

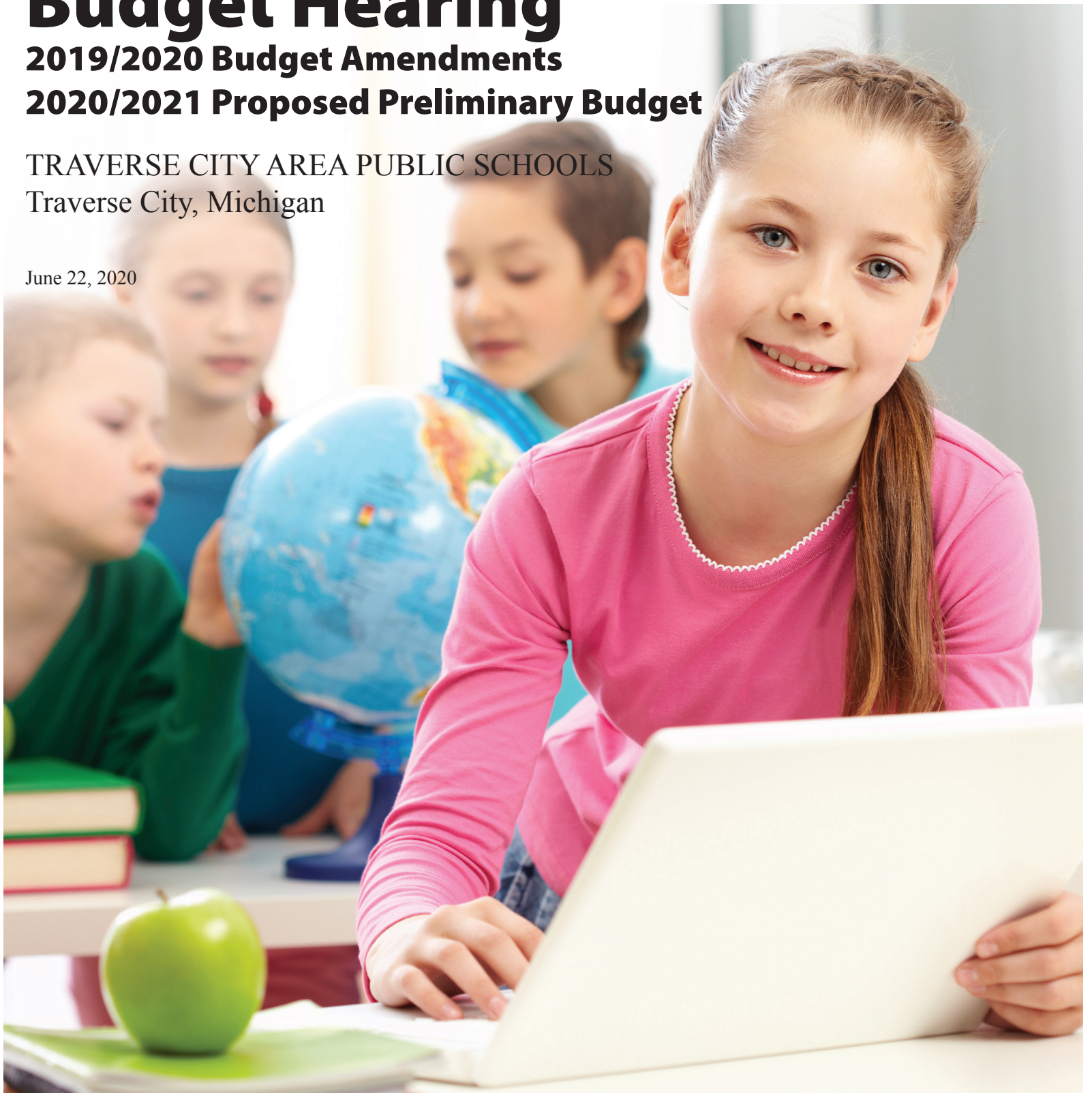
Budget Hearing

2019/2020 Budget Amendments

2020/2021 Proposed Preliminary Budget

TRAVERSE CITY AREA PUBLIC SCHOOLS
Traverse City, Michigan

June 22, 2020



TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

BUDGET HEARING

June 22, 2020

6:00 p.m.

In accordance with the current Executive Orders from the Governor's office, the June 22, 2020 Board meeting will be held remotely.

Meetings will be broadcast live on Cable Channel 190 and live streamed at:
<https://livestream.com/tcapslive/board>

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

MEMORANDUM

Christine Thomas-Hill
Associate Superintendent
Finance and Operations
Julie Gorter
Executive Assistant

TO: James M. Pavelka, Interim Superintendent
FROM: Christine Thomas-Hill, Associate Superintendent
DATE: June 22, 2020
**RE: AMENDMENT II to 2019-2020 GENERAL FUND BUDGET and
AMENDMENT II to 2019-2020 SPECIAL REVENUE FUND BUDGET:**

- **FOOD SERVICES**
- **COMMUNITY SERVICES**
- **STUDENT/SCHOOL ACTIVITY FUND**

Attached please find the proposed final amendments to the 2019-2020 General Fund Budget and Special Revenue Fund Budget.

The General Fund final amendment reflects overall positive adjustments of \$197,000 from the first budget amendment. The increased revenue is mainly due to adjusting state and local funds related to the foundation allowance and a small increase in student count for section 25e (schools of choice). Individual explanations of these changes are included with the detailed budgets found immediately following this memo.

The general fund budgeted shortfall stands at approximately (\$1,199,098). Actual district revenues and expenditures historically show a budget variance, and it is anticipated that the district will have approximately \$1.5 million in variances in the current year. Taking this variance into account, it is my expectation that our general fund surplus will be approximately \$300,902 once the books are closed, leaving the district with a fund balance of approximately \$8.96 million.

The \$8.96 million fund balance represents approximately 8.7% of our budgeted expenditures. Our fund balance is projected to remain below the Board of Education's established target of 10% and is projected to decrease in the next two fiscal years as the state deals with the financial impacts of the COVID-19 pandemic and dramatic loss of revenue. 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 2019-2020 Special Revenue Fund Budget. This amendment aligns our budgets with our most current information and expectations. The Community Services fund shows a negative bottom line adjustment that recognizes an adjustment to revenue generated from program offerings and participation over the first budget amendment, most of which was due to lost revenue during the Stay at Home order. The Food Services fund shows a major negative line adjustment, mostly due to continuing labor costs during the Stay at Home order. In addition, the Food Service department operated four food distribution sites from March 18 - June 12 serving free breakfast and lunch to all students under the age of 18. As of the date of this letter, our dedicated employees have served nearly 200,000 meals.

An appropriate motion to adopt these amendments would be:

Moved by _____, Supported by _____, to adopt the resolution to approve the second amendment to the 2019-2020 General Fund Budget and the second amendment to the 2019-2020 Special Revenue Fund Budget, dated June 22, 2020.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 22, 2020

FOR ACTION:

TOPIC:

- Amendment II to 2019-2020 General Fund Budget
- Amendment II to 2019-2020 Special Revenue Fund Budget:
 - Food Services
 - Community Services
 - Student/School Activity Fund

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 2019-2020 Budgets.

SOURCE PERSON: Christine Thomas-Hill,
Associate Superintendent of Finance and Operations

ATTACHMENTS:

- 2019-2020 General Fund Budget Final Amendment
- 2019-2020 Special Revenue Fund Budget Final Amendment:
 - Food Services
 - Community Services
 - Student/School Activity Fund

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

Revenue	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance*
Local Restricted and Unrestricted	37,388,885	40,178,823	39,486,206	(692,617)
State Unrestricted	47,955,712	44,662,169	45,509,004	846,835
State Restricted	10,528,676	11,038,514	11,067,989	29,475
Federal Restricted	2,136,635	2,456,891	2,464,891	8,000
Incoming Transfers/Other	2,424,166	3,099,987	3,134,987	35,000
Total Revenues	100,434,074	101,436,384	101,663,077	226,693

Expenditures				
Instruction				
Basic Instruction	51,054,534	50,443,996	50,196,237	(247,759)
Added Needs	10,388,385	10,738,368	10,925,690	187,322
Total Instruction	61,442,919	61,182,364	61,121,927	(60,437)
Support				
Pupil	4,047,057	4,418,988	4,390,207	(28,781)
Instructional Staff	5,410,120	5,438,903	5,351,692	(87,211)
General Administration	734,898	957,546	962,546	5,000
School Administration	7,195,272	7,243,905	7,226,005	(17,900)
Business Services	2,036,218	2,047,733	2,043,733	(4,000)
Operations and Maintenance	9,725,877	9,820,699	9,686,389	(134,310)
Pupil Transportation	5,792,483	5,760,919	5,461,719	(299,200)
Central Services	3,184,213	3,244,020	3,265,270	21,250
Student Support Services	1,903,581	2,064,827	2,062,099	(2,728)
Total Support Services	40,029,719	40,997,540	40,449,660	(547,880)
Community Services	119,952	338,107	323,458	(14,649)
Other Uses - Outgoing Transfers & Other	334,675	314,630	967,130	652,500
Total Expenditures	101,927,265	102,832,641	102,862,175	29,534
Excess Revenue/(Expenditures)	(1,493,191)	(1,396,257)	(1,199,098)	197,159
Fund Balance - July 1	8,660,182	8,660,182	8,660,182	0
Fund Balance - June 30	7,166,991	7,263,925	7,461,084	197,159
Less Non-Spendable and Assigned	1,641,603	1,458,911	2,250,670	791,759
Unassigned Fund Balance	5,525,388	5,805,014	5,210,414	(594,600)

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	600,000	500,000
Assigned for Unrestricted "At Risk" Activities	0	0	0	0
Assigned for Curriculum Development	0	0	0	0
Assigned for Building Carryover	591,603	408,911	700,670	291,759
Assigned for Department Carryover	0	0	0	0
Assigned for Building Staff Carryover	0	0	0	0
Assigned for Severance Pay	900,000	900,000	900,000	0
Total Fund Equity Non-Spendable and Assigned	1,641,603	1,458,911	2,250,670	791,759

* 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	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance*	Note
Local Unrestricted	37,388,885	39,966,482	39,287,248	(679,234)	1
State Unrestricted	47,955,712	44,662,169	45,509,004	846,835	2
State Restricted	6,484,199	6,206,244	6,206,244	0	
Federal Restricted	20,000	20,000	28,000	8,000	
Incoming Transfers/Other	2,334,166	2,927,666	2,947,666	20,000	
Total Revenues	94,182,962	93,782,561	93,978,162	195,601	

Expenditures					
Instruction					
Basic Instruction	50,237,340	49,604,282	49,352,157	(252,125)	3
Added Needs	7,662,164	7,461,986	7,580,660	118,674	4
Total Instruction	57,899,504	57,066,268	56,932,817	(133,451)	
Support					
Pupil	2,846,214	3,004,824	2,979,544	(25,280)	
Instructional Staff	4,263,874	3,994,788	3,940,092	(54,696)	
General Administration	734,898	957,546	962,546	5,000	
School Administration	7,195,272	7,243,905	7,226,005	(17,900)	
Business Services	2,036,218	2,047,733	2,043,733	(4,000)	
Operations and Maintenance	9,725,877	9,819,852	9,685,542	(134,310)	5
Pupil Transportation	5,724,011	5,681,956	5,382,756	(299,200)	6
Central Services	3,184,063	3,198,958	3,217,108	18,150	
Student Support Services	1,823,581	1,966,249	1,958,521	(7,728)	
Total Support Services	37,534,008	37,915,811	37,395,847	(519,964)	
Community Services	0	0	0	0	
Other Uses - Outgoing Transfers & Other	242,641	196,739	848,596	651,857	7
Total Expenditures	95,676,153	95,178,818	95,177,260	(1,558)	
Excess Revenue/(Expenditures)	(1,493,191)	(1,396,257)	(1,199,098)	197,159	
Fund Balance - July 1	8,660,182	8,660,182	8,660,182	0	
Fund Balance - June 30	7,166,991	7,263,925	7,461,084	197,159	
Less Non-Spendable and Assigned	1,641,603	1,458,911	2,250,670	791,759	
Unassigned Fund Balance	5,525,388	5,805,014	5,210,414	(594,600)	

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	600,000	500,000	
Assigned for Unrestricted "At Risk" Activities	0	0	0	0	
Assigned for Curriculum Development	0	0	0	0	
Assigned for Building Carryover	591,603	408,911	700,670	291,759	
Assigned for Department Carryover	0			0	
Assigned for Building Staff Carryover	0	0	0	0	
Assigned for Severance Pay	900,000	900,000	900,000	0	
Total Fund Equity Non-Spendable and Assigned	1,641,603	1,458,911	2,250,670	791,759	

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

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

- (1) Variance is the result of adjusting state and local funding related to the foundation allowance.
- (2) Variance is the result of adjusting state and local funding related to the foundation allowance and categoricals and accounting for a small increase in the student count through section 25e.
- (3) Variance is the result of adjusting several site budgets into their carryover accounts for the 2020-2021 school year.
- (4) Variance is the result of aligning staffing and related payroll costs.
- (5) Variance is the result of lower operating expenses during the Stay at Home order as well as a decrease in the snow plowing expense.
- (6) Variance is the result of lower operating expenses during the Stay at Home order.
- (7) Variance is the result of transferring funds to the Community Service and LEAP budgets to cover the ongoing staff expenses incurred during the Stay at Home order.

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

Revenue	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance	Note
Local Restricted	0	212,341	198,958	(13,383)	8
State Unrestricted				0	
State Restricted				0	
Federal Restricted				0	
Incoming Transfers/Other	90,000	172,321	187,321	15,000	8
Total Revenues	90,000	384,662	386,279	1,617	

Expenditures					
Instruction					
Basic Instruction	0	27,823	27,823	0	
Added Needs	89,625	116,518	126,518	10,000	8
Total Instruction	89,625	144,341	154,341	10,000	
Support					
Pupil	0	15,890	15,890	0	
Instructional Staff	0	5,889	5,889	0	
General Administration	0	0	0	0	
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	847	847	0	
Pupil Transportation	0	0	0	0	
Central Services	0	0	0	0	
Student Support Services	0	18,578	23,578	5,000	8
Total Support Services	0	41,204	46,204	5,000	
Community Services	0	183,590	170,207	(13,383)	8
Other Uses - Outgoing Transfers & Other	375	15,527	15,527	0	
Total Expenditures	90,000	384,662	386,279	1,617	
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	

(8) These variances are the result of fully implementing local grants awarded subsequent to our first budget amendment. 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	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted	4,044,477	4,832,270	4,861,745	29,475	9
Federal Restricted				0	
Incoming Transfers/Other				0	
Total Revenues	4,044,477	4,832,270	4,861,745	29,475	

Expenditures					
Instruction					
Basic Instruction	817,194	811,891	813,991	2,100	9
Added Needs	1,759,829	2,229,331	2,256,706	27,375	9
Total Instruction	2,577,023	3,041,222	3,070,697	29,475	
Support					
Pupil	1,133,504	1,331,125	1,331,125	0	
Instructional Staff	204,293	324,692	324,692	0	
General Administration	0	0	0	0	
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	0	0	0	
Pupil Transportation	38,472	34,672	34,672	0	
Central Services	0	3,735	3,735	0	
Student Support Services	80,000	80,000	80,000	0	
Total Support Services	1,456,269	1,774,224	1,774,224	0	
Community Services	1,185	5,061	5,061	0	
Other Uses - Outgoing Transfers & Other	10,000	11,763	11,763	0	
Total Expenditures	4,044,477	4,832,270	4,861,745	29,475	
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	

(9) These variances are the result of fully implementing state restricted programs once final numbers became known. See the attached schedule for detail of all state programs currently operated by TCAPS.

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

Revenue	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted				0	
Federal Restricted	2,116,635	2,436,891	2,436,891	0	
Incoming Transfers/Other				0	
Total Revenues	2,116,635	2,436,891	2,436,891	0	

Expenditures					
Instruction					
Basic Instruction	0	0	2,266	2,266	10
Added Needs	876,767	930,533	961,806	31,273	10
Total Instruction	876,767	930,533	964,072	33,539	
Support					
Pupil	67,339	67,149	63,648	(3,501)	10
Instructional Staff	941,953	1,113,534	1,081,019	(32,515)	10
General Administration	0	0	0	0	
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	0	0	0	
Pupil Transportation	30,000	44,291	44,291	0	
Central Services	150	41,327	44,427	3,100	10
Student Support Services	0	0	0	0	
Total Support Services	1,039,442	1,266,301	1,233,385	(32,916)	
Community Services	118,767	149,456	148,190	(1,266)	10
Other Uses - Outgoing Transfers & Other	81,659	90,601	91,244	643	10
Total Expenditures	2,116,635	2,436,891	2,436,891	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	

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

Federal Grants Summary for Fiscal Year 2019-2020

Restricted Federal Funds (14)	Allocation
Title I, Part A Basic	\$ 1,259,560
Title I Carryover	\$ 178,539
Title X McKinney Vento (Homeless Assistance)	\$ 65,502
Title X McKinney Vento (Homeless Assistance) Carryover	\$ 14,863
Title III LEP	\$ 31,954
Title III LEP Carryover	\$ 15,035
Title II Part A	\$ 299,610
Title II Part A Carryover	\$ 244,694
Title II, Teacher/Leader	\$ 25,358
Title IV	\$ 91,354
Title IV Carryover	\$ 522
Title IX Indian Education	\$ 51,226
IDEA Pre-School Incentives	\$ 75,000
State Match Grant - PE Nut (Oct-Jun)	\$ 75,000
State Match Grant - PE Nut (Jul-Sep)	\$ 8,674

Total: \$ 2,436,891

State Grants Summary for Fiscal Year 2019-2020

Restricted State Funds (13)	Allocation
At Risk	\$ 2,515,075
At Risk Carryover	\$ 823,728
Bilingual (Section 41)	\$ 38,226
Bilingual (Section 41) Carryover	\$ 14,863
Great Start Readiness Program	\$ 780,640
Great Start Readiness Program Carryover	\$ 15,560
Vocational Education	\$ 25,137
First Robotics	\$ 58,100
First Robotics (Carryover)	\$ 29,659
Computer Adaptive Tests (104d)	\$ 3,735
CTE Incentive (61d)	\$ 73,242
Early Literacy Targeted	\$ 121,331
Early Literacy Targeted, Carryover	\$ 133,083
Summer Reading (35a(9))	\$ 27,375
School Safety Grant	\$ 201,991

Total: \$ 4,861,745

Local Grants Summary for Fiscal Year 2019-2020

Restricted Local Funds (12)	Allocation
GTB Indian Education	\$ 87,000
GTB Indian Education Carryover	\$ 17,518
GTB Indian Language	\$ 25,812
GTB Intense Student Support Network (ISSN)	\$ 5,000
GTB Homeless	\$ 16,965
GTB Boots for Kids	\$ 10,000
Youth Corps	\$ 10,542
GTB Sci-Ma-Tech	\$ 5,026
BCBS-BHC Community	\$ 1,433
TC Light & Power	\$ 5,477
United Way Pe-Nut	\$ 795
GTRFC Generations Ahead f/k/a Teen Parent Program	\$ 141,867
CLC Summer Work/Study Program	\$ 8,010
Movement Lab	\$ 30,834
Social & Emotional Learning	\$ 20,000

Total: \$ 386,279

Community Service Grants Summary for Fiscal Year 2019-2020

Restricted Local Community Service Funds (2X)	Allocation
GTB LEAP	\$ 5,000

Total: \$ 5,000

**Traverse City Public Schools
Special Revenue Fund - Food Service Fund
For the Fiscal Year Ending June 30**

Revenue	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance	Note
Local	2,154,334	2,169,020	1,600,873	(568,147)	1
State	302,841	287,655	270,843	(16,812)	2
Federal	2,329,325	2,309,325	2,333,284	23,959	
Incoming Transfers and Other	10,000	10,000	10,000	0	
Total Revenues	4,796,500	4,776,000	4,215,000	(561,000)	

Expenditures					
Salaries and Wages	1,318,059	1,327,923	1,427,923	100,000	3
Employee Benefits	766,491	779,242	832,802	53,560	3
Purchased Services	129,723	129,723	121,723	(8,000)	
Supplies and Other	2,292,227	2,234,112	1,977,552	(256,560)	4
Capital Outlay	30,000	45,000	45,000	0	
Operating Transfer	260,000	260,000	260,000	0	
Total Expenditures	4,796,500	4,776,000	4,665,000	(111,000)	

Revenues Over/(Under) Expenditures	0	0	(450,000)	(450,000)	
Beginning Fund Balance July 1	748,871	748,871	748,871	0	
Ending Fund Balance June 30	748,871	748,871	298,871	(450,000)	

Variance Explanations

- (1) Variance reflects the reduction of local revenue, mostly a la carte and adult sales, during the Stay at Home order.
- (2) Variance reflects an alignment of 31d State Aid payments.
- (3) Variance reflects an increase in salary & benefit cost for employees that worked during the Stay at Home order.
- (4) Variance reflects lower operating expenses during the Stay at Home order.

