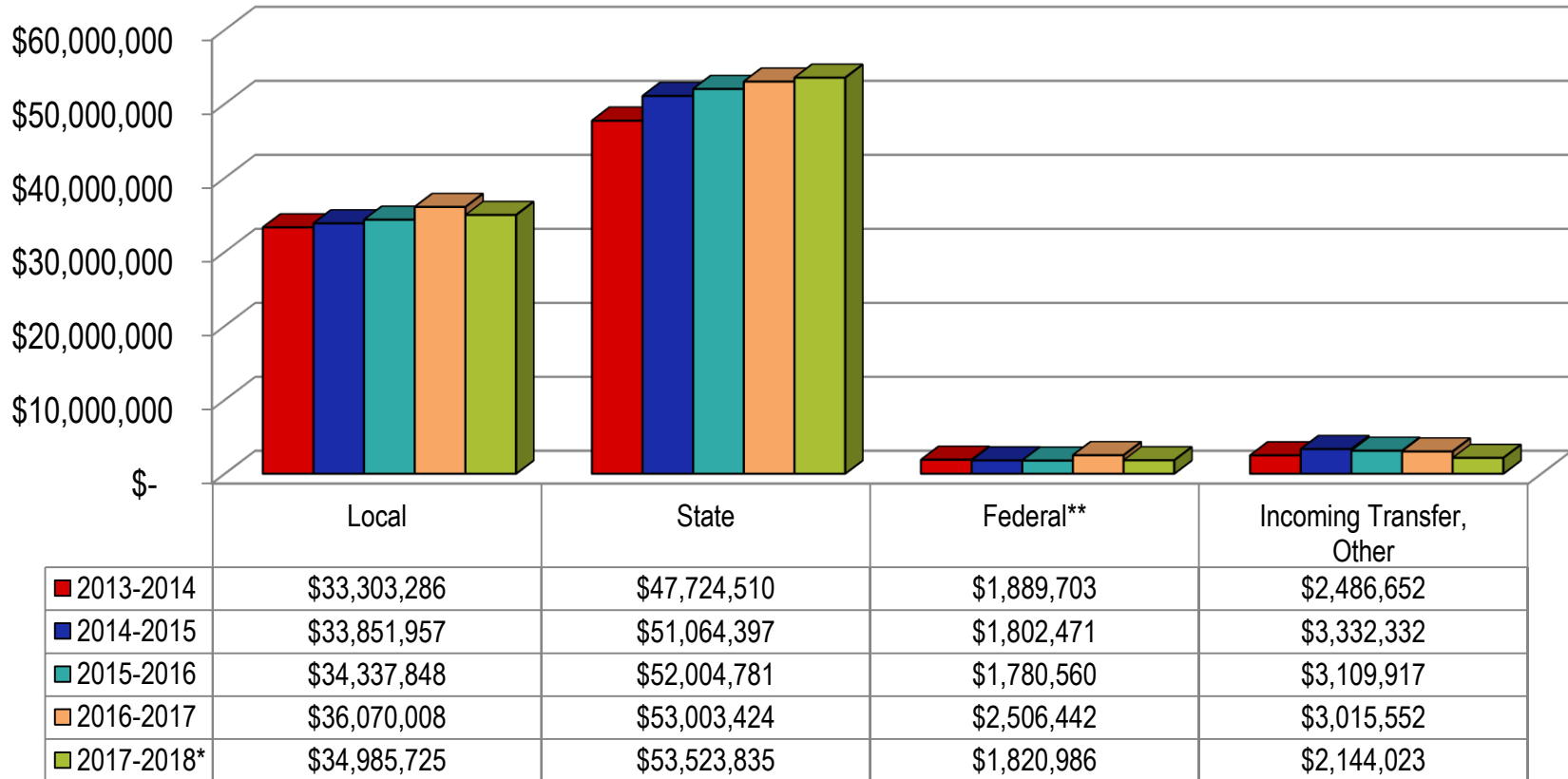
- ➔ # of Students
- ➔ Health census
- ➔ TBAISD discretionary
- ➔ Teacher costs (turnover)
- ➔ At-Risk allocation

Where Does Funding Come From?



- ➡ Local
- ➡ State
- ➡ Federal

Budget Comparison ~ Revenue Source



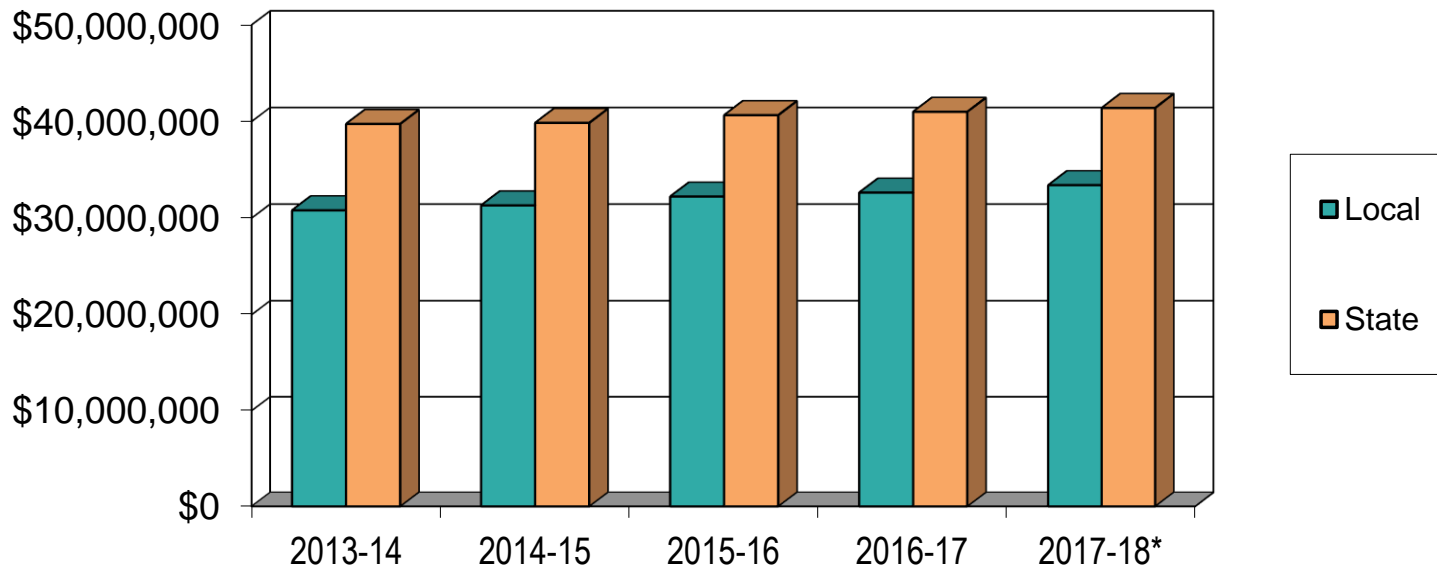
* Projections

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

Funds not spent by June 30, 2017 will be "carried over" to fiscal 2018 in accordance with federal program guidelines.

Revenue Budget ~ Foundation Funding Assumptions

	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018*</u>
Full-time Equivalent Students	10,062	9,987	9,862	9,805	9,804
Foundation Allowance	\$7,026	\$7,126	\$7,391	\$7,511	\$7,631
Revenue from Foundation	\$70,695,612	\$71,167,362	\$72,890,042	\$73,645,355	\$74,814,324



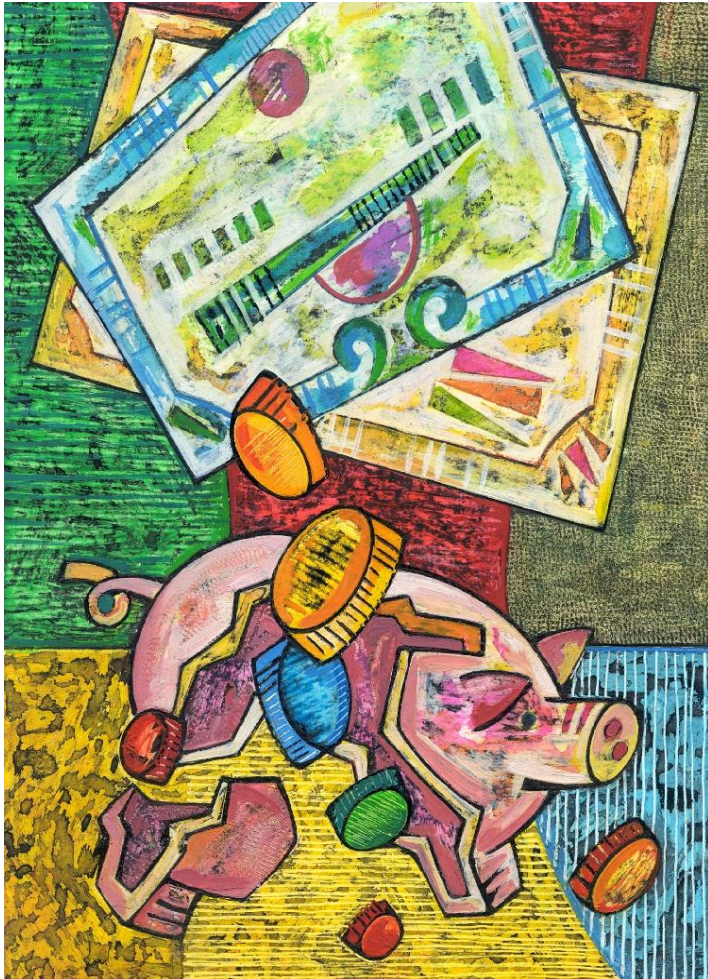
* Projections

Additional Funding Source

“All of the non-homestead¹ revenues that districts raise locally are completely offset by corresponding reductions in state aid within the state funding formula. As a result, property taxes to support schools are effectively STATE rather than local sources.”

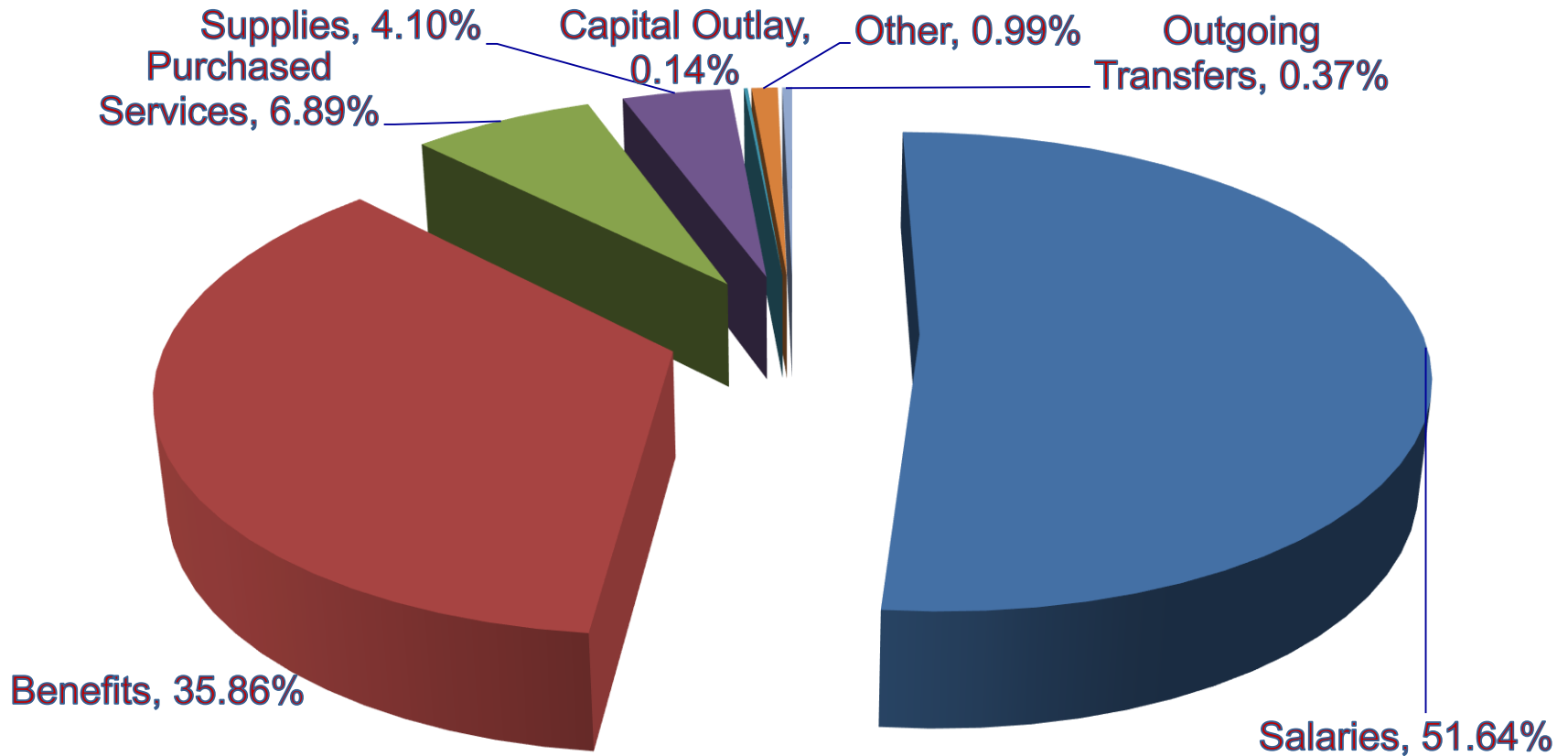
¹ “Non-homestead” is currently referred to as “Non-Principal Residence Exemption”

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

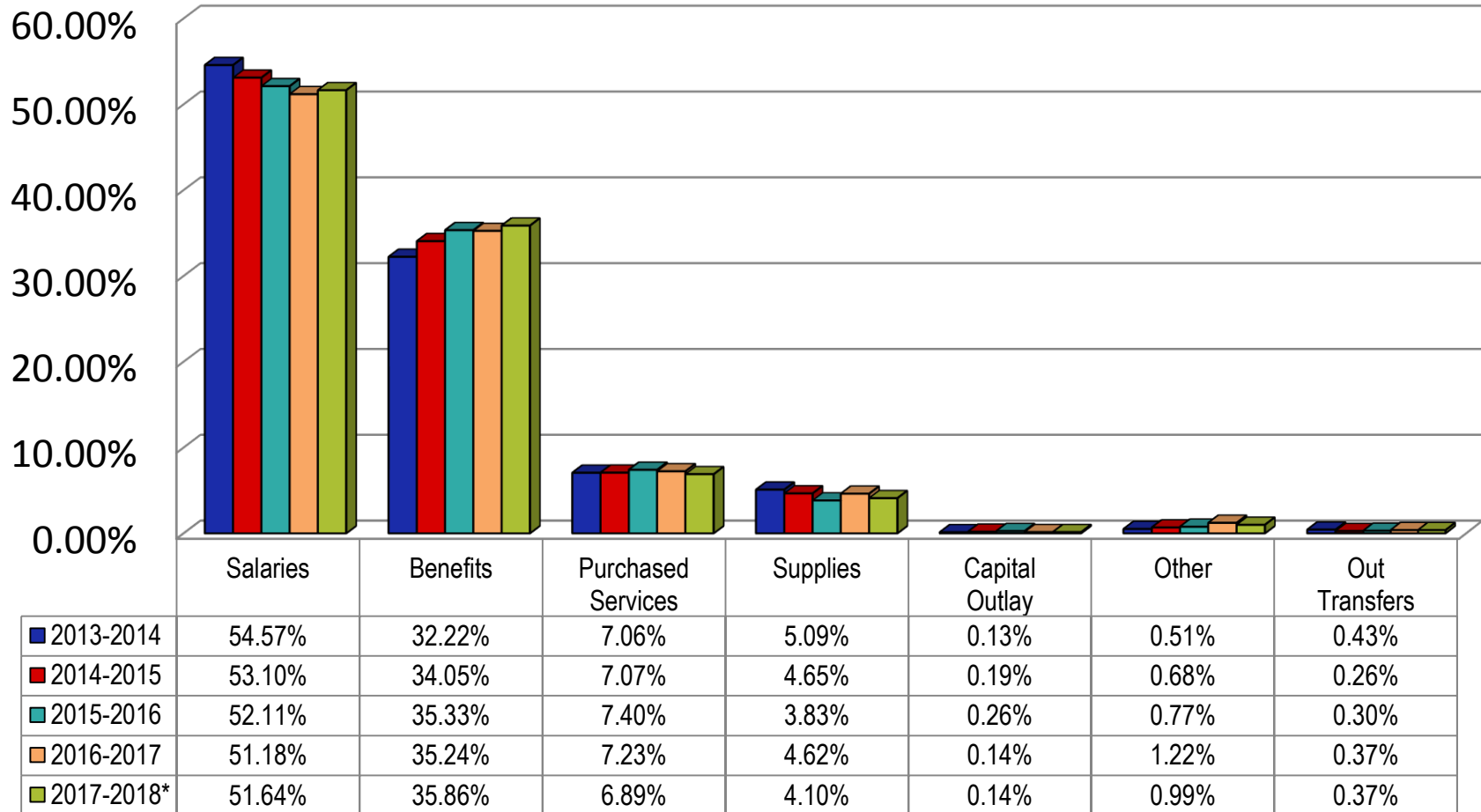


Where does the money go?

