



**BOARD OF EDUCATION  
REGULAR MEETING**

June 25, 2018 — 6:00 p.m.

Whitmore Lake High School Media Center



# WHITMORE LAKE PUBLIC SCHOOLS BOARD OF EDUCATION

## Mission Statement

*Partnering with students, parents, and the community to  
provide exceptional, personalized education.*

## REGULAR MEETING

Monday, June 25, 2017 – 6:00 p.m.

Whitmore Lake High School Media Center  
7430 Whitmore Lake Rd.  
Whitmore Lake, MI 48189

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### BOARD OF EDUCATION ROLL CALL

### APPROVAL OF AGENDA

### CALL TO THE PUBLIC

“The meeting is a meeting of the Board of Education in public for the purpose of conducting the School District’s business and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in the agenda.”

### BOARD CLARIFICATION

### STUDENT COUNCIL

Karolyn Wagner will present the student council report.

### CONSENT ITEMS

Approval of minutes from the June 11, 2018 Board of Education Regular Meeting, the June 11, 2018 closed session (to be handed out at the meeting) and the June 11, 2018 Finance Committee Meeting. **(Attachment 1)**

### OLD BUSINESS

*2017-2018 Final Budget Proposal  
and Resolution*

**Attachment 2** contains the final budget proposal for the 2017-2018 school year for review and adoption. Approval is recommended. Roll call vote required.

*2018-2019 Budget Proposal  
and Resolution*

**Attachment 3** contains the budget proposal for the 2018-2019 school year for review and resolution to approve the original budget. Approval is recommended. Roll call vote required.

### NEW BUSINESS

Designate acting BOE Secretary

Motion to designate a delegate to serve as acting Board Secretary in the absence of current Board Secretary, Michelle Kritzman.

*Borrowing Resolution*

**Attachment 4** contains the borrowing resolution for adoption for the 2018-2019 school year through the Michigan Financial Authority (MFA) for an amount not to exceed \$1,600,000.  
Roll call vote required.

*Paraprofessional Negotiations*

Motion to approve the ratification of the contract agreement between Whitmore Lake Public Schools and the Whitmore Lake Paraprofessional/Food Service Association, MEA/NEA. Approval is recommended.

*NEOLA*

**Attachment 5** contains NEOLA Policies 6110 – Grant Funds, 6111 – Internal Controls, 6112 – Cash Management of Grants, 6114 – Cost Principles – Spending Federal Funds, 6116 – Time and Effort Reporting, 6325 – Procurement – Federal Grants/Funds, 6550 – Travel Payment & Reimbursement, 7300 – Disposition of Real Property, 7310 Disposition of Surplus Property, and 7450 – Property Inventory for a first reading.

*Personnel*

Motion to approve the hire of Steven Berg as a full time Special Education Teacher for the 2018-19 school year at step 3 on the WLEA MA salary scale with a hire date of June 25, 2018 and a start date of August 28, 2018.

**SUPERINTENDENT'S REPORT**

**OTHER INFORMATION**

Samuel Miller has accepted the position as Behavior Specialist at the High School with a hire date of June 25, 2018 and a start date of August 28, 2018. This position has an hourly pay rate of \$15.00.

Natalia Smerage has accepted the position (Step 1) under 18 lifeguard at \$9.25 per hour for Community Recreation.

Brenna Springstead has accepted the position as Title I Paraprofessional at the Elementary School with a hire date of June 17, 2018 and a start date of August 27, 2018. This position has an hourly pay rate of \$10.75 (Step 1 of the WLPA).

**ANNOUNCEMENTS**

**The next Regular Meeting of the Board of Education will be held on Monday, July 23, 2018 at 6:00 p.m. in the District Office Conference Room.**

**There will be another Board of Education Regular Meeting on Monday, August 27, 2018, at 6:00 p.m. in the High School Media Center.**

**CALL TO THE PUBLIC**

**BOARD MEMBER REPORTS**

Mr. Cole, Mr. Henry, Mrs. Kritzman, Mrs. McCully, Mr. Meadows, Mrs. Schwennesen, and Mr. Dignan

**ADJOURNMENT**

Please fill out a “Public Participation Request” form if you wish to address the Board prior to the Public Comment section of the meeting. Please include your name, address and topic you wish to speak on. Those wishing to speak in Public Comment are limited to three (3) minutes.