Traverse City Area Public Schools Special Revenue Fund - Community Service Fund For the Fiscal Years Ending June 30
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Revenue	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance	Notes
Local	3,309,680	3,315,164	2,259,664	(1,055,500)	
Federal Restricted	0	0	189,300	189,300	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	229,000	213,000	860,500	647,500	
Total Revenues	3,538,680	3,528,164	3,309,464	(218,700)	

Expenditures					
Salaries and Wages	1,565,907	1,622,685	1,622,685	0	
Employee Benefits	1,272,794	1,354,631	1,378,852	24,221	
Purchased Services	198,264	161,239	151,372	(9,867)	
Supplies and Other	392,731	294,372	244,318	(50,054)	
Capital Outlay	8,984	25,237	35,237	10,000	
Transfer to General Fund and Other	100,000	100,000	0	(100,000)	
Total Expenditures	3,538,680	3,558,164	3,432,464	(125,700)	
Revenue Over/(Under) Expenditures	0	(30,000)	(123,000)	(93,000)	
Beginning Fund Balance July 1	222,033	222,033	222,033	0	
Ending Fund Balance June 30	222,033	192,033	99,033	(93,000)	

NOTE: This schedule combines Childcare and LEAP.

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

Revenue	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance	Notes
Local	2,914,680	2,905,164	1,947,164	(958,000)	1
Federal	0	0	189,300	189,300	2
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	49,000	63,000	663,000	600,000	3
Total Revenues	2,963,680	2,968,164	2,799,464	(168,700)	

Expenditures					
Salaries and Wages	1,391,312	1,454,758	1,454,758	0	
Employee Benefits	1,151,549	1,234,037	1,258,258	24,221	
Purchased Services	89,769	44,269	34,402	(9,867)	
Supplies and Other	230,390	165,100	145,046	(20,054)	
Capital Outlay	660	0	0	0	
Transfer to General Fund and Other	100,000	100,000	0	(100,000)	4
Total Expenditures	2,963,680	2,998,164	2,892,464	(105,700)	
Revenue Over/(Under) Expenditures	0	(30,000)	(93,000)	(63,000)	
Beginning Fund Balance July 1	170,587	170,587	170,587	0	
Ending Fund Balance June 30	170,587	140,587	77,587	(63,000)	

Variance Explanations

- (1) Variance is the result of lower revenue due to the Stay at Home order.
- (2) Variance is the result of the Child Care Relief Fund Grant.
- (3) Variance is the result of an incoming General Fund transfer to cover lower revenue and the ongoing staff expenses incurred during the Stay at Home order.
- (4) Variance is the result of no transfer to the General Fund.

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

Revenue	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance	Notes
Local	395,000	410,000	312,500	(97,500)	1
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	180,000	150,000	197,500	47,500	2
Total Revenues	575,000	560,000	510,000	(50,000)	

Expenditures	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance	Notes
Salaries and Wages	174,595	167,927	167,927	0	
Employee Benefits	121,245	120,594	120,594	0	
Purchased Services	108,495	116,970	116,970	0	
Supplies and Other	162,341	129,272	99,272	(30,000)	3
Capital Outlay	8,324	25,237	35,237	10,000	
Transfer to General Fund and Other	0	0	0	0	
Total Expenditures	575,000	560,000	540,000	(20,000)	
Revenue Over/(Under) Expenditures	0	0	(30,000)	(30,000)	
Beginning Fund Balance July 1	51,446	51,446	51,446	0	
Ending Fund Balance June 30	51,446	51,446	21,446	(30,000)	

Variance Explanations

- (1) Variance is the result of eliminating the spring season due to the Stay at Home order.
- (2) Variance is the result of an incoming General Fund transfer to cover the lack of spring revenue and the ongoing staff expenses incurred during the Stay at Home order.
- (3) Variance is the result of lower operating expenses during the Stay at Home order.

Traverse City Public Schools
Special Revenue Fund - Student/School Activity Fund
For the Fiscal Year Ending June 30

Revenue	2019-2020 Original	2019-2020 Amend I	2019-2020 Amend II	Variance	Note
Local	2,500,000	2,500,000	1,800,000	(700,000)	1
State				0	
Federal				0	
Incoming Transfers and Other				0	
Total Revenues	2,500,000	2,500,000	1,800,000	(700,000)	

Expenditures					
Salaries and Wages				0	
Employee Benefits				0	
Purchased Services				0	
Supplies and Other	2,500,000	2,500,000	1,800,000	(700,000)	1
Capital Outlay				0	
Operating Transfer				0	
Total Expenditures	2,500,000	2,500,000	1,800,000	(700,000)	

Revenues Over/(Under) Expenditures	0	0	0	0	
Beginning Fund Balance July 1	1,187,886	1,187,886	1,187,886	0	
Ending Fund Balance June 30	1,187,886	1,187,886	1,187,886	0	

Variance Explanations

(1) Variance is the result of lower revenue and expenditures due to the Stay at Home order.

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

**RESOLUTION FOR ADOPTION
June 22, 2020**

FINAL AMENDMENT
2019-2020 GENERAL FUND BUDGET
2019-2020 SPECIAL REVENUE FUND BUDGET
(Food Services, Community Services and Student/School Activity Fund)

This Final 2019-2020 Budget Amendment shall take effect on June 22, 2020.

AYES:

NAYS:

Resolution adopted.

Pamela G. Forton, 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 22, 2020, 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.

Pamela G. Forton, Secretary
Board of Education
Traverse City Area Public Schools

MEMORANDUM

TO: Board of Education
James M. Pavelka, Interim Superintendent

FROM: Christine Thomas-Hill, Associate Superintendent of Finance and Operations

DATE: June 22, 2020

RE: BUDGET HEARING
2019-2020 Final Budget Amendments
2020-2021 Proposed Preliminary Budgets

As the 2020 fiscal year comes to a close, it is time to conclude our current fiscal year and formally adopt our 2021 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 2021 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 2020 will end and gives an initial look at what is in store for fiscal year 2021. As required by law, we are adopting our 2021 budget prior to the beginning of the fiscal year.

The State's education budget has yet to be finalized, which is not an unusual circumstance for us this time of year, given the state has a fiscal year October - September which does not align with the school district. However, what is very unusual is the impact to the state on the loss of revenue during the COVID-19 pandemic. After review and consideration of legislative possibilities, the state aid revenue and the state-determined retirement rate have been conservatively 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 require estimates.

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.

For 2021, the State hasn't finalized the School Aid Fund budget. However, the per pupil decrease is estimated anywhere from \$500 - \$1,000 per student. There are several opportunities for the state to supplement the overall revenue in the state budget, but it is unknown which of those will be implemented, if any. It is also unknown if any federal aid may come to the state to offset the dramatic loss in revenue all states have experienced during the COVID-19 pandemic.

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. TCAPS has been creative in expanding opportunities for increased revenue and has focused efforts on ensuring expenditures meet our instructional priorities and are managed effectively and efficiently. The 2021 budget conservatively assumes 9,601 students vs. 9,701 from Amendment II of the 2020 budget. The combination of a \$500 decrease in state per pupil allocations, coupled with the projected student FTE (full time equivalency), results in a projected decrease of approximately \$5,611,600.

The proposals all vary on recommended changes to categorical line items in the 2021 budget. We will continue to monitor the list of categorical funding and determine the impact to TCAPS. 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 75% of our total revenue budget and approximately 80% of our "unrestricted" revenues and, hence, make up the most important source of revenues for the district by a far margin.

Revenue for fiscal year 2021 in the form of incoming transfers from TBAISD (Traverse Bay Area Intermediate School District) is budgeted to be approximately \$4.2 million for a variety of items including tax collections, curriculum services, Act 18 Special Education funding, and Medicaid. This total does include the estimated distribution of TBAISD fund balance for the next three fiscal years; therefore, the original 2021 budget will include the minimum expected discretionary revenue from TBAISD. According to the new financial policy adopted by TBAISD, they will review their fund balance at the completion of their audit and distribute anything above 12% to the local districts.

Although our original 2020 budget did not include any discretionary distribution from (TBAISD), we did receive a discretionary distribution of approximately \$591,000 in October 2019 and were able to incorporate the revenue in the first budget amendment.

Other revenue sources provide valuable and necessary resources for our district. Categorical state funding (e.g., At Risk, Vocational Education added cost, etc.), which makes up approximately 3.0%, and Restricted Federal Funding (e.g., Title grants for school improvement, education for homeless children and youth, etc.), which makes up approximately 2.1% 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 \$1,950,000 and \$440,000 respectively in the 2021 year as compared to 2020.

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 2020 will wind up as "carry-over" grants in 2021. 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.

General Fund – Expenditures

The District has made over \$17 million in budget cuts in the past twelve 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.

Due to great uncertainty at the State level, the District will be recommending adjustments for 2021 through attrition, delayed purchases, and unfilled positions that do not directly impact the classroom. However, we are committed to continuous improvement and always look for ways to improve efficiencies throughout the district.

All of the employee group contracts are settled through June 2022 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 2% increase on health care increases for all groups.

General Fund – Fund Balance

The 2021 budget shows that we are starting the year with a budgeted shortfall of approximately (\$5,695,522). 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 \$1.5 million). Taking this variance into account in the upcoming year, it is expected that we will finish the year drawing approximately (\$4,195,522) from fund balance.

It is important to note that, in spite of the well documented challenges posed by the funding climate for schools over the last decade, the District remains focused on the students and parents we serve. This is a point of pride for our school system. TCAPS is a comprehensive, high performing, low cost, low tax school system and we are proud to offer programs and initiatives to meet our constituents' needs. Examples include:

- Adoption of the MI-Excel Blueprint by the Board of Education, focusing on systems district wide to ensure we meet the needs of each student
- Updated Advance Placement (AP) curriculum
- Updated English Language Arts curriculum and professional development
- Updated Science curriculum
- Updated Social Studies curriculum
- World Language 6-12
- Expansion of Learning, Enrichment, and Athletic Programs K-8 (LEAP)
- Expansion of Early Childhood opportunities for children not ready for Kindergarten (Young 5's)
- Increased focus for libraries to compliment core curriculum and support student reading at all levels
- One-to-One Technology expansion
- Updated Health and Nutrition Policy
- Community Eligibility Provision (CEP) food program for Blair and Traverse Heights
- Expansion of shared time partnerships/offerings
- Expansion and alignment of Science, Technology, Engineering, and Math (STEM)
- Expanded dual enrollment opportunities
- Early college collaborative with NMC
- International Program partnerships
- Increased building security initiatives and improvements

The District continues to monitor all programs to ensure our resources are funding our instructional priorities. Our fund balance is projected to remain below the Board of Education's established target of 10%. It is our intent to monitor the impact of the COVID-19 pandemic over the first quarter of the school year before making any further recommendations for reductions. State funding remains precarious and we expect more information in the coming months. Within this environment we must continue our work to fund our instructional priorities while maintaining fiscal responsibility.

Special Revenue Fund

The Special Revenue Fund consists of the Food Services, Community Services and Student/School Activity 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 which does currently have a responsible fund balance, the impact of increased labor costs to serve free meals from four sites during the pandemic (March-June) has had an impact on that 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.

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 must transfer funds to the General Fund to help offset certain administrative costs and overhead. These programs have been operating in the black while providing opportunities for children. While it is important to note that the childcare 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 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 the demands of student and adult populations of our district. For the 2021 fiscal year the budget includes a contribution of \$155,000 to LEAP as a subsidy through a general fund transfer.

Other Funds

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

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

The funds generated from our bond sales are important for the continuation of long-term infrastructure improvements and other capital acquisitions such as technology and buses. These resources serve many essential needs of our district. Without them we would be required to finance buses and technology

from our operational budget or revenue, which would place an additional \$3 million burden per year on the General Fund budget.

In order to fund major capital projects in the future, the District asked voters to approve a new bond authorization in August, 2018. Property values have stabilized and have increased slightly in our region, making it possible to propose a no millage increase which our voters overwhelmingly approved. This is an important and visible area of work for our district as we focus on improving safety and security in the school buildings.

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 2004, 2007 and 2018 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 on strategic financial planning to direct funds to instructional priorities. In spite of the very challenging funding climate, along with the COVID-19 pandemic, TCAPS continues to focus on a comprehensive educational program. The 2021 fiscal year is still so uncertain that many changes in funding, programming, and staffing may still need to be made throughout the school year. Opportunities to advocate for resources, increase our potential for innovative revenue sources, and our commitment to continuous improvement for increased efficiencies may positively impact the district.

TRAVERSE CITY AREA PUBLIC SCHOOLS

2020-2021 Budget Hearing

June 22, 2020

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) 2019/2020

(Amendment II)

Beginning Fund Equity	\$8,660,182
Budgeted Revenues	\$101,663,077
Budgeted Expenditures	\$102,862,175
	<hr/>
	(\$1,199,098)
Projected Variance	\$1,500,000
Estimated Add to Fund Balance	\$ 300,902
Ending 2020 Fund Equity (approximate)	\$8,961,084
Ending Fund Equity	8.71%

FY 2020/2021 Budget Assumptions

Per Pupil Revenue:

2020	TOTAL	\$8,111
	<i>Per Pupil Reduction</i>	<i>(\$500)</i>
2021	TOTAL*	\$7,611

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

FY 2020/2021 Budget Assumptions continued

Student Count:

2020	9,701
2021 (estimated)	<u>9,601</u>
Decrease	100

Net decrease in Per Pupil Revenue: \$5,611,600

Other:

- ➔ \$4.2 million TBAISD revenues budgeted
- ➔ Section 147c: \$7,500,000
- ➔ Retirement Cost: \$7,500,000

FY 2020/2021 Budget Assumptions continued

Expenses:

- ➔ 1.5% salary increase
- ➔ Step increase
- ➔ Retirement rate of 42.72%
- ➔ Health insurance estimate at 2.00%
- ➔ Other structural adjustments
 - Reduction in expenses through attrition
 - Delaying General Fund purchases

FY 2020/2021 Fund Balance Projection

Beginning Fund Equity (estimate)	\$8,961,084
Budgeted Revenue	\$96,902,753
Budgeted Expenditures	\$102,598,275
Budgeted Shortfall	(\$5,695,522)
Projected Variance	\$1,500,000
Projected Excess/(Shortfall)	(\$4,195,522)
Ending 2021 Fund Equity (estimate)	\$4,765,562
Ending Fund Equity	4.65%

Variables to Impact FY 2020/2021 Bottom-line and Budget

- ➔ Unknown state funding*
- ➔ Student count
- ➔ Health insurance costs and census
- ➔ TBAISD discretionary distributions**

* State budget was not known at the time of production

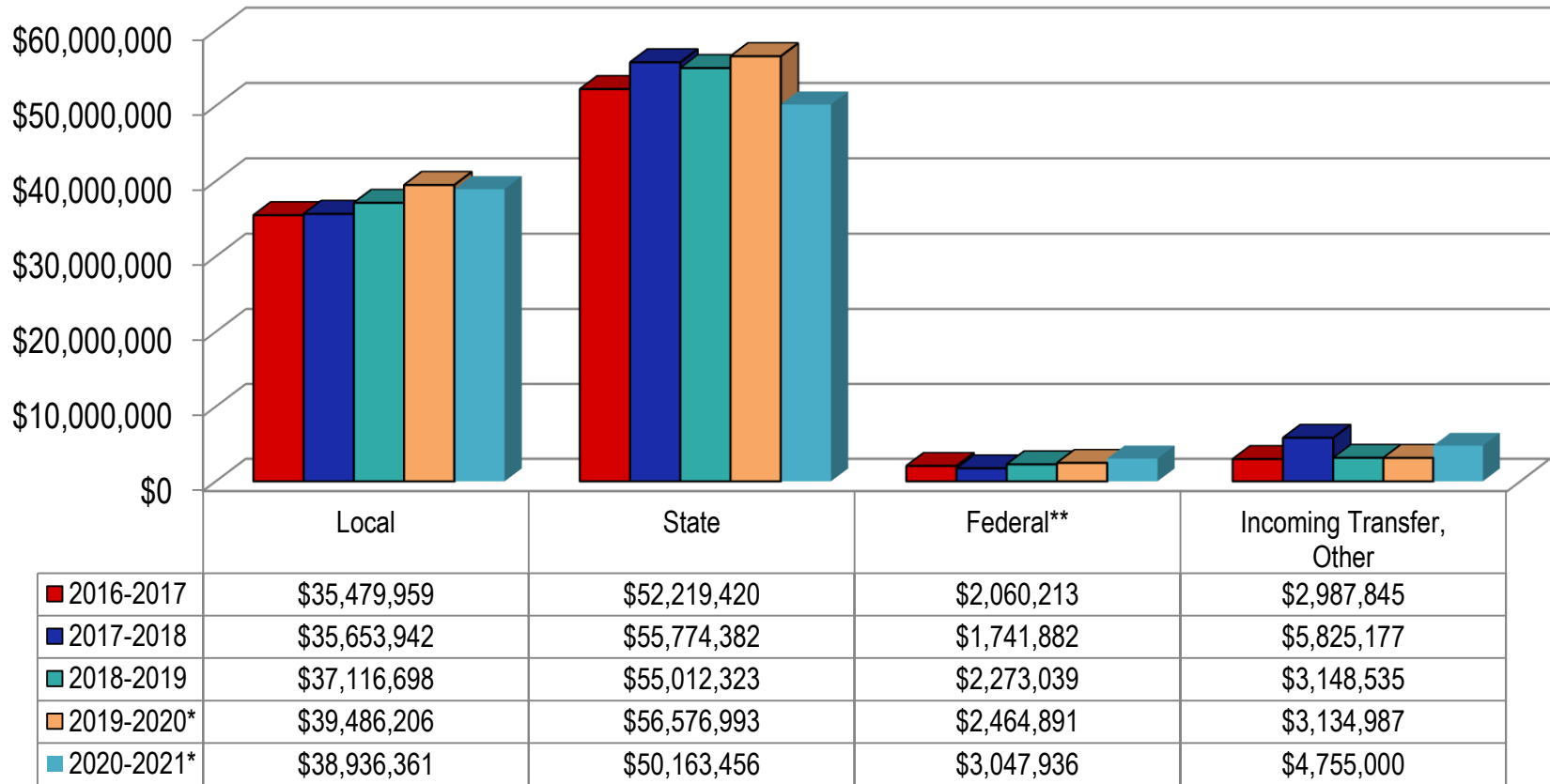
** TBAISD annual audit review distributions over 12% fund balance

Where Does Funding Come From?