2017/2018 Budget **General Fund Monies**

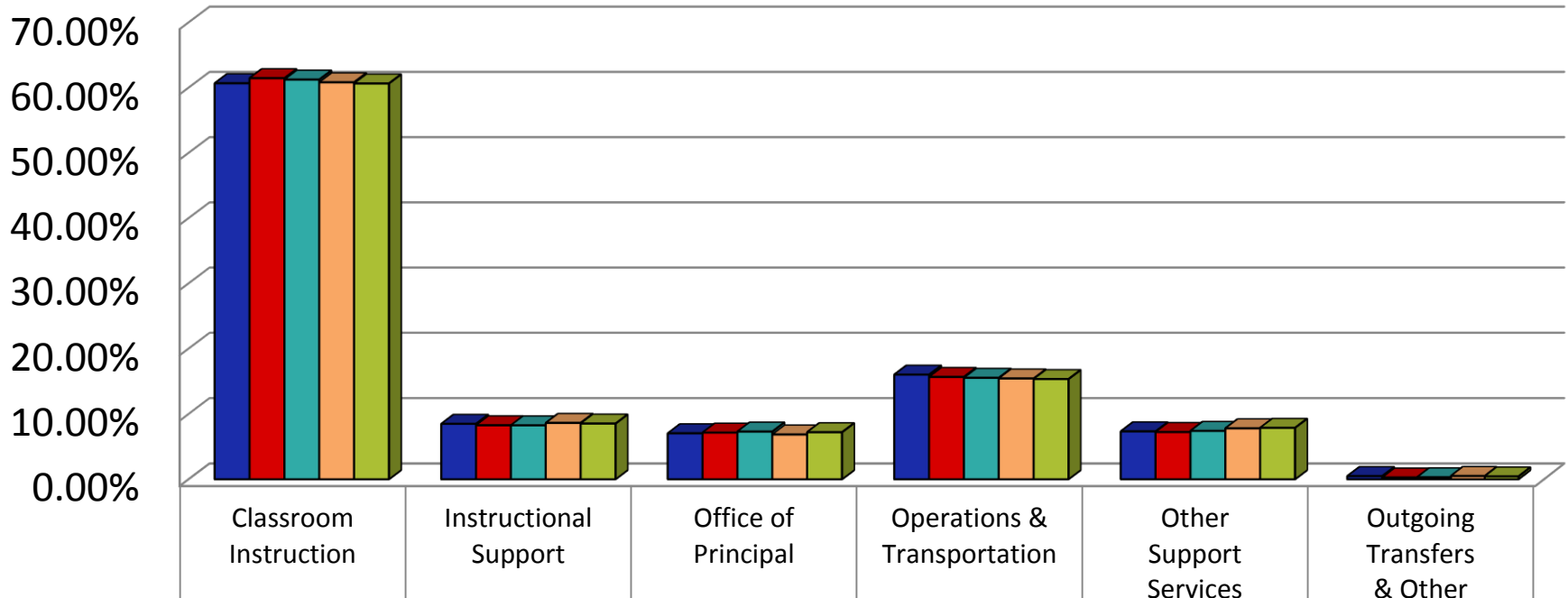


Budget Comparison By Object



* Projections

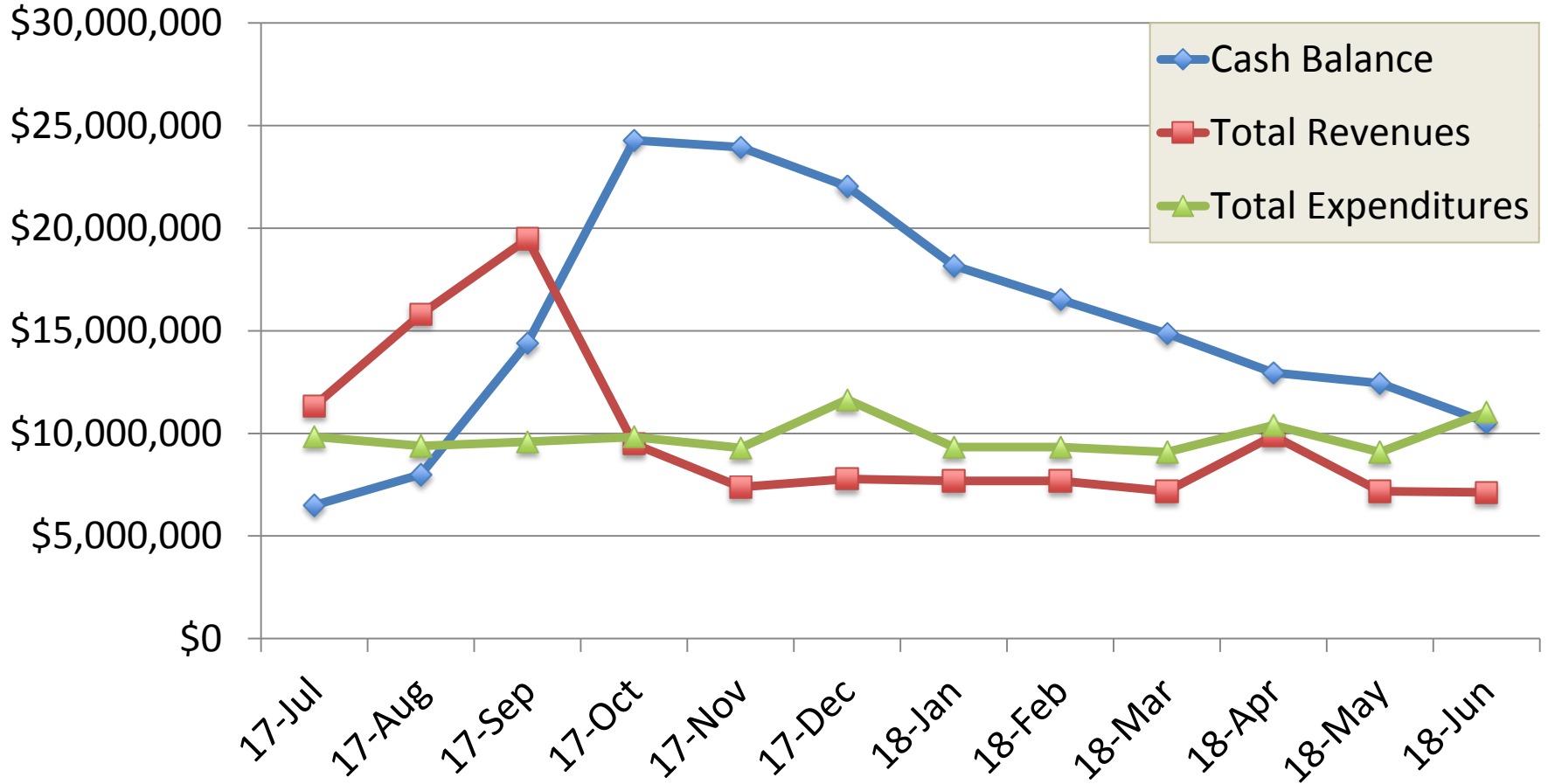
Budget Comparison By Function



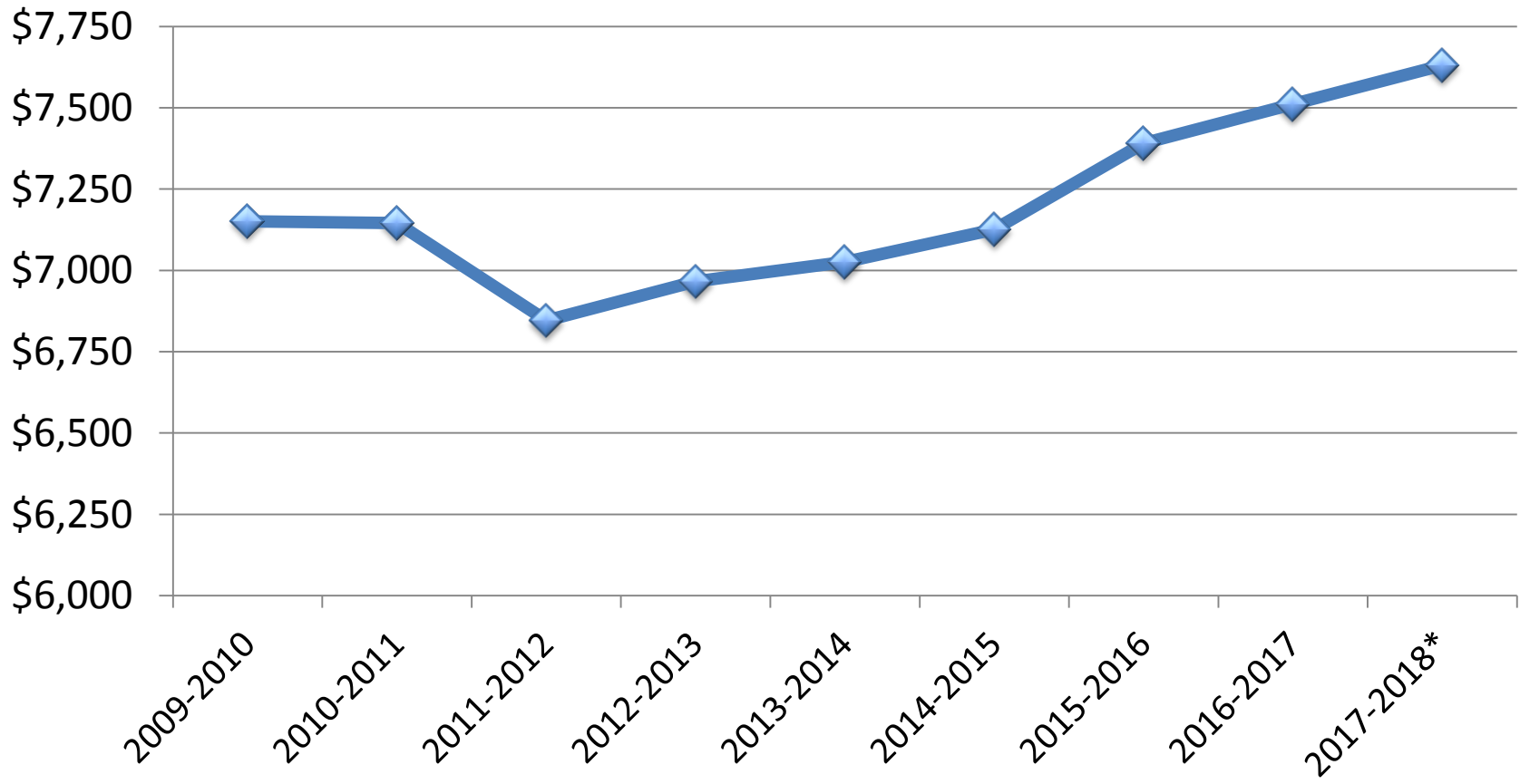
■ 2013-2014	60.67%	8.48%	7.03%	16.01%	7.33%	0.48%
■ 2014-2015	61.45%	8.26%	7.14%	15.66%	7.22%	0.26%
■ 2015-2016	61.23%	8.25%	7.30%	15.52%	7.40%	0.29%
■ 2016-2017	60.82%	8.62%	6.85%	15.42%	7.79%	0.50%
■ 2017-2018*	60.64%	8.52%	7.20%	15.33%	7.87%	0.44%

* Projections

Cash Flow Projections ~ Fiscal 2018

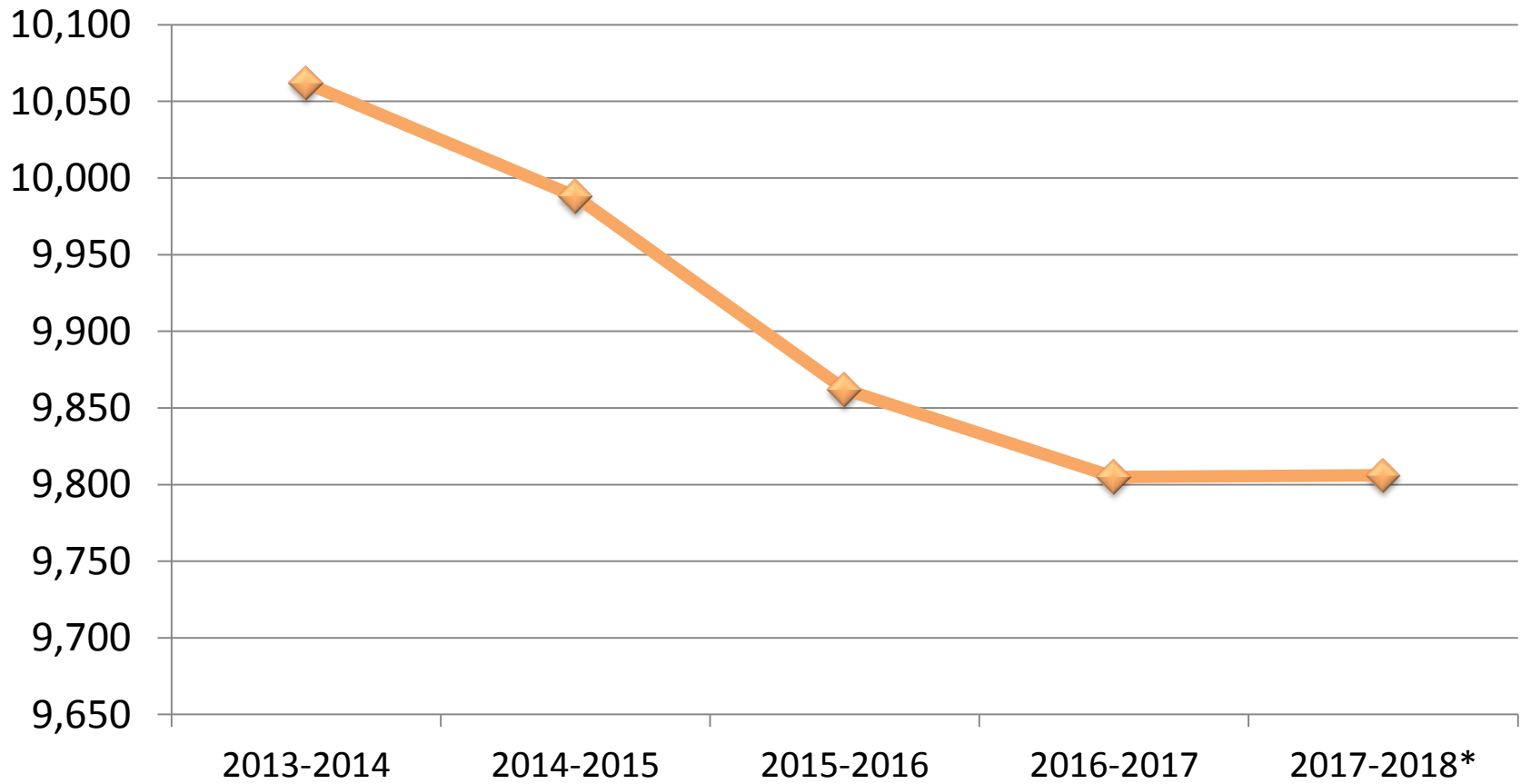


History of Foundation Amounts (Per-pupil)