0000 – BYLAWS

0160 - MEETINGS

0167.3 – Public Participation at Board Meetings

Tape or video recordings are permitted subject to the following conditions:

- A. No obstructions are created between the Board and the audience.
- B. No interviews are conducted in the meeting room while the Board is in session.
- C. No commentary, adjustment of equipment, or positioning of operators is made that would distract either the Board or members of the audience while the Board is in session.

The person operating the recorder should contact the Superintendent prior to the Board meeting to review possible placement of the equipment.

M.C.L. 15.253(4)(5)(6), 380.1808

Revised 9/27/2010

#### Use of Recording Devices

Anyone attending a school event who wishes to record the activity on a visual recording device shall be asked to abide by the following rules:

- A. The recorder must operate the device within the area designated by the principal or director of the activity.
- B. The camera must not block the view of any other attendees or interfere with others who seek to record the activity.
- C. Those who record or assist a recorder must not block any passageways nor interfere with any other attendee’s participation or observation of the activity.
- D. If sound is also being recorded, the recorder must not ask other attendees to be quiet or to change their behavior in order to improve the quality of the sound.
- E. If the District is recording the activity, the principal may arrange for a person to obtain a copy providing s/he agrees to provide a tape and pay whatever the principal may need to charge to cover the costs of transfer.

Where the District does not possess the appropriate license or permission to allow the recording of a copyrighted work or performance, notice will be given, when possible, prior to the exhibit or performance. Announcements shall be made at the beginning of any such exhibit or performance.

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**Whitmore Lake Public Schools**  
**BOARD OF EDUCATION**  
*Regular Meeting Minutes*  
**June 11, 2018 – High School Media Center – 7:00 p.m.**

**MEMBERS PRESENT**

Ken Dignan (*President*), Laura Schwennesen (*Vice President*), Bob Henry (*Treasurer*), Michelle Kritzman (*Secretary*), and John Meadows (*Trustee*)

**MEMBERS ABSENT**

Lee Cole (*Trustee*), and Lisa McCully (*Trustee*)

**ADMINISTRATORS PRESENT**

Superintendent, Tom DeKeyser, Director of Finance & Operations, Denise Kerrigan, Elementary Principal and ECC Director, Sue Wanamaker, Director of Instruction, Jill Henry, and High School Dean of Students, Linda Lupi,

**OTHERS PRESENT**

Staff, parents and members of the community

**CALL TO ORDER**

At 7:02 p.m. by President Ken Dignan.

**APPROVAL OF AGENDA**

*Motion to approve the agenda as presented made by Mr. Henry; supported by Mrs. Schwennesen.*  
Ayes – 5; Nays – 0, motion carried

**BUDGET HEARING**

Director of Finance & Operations, Denise Kerrigan reviewed the Final Budget Summary for the 2017-2018 school year and the 2018-2019 Original Budget Summary. Mrs. Kerrigan shared that with the decrease of revenue and the increase of expenditures that 2017-2018 would end with a 6.4% total fund balance. She also shared the 2018-2019 budget is balanced and is projected to end with a 6.4% total fund balance as well.

Mr. DeKeyser shared 2018-2019 spending would be very conservative.

Mr. Dignan noted expenditures were to enhance classroom experiences. Mrs. Schwennesen shared an increase in student population and Act 18 funding could result in an increase in the fund balance.

**CALL TO THE PUBLIC**

Elementary School PTO President, Lindsey Collins shared highlights from fundraising and expenditures during the 2017-18 school year with the Board. She also shared they had t-shirts made for all the students in the elementary to wear at the field day event and have a group picture taken.

Heidi Roy-Borland was excited to share with the Board that the Project Playground fundraising reached their goal of \$50,000. She also thanked staff members and the entire community for helping reach the goal.