- ➡ Local
- ➡ State
- ➡ Federal

Budget Comparison ~ Revenue Source



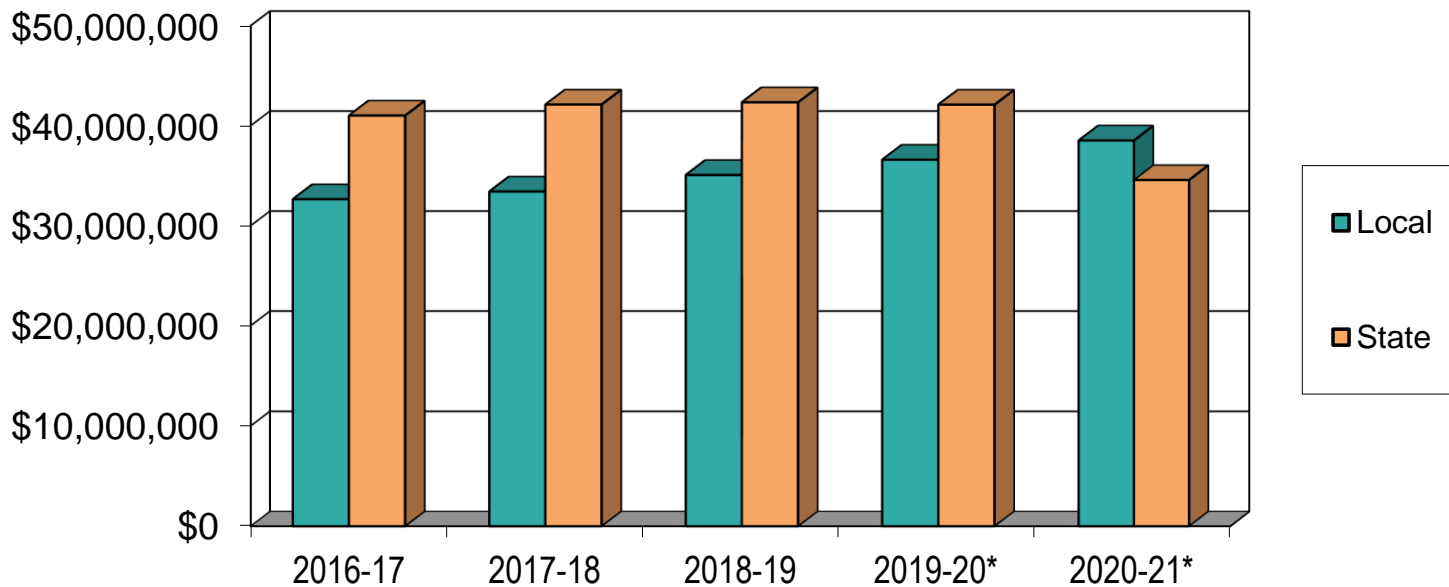
* Projections

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

Funds not spent by June 30, 2020 will be "carried over" to fiscal 2021 in accordance with federal program guidelines.

Revenue Budget ~ Funding Assumptions

	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020*</u>	<u>2020/2021*</u>
Full-time Equivalent Students	9,805	9,896	9,689	9,701	9,601
Foundation Allowance	\$7,511	\$7,631	\$7,871	\$8,111	\$7,611
Revenue from Foundation	\$73,645,355	\$75,516,376	\$76,262,119	\$78,684,811	\$73,073,211



* 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.”

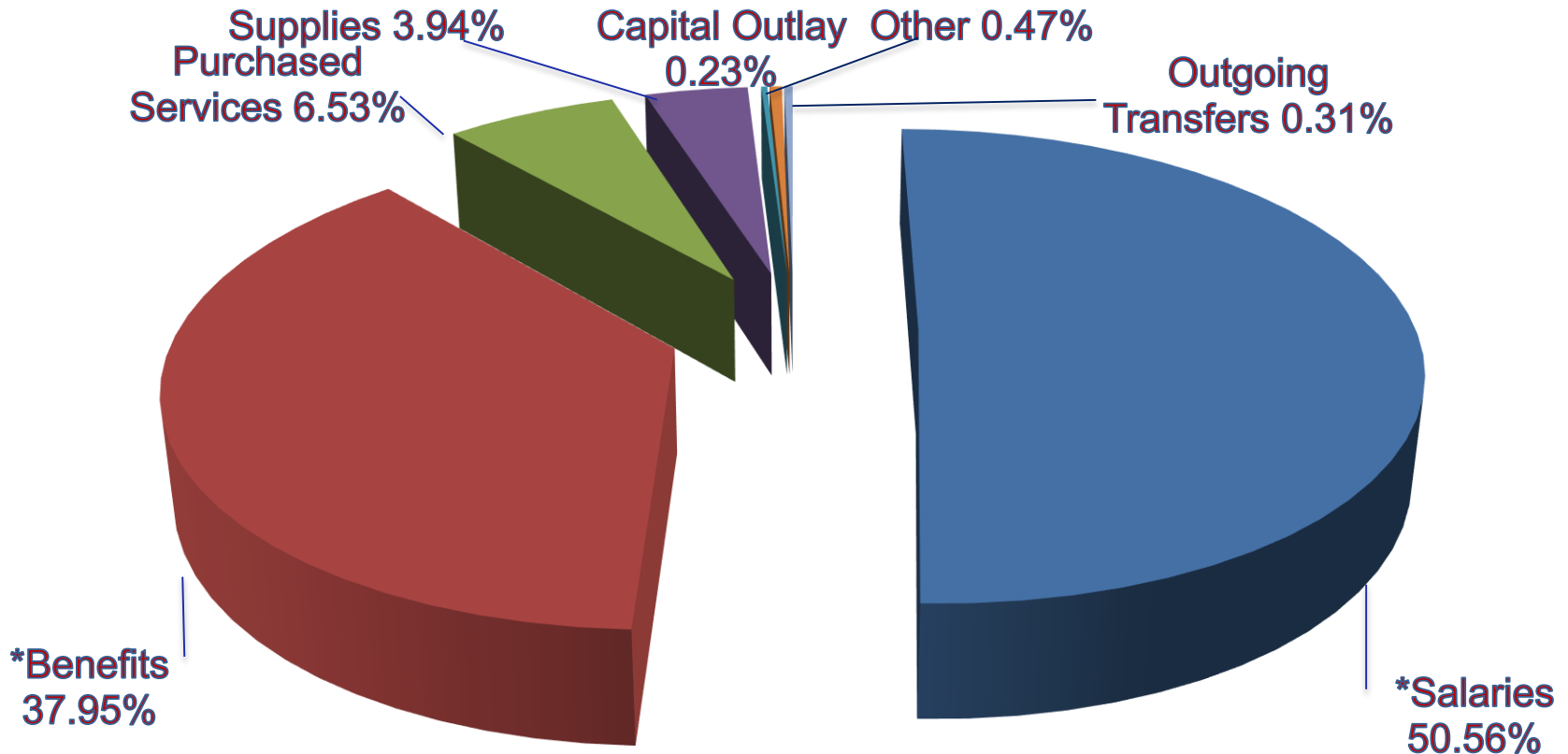
¹ “Non-homestead” is currently referred to as “Non-Principal Residence Exemption”

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



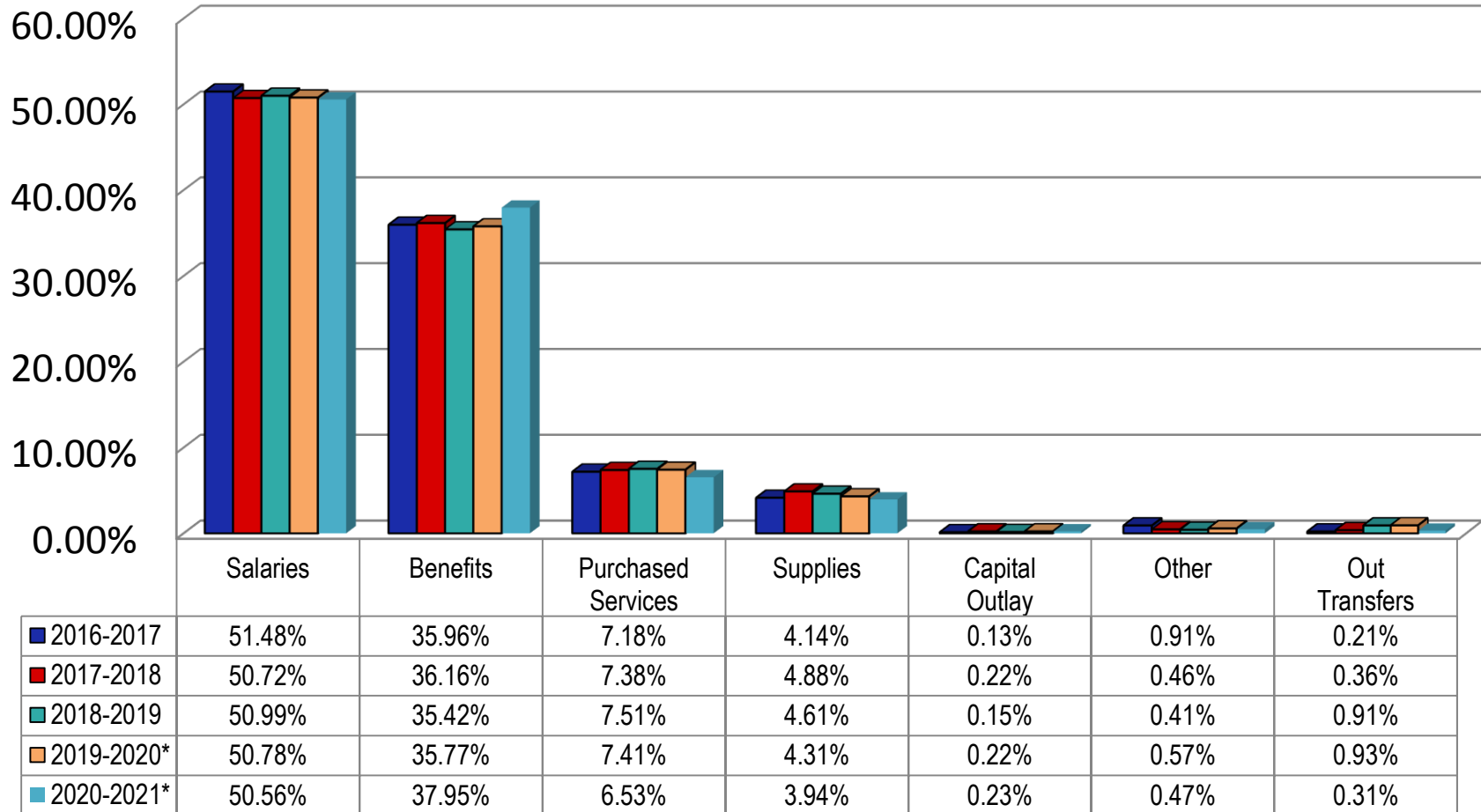
Where does the money go?