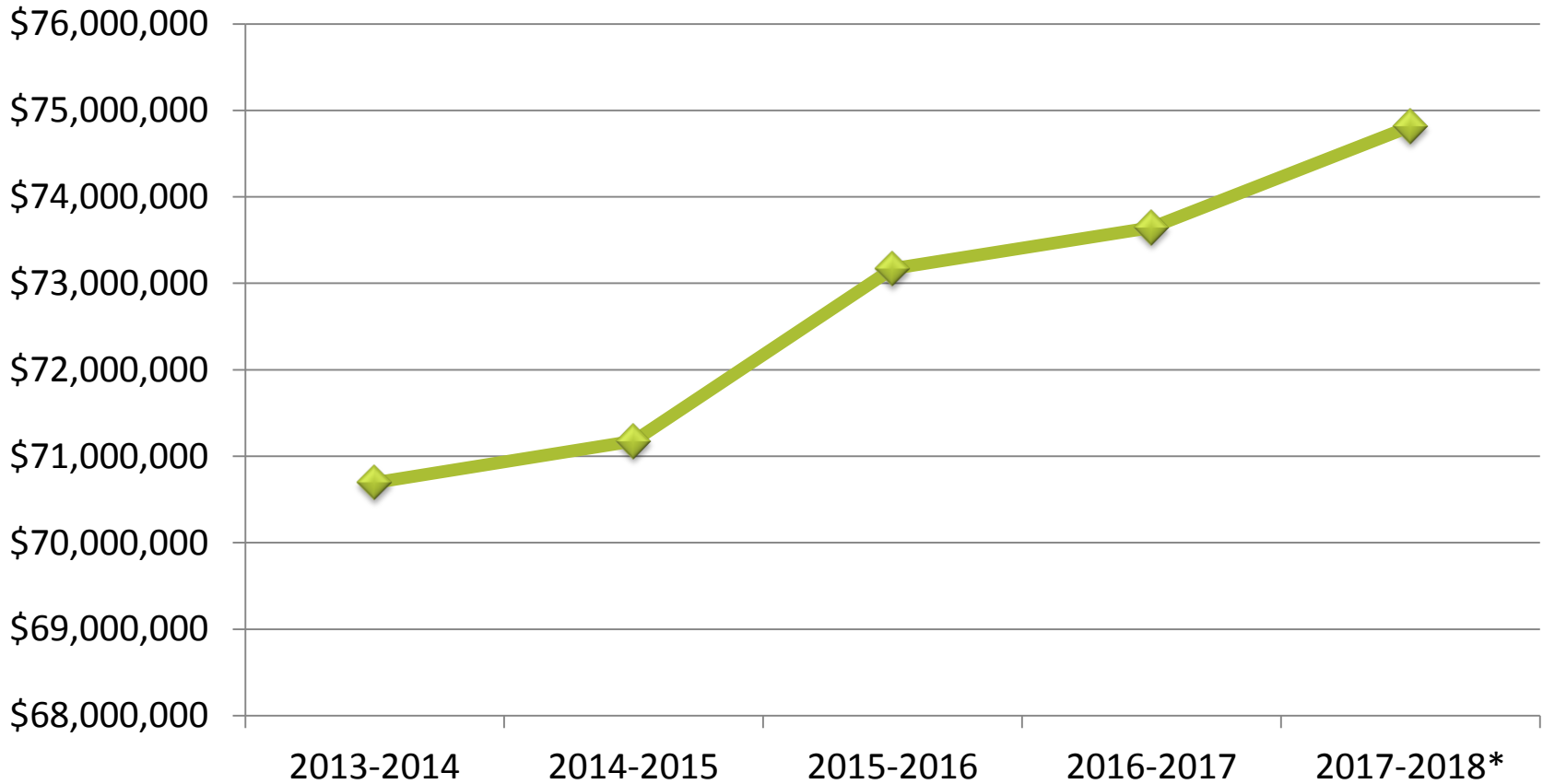
* Projections

History of Student Count (Total FTE)



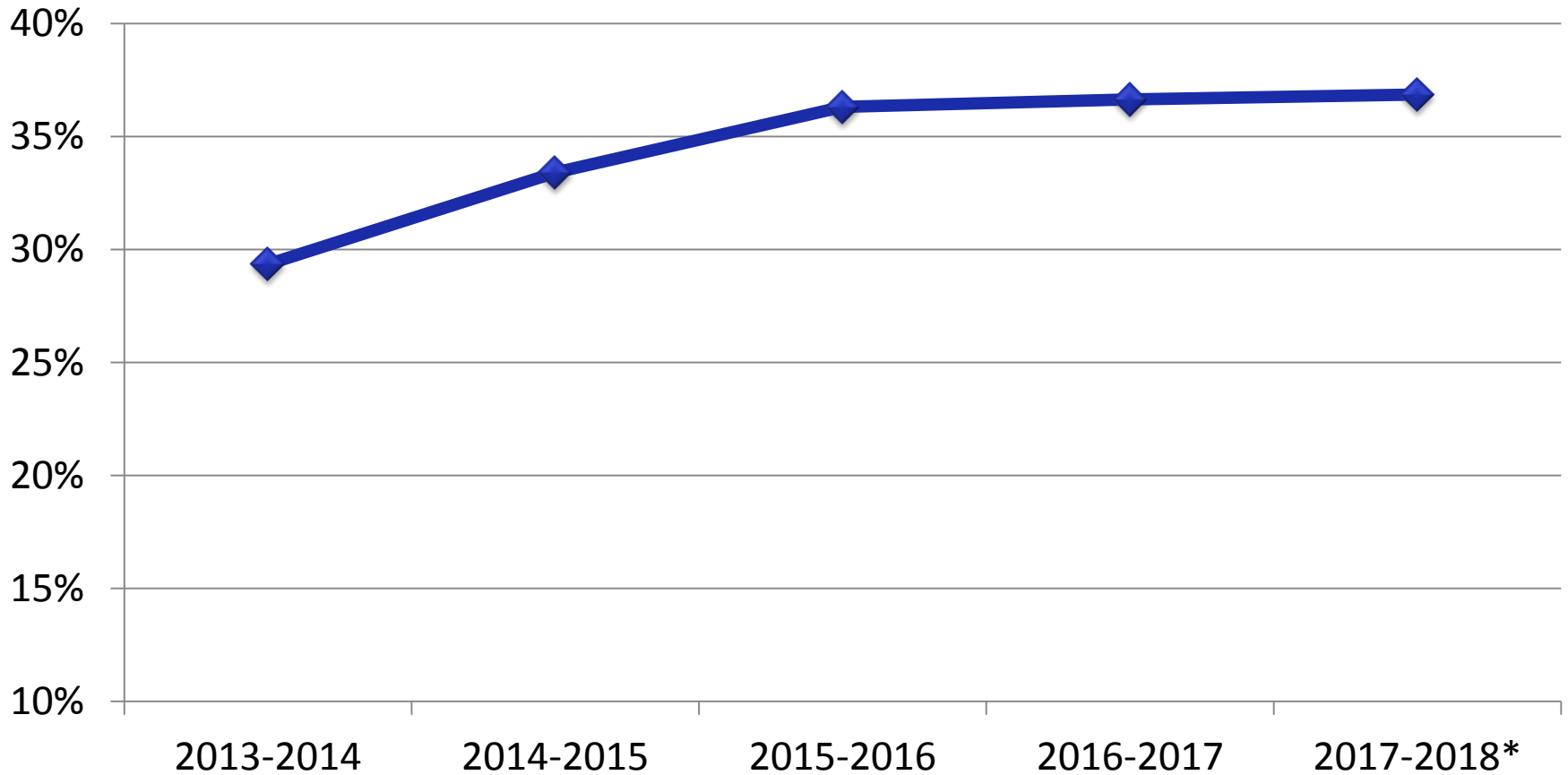
* Projections

History of Total Foundation Revenue



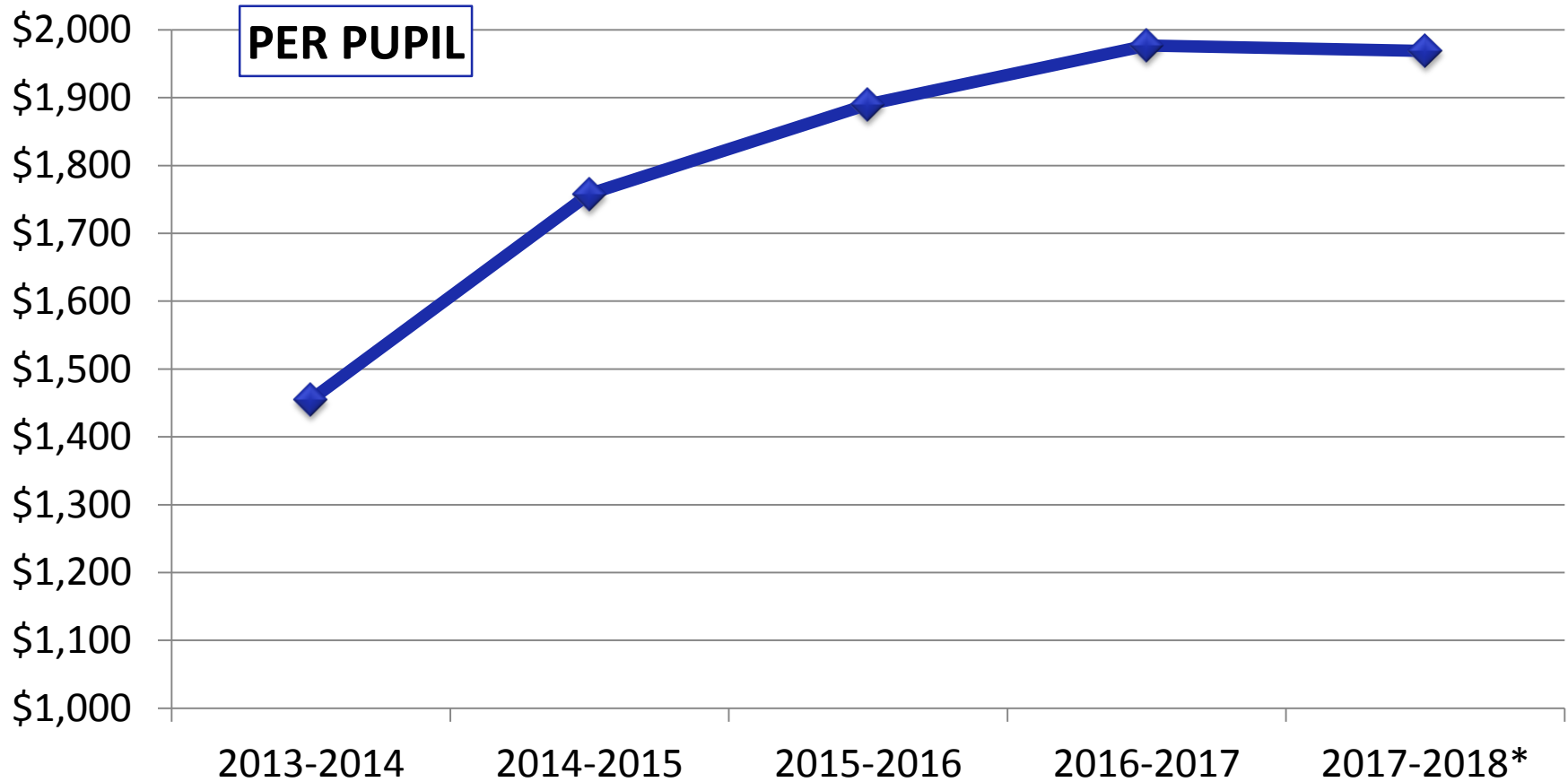
* Projections

History of Retirement Rates



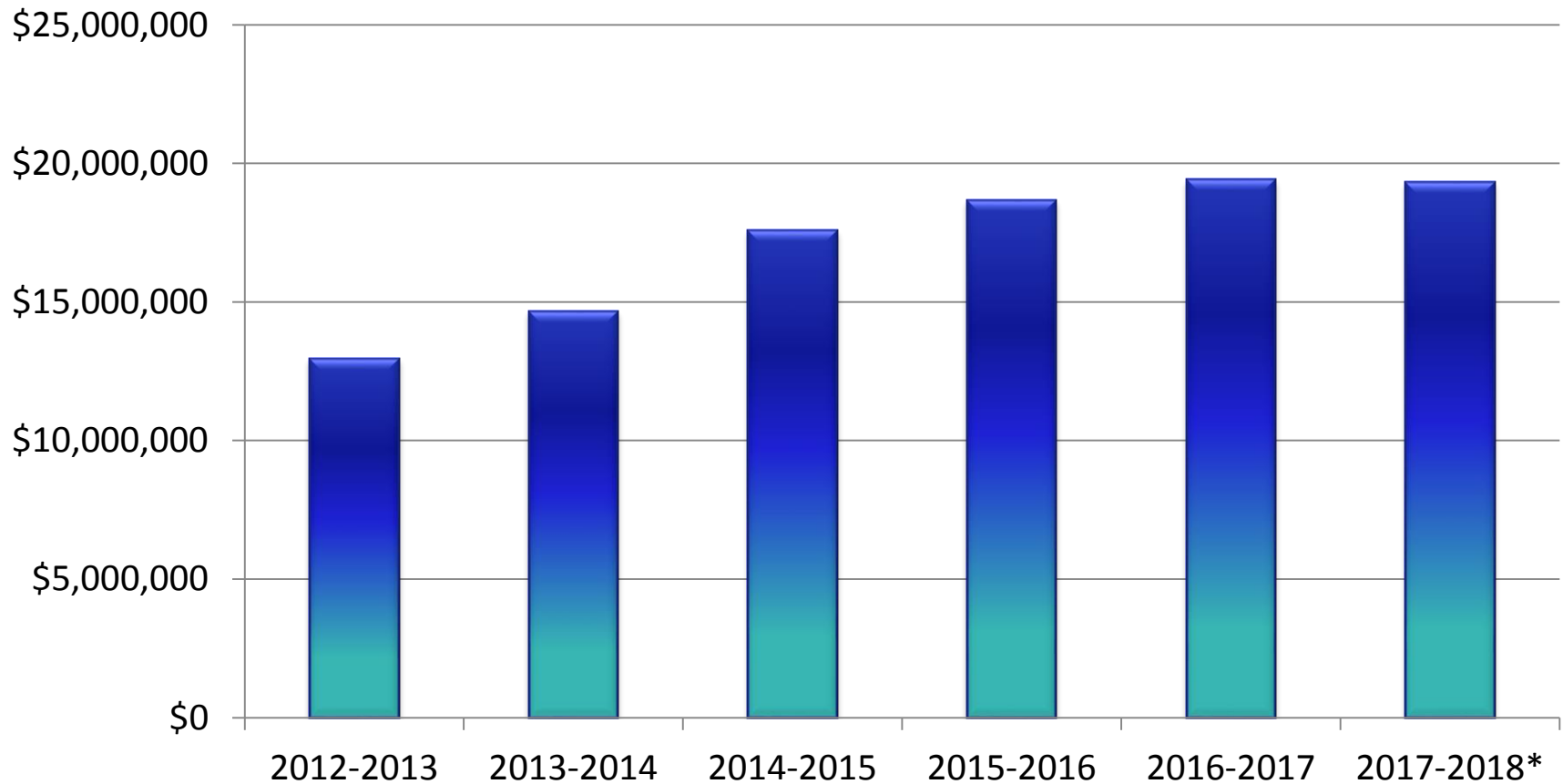
* Projections

History of TCAPS' Retirement Costs



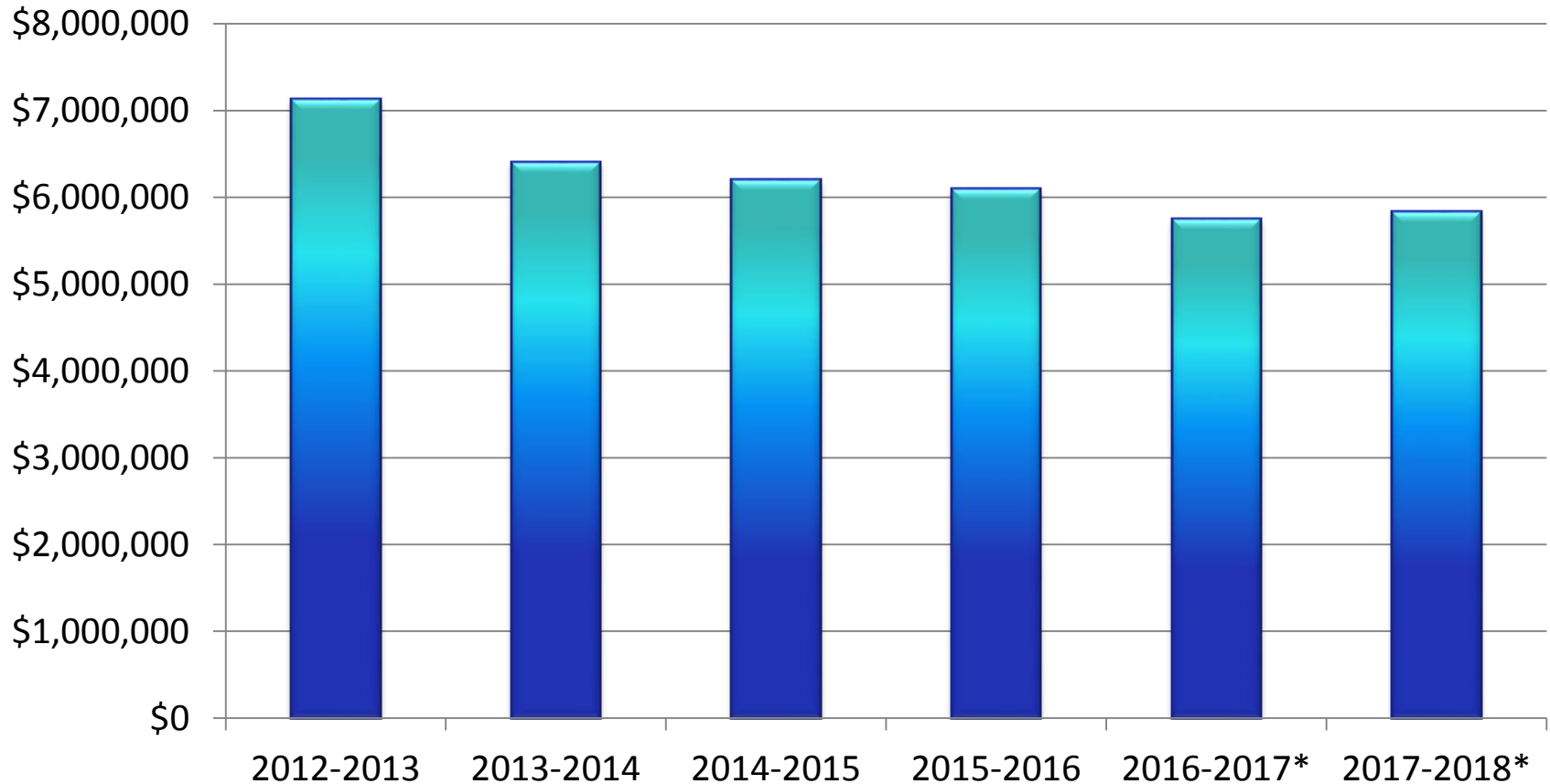
* Projections

History of TCAPS' Retirement Costs



* Projections

History of Fund Balance



* Estimated amounts, not budgeted amounts.