High School Softball Coach, Patti Kobeck shared highlights of the season. She also shared the varsity team was named Academic All-State and one member made the All-Region Team.

**STUDENT COUNCIL**

Student Council Representative, Karolyn Wagner, was not able to attend. She will update the Board at the next meeting.

## CONSENT ITEMS

*Motion to approve the minutes from the May 14, 2018 Board of Education Regular Meeting was made by Mrs. Schwennesen; supported by Mr. Henry.*

Ayes – 5; Nays – 0, motion carried 5 – 0

*Motion to approve fund transfer of \$226,840 in payments from Accounts Payable; further, to approve the transfer of \$466,898 from Accounts Payable to cover the payrolls of May 15, 2018 and May 31, 2018 made by Mrs. Schwennesen; supported by Mr. Henry.*

Ayes – 5; Nays – 0, motion carried 5 – 0

## COMMITTEE REPORTS

Mr. Henry shared the Finance Committee met earlier this evening. Items discussed were shared during the budget hearing.

## NEW BUSINESS

### *MHSAA Resolution*

*Motion to adopt the Michigan High School Athletic Association Resolution for the year August 1, 2018 through July 31, 2019 was made by Mr. Henry; supported by Mr. Meadows. Roll call vote: Mrs. Schwennesen – yes, Mr. Henry – yes, Mrs. Kritzman – yes, Mr. Meadows – yes, Mr. Dignan – yes.*

Ayes – 5; Nays – 0, motion carried 5 - 0

### *2018-19 Athletic Training Contract*

*Motion to approve the 2018-2019 Athletic Training Management Agreement with MedSport, a Program of the Regents of the University of Michigan was made by Mr. Dignan; supported by Mr. Henry.*

Ayes – 5; Nays – 0, motion carried 5 – 0

## SUPERINTENDENT'S REPORT

### *HS Band and PE Credit Proposal*

Mr. DeKeyser shared a proposal to modify credits required for Physical Education. The change would allow the required .5 P.E. credit to students who complete 2 semesters of Marching Band. He also shared a modification to the credits in the Business/Technology program informing the Board the required content is part of the Visual, Applied, & Performing Arts requirement. Mr. DeKeyser shared this change would become effective for the 2018-19 school year.

### *Facilities Update*

Superintendent DeKeyser shared the demolition of the playground at the elementary school would begin Friday, June 15, 2018. Early August is the projected completion date for the project. Beginning June 18, 2018 repairs to the east parking lot at the elementary school and upgrades to the vestibule for additional security at the high school will begin.

## ANNOUNCEMENTS

**The next Regular Meeting of the Board of Education will be held on Monday, June 25, 2018 at 6:00 p.m. in the High School Media Center.**

**There will be another Regular Meeting on Monday, July 23, 2018 at 6:00 p.m. in the District Office Conference Room.**

## CALL TO THE PUBLIC

None

## BOARD MEMBER REPORTS

Mrs. Kritzman shared she recently attended Book Bingo sponsored by the elementary school. She also shared it was an amazing time and well attended with over 200 children receiving books for summer reading.

Mrs. Schwennesen shared there were many students who came and signed up to join the 2018-19 Robotics Team.

Mr. Meadows shared the Senior Award Night was a great event to attend. He also shared information about the creation of the new cross country course at the high school has begun.

**CLOSED SESSION**

*Motion to adjourn into closed session meeting at 7:54 p.m. (with a 10 minute break) to discuss contract negotiations was made by Mr. Henry; supported by Mrs. Schwennesen. Roll call vote required. Mr. Henry – yes, Mrs. Kritzman – yes, Mr. Meadows – yes, Mrs. Schwennesen – yes, Mr. Dignan – yes.*

Ayes – 5; Nays – 0, motion carried 5 – 0

**Call to Order**

Open session called to order at 8:36 p.m. by Ken Dignan

**ADJOURNMENT**

*Motion to adjourn the Regular Meeting at 8:36 p.m. made by Mr. Dignan; supported by Mr. Meadows.*

Ayes - 5; Nays - 0, motion carried 5 - 0.