2020/2021 Budget General Fund Monies



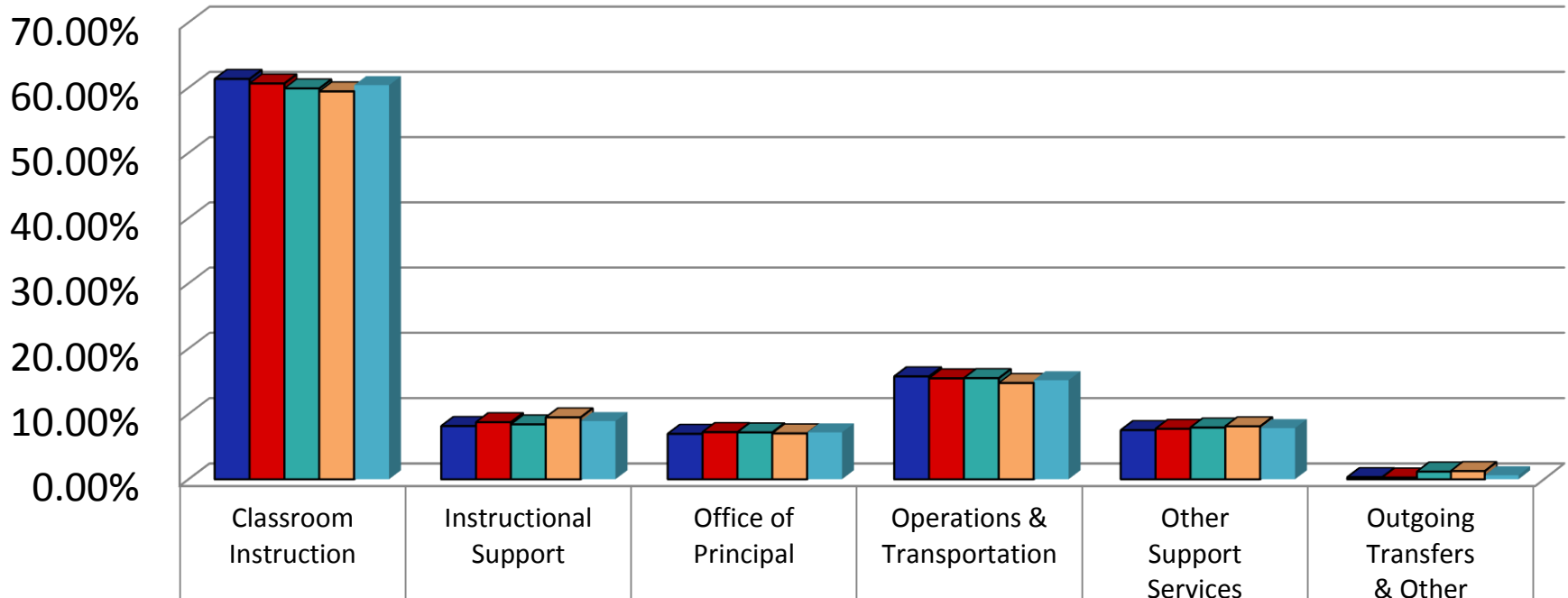
*Total Salaries and Benefits – 88.5%

Budget Comparison By Object



* Projections

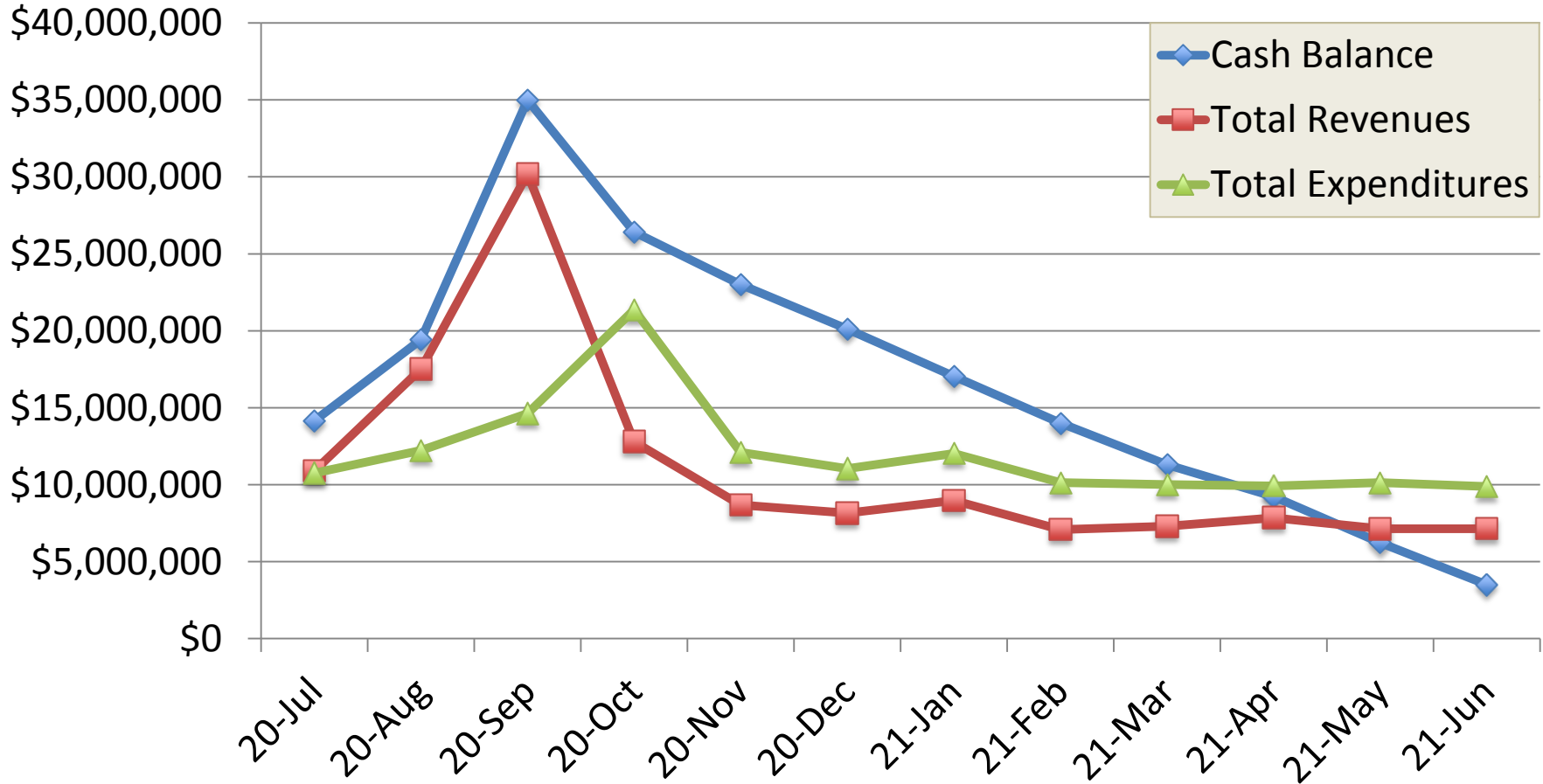
Budget Comparison By Function



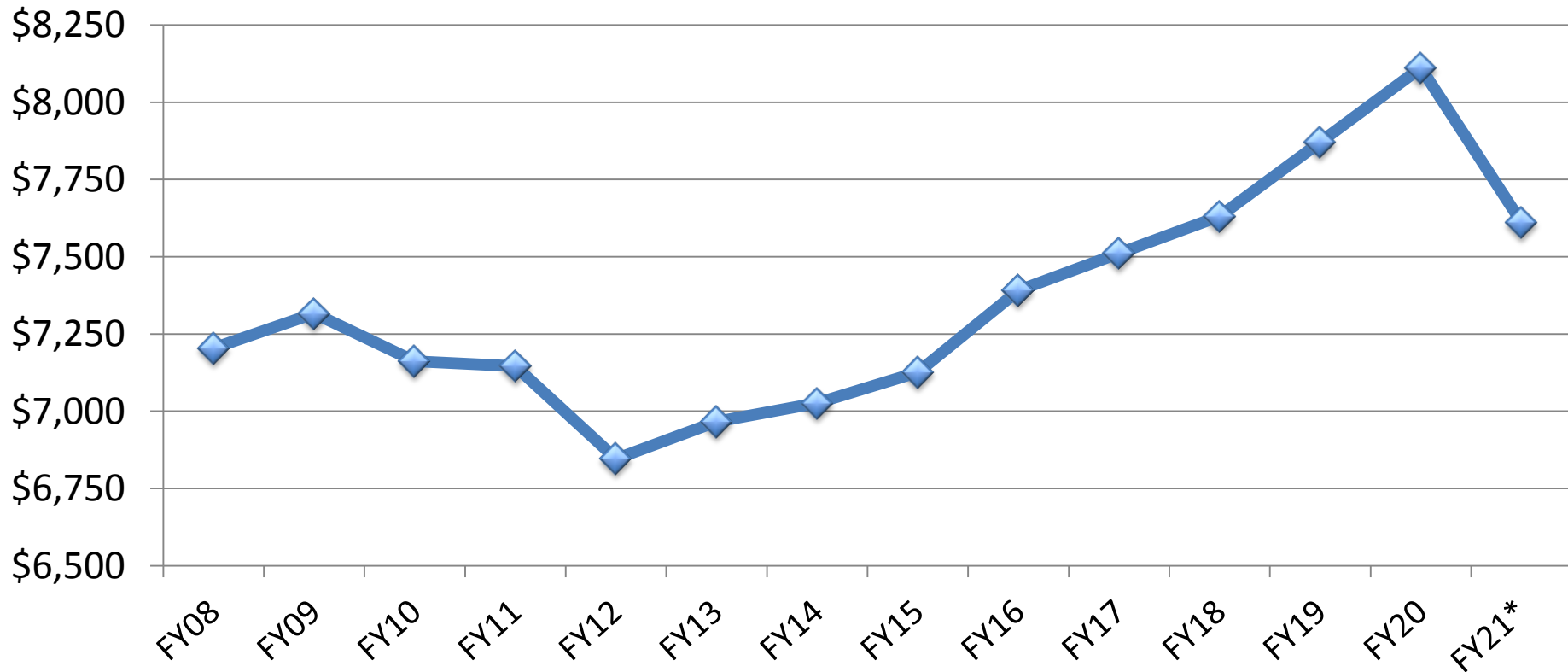
	Classroom Instruction	Instructional Support	Office of Principal	Operations & Transportation	Other Support Services	Outgoing Transfers & Other
■ 2016-2017	61.33%	8.14%	6.95%	15.74%	7.52%	0.31%
■ 2017-2018	60.64%	8.73%	7.21%	15.44%	7.72%	0.26%
■ 2018-2019	59.88%	8.40%	7.17%	15.47%	7.91%	1.17%
■ 2019-2020*	59.42%	9.47%	7.02%	14.73%	8.10%	1.25%
■ 2020-2021*	60.37%	8.90%	7.17%	15.15%	7.82%	0.60%

* Projections

Cash Flow Projections ~ Fiscal 2021

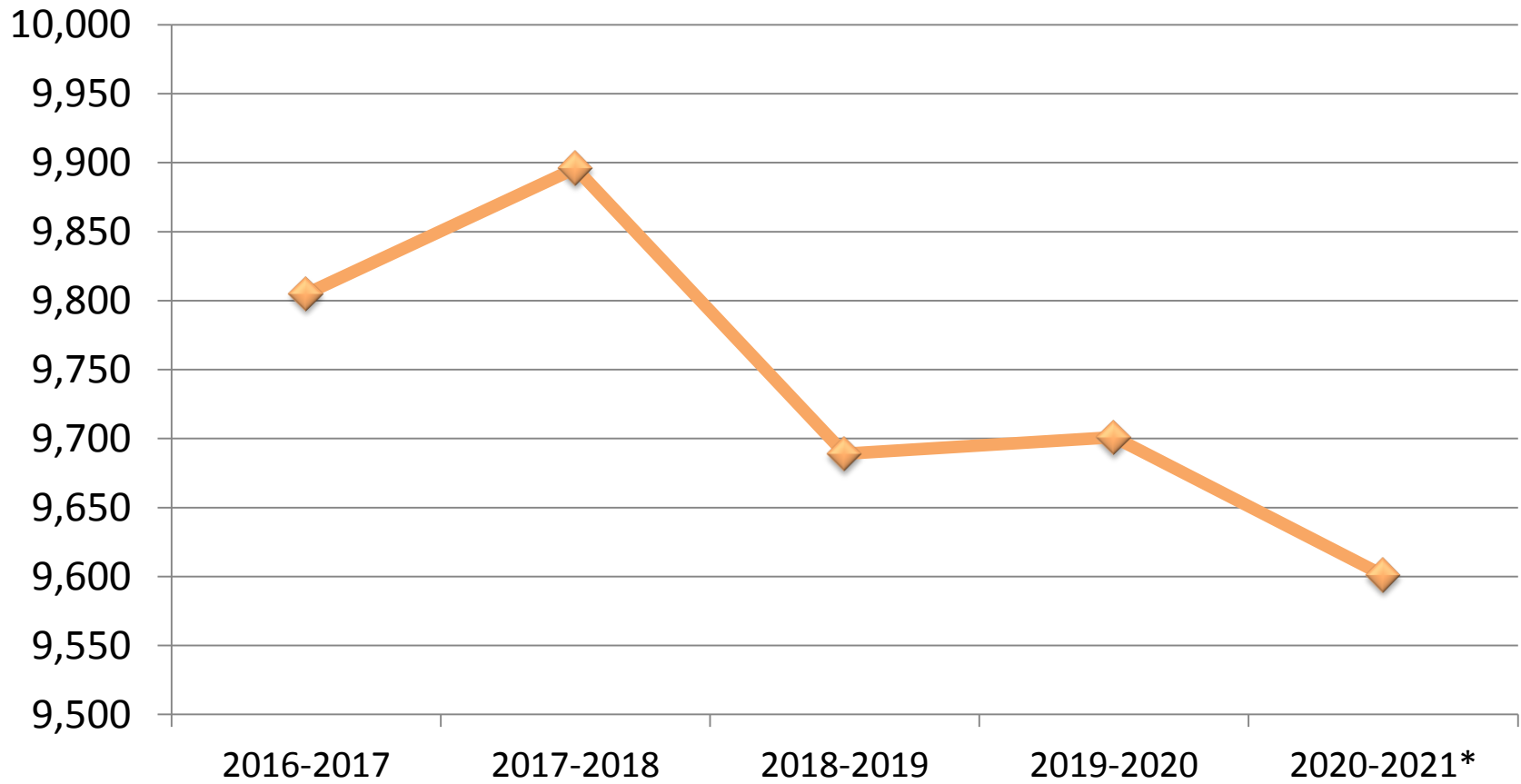


History of Foundation Amounts (Per-pupil)



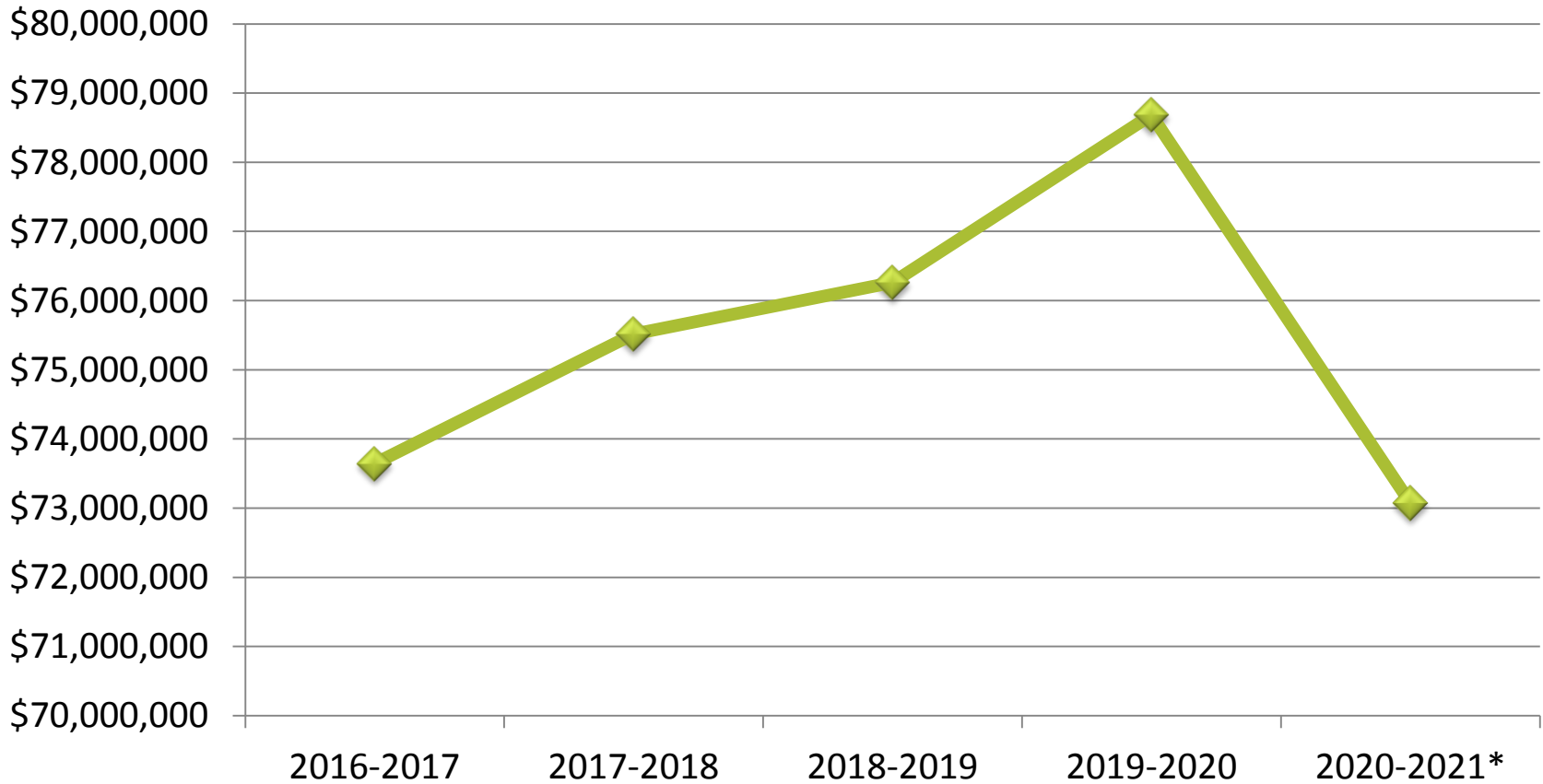
* Projections

History of Student Count (Total FTE)