Other Funds

➔ Special Revenue Fund: Food Services

- Estimating a surplus of approximately \$25,000 in FY17
- Expecting FY18 to be structurally balanced
 - \$0.10 increase to elementary lunch
 - \$0.15 increase to secondary lunch
 - Discontinued services for Suttons Bay, TBA, and other meals-to-go programs
 - Cost controls
 - Labor
 - Inventory
 - Menu planning
- Commitment to quality meals/service

Other Funds continued

➔ Special Revenue Fund: Community Services

✓ Childcare Programs

- Fee-for-service program; offsets some General Fund costs (registration fees, overhead, facility use, profit margin)
- Continuing to implement program efficiencies

➔ Special Revenue Fund: Community Services

✓ Learning, Enrichment & Athletic Program (LEAP)

- Fee for participation
- Increase to elementary offerings of \$15 (first increase to elementary offerings since program inception)

Other Funds continued

➔ Capital Projects

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

➔ Debt Service

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

A Special Thank You

A note of thanks to the entire staff of TCAPS' Business Office for all of the extra effort contributed throughout the entire year and, in particular, the added effort put forth to prepare the budget and the Comprehensive Annual Financial Report, having been awarded the Certificate of Excellence in Financial Reporting for the twelfth consecutive year.

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

Wes Souden

Sandy Low

Michele Greenan

Beckie Cairns

Cindy Farah

Brenda Hampton

Keri McCumber

Carrie Sattler

Shawn Stowe

Ashley Wills

Sincerely,

Christine Thomas-Hill

Executive Director

Finance and Operations

MEMORANDUM

Christine Thomas-Hill
Executive Director
Finance and Operations

Michele Greenan
Executive Assistant

TO: Paul Soma, Superintendent
FROM: Christine Thomas-Hill, Executive Director
DATE: June 26, 2017
RE: 2017/2018 ORIGINAL BUDGETS

Attached please find the 2017/2018 original budget resolution and itemized preliminary budget detail, presented in accordance with the Uniform Budgeting and Accounting Act. The budgets presented represent our preliminary estimates of revenues and expenditures for the General Fund and our Special Revenue Fund (Food Services and Community Services programs). Major revenue assumptions are detailed on the budget resolution (page 5.3) and budget detail (page 6.2). Budget amendments will be brought before the Board for approval as more information becomes available.

An appropriate motion would be:

Moved by _____, and Supported by _____, to adopt a resolution to approve the original 2017/2018 General Fund Budget and the original 2017/2018 Special Revenue Fund Budget, dated July 1, 2017.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 26, 2017

FOR ACTION:

TOPIC: 2017/2018 Preliminary Budgets for Traverse City Area Public Schools (Appropriations Act)

RECOMMENDATION:

It is recommended that the Board of Education adopt the resolution appropriating funds for the 2017/2018 fiscal year (Preliminary Budgets). The Uniform Budgeting and Accounting Act requires that the appropriations for the General Operations and Special Service Funds of the School District be approved by the Board of Education. The tentative budgets for these funds are attached. These budgets are only preliminary, to permit the beginning revenue disposition and expenditure appropriations until such time that the District has the necessary information to provide the final budget to the public and to the Board of Education.

Major revenue data is based upon the following:

Estimated Taxable Value (ad valorem)	4,698,602,179
Homestead Taxable Value	2,842,539,405
Non-Principal Residence Exemption Taxable Value	1,856,062,774*
Operating Millage Levy (Non-principal residence exemption only)	18 mills
Operating Local Property Tax Revenue (Non-principal residence exemption only)	33,409,130
Estimated State Aid (foundation allowance) Formula:	
Foundation Allowance per Pupil	7,631
Local Tax Support per Pupil (Est. Pupils: 9,804)	3,408
State Aid per Pupil (Est. Pupils: 9,804)	4,223

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

Emphasis is made that the data provided herein in no way indicates final revenue or expenditure levels; estimates are merely being provided to receive authorization to begin the 2017/2018 school year.

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

ATTACHMENTS:

- Resolution to Adopt 2017/2018 Preliminary Budgets
- Three (3) year budget reporting required by the State of Michigan (refer to Tab 6)

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION TO ADOPT 2017/2018 PRELIMINARY BUDGETS

RESOLVED, that this resolution shall be the general appropriations of the Traverse City Area Public Schools for the 2017/2018 fiscal year. A resolution to make appropriations, and to provide for the expenditure of the appropriations, and to provide for the disposition of all income received by the Traverse City Area Public Schools.

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

WHEREAS, the total revenues and un-appropriated fund balance estimated to be available for appropriations in the **General (Operating) Fund** of the Traverse City Area Public Schools for the fiscal year 2017/2018 are as follows:

Revenue

Local Sources	\$ 34,985,725
State Sources	53,523,835
Federal Sources	1,820,986
Incoming Transfers and Other Transactions	2,144,023

Total Revenue	\$ 92,474,569
----------------------	----------------------

Fund Balance (07/01/17 estimate)	4,050,039
----------------------------------	-----------

Total Available to

Appropriate ~ General Fund	\$ 96,524,608
----------------------------	----------------------

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

**RESOLUTION TO ADOPT
2017/2018 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, that \$94,095,484 of the total available to appropriate in the **General Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures

Instruction:

Basic Programs	\$ 47,471,506
Added Needs	<u>9,587,347</u>
 Total Instruction	 \$ 57,058,853

Support Services:

Pupil Services	\$ 3,549,868
Instructional Staff	4,468,243
General Administration	607,679
School Administration	6,775,546
Business Services	1,835,198
Operations & Maintenance	9,092,915
Pupil Transportation Services	5,333,444
Central Services	2,962,019
Other Support Services	<u>1,999,655</u>

Total Support Services \$ 36,624,567

Community Services \$ 80,743

Outgoing Transfers and Other Transactions \$ 331,321

Total Appropriated ~ General Fund \$ 94,095,484

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

**RESOLUTION TO ADOPT
2017/2018 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund - Community Services* of the Traverse City Area Public Schools for the fiscal year 2017/2018 are as follows:

Revenue

Local Sources	\$ 3,484,400
Federal Sources	135,000
Intermediate Sources	0
Operating Transfers In	<u>229,321</u>
Total Revenue	\$ 3,848,721

Expenditures

Salaries	\$ 1,779,818
Benefits	1,345,598
Purchased Services	241,540
Supplies and Other Expenses	338,057
Capital Outlay	29,937
Transfers to General Fund and Other	<u>239,907</u>
Total Expenditures	\$ 3,974,857

Excess of Revenues Over/(Under) Expenditures (\$ 126,136)

Beginning Fund Balance (07/01/17 estimate) \$ 430,587

Ending Fund Balance (06/30/18 estimate) \$ 304,451

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION TO ADOPT 2017/2018 PRELIMINARY BUDGETS

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

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

This Appropriations Resolution is to take effect on July 1, 2017.

AYES:

NAYS:

Resolution adopted.

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

The undersigned duly qualified and acting Secretary of the Board of Education of Traverse City Area Public Schools, Traverse City, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education, Traverse City, Michigan at its study session meeting held on June 26, 2017, the original of which is part of the Board's minutes, and further certifies that notice of the meetings was given to the public under the Open Meetings Act, 1976 PA267, as amended.

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

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

ITEMIZED PRELIMINARY BUDGET
2017/2018

Presented June 26, 2017

The itemized portion of the 2017/2018 budgets is provided for informational purposes only and is broken down into more detail than the formal budget adopted by the Board of Education (presented in Tab 5). This section also includes the three-year budget reporting, as required by the State of Michigan.

➔ Table of Contents

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

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

Revenue	2014-2015 Actual	2015-2016 Actual	2016-2017 Amended	2017-2018 Original
Local Unrestricted	33,851,957	34,337,848	36,070,008	34,985,725
State Unrestricted	42,812,048	42,289,114	43,430,521	44,948,929
State Restricted	8,252,349	9,715,667	9,572,903	8,574,906
Federal Restricted	1,802,471	1,780,560	2,506,442	1,820,986
Incoming Transfers/Other	3,332,332	3,109,917	3,015,552	2,144,023
Total Revenues	90,051,157	91,233,106	94,595,426	92,474,569

Expenditures				
Instruction				
Basic Instruction	46,137,620	47,505,690	48,725,557	47,471,506
Added Needs	9,095,822	8,720,601	10,048,414	9,587,347
Total Instruction	55,233,442	56,226,291	58,773,971	57,058,853
Support				
Pupil	3,123,569	3,134,705	3,501,888	3,549,868
Instructional Staff	4,302,350	4,440,545	4,830,642	4,468,243
General Administration	529,320	563,647	595,341	607,679
School Administration	6,419,606	6,705,847	6,622,008	6,775,546
Business Services	1,413,471	1,453,181	1,624,348	1,835,198
Operations and Maintenance	8,993,881	9,120,694	9,015,575	9,092,915
Pupil Transportation	5,080,590	5,132,582	5,885,831	5,333,444
Central Services	2,651,351	2,783,460	2,938,668	2,962,019
Other Support Services	1,896,800	1,998,099	2,365,598	1,999,655
Total Support Services	34,410,938	35,332,760	37,379,899	36,624,567
Community Services	108,088	104,121	146,883	80,743
Other Uses - Outgoing Transfers & Other	124,903	166,269	340,822	331,321
Total Expenditures	89,877,371	91,829,441	96,641,575	94,095,484
Excess Revenue/(Expenditures)	173,786	(596,335)	(2,046,149)	(1,620,915)
Fund Balance - July 1	6,518,737	6,692,523	6,096,188	4,050,039
Fund Balance - June 30	6,692,523	6,096,188	4,050,039	2,429,124
Less Non-Spendable and Assigned	4,127,652	4,712,776	1,539,700	1,539,700
Unassigned Fund Balance	2,564,871	1,383,412	2,510,339	889,424

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	61,370	75,601	50,000	50,000
Non-Spendable for Prepaid	657,067	654,660	100,000	100,000
Assigned for Building Carryover	480,535	690,503	489,700	489,700
Assigned for Department Carryover	231,284	0	0	0
Assigned for Building Staff Carryover	0	0	0	0
Assigned for Severance Pay	1,212,467	1,188,002	900,000	900,000
Assigned for subsequent year expenditures	1,484,929	2,104,010	0	0
Total Fund Equity Non-Spendable and Assigned	4,127,652	4,712,776	1,539,700	1,539,700

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

**Traverse City Area Public Schools
Foundation Allowance Analysis
June 30, 2017**

Calculation of Projected FTE Students			2018	2017
February Student Count (actual 2017)	9,781	10%	978	972
October Student Count (estimate 2017)	9,807	90%	8,826	8,833
Total Fiscal year FTE			9,804	9,805

Total Foundation Allowance Calculation		2018	2017
Total Fiscal year FTE		9,804	9,805
Foundation Amount per Student		7,631	7,511
Total Foundation Allowance		74,814,324	73,645,355

State and Local Portion of Foundation		Current Year	Prior Year
non-Principal Residence Exemption		1,856,062,774	1,813,255,521
18 mills			
Local Portion of Foundation		33,409,130	32,638,599
State Portion of Foundation		41,405,194	41,006,756

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

Revenue	2016-2017 Amended	2017-2018 Original
Local Unrestricted	35,997,201	34,985,725
State Unrestricted	43,430,521	44,948,929
State Restricted	6,073,387	6,073,387
Federal Restricted	20,000	20,000
Incoming Transfers/Other	2,824,220	2,021,023
Total Revenues	88,345,329	88,049,064

Expenditures		
Instruction		
Basic Instruction	47,583,256	46,594,700
Added Needs	7,006,007	7,265,576
Total Instruction	54,589,263	53,860,276
Support		
Pupil	3,168,447	3,201,616
Instructional Staff	3,602,589	3,856,051
General Administration	595,341	607,679
School Administration	6,622,008	6,775,546
Business Services	1,624,348	1,835,198
Operations and Maintenance	9,014,728	9,092,915
Pupil Transportation	5,743,986	5,291,837
Central Services	2,921,119	2,961,803
Student Support Services	2,269,152	1,919,655
Total Support Services	35,561,718	35,542,300
Community Services	8,994	8,994
Other Uses - Outgoing Transfers & Other	231,503	258,409
Total Expenditures	90,391,478	89,669,979
Excess Revenue/(Expenditures)	(2,046,149)	(1,620,915)
Fund Balance - July 1	6,096,188	4,050,039
Fund Balance - June 30	4,050,039	2,429,124
Less Non-Spendable and Assigned	1,539,700	1,539,700
Unassigned Fund Balance	2,510,339	889,424

Fund Equity Non-Spendable and Assigned		
Non-Spendable for Inventories	50,000	50,000
Non-Spendable for Prepays	100,000	100,000
Assigned for Building Carryover	489,700	489,700
Assigned for Department Carryover	0	0
Assigned for Building Staff Carryover	0	0
Assigned for Severance Pay	900,000	900,000
Total Fund Equity Non-Spendable and Assigned	1,539,700	1,539,700

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

Revenue	2016-2017 Amended	2017-2018 Original
Local Unrestricted	72,807	0
State Unrestricted		
State Restricted		
Federal Restricted		
Incoming Transfers/Other	191,332	123,000
Total Revenues	264,139	123,000

Expenditures		
Instruction		
Basic Instruction	13,931	0
Added Needs	154,711	116,088
Total Instruction	168,642	116,088
Support		
Pupil	3,186	0
Instructional Staff	27,558	1,775
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	847	0
Pupil Transportation	0	0
Central Services	0	0
Student Support Services	16,446	0
Total Support Services	48,037	1,775
Community Services	34,380	500
Other Uses - Outgoing Transfers & Other	13,080	4,637
Total Expenditures	264,139	123,000
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
Unassigned Fund Balance	0	0

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

Revenue	2016-2017 Amended	2017-2018 Original
Local Unrestricted		
State Unrestricted		
State Restricted	3,499,516	2,501,519
Federal Restricted		
Incoming Transfers/Other		
Total Revenues	3,499,516	2,501,519

Expenditures		
Instruction		
Basic Instruction	1,003,656	876,806
Added Needs	1,810,481	1,305,627
Total Instruction	2,814,137	2,182,433
Support		
Pupil	245,706	218,053
Instructional Staff	240,769	11,033
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	78,000	0
Central Services	17,049	0
Student Support Services	80,000	80,000
Total Support Services	661,524	309,086
Community Services	5,031	0
Other Uses - Outgoing Transfers & Other	18,824	10,000
Total Expenditures	3,499,516	2,501,519
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Reserves and Designations	0	0
Unreserved Fund Balance	0	0

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

Revenue	2016-2017 Amended	2017-2018 Original
Local Unrestricted		
State Unrestricted		
State Restricted		
Federal Restricted	2,486,442	1,800,986
Incoming Transfers/Other		
Total Revenues	2,486,442	1,800,986

Expenditures		
Instruction		
Basic Instruction	124,714	0
Added Needs	1,077,215	900,056
Total Instruction	1,201,929	900,056
Support		
Pupil	84,549	130,199
Instructional Staff	959,726	599,384
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	63,845	41,607
Central Services	500	216
Student Support Services	0	0
Total Support Services	1,108,620	771,406
Community Services	98,478	71,249
Other Uses - Outgoing Transfers & Other	77,415	58,275
Total Expenditures	2,486,442	1,800,986
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
Unassigned Fund Balance	0	0

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

Revenue	2014-2015 Actual	2015-2016 Actual	2016-2017 Amended	2017-2018 Original
Local	2,405,557	2,348,156	2,322,862	2,285,167
State	268,760	280,006	351,563	303,031
Federal	2,333,532	2,321,635	2,327,700	2,018,652
Incoming Transfers and Other	31,670	13,502	14,000	10,000
Total Revenues	5,039,519	4,963,299	5,016,125	4,616,850

Expenditures				
Salaries and Wages	1,404,663	1,446,981	1,466,975	1,399,211
Employee Benefits	737,494	821,571	842,039	771,982
Purchased Services	130,884	162,109	144,019	143,517
Supplies and Other	2,670,727	2,502,952	2,465,692	2,252,140
Capital Outlay	13,145	48,366	72,400	50,000
Operating Transfer	0	0	0	0
Total Expenditures	4,956,913	4,981,979	4,991,125	4,616,850

Revenues Over/(Under) Expenditures	82,606	(18,680)	25,000	0
Beginning Fund Balance July 1	607,802	690,408	671,728	696,728
Ending Fund Balance June 30	690,408	671,728	696,728	696,728

NOTE: The numbers listed here represent estimates to establish the beginning funding levels. A subsequent final budget will more accurately reflect the direction of the programs listed. The Local Revenue reflects a \$0.10 increase to elementary lunch and a \$0.15 increase to secondary lunch.