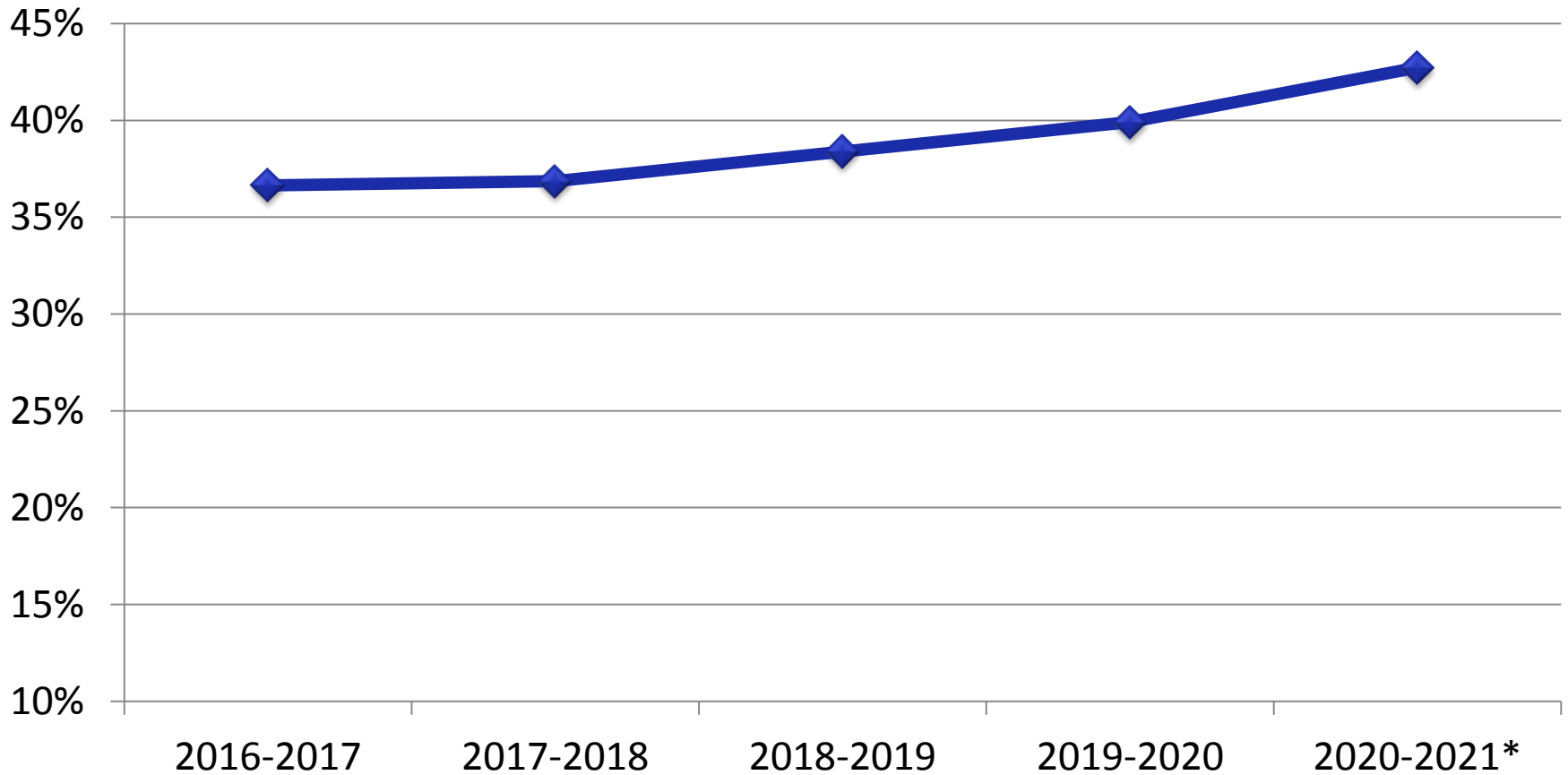
* Projections

History of Total Foundation Revenue



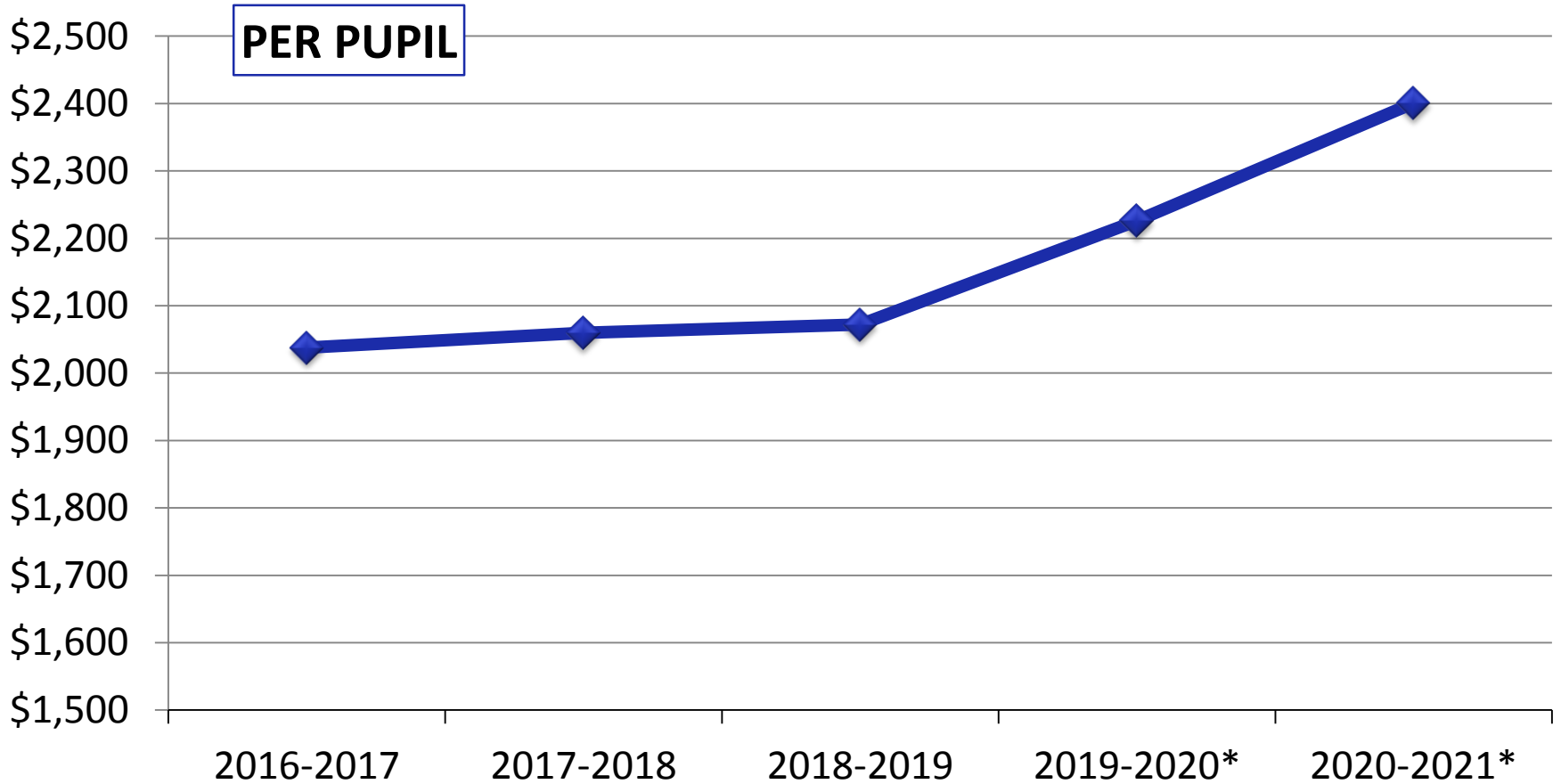
* Projections

History of Retirement Rates



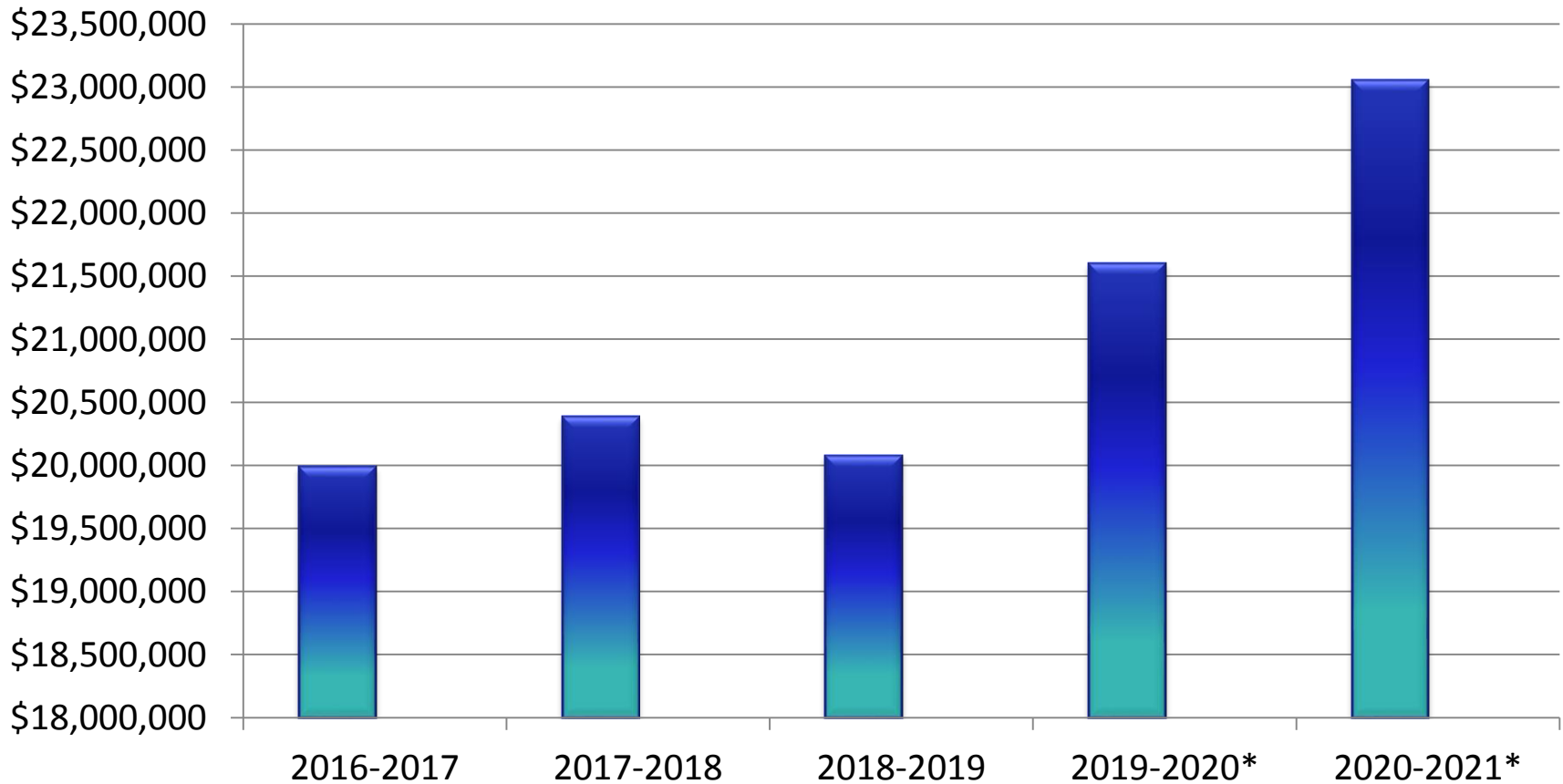
* Projections

History of TCAPS' Retirement Costs



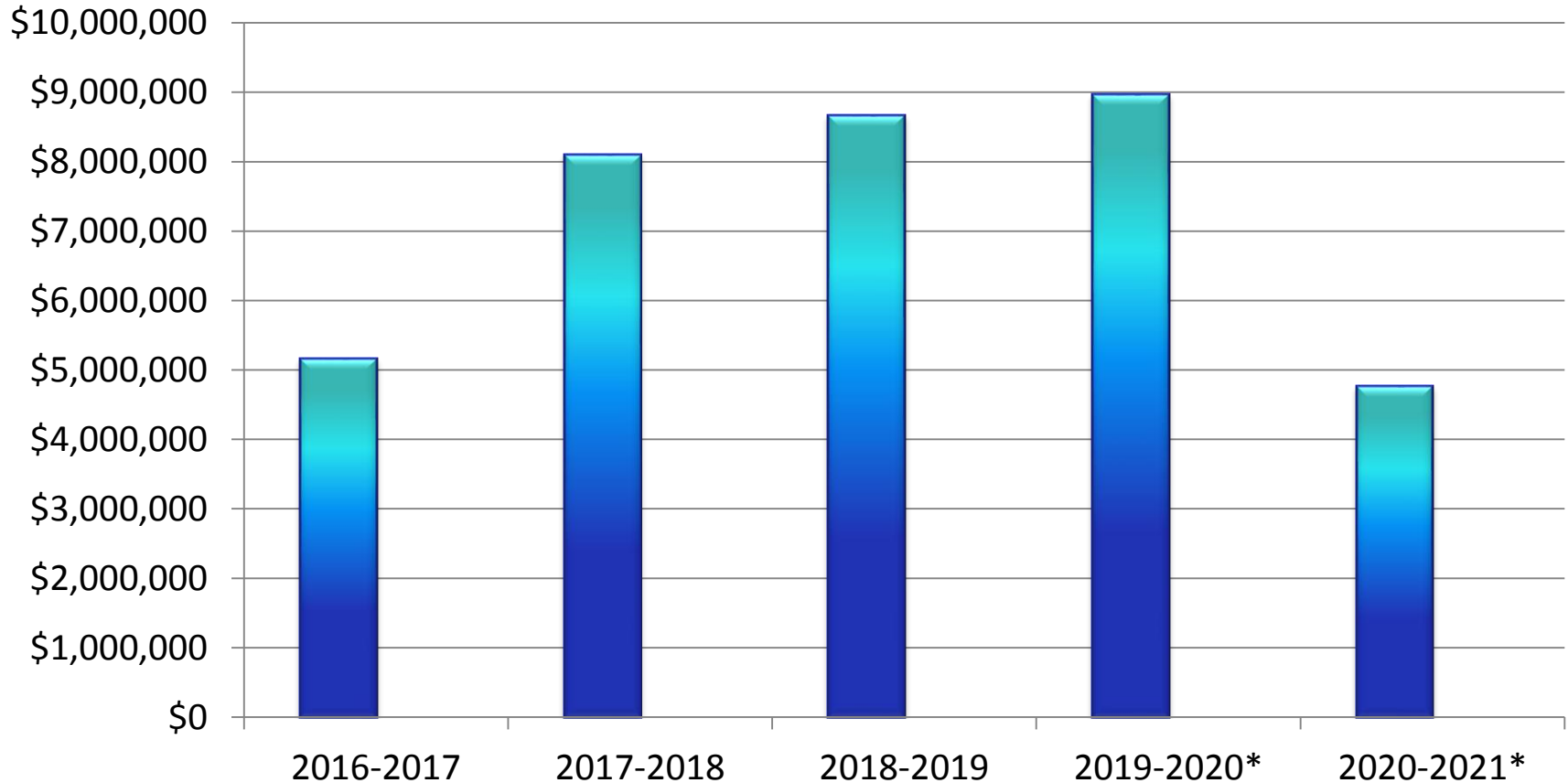
* Projections

History of TCAPS' Retirement Costs



* Projections

History of Fund Balance



* Estimated amounts, not actual amounts.

Other Funds

➔ Special Revenue Fund: Food Services

- Estimating a drawdown of fund balance up to \$450,000. While the District is receiving reimbursement for the meals served during the Stay at Home order, it does not cover the cost of ongoing labor for all employees and the shortfall generated from the loss of local revenue (a la carte and adult sales).
- Committed to serving free meals throughout the summer
- Expecting FY21 to be structurally balanced
 - The District is exercising an exemption to keep lunch prices the same for 2020-2021.
 - Cost controls
 - Labor
 - Inventory
 - Menu planning
- Commitment to quality meals and service

Other Funds continued

➔ **Special Revenue Fund: Community Services**

✓ **Childcare Programs**

- Fee-for-service program
 - Continuing to implement program efficiencies with added flexibility for parents

➔ **Special Revenue Fund: Community Services**

✓ **Learning, Enrichment & Athletic Program (LEAP)**

- Fee for participation
- Provides opportunity & programming for nearly 4,600 students each year (K-12)

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 (40% lower than state average of 5.4 mills)

A Special Acknowledgement

A note of thanks to the staff in the Business Office for their commitment to continuous improvement throughout the entire year.

In particular, I would like to extend my thanks for the added effort put forth to prepare the budget and the Comprehensive Annual Financial Report (CAFR). The 2019 CAFR received the Certificate of Excellence in Financial Reporting for the fifteenth consecutive year!

I would like to formally recognize the following individuals for their dedication, professionalism and expertise.

Wes Souden

Sandy Low

Julie Gorter

Beckie Cairns
Carrie Sattler

Cindy Farah
Shawn Stowe

Brenda Hampton
Ashley Wills

Keri McCumber
Dawn Smith

Sincerely,
Christine Thomas-Hill
Associate Superintendent
Finance and Operations

MEMORANDUM

Christine Thomas-Hill
Associate Superintendent
Finance and Operations

Julie Gorter
Executive Assistant

TO: James M. Pavelka, Interim Superintendent
FROM: Christine Thomas-Hill, Associate Superintendent
DATE: June 22, 2020
RE: 2020-2021 ORIGINAL BUDGETS

Attached please find the 2020-2021 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, Community Services and Student/School Activity 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 2020-2021 General Fund Budget and the original 2020-2021 Special Revenue Fund Budget, dated July 1, 2020.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 22, 2020

FOR ACTION:

TOPIC: 2020-2021 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 2020-2021 fiscal year (Preliminary Budgets). The Uniform Budgeting and Accounting Act requires that the appropriations for the General Operations and Special Revenue 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)	5,481,823,277
Homestead Taxable Value	3,342,157,681
Non-Principal Residence Exemption Taxable Value	2,139,665,596*
Operating Millage Levy (Non-principal residence exemption only)	18 mills
Operating Local Property Tax Revenue (Non-principal residence exemption only)	38,513,981
Estimated State Aid (foundation allowance) Formula:	
Foundation Allowance per Pupil	7,611
Local Tax Support per Pupil (Est. Pupils: 9,601)	4,011
State Aid per Pupil (Est. Pupils: 9,601)	3,600

* 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 2020/2021 school year.

SOURCE PERSON: Christine Thomas-Hill, Associate Superintendent of Finance and Operations

ATTACHMENTS:

- Resolution to Adopt 2020-2021 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 2020-2021 PRELIMINARY BUDGETS

RESOLVED, that this resolution shall be the general appropriations of the Traverse City Area Public Schools for the 2020-2021 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 2020-2021 are as follows:

Revenue

Local Sources	\$ 38,936,361
State Sources	50,163,456
Federal Sources	3,047,936
Incoming Transfers and Other Transactions	<u>4,755,000</u>

Total Revenue **\$ 96,902,753**

Fund Balance (07/01/20 estimate) \$ 7,461,084

Total Available to

Appropriate ~ General Fund **\$ 104,363,837**

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

**RESOLUTION TO ADOPT
2020/2021 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, that \$102,598,275 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	\$ 51,249,842
Added Needs	<u>10,686,469</u>
 Total Instruction	 \$ 61,936,311

Support Services:

Pupil Services	\$ 4,264,345
Instructional Staff	4,864,848
General Administration	735,384
School Administration	7,354,247
Business Services	2,099,311
Operations & Maintenance	9,731,015
Pupil Transportation Services	5,810,169
Central Services	3,253,663
Other Support Services	<u>1,937,932</u>

Total Support Services \$ 40,050,914

Community Services \$ 289,050

Outgoing Transfers and Other Transactions \$ 322,000

Total Appropriated ~ General Fund \$102,598,275

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

**RESOLUTION TO ADOPT
2020-2021 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund - Food Services* of the Traverse City Area Public Schools for the fiscal year 2020-2021 are as follows:

Revenue

Local Sources	\$ 2,199,886
State Sources	302,924
Federal Sources	2,562,190
Incoming Transfers/Others	10,000
Total Revenue	\$ 5,075,000

Expenditures

Salaries	\$ 1,435,085
Benefits	894,263
Purchased Services	121,723
Supplies & Other Expenses	2,333,929
Capital Outlay	30,000
Operating Transfer	<u>260,000</u>
Total Expenditures	\$ 5,075,000

Excess of Revenues Over/(Under) Expenditures \$ 0

Beginning Fund Balance (07/01/20 estimate) \$ 298,871

Ending Fund Balance (06/30/21 estimate) \$ 298,871

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

**RESOLUTION TO ADOPT
2020-2021 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 2020-2021 are as follows:

Revenue

Local Sources	\$ 3,158,196
Federal Sources	0
Intermediate Sources	0
Operating Transfers In	<u>225,000</u>
Total Revenue	\$ 3,383,196

Expenditures

Salaries	\$ 1,518,173
Benefits	1,434,017
Purchased Services	145,603
Supplies and Other Expenses	277,437
Capital Outlay	24,466
Transfers to General Fund and Other	<u>0</u>
Total Expenditures	\$ 3,399,696

Excess of Revenues Over/(Under) Expenditures **(\$ 16,500)**

Beginning Fund Balance (07/01/20 estimate) **\$ 99,033**

Ending Fund Balance (06/30/21 estimate) **\$ 82,533**

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

**RESOLUTION TO ADOPT
2020-2021 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund – Student/School Activity* of the Traverse City Area Public Schools for the fiscal year 2020-2021 are as follows:

Revenue

Local Sources \$ 2,000,000

Total Revenue \$ 2,000,000

Expenditures

Supplies and Other Expenses \$ 2,000,000

Total Expenditures \$ 2,000,000

Excess of Revenues Over/(Under) Expenditures \$ 0

Beginning Fund Balance (07/01/20 estimate) \$ 1,187,886

Ending Fund Balance (06/30/21 estimate) \$ 1,187,886

This was a new fund for fiscal year 2019/2020 related to the implementation of GASB #84 and the accounting change for student activity funds.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION TO ADOPT 2020-2021 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, 2020.

AYES:

NAYS:

Resolution adopted.

Pamela G. Forton, 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 22, 2020, 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.

Pamela G. Forton, Secretary
Board of Education
Traverse City Area Public Schools

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

ITEMIZED PRELIMINARY BUDGET
2020-2021

Presented June 22, 2020

The itemized portion of the 2020-2021 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.

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

Revenue	2017-2018 Actual	2018-2019 Actual	2019-2020 Amended	2020-2021 Original
Local Unrestricted	35,653,942	37,116,698	39,486,206	38,936,361
State Unrestricted	43,799,451	43,714,507	45,509,004	39,913,468
State Restricted	11,974,931	11,297,816	11,067,989	10,249,988
Federal Restricted	1,741,882	2,273,039	2,464,891	3,047,936
Incoming Transfers/Other	5,825,177	3,148,535	3,134,987	4,755,000
Total Revenues	98,995,383	97,550,595	101,663,077	96,902,753

Expenditures				
Instruction				
Basic Instruction	49,358,243	48,408,242	50,196,237	51,249,842
Added Needs	8,884,368	9,672,976	10,925,690	10,686,469
Total Instruction	58,242,611	58,081,218	61,121,927	61,936,311
Support				
Pupil	3,630,196	3,639,287	4,390,207	4,264,345
Instructional Staff	4,753,741	4,504,306	5,351,692	4,864,848
General Administration	806,689	731,150	962,546	735,384
School Administration	6,924,413	6,950,160	7,226,005	7,354,247
Business Services	1,793,490	1,833,869	2,043,733	2,099,311
Operations and Maintenance	9,487,265	9,664,422	9,686,389	9,731,015
Pupil Transportation	5,342,191	5,344,422	5,461,719	5,810,169
Central Services	2,952,881	3,310,120	3,265,270	3,253,663
Other Support Services	1,859,990	1,799,711	2,062,099	1,937,932
Total Support Services	37,550,856	37,777,447	40,449,660	40,050,914
Community Services	82,836	244,636	323,458	289,050
Other Uses - Outgoing Transfers & Other	169,889	889,576	967,130	322,000
Total Expenditures	96,046,192	96,992,877	102,862,175	102,598,275
Excess Revenue/(Expenditures)	2,949,191	557,718	(1,199,098)	(5,695,522)
Fund Balance - July 1	5,153,273	8,102,464	8,660,182	7,461,084
Fund Balance - June 30	8,102,464	8,660,182	7,461,084	1,765,562
Less Non-Spendable and Assigned	5,123,259	5,209,084	2,250,670	1,600,670
Unassigned Fund Balance	2,979,205	3,451,098	5,210,414	164,892

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	58,957	75,512	50,000	0
Non-Spendable for Prepaid	1,429,606	1,326,852	600,000	0
Assigned for Building Carryover	705,078	790,472	700,670	700,670
Assigned for Department Carryover	59,000	75,739	0	0
Assigned for Building Staff Carryover	372,191	272,322	0	0
Assigned for Severance Pay	1,234,130	1,174,996	900,000	900,000
Assigned for subsequent year expenditures	1,264,297	1,493,191	0	0
Total Fund Equity Non-Spendable and Assigned	5,123,259	5,209,084	2,250,670	1,600,670

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, 2020**

Calculation of Projected FTE Students			2021	2020
February Student Count (actual 2020)	9,642	10%	964	950
October Student Count (estimate 2020)	9,597	90%	8,637	8,751
Total Fiscal year FTE			9,601	9,701

Total Foundation Allowance Calculation		2021	2020
Total Fiscal year FTE		9,601	9,701
Foundation Amount per Student		7,611	8,111
Total Foundation Allowance		73,073,211	78,684,811

State and Local Portion of Foundation		Current Year	Prior Year
non-Principal Residence Exemption		2,139,665,596	2,032,810,575
18 mills			
Local Portion of Foundation		38,513,981	36,590,590
State Portion of Foundation		34,559,230	42,094,221

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

Revenue	2019-2020 Amended	2020-2021 Original
Local Unrestricted	39,287,248	38,936,361
State Unrestricted	45,509,004	39,913,468
State Restricted	6,206,244	7,339,807
Federal Restricted	28,000	1,050,828
Incoming Transfers/Other	2,947,666	4,674,000
Total Revenues	93,978,162	91,914,464

Expenditures		
Instruction		
Basic Instruction	49,352,157	51,249,842
Added Needs	7,580,660	8,114,817
Total Instruction	56,932,817	59,364,659
Support		
Pupil	2,979,544	3,046,747
Instructional Staff	3,940,092	3,921,930
General Administration	962,546	735,384
School Administration	7,226,005	7,354,247
Business Services	2,043,733	2,099,311
Operations and Maintenance	9,685,542	9,731,015
Pupil Transportation	5,382,756	5,775,533
Central Services	3,217,108	3,239,717
Student Support Services	1,958,521	1,937,932
Total Support Services	37,395,847	37,841,816
Community Services	0	175,241
Other Uses - Outgoing Transfers & Other	848,596	228,270
Total Expenditures	95,177,260	97,609,986
Excess Revenue/(Expenditures)	(1,199,098)	(5,695,522)
Fund Balance - July 1	8,660,182	7,461,084
Fund Balance - June 30	7,461,084	1,765,562
Less Non-Spendable and Assigned	2,250,670	1,600,670
Unassigned Fund Balance	5,210,414	164,892

Fund Equity Non-Spendable and Assigned		
Non-Spendable for Inventories	50,000	0
Non-Spendable for Prepaids	600,000	0
Assigned for Building Carryover	700,670	700,670
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	2,250,670	1,600,670

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

Revenue	2019-2020 Amended	2020-2021 Original
Local Unrestricted	198,958	0
State Unrestricted		
State Restricted		
Federal Restricted		
Incoming Transfers/Other	187,321	81,000
Total Revenues	386,279	81,000

Expenditures		
Instruction		
Basic Instruction	27,823	0
Added Needs	126,518	72,552
Total Instruction	154,341	72,552
Support		
Pupil	15,890	0
Instructional Staff	5,889	400
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	23,578	0
Total Support Services	46,204	400
Community Services	170,207	4,694
Other Uses - Outgoing Transfers & Other	15,527	3,354
Total Expenditures	386,279	81,000
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	2019-2020 Amended	2020-2021 Original
Local Unrestricted		
State Unrestricted		
State Restricted	4,861,745	2,910,181
Federal Restricted		
Incoming Transfers/Other		
Total Revenues	4,861,745	2,910,181

Expenditures		
Instruction		
Basic Instruction	813,991	0
Added Needs	2,256,706	1,751,013
Total Instruction	3,070,697	1,751,013
Support		
Pupil	1,331,125	1,123,389
Instructional Staff	324,692	21,859
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	34,672	0
Central Services	3,735	0
Student Support Services	80,000	0
Total Support Services	1,774,224	1,145,248
Community Services	5,061	0
Other Uses - Outgoing Transfers & Other	11,763	13,920
Total Expenditures	4,861,745	2,910,181
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 - Restricted Federal Funds
For the Fiscal Years Ending June 30**

Revenue	2019-2020 Amended	2020-2021 Original
Local Unrestricted		
State Unrestricted		
State Restricted		
Federal Restricted	2,436,891	1,997,108
Incoming Transfers/Other		
Total Revenues	2,436,891	1,997,108

Expenditures		
Instruction		
Basic Instruction	2,266	0
Added Needs	961,806	748,087
Total Instruction	964,072	748,087
Support		
Pupil	63,648	94,209
Instructional Staff	1,081,019	920,659
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	44,291	34,636
Central Services	44,427	13,946
Student Support Services	0	0
Total Support Services	1,233,385	1,063,450
Community Services	148,190	109,115
Other Uses - Outgoing Transfers & Other	91,244	76,456
Total Expenditures	2,436,891	1,997,108
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
Special Revenue Fund - Food Service Fund
For the Fiscal Years Ending June 30

Revenue	2017-2018 Actual	2018-2019 Actual	2019-2020 Amended	2020-2021 Original
Local	2,156,294	2,100,873	1,600,873	2,199,886
State	295,957	302,012	270,843	302,924
Federal	2,090,214	2,164,583	2,333,284	2,562,190
Incoming Transfers and Other	10,009	9,999	10,000	10,000
Total Revenues	4,552,474	4,577,467	4,215,000	5,075,000

Expenditures				
Salaries and Wages	1,289,313	1,233,806	1,427,923	1,435,085
Employee Benefits	722,098	700,615	832,802	894,263
Purchased Services	148,575	114,521	121,723	121,723
Supplies and Other	2,119,641	2,061,663	1,977,552	2,333,929
Capital Outlay	179,693	87,514	45,000	30,000
Operating Transfer	220,000	260,000	260,000	260,000
Total Expenditures	4,679,320	4,458,119	4,665,000	5,075,000

Revenues Over/(Under) Expenditures	(126,846)	119,348	(450,000)	0
Beginning Fund Balance July 1	756,369	629,523	748,871	298,871
Ending Fund Balance June 30	629,523	748,871	298,871	298,871

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 District is exercising its exemption to keep lunch prices the same for 2020-2021.

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

Revenue	2017-2018 Actual	2018-2019 Actual	2019-2020 Amended	2020-2021 Original
Local	3,147,617	2,976,743	2,259,664	3,158,196
Federal	135,000	135,000	189,300	0
Intermediate School District	0	0	0	0
Incoming Transfers/Other	125,502	120,276	860,500	225,000
Total Revenues	3,408,119	3,232,019	3,309,464	3,383,196
Expenditures				
Salaries and Wages	1,599,509	1,456,261	1,622,685	1,518,173
Employee Benefits	1,217,216	1,171,529	1,378,852	1,434,017
Purchased Services	212,234	197,599	151,372	145,603
Supplies and Other	279,677	85,089	244,318	277,437
Capital Outlay	10,045	5,683	35,237	24,466
Transfer to General Fund and Other	226,497	317,787	0	0
Total Expenditures	3,545,178	3,233,948	3,432,464	3,399,696
Revenue Over/(Under) Expenditures	(137,059)	(1,929)	(123,000)	(16,500)
Beginning Fund Balance July 1	361,021	223,962	222,033	99,033
Ending Fund Balance June 30	223,962	222,033	99,033	82,533

NOTE: The TCAPS School Service Fund - Community Services is made up of two components: Childcare Programs and LEAP (Learning Enrichment and Athletic Program). 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
Special Revenue Fund - Community Service Fund - Childcare Programs
For the Fiscal Years Ending June 30

Revenue	2019-2020 Amended	2020-2021 Original
Local	1,947,164	2,748,196
Federal	189,300	0
Intermediate School District		
Incoming Transfers/Other	663,000	65,000
Total Revenues	2,799,464	2,813,196

Expenditures		
Salaries and Wages	1,454,758	1,348,436
Employee Benefits	1,258,258	1,304,462
Purchased Services	34,402	28,633
Supplies and Other	145,046	148,165
Capital Outlay	0	0
Transfer to General Fund and Other	0	0
Total Expenditures	2,892,464	2,829,696
Revenue Over/(Under) Expenditures	(93,000)	(16,500)
Beginning Fund Balance July 1	170,587	77,587
Ending Fund Balance June 30	77,587	61,087

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

Revenue	2019-2020 Amended	2020-2021 Original
Local	312,500	410,000
Federal		
Intermediate School District		
Incoming Transfers/Other	197,500	160,000
Total Revenues	510,000	570,000

Expenditures		
Salaries and Wages	167,927	169,737
Employee Benefits	120,594	129,555
Purchased Services	116,970	116,970
Supplies and Other	99,272	129,272
Capital Outlay	35,237	24,466
Transfer to General Fund and Other	0	
Total Expenditures	540,000	570,000
Revenue Over/(Under) Expenditures	(30,000)	0
Beginning Fund Balance July 1	51,446	21,446
Ending Fund Balance June 30	21,446	21,446

Traverse City Public Schools
Special Revenue Fund - Student/School Activity Fund
For the Fiscal Years Ending June 30

Revenue	2017-2018 Actual	2018-2019 Actual	2020-2020 Amended	2020-2021 Original
Local			1,800,000	2,000,000
State				
Federal				
Incoming Transfers and Other				
Total Revenues	0	0	1,800,000	2,000,000

Expenditures				
Salaries and Wages				
Employee Benefits				
Purchased Services				
Supplies and Other			1,800,000	2,000,000
Capital Outlay				
Operating Transfer				
Total Expenditures	0	0	1,800,000	2,000,000

Revenues Over/(Under) Expenditures	0	0	0	0
Beginning Fund Balance July 1	0	0	1,187,886	1,187,886
Ending Fund Balance June 30	0	0	1,187,886	1,187,886

NOTE: This was a new fund for fiscal year 2019-2020 related to the implementation of GASB #84 and the accounting change for student activity funds.



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	2018 Voter Approval 107 Million Authorization	Total Voter Approval 272 Million Authorization
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
May 23, 2018			12,397,111		12,397,111
May 16, 2019			12,492,837	22,400,552	34,893,389
Unsold		3,987	3,624		7,611
Sub-Total	18,000,000	42,000,000	105,000,000	22,400,552	187,400,552
Projected Bond Sales					
May 2021				21,000,000	21,000,000
May 2023				20,100,000	20,100,000
May 2025				27,500,000	27,500,000
May 2025				15,999,448	15,999,448
Total	18,000,000	42,000,000	105,000,000	107,000,000	272,000,000

Capital Projects 2018 Bond Sale

Revenue		
12,430,945		Bond Sale
356,645		Earnings on Investments
12,787,590		
Expenditures		
0		Unallocated funds
24,129		Montessori - design and planning
1,031,121		Elementary and secondary - classroom and common area furniture
11,821		Sabin - building abatement
1,401,921		Silver Lake - interior renovation and vehicular entry
240,340		Long Lake - interior renovation
1,715,800		Willow Hill - interior renovation and boiler replacement
269,446		Traverse City High School - interior renovation
93,505		West Middle School - interior renovation design
65,000		Oak Park - interior renovation
400,000		Security equipment upgrade
25,627		Transportation building - interior renovations
90,000		Courtade - interior renovation design and site improvements
70,000		Playground upgrades
326,993		Security hardware, doors hardware and radio equipment
1,990,896		Bus replacement
3,817,317		Technology projects (fiber, cabling, electronics, laptop and Chrome book replacement, projectors, servers, communications equipment, and infrastructure upgrades)
300,000		Facilities equipment
483,000		Physical education facilities - please see detailed project list
315,000		Visual, performing and applied arts - please see detailed project list
3,000		Annual audit cost
112,674		Bond sale costs
0		Arbitrage calculation and reserve for arbitrage liability
12,787,590		

All project actual expenditures and budgeted expenditures as of May 31, 2020

**Capital Projects
2019 Bond Sale**

Revenue		
	34,970,609	Bond Sale
	788,313	Earnings on Investments
	35,758,922	
Expenditures		
	0	Unallocated funds
	5,000,000	Montessori - new building construction
	1,400,000	Courtade Elementary - interior renovation and roof replacement
	1,300,000	Westwoods Elementary - interior renovation
	950,000	Blair Elementary - interior renovation
	350,000	Central Grade Elementary - interior renovation
	100,000	Traverse Heights Elementary - interior renovation and site improvements
	2,000,000	Cherry Knoll Elementary - classroom addition
	5,750,096	West Middle School - interior renovation, roof replacement and exterior renovation
	35,000	East Middle School - interior renovations and exterior renovations
	9,000,000	Central High School - Athletic Complex
	250,000	Central High School - garage and storage building
	600,000	West High School - auditorium upgrade (lighting)
	72,519	West High School - interior renovation and library upgrade
	350,000	Master clock - upgrade
	2,000,000	Elementary and secondary - classroom and common area furniture
	90,160	Planning, assessment and capital project costing services
	1,075,000	Thirby Field - site improvements
	1,350,000	Willow Hill - Interior renovations
	130,000	Westwoods - Classroom addition design
	35,000	Playground upgrades
	150,000	Security hardware and doors hardware
	1,060,433	Bus replacement
	2,000,000	Technology projects (fiber, cabling, electronics, laptop and Chrome book replacement, projectors, servers, communications equipment, and infrastructure upgrades)
	150,000	Facilities equipment
	200,000	Physical education facilities - please see detailed project list
	150,000	Visual, performing and applied arts - please see detailed project list
	3,000	Annual audit cost
	207,714	Bond sale costs
	0	Arbitrage calculation and reserve for arbitrage liability
	35,758,922	

All project actual expenditures and budgeted expenditures as of May 31, 2020

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	Completed	NA	Completed
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	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
26	Griffin Street - Improve the traffic issues at Montessori @ Glenn Loomis Elementary School.	2009	2007	\$60,000	\$55,000	\$53,745	Completed	Sep-09	Completed
27	Access Control & Video Surveillance Security System - Phase II	2011	2007	\$1,800,000	\$1,800,000	\$1,775,687	Completed	Nov-11	Completed
28	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
29	Interior Gym Renovation to (old) Small Gym-CHS	2011	2007	\$53,000	\$53,000	\$48,566	Completed	Jul-11	Completed
30	Construction of Track/Football Buildings/Entrance/Ticket Booth-CHS	2011	2007	\$158,000	\$158,000	\$146,827	Completed	Jul-11	Completed
31	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
32	Complete Gymnasium Lighting Retrofit at WSH	2010	2007	\$48,200	\$48,200	\$45,182	Completed	Sep-10	Completed
33	Installation of J-drain Site Drainage System at WSH Soccer Field	2010	2007	\$22,500	\$22,500	\$19,185	Completed	Aug-10	Completed
34	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
35	Complete (large and small) Gymnasium Lighting Retrofit at EMS	2010	2007	\$39,000	\$39,000	34,969	Completed	Sep-10	Completed
36	Central Grade School 2011 Classroom Renovation	2011	2007	\$200,000	\$116,567	\$108,399	Completed	Sep-11	Completed
37	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
38	Technology Office Relocation to Sabin Complex	2011	2007	\$150,000	\$150,000	\$86,394	Completed	Oct-12	Completed
39	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
40	East Middle School Interior Finishes: Upgrade flooring and paint	2011	2007	\$275,000	\$245,414	\$242,815	Completed	Sep-11	Completed

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	Project planning/research
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**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	East Middle School driveway and parking lot improvements	2011	2007	\$185,000	\$151,205	\$151,205	Completed	Oct-11	Completed
42	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
43	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
44	VPAA Project: WSH Mezzanine for Scene Shop	2012	2007	\$80,000	\$85,000	\$53,945	Completed	Sep-12	Completed
45	Office Renovation at Administration Building	2011	2007	\$20,000	\$15,000	\$13,806	Completed	Dec-11	Completed
46	Purchase of Copiers for District. Eliminate leased copiers 2012	2012	2007	\$460,000	\$460,000	\$460,000	Completed	Feb-12	Completed
48	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
49	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
50	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
51	Silver Lake Flooring: Replacement of all classroom flooring	2013	2007	\$150,000	\$100,000	\$42,890	Completed	Oct-13	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		Completed	Aug-12	Completed
56	Bertha Vos Food Service Equipment	2012	2007		\$65,000		Completed	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	WSH Mechanical Controls Replacement to Metasys Automation. Current system is unsupported.	2013	2007	\$400,000	\$400,000	\$373,958	Completed	Nov-13	Completed
61	WMS Mechanical Controls Replacement to Metasys Automation. Current system is unsupported.	2014	2007	\$435,000	\$435,000	\$413,387	Completed	Nov-14	Completed
62	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
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	Completed	2013-2014	Completed
64	West Senior High School Track Resurfacing	2013	2007	\$200,000	\$170,000	\$138,574	Completed	Sep-13	Completed
65	West Senior High School Tennis Court Resurfacing	2013	2007	\$160,000	\$90,000	\$62,612	Completed	Sep-13	Completed
66	Central High School Motorized Scrim	2013	2007	\$80,000	\$72,000	\$61,106	Completed	Sep-13	Completed
67	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