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

Revenue	2014-2015 Actual	2015-2016 Actual	2016-2017 Amended	2017-2018 Original
Local	2,671,291	2,960,156	3,257,900	3,484,400
Federal	135,000	133,263	135,000	135,000
Intermediate School District	0	0	0	0
Incoming Transfers/Other	132,741	202,324	228,175	229,321
Total Revenues	2,939,032	3,295,743	3,621,075	3,848,721

Expenditures				
Salaries and Wages	1,351,728	1,526,807	1,727,048	1,779,818
Employee Benefits	921,472	1,092,827	1,279,532	1,345,598
Purchased Services	233,500	240,790	264,286	241,540
Supplies and Other	217,558	318,080	367,553	338,057
Capital Outlay	25,005	24,930	29,956	29,937
Transfer to General Fund and Other	111,574	135,595	140,256	239,907
Total Expenditures	2,860,837	3,339,029	3,808,631	3,974,857
Revenue Over/(Under) Expenditures	78,195	(43,286)	(187,556)	(126,136)
Beginning Fund Balance July 1	583,234	661,429	618,143	430,587
Ending Fund Balance June 30	661,429	618,143	430,587	304,451

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

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

Revenue	2016-2017 Amended	2017-2018 Original
Local	2,880,400	3,113,400
Federal		
Intermediate School District		
Incoming Transfers/Other	35,675	36,821
Total Revenues	2,916,075	3,150,221

Expenditures		
Salaries and Wages	1,485,730	1,539,169
Employee Benefits	1,116,850	1,182,103
Purchased Services	102,397	81,769
Supplies and Other	259,235	234,097
Capital Outlay	4,529	4,329
Transfer to General Fund and Other	134,890	234,890
Total Expenditures	3,103,631	3,276,357
Revenue Over/(Under) Expenditures	(187,556)	(126,136)
Beginning Fund Balance July 1	559,608	372,052
Ending Fund Balance June 30	372,052	245,916

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

Revenue	2016-2017 Amended	2017-2018 Original
Local	377,500	371,000
Federal		
Intermediate School District		
Incoming Transfers/Other	192,500	192,500
Total Revenues	570,000	563,500

Expenditures		
Salaries and Wages	182,234	182,234
Employee Benefits	123,986	123,986
Purchased Services	138,009	138,009
Supplies and Other	100,544	94,089
Capital Outlay	25,227	25,182
Transfer to General Fund and Other	0	0
Total Expenditures	570,000	563,500
Revenue Over/(Under) Expenditures	0	0
Beginning Fund Balance July 1	58,535	58,535
Ending Fund Balance June 30	58,535	58,535

NOTE: The numbers listed here represent estimates to establish the beginning funding levels. A subsequent final budget will more accurately reflect the direction of the programs listed. The Local Revenue reflects a \$15.00 increase to elementary offerings.

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

Revenue	2016-2017 Amended	2017-2018 Original
Local		
Federal	135,000	135,000
Intermediate School District		
Incoming Transfers/Other		
Total Revenues	135,000	135,000

Expenditures		
Salaries and Wages	59,084	58,415
Employee Benefits	38,696	39,509
Purchased Services	23,880	21,762
Supplies and Other	7,774	9,871
Capital Outlay	200	426
Transfer to General Fund and Other	5,366	5,017
Total Expenditures	135,000	135,000
Revenue Over/(Under) Expenditures	0	0
Beginning Fund Balance July 1	0	0
Ending Fund Balance June 30	0	0



Traverse City Area Public Schools
Great Community, Great Schools

Capital Projects - Summary

	2001 Voter Approval 18 Million Authorization	2004 Voter Approval 42 Million Authorization	2007 Voter Approval 105 Million Authorization	<i>Total</i> <i>Voter Approval</i> <i>165 Million Authorization</i>
Bonds Sold				
August 29, 2001	10,000,000			10,000,000
June 9, 2004	4,000,000			4,000,000
May 11, 2005		11,000,000		11,000,000
April 10, 2007	4,000,000	5,960,000		9,960,000
May 1, 2008		11,500,000	18,500,000	30,000,000
June 8, 2010		2,150,000	21,100,000	23,250,000
June 28, 2012		2,800,000	8,200,000	11,000,000
June 24, 2014		1,850,000	11,650,000	13,500,000
May 26, 2016		6,736,013	20,656,428	27,392,441
Sub-Total	18,000,000	41,996,013	80,106,428	140,102,441
Projected Bond Sales				
May 2018		0	12,400,000	12,400,000
May 2020		3,987	12,493,572	12,497,559
Sub Total	0	3,987	24,893,572	24,897,559
Total	18,000,000	42,000,000	105,000,000	165,000,000

**Capital Projects
2001 Voter Approval
18 Million Authorization**

	Bonds Sold	Delivery Date
Series I	10,000,000	8/29/2001
Series II	4,000,000	6/9/2004
Series III	4,000,000	4/10/2007
Total	18,000,000	

	Series I Series I was completed as of 06-30-2005		Series II Series II was completed as of 9-30-2007		Series III Series III Bonds - was completed as of 3-18-2010		Summary
Bond Sale	10,000,000		4,000,000		4,000,000		18,000,000
Earnings on Investments	244,840		173,108		287,766		705,714
	10,244,840		4,173,108		4,287,766		18,705,714
Expenditures							
Central Grade-Montessori	708,008	Interior classroom renovations that included all facility upgrades in support of the overall Montessori Program. Classroom renovations included new bathroom facilities, lighting upgrades, casework and cabinetry, flooring, ceiling and wall finishes upgrades. Renovations also brought all codes up to compliance for those areas including classroom sizes, bathroom and toilet facilities, ADA and Barrier Free access upgrades					708,008
Westwoods	815,793	New addition to existing facility which included the addition of 4 classrooms, toilet facilities, storage space, connector corridor, lockers and all interiors necessary to provide standard classroom set-ups. Addition was approximately 6000 square feet.					815,793
West Junior High	1,511,904	The work included elevator addition for ADA access, barrier free lifting device, corridor and connector upgrade, full and extensive Mechanical, Electrical and Lighting Upgrades. Also, included upgrades to Cafeteria, fire protection systems, locker room and shower facility changes and upgrades along with team room upgrades for sports support facilities. Also included were renovations to Choir Room, Orchestra Room, Band Room and other support facilities.					1,511,904
Central Senior High	2,678,280	The work included an elevator addition to the gym facility for ADA access, locker room changes and upgrades for both Physical Education and Athletic Rooms, and full Mechanical, Electrical and Lighting upgrades for Gym Building, F-Wing, Music Building (H Building) including Band, Orchestra and Choir. Also, included infrastructure work to support upgraded Mechanical and Electrical distribution. In addition, sectional roofing replacements occurred along with some flooring upgrades in common spaces to support unified flooring systems.					2,678,280
Traverse City Senior High	346,439	Scope of work included complete exterior window replacements along with new exterior building EIFS and dryvit system. Complete renovation to connecting corridor over creek between two buildings. Also, included renovations to Cafeteria space along with the addition of an entrance vestibule. Site renovation included the development and expansion of the parking lot, curbs, islands and the repaving of portion of the East parking lot.					346,439
Transportation - Buses	1,478,652	Money used to purchase buses so district can work toward a 10 year bus replacement schedule	1,577,980	Money used to purchase buses so district can work toward a 10 year bus replacement schedule	1,499,333	Money used to purchase buses so district can work toward a 10 year bus replacement schedule	4,555,965
Technology	1,625,743	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	1,918,069	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	1,922,858	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	5,466,670
Furniture, Fixtures and Equipment	816,857	Started the replacement of old and worn out equipment at the school sites	638,236	Furniture & Equipment monies to be utilized in the furnishing of Old Mission school and Traverse Heights School. Also, some district equipment needs such as a new postage meter.	841,954	Furniture & Equipment monies to be utilized in the furnishing of the Cherry Knoll reconstruction, additions at Courtade and Willow Hill, and secondary school projects. Also, some district equipment.	2,297,047
District Flooring	92,416	Replacement of district floors and carpet					92,416
Bond Sale Costs	162,881	Bond Discount 100K, plus cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	38,823	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	23,621	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	225,325
Arbitrage Expense						Arbitrage calculation and reserve for arbitrage liability	0
Other Expense	7,867	Bank Fees and newspaper bid ads. Small misc. projects			0	Money from investment earning to be added to one of the above projects	7,867
	10,244,840		4,173,108		4,287,766		18,705,714

All project actual expenditures and budgeted expenditures as of June 30, 2005

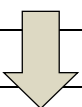
All project actual expenditures and budgeted expenditures as of June 30, 2008

All project actual expenditures and budgeted expenditures as of June 30, 2010

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

	Bonds Sold	Delivery Date
Series I	11,000,000	5/11/2005
Series II	5,960,000	4/10/2007
Series III	11,500,000	5/1/2008
Series IV	2,150,000	6/8/2010
Series V	2,800,000	6/28/2012
Series VI	1,850,000	6/24/2014
Series VII	6,736,013	5/26/2016
Total	41,996,013	

	Series I Series I was completed as of 11-1-2007		Series II Series II was completed as of 3-18-2010		Series III Series III was completed as of 03-23-2012		Series IV Series IV was completed as of 06-02-2014	
Bond Sale	11,000,000		5,970,512		11,500,000		2,150,000	
Earnings on Investments	511,376		317,802		171,737		3,543	
	11,511,376		6,288,314		11,671,737		2,153,543	
Expenditures								
Elementary Facilities	0		0	Unallocated funds	0	Unallocated funds	0	Unallocated funds
Furniture, Fixtures and Equipment					96,535	Furniture, Fixtures and Equipment for the Data Center, Elementary Schools, West Middle School and West Senior High		
Misc. Site Work - Elementary					6,170	Bus radius work Silver Lake and Westwoods		
Elementary Driveway and Parking lot improvements							48,096	Blair, Silver lake, Westwoods: parking lot and driveway improvements
PA system replacement								
Central Grade - Classrooms	258,335	Renovation of six classrooms, this completes the first three year of the Central Grade room renovation project			172,064	Renovation of several classrooms, relocation of teacher's lounge, and literacy library media storage area relocation, this completes year 4 & 5 of the Central Grade room renovation project	108,399	Renovation of several classrooms this completes year 6 & 7 of the Central Grade room renovation project
Central Grade Roofing Project					177,360	Re-roofing project for Central Grade		
Central Grade - Lars Auditorium					24,970	Asbestos removal and level and re-cement the floor		
Montessori Classroom	11,484	Limited renovation of classroom 109 for the Montessori programs use. (Old nurses area)						
Courtade Addition			1,646,571	Money available for the planning, A&E and construction work for the addition to Courtade Elementary (8 rooms). 80K FF&E will be funded in the 2007 capital projects 2001 voter approval				
Willow Hill Addition			80,726	Gym Floor Replacement	2,053,650	Money available for the planning, A&E and construction work for the addition to Willow Hill Elementary (5 rooms). 60K FF& E will be funded in the 2007 capital projects 2001 voter approval		
Willow Hill Site Improvement					20,304	Drainage improvement		
Old Mission School	4,055,489	Complete reconstruction of the Old Mission school.						



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

	Bonds Sold	Delivery Date
Series I	11,000,000	5/11/2005
Series II	5,960,000	4/10/2007
Series III	11,500,000	5/1/2008
Series IV	2,150,000	6/8/2010
Series V	2,800,000	6/28/2012
Series VI	1,850,000	6/24/2014
Series VII	6,736,013	5/26/2016
Total	41,996,013	

	Series I Series I was completed as of 11-1-2007		Series II Series II was completed as of 3-18-2010		Series III Series III was completed as of 03-23-2012		Series IV Series IV was completed as of 06-02-2014	
Traverse Heights School	3,889,718	Complete reconstruction of the Traverse Heights school. Part of this project will be paid for from the next bond sale	174,660	Complete reconstruction of the Traverse Heights school.				
Cherry Knoll School			331,752	Start Architectural, engineering and planning for the reconstruction of Cherry Knoll Elementary	6,490,559	Complete reconstruction of the Cherry Knoll school. This includes the projects contingency funds. Unused contingency funds will be reallocated upon project completion. 400K FF&E will be funded in the 2007 capital projects 2001 voter approval		
Long Lake Elementary Reconstruction					863,599	Start the A&E work on the Long Lake Elementary Reconstruction		
Glenn Loomis - Montessori			53,746	Collaboration with The City of Traverse City to make improvements to Griffin Street and the Montessori driveway				
Elementary Schools	20,402	A&E work on all Elementary schools for development of district standards	28,159	A&E work on all Elementary schools for development of district standards	8,415	Design work Interlochen, Montessori, and Eastern		
Transportation - Buses	980,920	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.	691,987	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.			1,037,008	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Technology	1,312,904	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades) First two years of the authorization	3,038,668	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades) Years three through five of the authorization	1,259,695	Technology projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	588,533	Technology projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Technology							29,509	Technology for the International School at Bertha Vos
Maint & Operations Equip.	246,000	Replace Maintenance Equipment required to maintain Buildings & Grounds.	70,435	Replace Maintenance Equipment required to maintain Buildings & Grounds.	33,578	Replace Maintenance Equipment required to maintain Buildings & Grounds.	98,434	Replace Maintenance equipment required to maintain Buildings & Grounds.
Music Equipment	282,935	Music equipment replacements.	125,279	Music equipment replacements.	100,010	Music equipment replacements.	194,373	Music equipment replacements.
Athletic Department	308,961	Complete resurface of the EMS and WMS track. Resurface 8 tennis courts at EMS			328,404	Create a soccer official game field inside the track at West Senior High. In addition, bleachers, lighting and supportive infrastructure.	48,566	CSH - small gym, interior renovation
Eastern Elementary reconstruction								
Annual audit cost							625	Annual audit cost
Bond Sale Costs	59,580	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	46,331	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	36,424	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	0	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing
Arbitrage Expense	84,648	Arbitrage calculation and reserve for arbitrage liability	0	Arbitrage calculation and reserve for arbitrage liability	0	Arbitrage calculation and reserve for arbitrage liability	0	Arbitrage calculation and reserve for arbitrage liability
Other Expense	0	Money from investment earning to be added to one of the above projects	0	Money from investment earning to be added to one of the above projects	0	Money from investment earning to be added to one of the above projects	0	Money from investment earning to be added to one of the above projects
	11,511,376		6,288,314		11,671,737		2,153,543	

All project actual expenditures and budgeted expenditures as of June 30, 2008

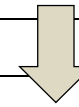
All project actual expenditures and budgeted expenditures as of June 30, 2010

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

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

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

	Series V Series V was completed as of 06-24-2016		Series VI Series VI for Fiscal Years 2015, 2016		Series VII Series VII for Fiscal Years 2017, 2018		Summary
Bond Sale	2,800,000		1,850,000		6,777,286		42,047,798
Earnings on Investments	4,063		6,827		0		1,015,348
	2,804,063		1,856,827		6,777,286		43,063,146
Expenditures							
Elementary Facilities	0	Unallocated funds	3,125	Unallocated funds	0	Unallocated funds	3,125
Furniture, Fixtures and Equipment							96,535
Misc. Site Work - Elementary							6,170
Elementary Driveway and Parking lot improvements							48,096
PA system replacement	28,477	PA system replacement for Blair Elementary, Eastern Elementary, and Westwoods Elementary.					28,477
Central Grade - Classrooms	183,728	Renovation of several classrooms, this completes year 8, 9 & 10 of the Central Grade room renovation project. Lighting upgrades.	124,672	Renovation of several classrooms, lighting upgrades, PA system upgrade and site improvements.			847,198
Central Grade Roofing Project							177,360
Central Grade - Lars Auditorium							24,970
Montessori Classroom							11,484
Courtade Addition							1,646,571
Willow Hill Addition							2,134,376
Willow Hill Site Improvement	26,817	Willow Hill - Roof Drains					47,121
Old Mission School							4,055,489



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

	Series V Series V was completed as of 06-24-2016		Series VI Series VI for Fiscal Years 2015, 2016		Series VII Series VII for Fiscal Years 2017, 2018		Summary
Traverse Heights School							4,064,378
Cherry Knoll School							6,822,311
Long Lake Elementary Reconstruction							863,599
Glenn Loomis - Montessori							53,746
Elementary Schools							56,976
Transportation - Buses			653,450	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.			3,363,365
Technology	2,089,283	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	919,225	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)			9,208,308
Technology							29,509
Maint & Operations Equip.	101,777	Replace Maintenance Equipment required to maintain Buildings & Grounds.	49,789	Replace Maintenance equipment required to maintain buildings & grounds.			600,013
Music Equipment	173,669	Music equipment replacements.	2,874	Music equipment replacements.			879,140
Athletic Department	199,062	Physical Education Facilities: WSH gym sound project, CSH track resurface, WSH soccer field drainage, WSH indoor batting cage.	102,372	Physical Education facilities - scoreboards, WSH softball field site improvement, CSH volleyball stanchions and other projects			987,365
Eastern Elementary reconstruction					6,708,755	Eastern Elementary reconstruction	6,708,755
Annual audit cost	1,250	Annual Audit Cost	1,320	Annual audit cost	0	Annual audit cost	3,195
Bond Sale Costs	0	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	0	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	68,531	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	210,866
Arbitrage Expense	0	Arbitrage calculation and reserve for arbitrage liability	0	Arbitrage calculation and reserve for arbitrage liability	0	Arbitrage calculation and reserve for arbitrage liability	84,648
Other Expense	0	Money from investment earning to be added to one of the above projects	0	Money from investment earning to be added to one of the above projects	0	Money from investment earning to be added to one of the above projects	0
	2,804,063		1,856,827		6,777,286		43,063,146

All project actual expenditures and budgeted expenditures as of June 30, 2016

All project actual expenditures and budgeted expenditures as of June 15, 2017

All project actual expenditures and budgeted expenditures as of June 15, 2017

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

	Bonds Sold	Delivery Date
Series I	18,500,000	5/1/2008
Series II	21,100,000	6/8/2010
Series III	8,200,000	6/28/2012
Series IV	11,650,000	6/24/2014
Series V	20,656,428	5/26/2016
Total	80,106,428	

	Series I Series I was completed as of 03-23-2012		Series II Series II was completed as of 06-02-2014		Series III Series III was completed as of 06-24-2016	
Bond Sale	18,500,000		21,100,000		8,200,000	
Earnings on Investments	269,488		38,202		7,027	
	18,769,488		21,138,202		8,207,027	
Expenditures						
Secondary and Elementary Facilities	0	Unallocated funds	0	Unallocated funds	0	Unallocated funds
District Wide Campus Security	1,068,442	System design, planning and installation	1,775,686	Phase II, system design, planning and installation		
			417,421	Re-roofing project for Willow Hill and Traverse City High School		
			242,814	East Middle School interior upgrades : flooring and walls		
			151,204	East Middle School driveway and parking lot improvements		
			79,646	Willow Hill Flooring: replace all existing asbestos tile hallway flooring in old existing building		
			400,524	Heat pump and mechanical equipment replacement - West Senior High		
			397,934	Mechanical controls replacement to all new building automation system at Central Senior High		
			166,990	Design energy efficient lighting upgrades at Central Senior High, West Middle School, Traverse City High School		
International School at Bertha Vos			529,533	Site work at Bertha Vos for the Montessori and IB program		
			460,000	District copier purchase		
Phase III Security System			513,712	Security System -remaining elementary sites		
			9,359	Central High School - find way sign package		
			3,334	Cherry Knoll - window energy efficiencies	11,380	Cherry Knoll - window energy efficiencies
Central Senior High - Building Addition	3,303,232	Project for Physical Education and Athletic programs. Scope includes addition for physical education, including weight room, aerobics, wrestling room, locker room, connecting corridor. Architectural engineering and design, Facility construction and furnishings.				
Central Senior High - Interior room	691,710	Renovate two Science Lab spaces. Creation of classrooms and support spaces in current or existing weight room area				
Central Senior High - Parking Lot	863,817	Complete resurfacing project includes asphalt, curbs, gutter, sidewalk and approaches. Phase II Bus Driveway				
Central Senior High - Storage Building	146,826	Construction of track storage and football storage buildings and ticket box for Main Entrance				
Long lake Elementary			8,053,358	Complete reconstruction of the Long Lake Elementary. This includes all furniture, fixtures and equipment. Also contains project contingency budget amount		
Furniture, Fixtures and Equipment	12,093	Cash counting equipment and check scanners for the secondary schools. Sound equipment for use at events and TV98 productions	6,079	Narrow band radio equipment		
			54,828	Two way radio system		
			55,903	Equipment - furniture and fixtures		
			41,473	HVAC - mechanical equipment Central High School and Traverse City High School	10,841	HVAC - mechanical equipment Central High School
			137,007	Central High School: replace 3 main heat pumps supporting the auditorium and replace 1 heat pump supporting the network communications room		
			327,750	Glenn Loomis Montessori - Complete roof replacement		
			325,929	Video Security - Interlochen, Eastern, Montessori		
			370,638	West Senior High: Complete mechanical controls replacement to all new building automation system, which is Johnson Control metasys.		
			96,132	Design work for Interlochen Elementary School		
			40,137	Playground equipment - Interlochen Elementary School		

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

	Series IV Series IV for Fiscal Years 2015, 2016		Series V Series V for Fiscal Years 2017, 2018		Summary
Bond Sale	11,650,000		20,782,995		80,232,995
Earnings on Investments	20,386		197,278		532,381
	11,670,386		20,980,273		80,765,376
Expenditures					
					0
Secondary and Elementary Facilities	0	Unallocated funds	0	Unallocated funds	0
District Wide Campus Security					2,844,128
					417,421
					242,814
					151,204
					79,646
					400,524
					397,934
					166,990
International School at Bertha Vos	72,525	Classroom renovation and site work Bertha Vos			602,058
			387,756	District copier purchase	847,756
Phase III Security System					513,712
					9,359
					14,714
Central Senior High - Building Addition					3,303,232
Central Senior High - Interior room					691,710
Central Senior High - Parking Lot					863,817
Central Senior High - Storage Building					146,826
Long lake Elementary					8,053,358
Furniture, Fixtures and Equipment					18,172
					54,828
					55,903
					52,314
					137,007
					327,750
					325,929
					370,638
					96,132
			150,000	Elementary playground equipment upgrades	190,137

Capital Projects
2007 Voter Approval
105 Million Authorization

	Series IV Series IV for Fiscal Years 2015, 2016	Series V Series V for Fiscal Years 2017, 2018	Summary
		90,155	Bus Hoist - transportation garage
			134,644
			42,890
			370,396
	249,604		Electrical upgrades: lighting fixtures and electrical panels
			249,604
			788,910
			413,387
			0
			1,542,923
			4,415
			361,837
			376,934
			68,821
	39,120	20,000	PA system replacement - Traverse Heights, Courtade Elementary, Willow Hill Elementary, and Silver Lake Elementary.
			PA system replacement - East Middle school.
			66,620
			34,291
			11,170
	14,010		Door upgrades - Eastern, Central Grade, East Middle School, Central High Schools, West High School
			168,918
			9,498
			64,571
			43,224
			20,562
	190,747		Central High School - utility tunnel infrastructure upgrade
			190,747
	406,939		West High School - floor replacement classroom, hallways and corridors
			406,939
	400,000		Thirby Field - bleacher seating replacement/site upgrades/scoreboard
			400,000
	18,000		Traverse City High School - PE field improvements
			18,000
	31,441		Blair Elementary - fire alarm
			31,441
	228,275		Cherry Knoll Elementary - Parking lot and site improvements
			228,275
	125,000		Maintenance building - flooring, office equipment and furnishing
			125,000
	101,804		Blair Elementary - floor replacement classroom
			101,804
	2,711,472		Central High School - renovation and infrastructure upgrades to existing auditorium space and roof section.
			2,711,472
	125,800	1,180,000	Secondary instructional classroom furniture and commons area furnishings
			1,305,800
	467,114		Safety and Security - The Boot System
			467,114
	42,440		Cherry Knoll Elementary - classroom renovation and lockers
			42,440
	1,800,000		Silver Lake Elementary - classroom addition and heat pump replacement
			1,800,000
	18,917		West High School - site improvements
			18,917
		6,791,245	Eastern Elementary reconstruction.
			6,791,245
		1,000,000	Eastern Elementary - construction manager, abatement and demolition.
			1,000,000
		2,094,317	East Middle School - mechanical control system, roof replacement, locker room and interior renovation.
			2,094,317

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

	Series IV Series IV for Fiscal Years 2015, 2016		Series V Series V for Fiscal Years 2017, 2018		Summary
			72,055	West Middle School - Master clock and paging system upgrade.	72,055
			348,197	Central Grade Elementary - abatement, interior room renovation and exterior building improvements.	348,197
			71,070	Transportation - paving bus lot approaches, replace overhead garage doors, and replace building flooring.	71,070
			46,350	Willow Hill Elementary school - Site improvements and classroom flooring upgrade	46,350
			240,000	Door hardware, security hardware and radio equipment	240,000
			1,100,000	Heat pump replacement project - Central High school and West High School phase II.	1,100,000
			100,000	District wide plumbing upgrades	100,000
			255,000	Video recording server and capital IT upgrades	255,000
			22,637	Central Grade Elementary - food service freezer	22,637
West Senior High - Building Addition					2,976,493
West Senior High - Interior Room					668,411
Traverse City High School - Building Addition					1,001,036
Data Center					2,824,640
Technology Office Relocation and Training Classrooms - Data Center					86,394
Office Renovations - Boardman Building					13,806
East Middle School - Entry and Office					226,222
East Middle School					34,969
West Middle School - Site Work					2,133,509
Bus Garage - Fuel Island					420,770
Transportation - Buses	1,352,443	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.	2,000,000	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.	5,359,542
Video Recording and tracking equipment					298,697
Technology	2,351,448	Technology projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	3,800,000	Technology projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	13,192,869
Collator					89,450
Operational Equipment	249,789	Replace maintenance Equipment required to maintain buildings and grounds.	300,000	Replace maintenance Equipment required to maintain buildings and grounds.	1,450,069
Physical Education Facilities					764,729
					45,182
	88,872	West High School - bleacher and press box			88,872
	211,128	Physical Education Facilities - West High School Athletic field drainage, Coast Guard soccer field sound equipment, West Middle School tennis courts, soccer field fencing West High and Coast Guard fields, softball field fencing	400,000	Physical Education Facilities - see project list for planned projects	822,812
Thirby Field					200,000
Visual and Performing Arts	299,327	Visual and Performing Arts: see project list for planned projects	300,000	Visual and Performing Arts: see project list for planned projects	1,430,503
Annual Audit Cost	1,250	Annual audit cost	2,500	Annual audit cost	5,625
Bond Sale Costs	72,921	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	208,991	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	492,328
Arbitrage Expense	0	Arbitrage Expense	0	Arbitrage Expense	0
Other Expense	0	Money from investment earning to be added to one of the above projects	0	Money from investment earning to be added to one of the above projects	0
	11,670,386		20,980,273		80,765,376

All project actual expenditures and budgeted expenditures as of June 15, 2017 All project actual expenditures and budgeted expenditures as of June 15, 2017

Bond Programming & Facility Planning Forecasted Project Planning

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
1	Courtade Building Construction / Addition in preparation of Bertha Vos students attending Courtade	Nov 2007-August 2008	2004	\$2,220,000	\$2,100,000	\$1,742,316	Completed	Sep-08	Completed
2	Willow Hill Building Construction / Addition in preparation of Norris students attending Willow Hill	Dec 2007-August 2008	2004	\$2,440,000	\$2,330,000	\$2,199,700	Completed	Sep-08	Completed
3	Cherry Knoll complete building Reconstruction Project - Architectural Design, Engineering and Construction Planning	Oct 2007-April 2008	2004		NA		Completed	NA	Completed
4	Cherry Knoll complete building Reconstruction Project - Demolition, Construction and Furnishings of Building	June 2008-August 2009	2004	\$8,700,000	\$8,300,000	\$7,218,019	Completed	Aug-09	Completed
5	West Senior High - Interior Room Renovations in preparation for Changing Graduation Requirements, middle school conversion and transition requirements	Nov 2007-August 2008	2007	\$628,350	\$662,200	\$668,411	Completed	Sep-08	Completed
6	Renovations in preparation for changing graduation requirements, middle school conversion and transition requirements (Renovate 2 Science Lab spaces)	Nov 2007-August 2008	2007	\$699,500	\$650,000	\$691,710	Completed	Sep-08	Completed
7	Traverse City High School Building Addition Project to support Science Lab Requirements, activity spaces and Art Programs - Design and Engineering completed on Science Portion Only	Oct 2007-Sept 2008	2007	\$2,000,000	\$1,075,000	\$1,003,192	Completed	Sep-08	Completed
8	Central High School - Parking Lot complete resurfacing project including asphalt, curbs, gutter, sidewalk and approaches	Dec 2007-August 2008	2007	\$1,100,000	\$1,000,000	863,817	Completed	Sep-08	Completed
9	Central High School - Building Addition Project for Physical Education and Athletic Programs. Building addition project facilitates/supports graduation requirement changes, grade configurations and change in athletic seasons. Scope includes addition for physical education including weight room, aerobics, wrestling room, locker room, connecting corridor. Architectural / engineering and design development.	Jan 2008-Sept 2008	2007				Completed	Aug-09	Completed
10	Central High School - Building Addition Project for Physical Education and Athletic Programs. Building addition project facilitates/supports graduation requirement changes, grade configurations and change in athletic seasons. Scope includes addition for physical education including weight room, aerobics, wrestling room, locker room, connecting corridor. Construction of Facility and Furnishings	2009	2007	\$3,544,600	\$3,544,600	\$3,339,540	Completed	Sep-09	Completed
11	West Senior High - Athletic Addition encompassing auxiliary gym space, locker space, storage and office components (East Master Plan addition)	2008/2009	2007	\$3,500,000	\$3,500,000	\$3,125,995	Completed	Sep-09	Completed
12	Perimeter Security System, Phase I, for all secondary school locations	2009	2007	\$1,090,000	\$990,000	\$984,370	Completed	Oct-09	Completed
13	East Middle School - Main Entry / Office Configuration Changes to provide greater monitoring and line of sight	2009	2007	\$400,000	\$250,000	\$226,222	Completed	Sep-09	Completed
14	West Middle School - Complete Site Work Re-evaluation, Redesign and improved site changes	2009	2007	\$2,000,000	\$2,000,000	\$2,027,789	Completed	Sep-09	Completed
15	Central Grade - Remodel four classrooms.	Jan-Sept 2009	2004	\$200,000	\$200,000	\$172,063	Completed	Sep-09	Completed
16	Video recording and tracking equipment	2009	2007	\$300,000	\$300,000	\$257,461	Completed	NA	Completed

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

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

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
17	Collator	2009	2007	\$125,000	\$125,000	\$89,450	Completed	Apr-09	Completed
18	Fuel Island Reconstruction	2009	2007	\$400,000	\$400,000	\$420,770	Completed	Sep-09	Completed
19	Unallocated Funds 2004 Voter Authorization	NA	2004	\$0	NA	NA	Completed	NA	Completed
20	Unallocated Funds 2007 Voter Authorization	NA	2007	\$0	NA	NA	Project Planning	NA	Projects Evaluation
21	Central High School Bleacher Replacement, Press Box, and entry site modifications.	June-August 2009	2007	\$200,000	\$200,000	Contract Agreement offset between WSH & CHS \$209,559	Completed	Sep-09	Completed
22	Create a soccer official game field at West Senior High. In addition, bleachers, supportive infrastructure, and field lighting.	June-August 2009	2004	\$350,000	\$350,000	\$309,283	Completed	Sep-09	Completed
23	Visual and Performing Arts Installation of New Dust Collection Systems and upgraded Ventilation Systems	2011	2007	\$150,000	\$150,000	\$136,014	Completed	Sep-11	Completed
24	Long Lake Elementary Reconstruction	2010/2011	2007	\$9,500,000	\$9,200,000	8,916,958	Completed	Sep-11	Completed
25									
26	Montessori Glenn Loomis Reconstruction	TBD	TBD	TBD	TBD	TBD	On Hold	TBD	Board Direction on Bond Program
27									
28	Data Center Project - Conversion of the existing Sabin Elementary School gymnasium into the TCAPS Data/Communications Center.	2010/2011	2007	\$3,200,000	\$3,200,000	\$2,959,233	Completed	Aug-11	Completed
29	Griffin Street - Improve the traffic issues at Montessori @ Glenn Loomis Elementary School.	2009	2007	\$60,000	\$55,000	\$53,745	Completed	Sep-09	Completed
30	Access Control & Video Surveillance Security System - Phase II	2011	2007	\$1,800,000	\$1,800,000	\$1,775,687	Completed	Nov-11	Completed
31	Phase III Wireless Point to Point System Redundancy for Wireless Tower Redundancy. Along with Bandwidth upgrades to Ceragon Radio communications from Phase I & II.	2011	2007	\$337,886	\$350,000	\$346,621	Completed	Sep-11	Completed
32	Interior Gym Renovation to (old) Small Gym-CHS	2011	2007	\$53,000	\$53,000	\$48,566	Completed	Jul-11	Completed
33	Construction of Track/Football Buildings/Entrance/Ticket Booth-CHS	2011	2007	\$158,000	\$158,000	\$146,827	Completed	Jul-11	Completed
34	Construction and Installation of 500 Seat Bleacher System, Press Box and Concessions at EMS & WMS	2010/2011	2007	\$354,300	\$354,300	\$353,984	Completed	Jul-11	Completed
35	Complete Gymnasium Lighting Retrofit at WSH	2010	2007	\$48,200	\$48,200	\$45,182	Completed	Sep-10	Completed
36	Installation of J-drain Site Drainage System at WSH Soccer Field	2010	2007	\$22,500	\$22,500	\$19,185	Completed	Aug-10	Completed
37	Conversion of Existing Analog Phone System to Complete Voice Over Internet Protocol	2013	2007	\$1,800,000	\$1,000,000	\$782,161	Completed	Dec-13	Completed
38	Complete (large and small) Gymnasium Lighting Retrofit at EMS	2010	2007	\$39,000	\$39,000	34,969	Completed	Sep-10	Completed
39	Preliminary "Elementary Standards Programming" for New School Design along with Preliminary Schematic Concept Design for next Elementary School Reconstruction	TBD	2007	\$40,000	TBD	TBD	On Hold Pending Bond Program Direction	TBD	Educational Design
40	Central Grade School 2011 Classroom Renovation	2011	2007	\$200,000	\$116,567	\$108,399	Completed	Sep-11	Completed