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Completed
Project planning/research
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**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	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
69	VPAA Project West Middle School Kiln: Burner Upgrades	2013	2007	\$15,000	\$15,000	\$10,407	Completed	Dec-13	Completed
70	VPAA West Senior High Motorized Scrim	2013	2007	\$80,000	\$80,000	\$66,212	Completed	Apr-13	Completed
71	Radio Purchase	2013	2007	\$55,000	\$55,000	\$54,829	Completed	Oct-13	Completed
72	Blair Elementary addition - preschool classrooms	2013/2014	2007	\$2,215,000	\$1,800,000	\$1,542,923	Completed	Sep-14	Completed
73	Central Grade School 2014 Classroom Renovation	2014	2004	\$300,000	\$265,000	\$152,608	Completed	Sep-14	Completed
74	VPAA: CHS & WMS Locker storage for musical instruments	2014	2007	\$170,000	\$170,000	\$146,643	Completed	Sep-14	Completed
75	Athletics: New scoreboards for Field Facilities	2014	2007	\$220,000	\$310,000	\$294,191	Completed	Sep-14	Completed
76	Interlochen Gym Floor Replacement	2014	2007	\$75,000	\$75,000	\$69,046	Completed	Jan-15	Completed
77	Eastern Roof Replacement	2014	2007	\$450,000	\$450,000	\$361,837	Completed	Sep-14	Completed
78	Interlochen Roof Replacement	2014	2007	\$450,000	\$450,000	\$376,934	Completed	Sep-14	Completed
79	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
80	Thirby Field Bleacher Replacement Project	2015	2007	\$400,000	\$156,000	\$201,184	Completed	Aug-15	Completed
81	Eastern Elementary: PA System Replacement	2014	2007	\$15,000	\$15,000	\$11,110	Completed	Mar-15	Completed
82	Interlochen Elementary: PA System Replacement	2014	2007	\$15,000	\$15,000	\$7,500	Completed	Mar-15	Completed
83	Central Grade Elementary: PA System Replacement	2017	2004	\$35,000	\$28,400	TBD	Completed	Aug-17	Completed
84	Purchase of 45 new Security Cameras to replace obsolete Pelco Cameras	2014	2007	\$35,000	\$35,000	\$34,291	Completed	Oct-14	Completed
85	Willow Hill Roof Drains	2014	2007	\$30,000	\$30,000	\$26,817	Completed	Sep-14	Completed
86	Safety and Security - The Boot System	2014	2007	\$485,000	\$485,000	\$467,114	Completed	Oct-14	Completed
87	VPAA Central High School Production Studio	2014	2007	\$70,000	\$85,000	\$82,202	Completed	Oct-14	Completed
88	VPAA West Senior High Auditorium light board	2014	2007	\$12,000	\$11,500	\$11,273	Completed	Aug-14	Completed
89	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
90	Blair Elementary classroom and corridor flooring replacement	2015	2007	\$180,000	\$110,000	\$101,804	Completed	Aug-15	Completed
91	Fingerprint equipment	2015	2007	\$11,500	\$11,500	\$11,170	Completed	Jul-15	Completed
92	Westwoods Elementary PA system replacement	2015	2007	\$15,000	\$15,000	\$7,395	Completed	Jul-15	Completed
93	Silver Lake Elementary PA system replacement	2015	2007	\$10,000	\$10,000	\$8,550	Completed	Sep-16	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

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**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 weight room HVAC	2015	2007	\$12,000	\$12,000	\$10,841	Completed	Aug-15	Completed
97	Cherry Knoll Elementary window weathering	2015	2007	\$11,380	\$11,380	\$11,380	Completed	Aug-15	Completed
98	Central Grade Elementary LED lighting and ceiling upgrades	2015	2004	\$35,000	\$35,000	\$31,120	Completed	Sep-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	Blair Elementary PA system replacement	2016	2004	\$15,000	\$15,000	\$9,972	Completed	May-16	Completed
102	Traverse Heights PA system replacement	2016	2007	\$15,000	\$15,000	\$11,995	Completed	Jun-16	Completed
103	Courtade Elementary PA system replacement	2016	2007	\$10,000	\$10,000	\$9,075	Completed	Sep-16	Completed
104	East Middle School PA system replacement	2017	2007	\$20,000	\$22,500	\$22,500	Completed	Apr-18	Completed
105	Willow Hill Elementary PA system replacement	2016	2007	\$10,000	\$10,000	\$9,500	Completed	Sep-16	Completed
106	Central Grade Elementary - Classroom renovations	2016	2004	\$96,000	\$96,000	\$60,082	Completed	Jan-17	Completed
107	Eastern Elementary site paving	2015	2007	\$75,000	\$75,000	\$64,571	Completed	Sep-15	Completed
108	Secondary sites storage containers	2016	2007	\$50,000	\$50,000	\$43,224	Completed	Nov-15	Completed
109	East Middle School dish washer	2016	2007	\$21,000	\$21,000	\$20,562	Completed	Sep-15	Completed
110	West High School Gym sound equipment	2015	2004	\$12,000	\$12,000	\$11,487	Completed	Jan-15	Completed
111	West High School indoor batting cage	2016	2004	\$10,000	\$10,000	\$10,000	Completed	Apr-16	Completed
112	Blair Elementary fire alarm	2016	2007	\$35,000	\$35,000	\$31,441	Completed	Sep-16	Completed
113	Cherry Knoll Elementary Parking and access improvements	2016	2007	\$225,000	\$230,000	\$228,275	Completed	Sep-16	Completed
114	Cherry Knoll Elementary classroom renovation	2016	2007	\$50,000	\$50,000	\$42,440	Completed	Sep-16	Completed
115	Silver Lake Elementary - Mechanical controls system	2017	2007	\$129,500	\$129,500	\$129,500	Completed	Dec-17	Completed
116	Maintenance building office renovation	2016	2007	\$125,000	\$125,000	\$124,998	Completed	Sep-17	Completed
117	site improvements EMS,WMS, CSH & WSH	2017	2007	\$100,000	\$100,000	\$91,949	Completed	Jun-18	Completed
118	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
119	Secondary classroom and common area furniture and fixtures	2014	2007	\$800,000	\$126,798	\$126,798	Completed	Sep-16	Completed
120	West High School Site Improvements	2016	2007	\$30,000	\$30,000	\$18,917	Completed	Sep-16	Completed
121	East Middle School mechanical controls system and condensers and coils	2016	2007	\$600,000	\$600,000	\$588,557	Completed	Sep-16	Completed
122	East Middle School roof replacement	2016	2007	\$975,000	\$975,000	\$680,907	Completed	Sep-16	Completed
123	East Middle School locker room and interior renovation	2016	2007	\$800,000	\$800,000	\$824,852	Completed	Sep-16	Completed
124	East Middle School - tennis court and site improvement	2017	2007	\$80,000	\$80,000	\$63,178	Completed	Sep-18	Completed
125	West Middle School - Master clock and Paging System	2017	2007	\$250,000	\$80,000	\$79,635	Completed	Sep-17	Completed

COLOR CODE KEY:	
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	Project planning/research
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	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	Bertha Vos Elementary - Classroom Renovation	2016	2007	\$80,000	\$80,000	\$72,525	Completed	Mar-17	Completed
127	West Middle School - Tennis Courts	2016	2007	\$85,000	\$85,000	\$88,542	Completed	Dec-16	Completed
128	West Senior High - Athletic Field site improvement	2016	2007	\$80,000	\$80,000	\$56,463	Completed	Jan-17	Completed
129	Physical Education Facility - Site improvements and equipment purchase	2016	2007	\$75,000	\$75,000	\$61,861	Completed	May-17	Completed
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	\$25,000	\$21,127	\$21,127	Completed	Aug-17	Completed
132	Silver Lake Elementary - Classroom Additions and land purchase	2017	2007	\$1,800,000	\$1,800,000	\$1,685,500	Completed	Dec-17	Completed
133	Central Grade - Building renovations	2017	2004/2007	\$300,000	\$300,000	\$258,099	Completed	Sep-17	Completed
134	Central Grade - Abatement project	2017	2007	\$200,000	\$200,000	\$192,744	Completed	Sep-17	Completed
135	Thirby Field - Site upgrades	2017	2007	\$210,000	\$210,000	\$204,547	Completed	Aug-18	Completed
136	Door Hardware, Security Hardware, Radio Equipment, Fire Alarm and E911 Physical Education Facility - WMS Site improvements and CSH equipment purchase	2016/2017	2007	\$335,000	\$335,000	\$270,525	Completed	Sep-19	Completed
137	Video Recorder Server	2016	2004	\$30,000	\$30,000	\$26,260	Completed	Nov-16	Completed
138	District Copier replacement	2017	2007	\$230,000	\$230,000	\$151,392	Completed	Oct-17	Completed
139	Willow Hill Elementary - Site and classroom flooring upgrade	2017	2007	\$50,000	\$50,000	\$32,959	Completed	Sep-17	Completed
141	Eastern Elementary - Reconstruction, Construction Manager, equipment, Abatement and Demolition	2017	2004/2007	\$16,500,000	\$16,500,000	\$16,347,308	Completed	Aug-18	Completed
142	Transportation - Overhead garage doors and site approach paving	2017	2007	\$90,000	\$90,000	\$62,832	Completed	Aug-16	Completed
143	Transportation - Bus Hoist	2017	2007	\$90,000	\$90,000	\$90,155	Close out	Aug-17	Completed
144	Central Grade freezer	2016	2007	\$25,000	\$25,000	\$22,637	Completed	Sep-16	Completed
145	CSH - Portable Backstop System	2017	2007	\$50,000	\$50,000	\$48,717	Contract award	Sep-17	Completed
146	West Senior High - Cooling Tower	2018	2007	\$225,000	\$225,000	\$177,186	Completed	May-19	Completed
147	Play ground Equipment	2018	2007	\$165,000	\$165,000	\$160,073	Completed	Sep-18	Completed
148	Cafeteria Tables	2018	2007	\$160,000	\$16,000	\$149,821	Completed	May-19	Completed
149	Boardman - site work and parking Lot	2018	2007	\$50,000	\$50,000	\$49,457	Completed	Oct-18	Completed
150	Boardman - Technology improvements	2019	2007	\$24,000	\$24,000	\$23,668	Completed	May-19	Completed
151	West High School - stage pit cover and extension	2017	2007	\$80,000	\$75,000	\$70,992	Completed	Sep-17	Completed
152	Central High School - Library renovation	2018	2007	\$115,000	\$115,000	\$110,787	Completed	Sep-18	Completed
153	West High School - East Athletic entrance renovation	2018	2007	\$70,000	\$70,000	\$69,882	Completed	Sep-18	Completed
154	Athletic field and site improvements	2018	2007	\$85,000	\$85,000	\$82,805	Completed	May-19	Completed
155	West High School - Athletic parking lot and site improvement	2018	2007	\$140,000	\$140,000	\$138,153	Completed	Sep-18	Completed
156	Secondary instructional classroom furniture	2019	2007/2018	\$2,100,000	\$2,100,000	\$2,024,548	Completed	Sep-19	Completed
157	Elementary instructional classroom furniture	2019	2018	\$900,000	\$900,000	TBD	Planning	TBD	Planning

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
158	Silver Lake vehicular entry	2019	2007	\$400,000	\$400,000	\$351,921	Completed	Sep-19	Completed
159	Silver Lake interior renovations	2019	2007	\$1,200,000	\$1,200,000	\$1,032,231	Completed	Sep-19	Completed
160	Long Lake interior renovations	2019	2007	\$300,000	\$300,000	\$240,340	Completed	Sep-19	Completed
161	Willow Hill interior renovations, boiler replacement and site improvements	2019	2007	\$1,800,000	\$1,800,000	\$1,715,730	Completed	Sep-19	Completed
162	West Middle School interior renovations, roof and site improvements	2019	2018	\$4,100,000	\$4,100,000	\$3,686,112	Completed	Sep-19	Final close out
163	Courtade interior renovations	2019	2018	\$1,600,000	\$1,600,000	\$1,400,000	Completed	Sep-19	Final close out
164	West High School - auditorium lighting	2019	2018	\$650,000	\$650,000	\$591,833	Completed	Sep-19	Completed
165	West High school library renovation	2019	2018	\$100,000	\$100,000	\$72,519	Completed	Sep-19	Completed
166	Westwoods interior renovations	2020	2007	\$1,300,000	\$1,300,000	TBD	Contract Award	Sep-20	Construction
167	Blair Elementary interior renovations	2020	2007	\$950,000	\$950,000	TBD	Contract Award	Sep-20	Construction
168	Security camera, radio, doors and hardware upgrades	2019-2021	2007/2018	\$480,000	\$480,000	TBD	Planning	TBD	Bids
169	Montessori Elementary	2020-2020	2007/2018	TBD	TBD	TBD	Planning	TBD	Design
170	Cherry Knoll classroom addition	2020	2018	TBD	TBD	TBD	Contract Award	TBD	Construction
171	Traverse City High School interior renovations	2020	2007	TBD	TBD	TBD	Contract Award	TBD	Construction
172	Play ground improvements	2019-2021	2007/2018	\$105,000	TBD	TBD	Planning	TBD	Design
173	Security system upgrade - phase one	2020	2018	\$400,000	TBD	TBD	Contract Award	Sep-20	Construction
174	Facilities equipment building	2019	2018	TBD	TBD	TBD	Planning	TBD	Design
175	Central High School - Athletic Complex	2020	2018	\$9,000,000	TBD	TBD	Contract Award	TBD	Construction
176	Central High School garage and storage building	2020	2018	TBD	TBD	TBD	Planning	TBD	Design
177	Thirby field site improvement	2020	2018	\$1,000,000	\$1,000,000	TBD	Contract Award	Aug-20	Construction
178	Parking lot improvements - Courtade	2020	2007	TBD	TBD	TBD	Planning	TBD	Design
179	Traverse Heights interior renovations and site improvements	2020	2018	TBD	TBD	TBD	Planning	TBD	Design
180	Central Grade interior renovations	2020	2018	\$350,000	\$350,000	TBD	Contract Award	Sep-20	Construction
181	Master clock upgrade	2019/2020	2018	\$350,000	\$350,000	TBD	Contract Award	Sep-20	Construction
182	East Middle School interior renovations	2020	2018	TBD	TBD	TBD	Planning	TBD	Design
183	Transportation interior renovations	2019	2007	\$50,000	\$50,000	\$25,627	Completed	TBD	Completed
184	Willow Hill interior and site improvements	2020	2007	\$1,350,000	TBD	TBD	Contract Award	Sep-20	Construction
185	West Middle School - interior renovations	2020	2018	\$2,000,000	\$2,000,000	TBD	Contract Award	Sep-20	Construction
186	West Middle School gym bleachers	2020	2007	\$140,000	\$140,000	TBD	Contract Award	Sep-20	Installation
187	West Middle School athletic field irrigation upgrade	2020	2007	\$95,000	\$95,000	TBD	Contract Award	Sep-20	Construction

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

MEMORANDUM

Christine Thomas-Hill
Associate Superintendent
Finance and Operations

Julie Gorter
Executive Assistant

TO: James M. Pavelka, Interim Superintendent
FROM: Christine Thomas-Hill, Associate Superintendent
DATE: June 19, 2020
RE: CERTIFICATION OF 2020-2021 TAXES

The Board of Education is being asked to adopt a resolution certifying the tax levy for the 2020-2021 school year, to take effect on July 1, 2020. This certification is necessary for the July 1, 2020 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 2020-2021 school year, dated July 1, 2020.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 22, 2020

FOR ACTION:

TOPIC: Certification of Taxes for the 2020/2021 School Year

RECOMMENDATION:

It is recommended that the Board of Education adopt the resolution certifying the tax levy for the 2020/2021 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, 2020. 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	\$38,513,981
3.1 Mills Debt Service	\$16,993,652

SOURCE PERSON: Christine Thomas-Hill
Associate Superintendent of Finance and Operations

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

**RESOLUTION FOR ADOPTION
June 22, 2020**

CERTIFICATION OF TAXES

This Resolution certifying taxes for the 2020-2021 school year shall take effect on July 1, 2020.

AYES:

NAYS:

Resolution adopted.

Pamela G. Forton, 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 22, 2020, 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.