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

Bond Programming & Facility Planning Forecasted Project Planning

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
41	Energy Efficient Lighting Upgrades at Central High School, West Middle School and Traverse City High School.	2011	2007	\$200,000	\$167,069	\$166,991	Completed	Nov-11	Completed
42	Technology Office Relocation to Sabin Complex	2011	2007	\$150,000	\$150,000	\$86,394	Completed	Oct-12	Completed
43	Re-Roofing Project for Central Grade, Willow Hill and Traverse City High School	2011	2007	\$700,000	\$600,000	\$594,782	Completed	Sep-11	Completed
44	East Middle School Interior Finishes: Upgrade flooring and paint	2011	2007	\$275,000	\$245,414	\$242,815	Completed	Sep-11	Completed
45	East Middle School driveway and parking lot improvements	2011	2007	\$185,000	\$151,205	\$151,205	Completed	Oct-11	Completed
46	Willow Hill Flooring: Replace all existing asbestos tile hallway flooring in old existing building.	2012	2007	\$186,000	\$186,000	\$79,646	Completed	Sep-12	Completed
48	Complete mechanical controls replacement to all new building automation system, which is Johnson Controls Metasys at Central High School	2012	2007	\$460,000	\$460,000	\$397,426	Completed	Oct-12	Completed
49	VPAA Project: WSH Mezzanine for Scene Shop	2012	2007	\$80,000	\$85,000	\$53,945	Completed	Sep-12	Completed
50	Office Renovation at Administration Building	2011	2007	\$20,000	\$15,000	\$13,806	Completed	Dec-11	Completed
51	Purchase of Copiers for District. Eliminate leased copiers 2012	2012	2007	\$460,000	\$460,000	\$460,000	Completed	Feb-12	Completed
52	Bertha Vos New Flooring	2012	2007	All Bertha Vos Projects are being funded from the \$900,000 Bond allocation	\$95,000	\$529,893	Completed	Sep-12	Completed
53	Bertha Vos Wall Finishes/Painting	2012	2007		\$45,000		Completed	Sep-12	Completed
54	Bertha Vos General Trades Work	2012	2007		\$35,000		Completed	Sep-12	Completed
55	Bertha Vos Site Repaving	2012	2007		\$55,000		Paving Completed	Aug-12	Completed
56	Bertha Vos Food Service Equipment	2012	2007		\$65,000		Equipment installed	Aug-12	Completed
57	Bertha Vos Phones	2012	2007		\$38,000		Completed	Aug-12	Completed
58	Bertha Vos Wireless Point to Point Communications Tower	2012	2007		\$150,000		Completed	Aug-12	Completed
59	Bertha Vos Playground	2012	2007		\$45,000		Completed	Aug-12	Completed
60	Phase III Access Control Security System Project for Eastern, Montessori, Bertha Vos and Interlochen	2012	2007	\$500,000	\$500,000	\$513,713	Completed	Sep-12	Completed
61	Blair, Silver Lake, Westwoods: Crack Fill and Seal Coal Driveways and parking lots	2013	2007	\$60,000	\$55,000	\$48,097	Completed	Sep-13	Completed
62	CHS: replace three main heat pumps supporting auditorium and replace 1 heat pump supporting network communications room	2014	2007	\$200,000	\$180,000	\$137,007	Completed	Oct-13	Completed
63	Energy Efficiency Projects, Phase II and III: CO, WW, SL, BL, CE, OP, WH and Administration	2013-14	2007	\$720,000	\$720,000	\$370,396	Phase II Completed	2013-2014	Completed
64	Silver Lake Flooring: Replacement of all classroom flooring	2013	2007	\$150,000	\$100,000	\$42,890	Completed	Oct-13	Completed
65	WSH Mechanical Controls Replacement to Metasys Automation. Current system is unsupported.	2013	2007	\$400,000	\$400,000	\$373,958	Completed	Nov-13	Completed
66	WMS Mechanical Controls Replacement to Metasys Automation. Current system is unsupported.	2014	2007	\$435,000	\$435,000	\$413,387	Completed	Nov-14	Completed
67	Phase IV Video Security Installation for Interlochen, Glenn Loomis and Eastern Elementary Schools.	2013	2007	\$450,000	\$380,000	\$325,929	Completed	Oct-13	Completed

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

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

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
68	Montessori @ Glenn Loomis: Complete replacement of old existing roof. Existing roof is failing.	2013	2007	\$450,000	\$425,000	\$327,750	Completed	Oct-13	Completed
69	West Senior High School Track Resurfacing	2013	2007	\$200,000	\$170,000	\$138,574	Completed	Sep-13	Completed
70	West Senior High School Tennis Court Resurfacing	2013	2007	\$160,000	\$90,000	\$62,612	Completed	Sep-13	Completed
71	Central High School Motorized Scrim	2013	2007	\$80,000	\$72,000	\$61,106	Completed	Sep-13	Completed
72	West Senior High School Heat Pump Replacement (36 Heat Pumps to be replaced throughout the school)	2013	2007	\$700,000	\$550,000	\$400,524	Completed	Oct-13	Completed
73	VPAA Project West Middle School Kiln: Burner Upgrades	2013	2007	\$15,000	\$15,000	\$10,407	Completed	Dec-13	Completed
74	VPAA West Senior High Motorized Scrim	2013	2007	\$80,000	\$80,000	\$66,212	Completed	Apr-13	Completed
75	Radio Purchase	2013	2007	\$55,000	\$55,000	\$54,829	Completed	Oct-13	Completed
76	Blair Elementary addition - preschool classrooms	2013/2014	2007	\$2,215,000	\$1,800,000	\$1,542,923	Completed	Sep-14	Completed
77	Central Grade School 2014 Classroom Renovation	2014	2004	\$300,000	\$265,000	\$152,608	Completed	Sep-14	Completed
78	VPAA: CHS & WMS Locker storage for musical instruments	2014	2007	\$170,000	\$170,000	\$146,643	Completed	Sep-14	Completed
79	Athletics: New scoreboards for Field Facilities	2014	2007	\$220,000	\$310,000	\$294,191	Completed	Sep-14	Completed
80	Interlochen Gym Floor Replacement	2014	2007	\$75,000	\$75,000	\$69,046	Completed	Jan-15	Completed
81	Eastern Roof Replacement	2014	2007	\$450,000	\$450,000	\$361,837	Completed	Sep-14	Completed
82	Interlochen Roof Replacement	2014	2007	\$450,000	\$450,000	\$376,934	Completed	Sep-14	Completed
83	West Senior High School flooring replacement in classrooms, corridors, main and counseling offices	2014	2007	\$650,000	\$450,000	\$406,940	Completed	Sep-14	Completed
84	Thirlby Field Bleacher Replacement Project	2015	2007	\$400,000	\$156,000	\$201,184	Bleachers installed	Aug-15	Next phase
85	Eastern Elementary: PA System Replacement	2014	2007	\$15,000	\$15,000	\$11,110	Completed	Mar-15	Completed
86	Interlochen Elementary: PA System Replacement	2014	2007	\$15,000	\$15,000	\$7,500	Completed	Mar-15	Completed
87	Central Grade Elementary: PA System Replacement	2017	2004	\$35,000	\$28,400	TBD	Contract award	Aug-17	Installation
88	Montessori @ Glenn Loomis: PA System Replacement	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
89	Purchase of 45 new Security Cameras to replace obsolete Pelco Cameras	2014	2007	\$35,000	\$35,000	\$34,291	Completed	Oct-14	Completed
90	Willow Hill Roof Drains	2014	2007	\$30,000	\$30,000	\$26,817	Completed	Sep-14	Completed
91	Safety and Security - The Boot System	2014	2007	\$485,000	\$485,000	\$467,114	Completed	Oct-14	Completed
92	VPAA Central High School Production Studio	2014	2007	\$70,000	\$85,000	\$82,202	Completed	Oct-14	Completed
93	VPAA West Senior High Auditorium light board	2014	2007	\$12,000	\$11,500	\$11,273	Completed	Aug-14	Completed
94	Central High School track resurfacing	2015	2007	\$181,200	\$160,000	\$158,390	Completed	Jul-15	Completed
95	West Senior High track bleachers and press box	2015	2007	\$350,000	\$154,200	\$153,873	Completed	Jun-15	Completed

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

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

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
96	Central High School renovation and infrastructure upgrades to existing auditorium space	2015	2007	\$2,700,000	\$2,750,000	\$2,711,472	Completed	Dec-15	Completed
97	Blair Elementary classroom and corridor flooring replacement	2015	2007	\$180,000	\$110,000	\$101,804	Completed	Aug-15	Completed
98	Fingerprint equipment	2015	2007	\$11,500	\$11,500	\$11,170	Completed	Jul-15	Completed
99	Eastern Elementary, Central Grade, East Middle School, Central High School and West Senior High exterior door replacement	2015	2007	\$170,000	\$170,000	\$168,918	Completed	Sep-15	Completed
100	Central High School reconstruction of utility tunnel sections and removal of abandoned utilities	2015	2007	\$450,000	\$250,000	\$190,747	Completed	Sep-15	Completed
101	Westwoods Elementary PA system replacement	2015	2007	\$15,000	\$15,000	\$7,395	Completed	Jul-15	Completed
102	Silver Lake Elementary PA system replacement	2015	2007	\$10,000	\$10,000	\$8,550	Completed	Sep-16	Completed
103	Central High School weight room HVAC	2015	2007	\$12,000	\$12,000	\$10,841	Completed	Aug-15	Completed
104	Cherry Knoll Elementary window weathering	2015	2007	\$11,380	\$11,380	\$11,380	Completed	Aug-15	Completed
105	Central Grade Elementary LED lighting and ceiling upgrades	2015	2004	\$35,000	\$35,000	\$31,120	Completed	Sep-15	Completed
106	Blair Elementary PA system replacement	2016	2004	\$15,000	\$15,000	\$9,972	Completed	May-16	Completed
107	Traverse Heights PA system replacement	2016	2007	\$15,000	\$15,000	\$11,995	Completed	Jun-16	Completed
108	Courtade Elementary PA system replacement	2016	2007	\$10,000	\$10,000	\$9,075	Completed	Sep-16	Completed
109	East Middle School PA system replacement	2017	2007	\$20,000	TBD	TBD	Planning	TBD	Bidding
110	Willow Hill Elementary PA system replacement	2016	2007	\$10,000	\$10,000	\$9,500	Completed	Sep-16	Completed
111	Central Grade Elementary - Classroom renovations	2016	2004	\$96,000	\$96,000	\$60,082	Completed	Jan-17	Completed
112	Eastern Elementary site paving	2015	2007	\$75,000	\$75,000	\$64,571	Completed	Sep-15	Completed
113	Secondary sites storage containers	2016	2007	\$50,000	\$50,000	\$43,224	Completed	Nov-15	Completed
114	East Middle School dish washer	2016	2007	\$21,000	\$21,000	\$20,562	Completed	Sep-15	Completed
115	West High School Gym sound equipment	2015	2004	\$12,000	\$12,000	\$11,487	Completed	Jan-15	Completed
116	West High School indoor batting cage	2016	2004	\$10,000	\$10,000	\$10,000	Completed	Apr-16	Completed
117	Blair Elementary fire alarm	2016	2007	\$35,000	\$35,000	\$31,441	Completed	Sep-16	Completed
118	Cherry Knoll Elementary Parking and access improvements	2016	2007	\$225,000	\$230,000	\$228,275	Completed	Sep-16	Completed
119	Cherry Knoll Elementary classroom renovation	2016	2007	\$50,000	\$50,000	\$42,440	Completed	Sep-16	Completed
120	Silver Lake Elementary - Mechanical controls system	2017	2007	\$129,500	\$129,500	TBD	Contract award	Dec-17	Construction
121	Maintenance building office renovation	2016	2007	\$125,000	\$125,000	TBD	Contract award	Sep-17	Construction
122	Physical Education Facility - Field and site improvements EMS,WMS & WSH	2017	2007	\$40,400	\$40,400	TBD	Project Planning	Dec-17	Bidding
123	Energy and electrical upgrades LED lighting West High School, East Middle School, Traverse Heights and Transportation	2016	2007	\$350,000	\$249,604	\$60,760	Completed	Sep-16	Completed
124	Secondary classroom and common area furniture and fixtures	2014	2007	\$800,000	\$125,800	\$125,800	Completed	Sep-16	Completed
125	Secondary classroom and common area furniture and fixtures	2017	2007	\$1,180,000	\$1,180,000	TBD	Project Planning	Dec-17	Bidding

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

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

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
126	East Middle School mechanical controls system and condensers and coils	2016	2007	\$600,000	\$600,000	\$588,557	Completed	Sep-16	Completed
127	East Middle School roof replacement	2016	2007	\$975,000	\$975,000	\$680,907	Completed	Sep-16	Completed
128	East Middle School locker room and interior renovation	2016	2007	\$800,000	\$800,000	\$824,852	Completed	Sep-16	Completed
129	West Middle School - Master clock and Paging System	2017	2007	\$250,000	\$72,055	TBD	Contract award	Sep-17	Installation
130	Transportation - flooring replacement	2016	2007	\$20,000	\$20,000	\$9,230	Completed	Sep-16	Completed
131	Traverse City High School - PE field	2017	2007	\$18,000	\$18,000	TBD	Contract award	Aug-17	Construction
132	West High School Site Improvements	2016	2007	\$30,000	\$30,000	\$18,917	Completed	Sep-16	Completed
133	Bertha Vos Elementary - Classroom Renovation	2016	2007	\$80,000	\$80,000	\$72,525	Completed	Mar-17	Completed
134	West Middle School - Tennis Courts	2016	2007	\$85,000	\$85,000	\$88,542	Completed	Dec-16	Completed
135	West Senior High - Athletic Field site improvement	2016	2007	\$80,000	\$80,000	\$56,463	Completed	Jan-17	Completed
136	Physical Education Facility - Site improvements and equipment purchase	2016	2007	\$75,000	\$75,000	\$61,861	Completed	May-17	Completed
137	Physical Education Facility - WMS Site improvements and CSH equipment purchase	2016	2004	\$30,000	\$30,000	\$26,260	Completed	Nov-16	Completed
138	Silver Lake Elementary - Classroom Additions	2017	2007	\$1,800,000	\$1,800,000	TBD	Contract award	Dec-17	Construction
139	Central Grade - Building renovations	2017	2004/2007	\$180,000	\$176,197	TBD	Contract award	Sep-17	Construction
140	Central Grade - Abatement project	2017	2007	\$180,000	\$172,000	TBD	Contract award	Sep-17	Construction
141	Eastern Elementary - Reconstruction	2017	2004/2007	\$13,500,000	TBD	TBD	Bid documents and Bidding	Aug-18	Contract award
142	Eastern Elementary - Construction Manager, Abatement and Demolition	2017	2007	\$1,000,000	TBD	TBD	Contract award	Aug-18	Demolition
143	Door Hardware, Security Hardware and Radio Equipment	2016/2017	2007	\$240,000	\$240,000	TBD	Next Phase	Sep-17	Planning
144	Video Recorder Server	2017	2007	\$230,000	\$230,000	TBD	Bidding	Oct-17	Contract Award
145	District Copier replacement	2017	2007	\$550,000	\$387,756	TBD	Contract award	Sep-17	Delivery
146	Willow Hill Elementary - Site and classroom flooring upgrade	2017	2007	\$50,000	\$50,000	TBD	Contract award & planning	Sep-17	Site completion & contract award
147	Transportation - Overhead garage doors and site approach paving	2017	2007	\$9,000	\$90,000	\$62,832	Completed	Aug-16	Completed
148	Transportation - Bus Hoist	2017	2007	\$90,000	\$90,000	\$90,155	Close out	Aug-17	Close out
149	Central Grade freezer	2016	2007	\$25,000	\$25,000	\$22,637	Completed	Sep-16	Completed
150	CSH - Portable Backstop System	2017	2007	\$40,000	\$40,000	TBD	Contract award	Sep-17	Delivery
151	East Middle School - Cafeteria sound and Lighting	2017	2007	\$80,000	\$80,000	TBD	Planning	Nov-17	Bidding
152	West High School - Auditorium Improvements	2017	2007	\$71,500	\$71,500	TBD	Planning	Nov-17	Bidding
153	West High School - stage pit cover and extension	2017	2007	\$35,000	\$59,000	TBD	Contract award	Sep-17	Construction

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

MEMORANDUM

Christine Thomas-Hill
Executive Director
Finance and Operations

Michele Greenan
Executive Assistant

TO: Paul Soma, Superintendent
FROM: Christine Thomas-Hill, Executive Director
DATE: June 23, 2017
RE: CERTIFICATION OF 2017/2018 TAXES

The Board of Education is being asked to adopt a resolution certifying the tax levy for the 2017/2018 school year, to take effect on July 1, 2017. This certification is necessary for the July 1, 2017 preparation of the summer tax collection bills.

An appropriate motion to adopt this resolution would be:

Moved by _____, Supported by _____, to adopt the resolution certifying the tax levy for the 2017/2018 school year, dated July 1, 2017.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 26, 2017

FOR ACTION:

TOPIC: Certification of Taxes for the 2017/2018 School Year

RECOMMENDATION:

It is recommended that the Board of Education adopt the resolution certifying the tax levy for the 2017/2018 school year at the following rates:

Operating Millage Rate (Non-principal Residence Exemption)	18.000
Debt Millage Rate (Homestead, Non-principal Residence Exemption, and IFT/CFT)	3.100

It is necessary to certify taxes so that the summer tax collection bills can be prepared by July 1, 2017. After applying the appropriate Headlee Rollback calculation to the authorized non-principal residence exemption millage rate, the District is still able to levy the full 18 mills required to receive the foundation amount.

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

18.0 Mills Operating Non-principal Residence Exemption	\$33,409,130
3.1 Mills Debt Service	\$14,565,667

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

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

**RESOLUTION FOR ADOPTION
June 26, 2017**

CERTIFICATION OF TAXES

This Resolution certifying taxes for the 2017/2018 school year shall take effect on July 1, 2017.

AYES:

NAYS:

Resolution adopted.

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

The undersigned duly qualified and acting Secretary of the Board of Education of Traverse City Area Public Schools, Traverse City, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education, Traverse City, Michigan at its study session meeting held on June 26, 2017, the original of which is part of the Board's minutes, and further certifies that notice of the meetings was given to the public under the Open Meetings Act, 1976 PA267, as amended.

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

2017 Tax Rate Request (This form must be completed and submitted on or before September 30, 2017)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

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

County(ies) Where the Local Government Unit Levies Taxes Benzie, Grand Traverse & Leelanau	2017 Taxable Value of ALL Properties in the Unit as of 5-22-17 4,698,602,179
Local Government Unit Requesting Millage Levy Traverse City Area Public Schools	For LOCAL School Districts: 2017 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. 1,856,062,774

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2017 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2016 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2017 Current Year "Headlee" Millage Reduction Fraction	(7) 2017 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Extra Vote	OP NH	11/04/14	19.0961	19.0961	0.9868	18.8440	N/A	18.8440	18.0000		12/2025
Extra Vote	Debt-All	06/12/95	N/A	N/A	N/A	N/A	N/A		3.1000		N/A
		06/14/04									
		11/06/07									

Prepared by **Sandra Low** Telephone Number **231.933.1797** Title of Preparer **Director of Finance** Date **06/26/2017**

CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

Signature *Doris E. Ellery* Print Name **Doris E. Ellery** Date **06/26/2017**

Signature *Erik J. Falconer* Print Name **Erik J. Falconer** Date **06/26/2017**

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

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

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 3 of 2017 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	0.00
For Commercial Personal	6.00
For all Other	18.00

2017 Tax Rate Request (This form must be completed and submitted on or before September 30, 2017)

Carefully read the instructions on page 2.

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

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

County(ies) Where the Local Government Unit Levies Taxes Benzie, Grand Traverse & Leelanau	2017 Taxable Value of ALL Properties in the Unit as of 5-22-17 4,698,602,179
Local Government Unit Requesting Millage Levy Traverse City Area Public Schools	For LOCAL School Districts: 2017 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. 1,856,062,774

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2017 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5)** 2016 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2017 Current Year "Headlee" Millage Reduction Fraction	(7) 2017 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Extra Vote	OP NH	11/04/14	19.0961	19.0961	0.9868	18.8440	N/A	18.8440	18.000	18.000	12/2025
Extra Vote	Debt-All	06/12/95	N/A	N/A	N/A	N/A	N/A		3.1000	3.1000	N/A
		06/14/04									
		11/06/07									

Prepared by **Sandra Low** Telephone Number **231.933.1797** Title of Preparer **Director of Finance** Date **06/26/2017**

CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

<input type="checkbox"/> Clerk	Signature <i>Doris E. Ellery</i>	Print Name Doris E. Ellery	Date 06/26/2017
<input checked="" type="checkbox"/> Secretary	Signature <i>Erik J. Falconer</i>	Print Name Erik J. Falconer	Date 06/26/2017
<input type="checkbox"/> Chairperson			
<input checked="" type="checkbox"/> President			

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

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

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 3 of 2017 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	0.00
For Commercial Personal	6.00
For all Other	18.00

RatingsDirect®

Summary:

Traverse City Area Public Schools, Michigan; General Obligation

Primary Credit Analyst:

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

Secondary Contact:

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

Table Of Contents

Rationale

Outlook

Related Criteria And Research

Summary:

Traverse City Area Public Schools, Michigan; General Obligation

Credit Profile

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

Long Term Rating AA-/Stable New

Traverse City Area Pub Schs GO

Long Term Rating AA-/Stable Affirmed

Traverse City Area Pub Schs GO

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Rationale

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

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

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

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

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

Economy

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

The school district is located in the northwestern portion of Michigan's lower peninsula. The 300-square-mile district serves the population of Traverse City, Mich., and portions of 13 townships in Grand Traverse, Leelanau, and Benzie counties. The area is known for year-round tourism and is considered the region's economic center. The district's tax

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

Finances

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

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

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

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

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

Management

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

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

Debt

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

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

Pension and other postemployment benefit liabilities

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

The district participates in the Michigan Public School Employees' Retirement System (MPSERS), a cost-sharing, multiple-employer, defined-benefit pension plan. The district is required to pay the full actuarial funding contribution amount to the pension plan and additional amounts to cover retiree healthcare benefits (other postemployment benefits or OPEB). The district does not offer any additional OPEB benefits over and above what the MPSERS plan provides.

Outlook

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

Upside scenario

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

Downside scenario

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

Related Criteria And Research

Related Criteria

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Key General Obligation Ratio Credit Ranges – Analysis Vs. Reality, April 2, 2008
- USPF Criteria: Financial Management Assessment, June 27, 2006
- USPF Criteria: Debt Statement Analysis, Aug. 22, 2006
- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015

Related Research

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

Ratings Detail (As Of May 3, 2016)

Traverse City Area Pub Schs GO (CIFG)

Unenhanced Rating

AA-(SPUR)/Stable

Affirmed

Many issues are enhanced by bond insurance.

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

Copyright © 2016 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

ISSUER COMMENT

8 March 2017

RATING

General Obligation (or GO Related)¹

Aa3 No Outlook

Contacts

Gregory Max Sobel 212-553-9587
Associate Analyst
gregory.sobel@moodys.com

Rachel Cortez 312-706-9956
VP-Sr Credit Officer
rachel.cortez@moodys.com

Traverse City Area Public Schools, MI

Annual Comment on Traverse City Area Public Schools

Issuer Profile

Traverse City Area Public Schools is located primarily in Grand Traverse County in the northwestern region of Michigan's lower peninsula, approximately 50 miles southwest of Petoskey. Grand Traverse County has a population of 90,782 and a population density of 196 people per square mile. The county's per capita personal income is \$42,633 (2nd quartile) and the November 2016 unemployment rate was 3.6% (2nd quartile).² The largest industry sectors that drive the local economy are health services, retail trade, and accommodation/food services.

Credit Overview

The credit position for Traverse City Area Public Schools is high quality, and its Aa3 rating is equivalent to the median rating of Aa3 for US school districts. The key credit factors include a healthy economic profile with a substantial tax base, and an inflated pension liability with a manageable debt burden. It also takes into account a satisfactory financial position.

Economy and Tax Base: The economy and tax base of the district are very strong and are a modest credit strength when compared with the assigned rating of Aa3. The total full value (\$10.6 billion) is well above the US median and grew from 2013 to 2016. Furthermore, Traverse City Area Public Schools' full value per capita (\$129,526) is much stronger than the US median. Lastly, the median family income is 102.1% of the US level.

Debt and Pensions: The debt liability of the district is small and it is in line with its Aa3 rating. The net direct debt to full value (0.8%) is below the US median. In contrast, the district has a somewhat elevated pension liability which is unfavorable in comparison to the assigned rating of Aa3. Traverse City Area Public Schools' Moody's-adjusted net pension liability to operating revenues (2.9x) unfavorably is materially above the US median. However, this indicator favorably decreased slightly from 2013 to 2016.

Finances: The financial position of the district is satisfactory and is comparable to its Aa3 rating. That said, the net cash balance as a percent of revenues (6.9%) is well below the US median and fell modestly between 2013 and 2016. Similarly, the available fund balance as a percent of operating revenues (6.5%) is much weaker than other Moody's-rated school districts nationwide.

Management and Governance: The ability to generate balanced financial operations indicates good financial management. In this situation, Traverse City Area Public Schools' operations were approximately break-even while the tax base generally increased.

Michigan school districts have an institutional framework score ³ of "Baa," or weak. The primary revenue source is the state per-pupil foundation allowance, which is moderately predictable. The allowance, adopted annually in the state budget, is funded through local property taxes generated by 18 mills, with the state contributing the balance. A small number of districts have additional hold-harmless millage grandfathered in prior to school funding reforms in 1994. Districts have low ability to raise revenues as they cannot seek voter approval for millage increases above their existing levy caps and nearly all districts levy at their caps. Expenditure reduction ability is moderate. Many districts have already significantly reduced personnel and negotiated contract concessions. Low expenditure predictability reflects a declining school-aged population and competition from charter schools.

Sector Trends - Michigan School Districts

Michigan school districts are likely to remain significantly pressured due to overall enrollment declines, stagnant state funding, and limited revenue raising ability. Additionally, charter school competition has increased in recent years, particularly in the Detroit metropolitan area. Combined, these factors have contributed to a significant narrowing of financial reserves for a large number of districts, a trend that is continuing. Pension contributions increasingly compete with operations. Favorably, tax base valuations are rebounding after falling significantly in recent years.

Exhibit 1

Key Indicators^{4 5}

Traverse City Area Public Schools, MI

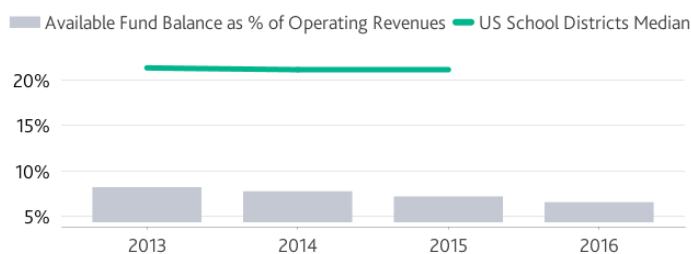
	2013	2014	2015	2016	US Median	Credit Trend
Economy / Tax Base						
Total Full Value	\$9,816M	\$10,001M	\$10,248M	\$10,630M	\$1,872M	Improved
Full Value Per Capita	\$121,503	\$123,013	\$124,864	\$129,526	\$80,896	Improved
Median Family Income (% of US Median)	99.8%	102.5%	102.1%	102.1%	103.1%	Stable
Finances						
Available Fund Balance as % of Operating Revenues	8.2%	7.8%	7.2%	6.5%	21.1%	Stable
Net Cash Balance as % of Operating Revenues	11.5%	11.1%	9.5%	6.9%	25.1%	Stable
Debt / Pensions						
Net Direct Debt / Full Value	0.76%	0.78%	0.65%	0.77%	1.5%	Stable
Net Direct Debt / Operating Revenues	0.78x	0.79x	0.65x	0.78x	0.75x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	2.8%	3.0%	3.0%	2.8%	3.1%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	2.91x	3.06x	2.97x	2.88x	1.58x	Stable

Source: Moody's

Exhibit 2

Available fund balance as a percent of operating revenues decreased from 2013 to 2016

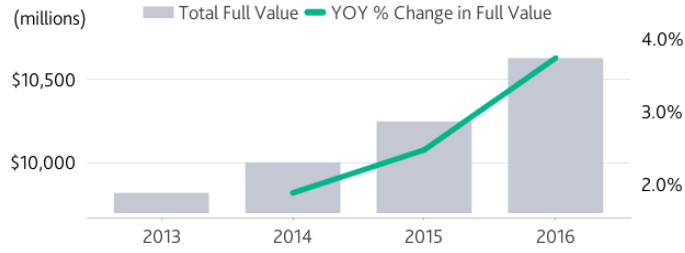
Available Fund Balance as a Percent of Operating Revenues



Source: Issuer financial statements; Moody's

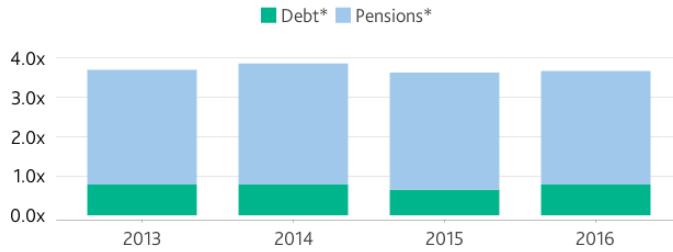
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody.com for the most updated credit rating action information and rating history.

Exhibit 3
Full value of the property tax base grew between 2013 and 2016
 Total Full Value



Source: Issuer financial statements; Government data sources; Offering statements; Moody's

Exhibit 4
Moody's-adjusted net pension liability to operating revenues decreased from 2013 to 2016
 Net Direct Debt and Adjusted Net Pension Liability / Operating Revenues



*Debt is represented as Net Direct Debt / Operating Revenues. Net Direct Debt is defined as gross debt minus self supporting debt. Pensions are represented as ANPL / Operating Revenues. ANPL is defined as the average of Moody's-adjusted Net Pension Liability in each of the past three years.
 Source: Issuer financial statements; Government data sources; Offering statements; Moody's

Endnotes

- 1 The rating referenced in this report is the government's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally a security backed by the full faith and credit pledge and total taxing power of the local government. See [Local Government GO Pledges Vary Across States](#), for more details. GO-related ratings include issuer ratings, which are GO-equivalent ratings for governments that do not issue GO debt. GO-related ratings also include ratings on other securities that are notched or otherwise related to what the government's GO rating would be, such as annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantee or enhancement programs or bond insurance.
- 2 The per capita personal income data and unemployment data for all counties in the US census are allocated to quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile. The first quartile consists of the top 25% of observations in the dataset, the second quartile consists of the next 25%, and so on. The median per capita personal income for US counties is \$46,049 for 2014. The median unemployment rate for US counties is 3.6% for November 2016.
- 3 The institutional framework score measures a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(January 2014\)](#) for more details.
- 4 For definitions of the metrics in the Key Indicators Table, [US Local Government General Obligation Methodology and Scorecard User Guide \(July 2014\)](#). The population figure used in the Full Value Per Capita ratio is the most recently available, most often sourced from either the US Census or the American Community Survey. Similarly, the Median Family Income data reported as of 2012 and later is always the most recently available data and is sourced from the American Community Survey. The Median Family Income data prior to 2012 is sourced from the 2010 US Census. The Full Value figure used in the Net Direct Debt and Moody's-adjusted Net Pension Liability (3-year average ANPL) ratios is matched to the same year as audited financial data, or if not available, lags by one or two years. Certain state-specific rules also apply to Full Value. For example, in California and Washington, assessed value is the best available proxy for Full Value. Certain state specific rules also apply to individual data points and ratios. Moody's makes adjustments to New Jersey local governments' reported financial statements to make it more comparable to GAAP. Additionally, Moody's ANPLs reflect analyst adjustments, if any, for pension contribution support from non-operating funds and self-supporting enterprises. Many local government pension liabilities are associated with its participation in the statewide multiple-employer cost-sharing plans. Metrics represented as N/A indicate the data were not available at the time of publication.
- 5 The medians come from our most recently published local government medians report, [Medians – Growing Tax Bases and Stable Fund Balances Support Sector's Stability \(March 2016\)](#). The medians conform to our US Local Government General Obligation Debt rating methodology published in January 2014. As such, the medians presented here are based on the key metrics outlined in the methodology and the associated scorecard. The appendix of this report provides additional metrics broken out by sector, rating category, and population. We use data from a variety of sources to calculate the medians, many of which have differing reporting schedules. Whenever possible, we calculated these medians using available data for fiscal year 2014. However, there are some exceptions. Population data is based on the 2010 Census and Median Family Income is derived from the 2012 American Community Survey. Medians for some rating levels are based on relatively small sample sizes. These medians, therefore, may be subject to potentially substantial year-over-year variation. Our ratings reflect our forward looking opinion derived from forecasts of financial performance and qualitative factors, as opposed to strictly historical quantitative data used for the medians. Our expectation of future performance combined with the relative importance of certain metrics on individual local government ratings account for the range of values that can be found within each rating category. Median data for prior years published in this report may not match last year's publication due to data refinement and changes in the sample sets used, as well as rating changes, initial ratings, and rating withdrawals.

© 2017 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MOODY'S PUBLICATIONS MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY'S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only: Moody's Japan K.K. ("MJJK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJJK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJJK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJJK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJJK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJJK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000.

MJJK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER 1061478