Pamela G. Forton, Secretary
Board of Education
Traverse City Area Public Schools

2020 Tax Rate Request (This form must be completed and submitted on or before September 30, 2020)

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	2020 Taxable Value of ALL Properties in the Unit as of 5-26-2020 5,481,823,277
Local Government Unit Requesting Millage Levy Traverse City Area Public Schools	For LOCAL School Districts: 2020 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. 2,139,665,596

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 2020 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2019 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2020 Current Year "Headlee" Millage Reduction Fraction	(7) 2020 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	11/4/14	19.0961	18.5549	.9864	18.3025	N/A	18.3025	18.0000	18.0000	12/2025
Extra Vote	Debt All	6/14/04	N/A	N/A	N/A	N/A	N/A		3.1000	3.1000	N/A
		11/6/07									
		8/7/18									

Prepared by **Sandra Low** Telephone Number **(231) 933-1797** Title of Preparer **Director of Finance** Date **06/22/2020**

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

<input type="checkbox"/> Clerk	Signature 	Print Name Pamela G. Forton	Date 06/22/2020
<input checked="" type="checkbox"/> Secretary	Signature 	Print Name M. Sue Kelly	Date 6/22/2020
<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 2 of 2020 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
For Commercial Personal	6.0000
For all Other	18.0000

2020 Tax Rate Request (This form must be completed and submitted on or before September 30, 2020)

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County(ies) Where the Local Government Unit Levies Taxes	2020 Taxable Value of ALL Properties in the Unit as of 5-26-2020
Benzie, Grand Traverse & Leelanau	5,481,823,277
Local Government Unit Requesting Millage Levy	For LOCAL School Districts: 2020 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties.
Traverse City Area Public Schools	2,139,665,596

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Extra Vote	OP NH	11/4/14	19.0961	18.5549	.9864	18.3025	N/A	18.3025	18.0000		12/2025
Extra Vote	Debt All	6/14/04	N/A	N/A	N/A	N/A	N/A		3.1000		N/A
		11/6/07									
		8/7/18									

Prepared by **Sandra Low** Telephone Number **(231) 933-1797** Title of Preparer **Director of Finance** Date **06/22/2020**

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<input type="checkbox"/> Clerk	Signature 	Print Name Pamela G. Forton	Date 06/22/2020
<input checked="" type="checkbox"/> Secretary	Signature 	Print Name M. Sue Kelly	Date 6/22/2020
<input type="checkbox"/> Chairperson			
<input checked="" type="checkbox"/> President			

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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
For Commercial Personal	6.0000
For all Other	18.0000

Summary:

**Traverse City Area Public Schools,
Michigan; General Obligation**

Primary Credit Analyst:

John Sauter, Chicago (1) 312-233-7027; john.sauter@spglobal.com

Secondary Contact:

Stuart Nicol, Chicago + 1 (312) 233 7007; stuart.nicol@spglobal.com

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Rationale

Outlook

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Summary:

Traverse City Area Public Schools, Michigan; General Obligation

Credit Profile

US\$34.9 mil sch bldg and site bnds ser 2019 due 05/01/2029

Long Term Rating AA-/Stable New

Traverse City Area Pub Schs GO

Long Term Rating AA-/Stable Outlook Revised

Rationale

S&P Global Ratings revised the outlook to stable from negative and affirmed its 'AA-' rating on Traverse City Area Public Schools, Mich.'s unlimited-tax general obligation (GO) debt. At the same time, we assigned our 'AA-' long-term rating to the district's \$34.9 million series 2019 unlimited-tax GO school building and site bonds. The outlook is stable.

The outlook revision reflects our view that the district has made structural revisions to the budget, and that we expect it will continue to make revisions as needed, to maintain reserves at close to current levels. The reserve position improved in fiscal 2018, though mostly due to one-time asset sales, and management anticipates small increases in reserves in the coming years. We do not anticipate that reserves, when measured as a percentage of expenditures, will increase materially, but we feel they have stabilized.

While reserves are below those of similarly rated peers, the district has a very strong tax base and debt position, and we feel that the management team is capable of implementing ongoing savings and efficiency measures as needed, and should be able to offset potential declines in state aid or increasing pension mandates to maintain at least a good reserve position. All of the district's debt is voter approved and backed by unlimited taxes, and is paid off very quickly. The tax base is very large and continues to grow. Despite expectations for additional debt every two-to-three years, we do not expect the debt profile to weaken nor additional debt to amount to any pressure on the budget.

The district's unlimited tax full faith and credit GO pledge secures the series 2019 bonds. The bonds are payable from ad valorem taxes, which the district could levy without limitation as to rate or amount.

The bonds are voter approved, and will be used to address various school building and site projects across the district.

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

- Large tax base that serves most of Grand Traverse County and is a regional economic anchor;
- Extremely strong market value per capita and good incomes;
- Stabilizing financial position, with available reserves we consider good;
- Good financial management practices, measured by our Financial Management Assessment (FMA); and

- Low debt burden, with a stable repayment structure and that is completely amortized in ten years.

Limiting credit factors include the district's:

- Slightly declining enrollment that is likely to persist, and therefore continue to impact state aid funding; and
- Available reserves that have declined over the past several years and that are below average for 'AA-' rated peers.

Economy

Traverse City Area Public Schools serves an estimated (and modestly growing) population of 85,669, encompassing approximately 300 square miles in northwestern Michigan's Lower Peninsula in Grand Traverse County. The district services Traverse City and the surrounding area. Traverse City is a regional economic center, and also experiences significant year-round tourism and is home to many second homes. The tax base is seeing steady annual growth, and management reports there is a significant amount of residential and commercial development. However, enrollment has not experienced these trends, and is instead seeing steady, though minor, declines. This partly reflects the area attracting an older population. Fall 2018 enrollment was 9,847, down 2.1% over the last five years. The declining enrollment reduces revenues for the district and is a modest source of pressure.

The employment base is stable. County unemployment averaged 3.8% in 2018, below state and national levels. Incomes are good, in our view, with median household and per capita effective buying incomes at 104% and 107%, respectively, of national levels. Total market value is \$12.3 billion, equal to an extremely strong \$143,525 per capita. Market value grew by more than 3.5% per year each of the last four years. Taxable values (TVs) are growing as well, though they grow more slowly due to state limitations. The 2018 TV is \$4.98 billion. The ten leading taxpayers account for only 3.1% of total TV, which we consider very diverse.

We expect the tax and employment base will continue to grow and be a stabilizing factor, but if enrollment declines persist or intensify, they will pressure the budget.

Finances

Traverse Area Public Schools' financial position has slowly weakened over the past several years, with a long trend of very small deficits lowering reserves to levels we now consider good. The growing budget, compared to the modest declines in fund balance, has also weakened the reserve ratio. However, after implementing a multiyear savings and efficiency plan (and selling some assets), the district has seen its reserves increase slightly and the budget is now in a more stable position.

The district ended fiscal 2018 with a \$2.9 million surplus, though this was about \$230,000 (0.2% of expenditures) when excluding \$2.7 million from one-time asset sales. The operating result marked over a \$1 million improvement from the prior year, and helped grow the available general fund balance (combined assigned and unassigned) to \$6.6 million, or a good 6.9% of expenditures. Management is projecting a surplus in excess of \$630,000 for fiscal 2019. The fiscal 2020 budget will likely appropriate fund balance, but after factoring in expected positive variance (a routine occurrence), management expects fiscal 2020 to see a very minor increase in fund balance. Reserves have gradually declined from levels above \$10 million ten years ago.

The district has a formal reserve policy calling for the total general fund balance to be kept at 10% of expenditures, but

it has not met this for several years. It put a plan in place to grow reserves back to 8.4% by fiscal 2020, and has met this goal, though on a total fund balance basis. We understand the district would like to grow reserves back to 10%, but more of a priority is placed on maintaining current reserves and programming, as opposed to specifically budgeting surpluses to build reserves back up. The district also notes that when excluding expenditures reimbursed by the state (pensions) and those strictly funded by ongoing grants, the current assigned and unassigned reserve position would be closer to 8.3% (and total fund balance closer to 10%).

The district's budget has been pressured by the lack of enrollment growth and growing pension and health care costs. It has made structural revisions recently, to better align recurring revenue and expenditures. It settled contracts with teachers and administrators running through fiscal 2022, with manageable 1.5% average salary increases. During fiscal 2018, the district sold two underutilized school buildings, which reduced overhead costs. Management also achieved smaller savings through various resource realignment and service streamlining, which also includes some staffing reductions. Another change was the district's collaboration with Northern Michigan Homeschool Partnership to provide noncore instruction to homeschool students in the region. Services to these students will likely have a positive effect on the budget because full-time equivalency will increase, providing additional revenue.

Management is budgeting for continued enrollment declines of about 20 students a year. State aid funding, determined by enrollment, is the primary operating revenue source for most Michigan school districts, including Traverse City Area Public Schools. Therefore, increases or decreases in enrollment can lead to increases or decreases, respectively, in revenue. The district has a large geographic footprint, which presents some challenges, and operates 11 elementary schools, three high schools, and two middle schools. It continues to be a net gainer in school of choice transfer students. Though not substantial (less than 185 students), this reflects the school district's strong program offerings and academic performance. In fiscal 2018, state aid accounted for approximately 61% of general fund revenue.

In our view, the management team is very engaged and capable of making budget revisions as needed to maintain structural balance, and it is accustomed to operating with reserves that are not at very strong levels. The large size of the district's budget, as well as its robust services, also lends itself to having more flexibility to reduce spending. We expect the financial profile to remain steady, but do not expect reserves to materially increase.

Management

We consider the district's management practices good under our FMA methodology, indicating that practices exist in most areas, although not all may be formalized or regularly monitored by governance officials.

We revised the assessment to good from standard, reflecting our opinion that the district's long-term financial planning is adequate and established with a goal toward maintaining targeted reserve levels, which, while below formal policy levels, are clearly communicated and we expect will be maintained. We also view the long-term capital planning as strong.

The district is conservative in its budget assumptions, using at least five years of historical data for revenue and expenditures and compounding projections for birth rates, enrollment, and state aid. Management provides the school board with monthly reports on budget-to-actual results and on the investment holdings and earnings. The district maintains and regularly reviews/updates a long-term capital plan that outlines its needs over the next ten years. These needs are all identified as being funded through the district's approved GO bonding capacity. Management also

regularly updates a long-term financial forecast that is discussed with the school board. The plan looks at the current year and an additional four years, and identifies assumptions used, such as those for enrollment and state aid funding, salaries and benefits, and retiree costs. As noted, the district has a formal reserve policy. Though reserves have been slightly under policy levels, the district maintains more informal targets that are being met. There is a formally adopted investment policy, but no formal debt policy.

Debt

Including the proposed series 2019 bonds, the overall debt burden remains low at 1.6% of market value, but has grown to \$2,293 per capita, which we now view as moderate. Principal amortization and debt service carrying charges remain consistent—96% of principal is scheduled to mature in ten years, which is rapid, and debt service accounts for 12% of total expenditures, which is moderate.

Direct debt, all of which is voter approved and backed by unlimited taxing ability, will grow to \$103.8 million. The series 2019 bonds will exhaust the 2007 voter-authorized debt capacity, and use the first portion of \$107 million in bonding capacity approved by voters in 2018. Following issuance, the district will still have \$85 million in bonding capacity, which it expects to exhaust through issuances every two-three years, over the next ten years. It remains very committed to maintaining a flat debt service tax rate, as well as rapid ten-year amortization of all of its debt. Over the short and long term, we expect the debt profile to remain manageable and a strength of the district.

The district does not have any debt with permissive bond provisions, and all debt is fixed rate.

Pension and other postemployment benefit liabilities

The district contributes to the Michigan Public School Employees' Retirement System (MPSERS), a cost-sharing, multiple-employer, defined-benefit pension plan. In addition, Michigan administers other postemployment benefits (OPEBs) for the district.

In fiscal 2018, the district paid its full required contribution of \$15.6 million, or 11.5% of total governmental expenditures, to its pension obligations. It also paid \$4.4 million, or 3.2% of total governmental expenditures, to OPEBs. The combined pension and OPEB carrying charge totaled 14.7% of total-governmental fund expenditures, which is high. We note that over \$7 million of this amount was reimbursed by the state, however, reducing the actual burden on the budget.

State statute establishes, and could amend, MPSERS' benefit provisions. For our calculations, we consider the district's statutorily determined contribution its required pension contribution. According to Governmental Accounting Standards Board Statement No. 68 standards—which the district implemented for financial statements ended June 30, 2015—employers with benefits administered through cost-sharing, multiple-employer pension plans such as MPSERS must report their proportionate share of the net pension liability.

MPSERS' net pension liability at Sept. 30, 2017, the last actuarial valuation, was \$26.5 billion; the plan's funded ratio—the fiduciary net position as a proportion of total pension liability—was 64%. The district's proportion of the net MPSERS' liability at Sept. 30, 2017, was \$154.4 million or 0.59%. Its proportionate share of the net pension liability reflects statutorily required contributions related to all reporting units' statutorily required contributions for the measurement period.

Factoring the plans' low funded levels and high annual costs, we anticipate pension and retiree costs will remain a source of budget pressure that could potentially increase.

Outlook

The stable outlook reflects our view that the district's budget position has stabilized, and that management is accustomed to operating with reserves near current levels and will likely adjust spending as needed to maintain them. The management team, in our view, is very active and has good oversight, which supports the stable outlook. The district's deep tax base that is very stable also supports the outlook, as does a favorable debt profile. Therefore, we do not anticipate changing the rating within the two-year outlook horizon.

Downside scenario

Though we feel the budget has stabilized, if the district returns to annual deficit results, even if minimal compared to the size of the budget, and it reduces the available reserve position closer to levels we consider adequate, we would likely lower the rating.

Upside scenario

We could raise the rating if the available reserve position increased significantly, to levels more comparable with those of higher rated peers, all other factors holding steady.

Related Research

- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014

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.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Summary: Traverse City Area Public Schools, Michigan; General Obligation

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TCAPS Audit Schedule (2019/2020)

The following schedule provides information on the majority of external audits that were conducted at TCAPS during the 2019-2020 fiscal year. This list is being provided to emphasize how TCAPS' financial data and various programs are closely scrutinized, not only internally but by various external entities as well.

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
Section 504 Plan	504 Plans are used to help students with disabilities who may not be eligible for an IEP (Individual Education Plan), but still need some accommodations at school. Monitoring throughout the year.	OCR (Office of Civil Rights)	Varies	Student Services	Varies based on complaint
Annual Clock Hour Report	Reporting number of days & hours school was held by site, adjusted for circumstances outside the district's control.	TBAISD (Traverse Bay Intermediate School District)	Due by July 15	Human Resources	10 hours
Annual Financial Audit	District accounts audited by a firm of licensed certified public accountants; preparation of district's financial statements; complete filing requirements by November 1.	State of MI	May through October (annual)	Business Office	240+ hours
Annual Financial Audit - Single Audit Prep	District review of federal accounts is more complex because of financial and program compliance.	State of MI and MDE (Michigan Department of Education)	Monthly	Business Office	17 hours
Child and Adult Care Food Program Administrative (CACFP) Review	Assessment of child care CACFP Snack Program.	MDE	Every 3 years	Food Service Department	50 hours
Civil Rights - EEOC (Equal Employment Opportunity Commission) (Employee)	OCR review of hiring data and statistics to ensure equal employment opportunities.	OCR/Civil Rights Data Collection	Annual submission of basic data; Random selection for in-depth audit	Human Resources	1 hour +
Civil Rights - EEOC (Student)	Office of Civil Rights (OCR) review of student data trends.	OCR	Reported for odd years; submitted even years	Human Resources + various departments across district	40 hours per site
Consolidated Application Grant Audit	MDE reviews financial and programing compliance.	MDE	Annually in December	Business Office and Curriculum Department	55 hours

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
Section 41A - Bilingual Education Grant Audit	MDE reviews financial and programing compliance.	MDE	Annual submission of basic data; Random selection for in-depth audit	Business Office and Curriculum Department	varies (depending on breadth and scope)
Graduation Appeals Audit	The ability to correct graduation status for all students within the last four years.	TBAISD (Traverse Bay Area Intermediate School District)	August-December	Human Resources	5 hours
Hazardous Waste Management Audit	Audit of compliance with Small Quantity Generator regulations.	Michigan Department of Energy, Great Lakes and Energy (formerly MDEQ)	Annual written audit, unannounced in-person inspection	Director of Printing	4 hours
MDE Administrative Review of NSLP (National School Lunch Program)	Assessment of school nutrition programs.	MDE	Every 5 years	Food Service Department	100 hours
MDE Certification	MDE PECS (Professional Education Certification Services) ensures that the district is appropriately placing certificated and endorsed educators (administrators and teachers).	MDE	Determined by Registry for Educational Personnel	Human Resources	Varies (depending on breadth and scope)
MDE District Provided Professional Development (DPPD) (individual; district)	MDE PECS ensures that professional learning hours submitted by educator for certificate renewal purposes meet the DPPD requirements; MDE PECS reviews offerings by the district to ensure that 30+ hours of DPPD are offered annually (MCL 380.1527).	MDE	Varies	Human Resources	Varies (depending on breadth and scope)
MESSA Insurance Monthly Premium Audit	A third party audit firm sends confirmation of an amount we paid to MESSA to verify.	Third Party Audit firm for MESSA	July	Business Office	1 Hour

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
MDE CEPI (Center for Educational Performance and Information) Registration of Educational Personnel Collection	Bi-annual collection of employee personnel data; data analysis by CEPI/MDE drives certification and placement audits	MDE	December and June each year	Human Resources	Ongoing throughout year
MI-OSHA (Michigan Occupational Safety and Health Association) Compliance Audit	The evaluation and review of district compliance with legal safety requirements.	MI-OSHA	June	Human Resources	5 hours
Michigan State Police ICHAT Audit (Internet Criminal History Access Tool)	MSP review of ICHAT process in accordance with active volunteers, employees, contractors, etc.	State of MI	Once every 5 years	Human Resources	3 hours
Michigan State Police School Bus Inspection	The Pupil Transportation Act 187 of 1990 (257.1839 Inspections) requires the department of state police to inspect each school bus annually.	Michigan State Police	Annual	Transportation	3-4 weeks/year
Michigan Student Data System (MSDS)	To determine district funding based on FTE submitted for each count day. This generates funding for each school year based on 90% from the Fall count and 10% from the preceding Spring count	TBAISD	Fall Audit – Nov, Dec Jan Spring Audit – April, May	Human Resources	Each audit 40 hours
Noncriminal Justice Agency Compliance Audit (NCJA)	To ensure compliance with the FBI Criminal Justice Information Services Security Policy, federal and state laws regarding a NCJA access, use, storage, and dissemination of (CHRI) criminal history record information.	State of MI	Once every 5 years	Human Resources	30 hours

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
Office of Retirement Services (ORS)	ORS conducts random, audits on items like classification, wages, etc.	ORS	Several random audits each year	Business Office	Varies- some can be days
Student and Exchange Visitor Program (SEVIS), F-1 Visa Audit	Audit of F1 Visa program	US Immigration and Customs Enforcement (ICE)	Fall and spring each year	International Program Director	4 hours
Special Education	CIMS (Continuous Improvement & Monitoring System)	MDE	4 times per year	Special Education Office (Associate Superintendent)	Varies
SRM (Student Record Maintenance) - Section 25 Audit	The ability to capture student funding for students enrolled between the fall and spring count days.	TBAISD	Within 30 days of student enrollment (fall to spring count days)	Human Resources	40 hours
State Testing	Audits during each testing cycle	MDE/SAT/AP	Each testing cycle and end of year	Curriculum Department	Ongoing throughout year
Workers' Compensation Wage Audit	Workers Compensation rates are partially based on wages. SET SEG hires a third party administrator to obtain our wage information to assist in setting annual billing.	SET SEG	August	Business Office	4 Hours