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*Michelle L. Kritzman, Secretary, Board of Education  
Whitmore Lake Public Schools*

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*Date*





# WHITMORE LAKE PUBLIC SCHOOLS

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8845 Main St., Whitmore Lake, MI 48189 • phone: 734.449.4464 • fax: 734.449.5336

[www.wlps.net](http://www.wlps.net)

*Exceptional, Personalized Education*

## Board of Education Finance Committee Meeting

June 11, 2018  
5:30 pm  
High School Counseling Office

### Minutes

- I. Call to Order at 6:05 pm  
Present: Tom DeKeyser, Denise Kerrigan, John Meadows, Laura Schwennesen, Bob Henry
- II. Business
  - 2017-18 Final Budget
    - Reviewed final budget
  - 2018-19 Original Budget
    - Explained assumptions of original budget
  - Negotiations
    - Discussed options pertaining to paraprofessionals and teachers
  - Sinking Fund
    - Construction work to begin next week
  - Miscellaneous Items - none
- III. Informational Items
  - Next Finance Committee Meeting – TBD
- IV. Call to the Public - none
- V. Adjournment at 6:50 pm

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# **Whitmore Lake Public Schools**

## **2017-2018 Final Budget Summary**

To be Presented for Adoption  
June 25, 2018

# Whitmore Lake Public Schools

## General Fund

### BUDGET SUMMARY

	<u>2017-18 ORIGINAL BUDGET</u>	<u>2017-18 AMENDED BUDGET</u>	<u>2017-18 FINAL BUDGET</u>
Revenues and Other Sources	10,271,916	10,201,878	10,333,019
Expenditures and Other Uses	10,261,514	10,364,988	10,924,332
Excess (Shortfall) of Revenues over Expenditures	<u>10,402</u>	<u>(163,110)</u>	<u>(591,313)</u>
Fund Balance - Beginning of Year	1,025,166	1,025,166	1,025,166
Proceeds From Capital Lease			285,887
Transfer Out - Food Service			(51,000)
Fund Balance - End of Year	<u>1,035,568</u>	<u>862,056</u>	<u>668,740</u>
Total Fund Balance as a Percent of Revenue	10.1%	8.4%	6.5%

# WHITMORE LAKE PUBLIC SCHOOLS

## General Fund

### Revenues and Operating Transfers

Property Type	Taxable Values	Estimated Tax Revenues
PRE & Qual Agricultural	\$ 222,737,245	\$ -
Commercial Personal	\$ 6,018,800	\$ 36,113
Non-PRE	\$ 111,874,251	\$ 2,013,737
Total Taxable Value	\$ 340,630,296	\$ 2,049,849

Non-PRE Levy: 18.0000 Mills  
Commercial Personal Levy: 6.0000 Mills

	2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2017-18 FINAL BUDGET
<b>LOCAL REVENUE:</b>			
Property Taxes	2,060,582	2,049,849	2,019,801
Delinq/PILT Tax Collections	30,000	30,000	25,900
Interest on Investments	8,000	10,000	12,500
Kids Club, Tuition Presch	80,000	102,000	88,000
Billboards & Facility Rental	200,000	226,500	232,000
Athletics	105,860	95,860	85,000
Other Local	90,000	115,000	140,945
<b>TOTAL LOCAL REVENUE</b>	<b>\$ 2,574,442</b>	<b>\$ 2,629,209</b>	<b>\$ 2,604,146</b>
<b>STATE REVENUE:</b>			
Proposal A	1,880,443	1,615,396	1,670,200
Special Ed. Headlee	523,941	523,941	558,939
Discretionary	2,246,378	2,097,409	2,106,603
At Risk - Section 31A	242,573	240,861	240,326
Computer Adaptive Test		0	2,931
Early Literacy Targeted Instruction	0	12,180	12,180
Assessments State	0	0	1,163
First Robotics Grant	4,000	400	3,800
Vocational Education	10,000	11,269	11,269
Data Collection Headlee Oblig.	21,260	21,272	19,960
High School Pupil Supports		0	6,665
Hold Harmless Guarantee	6,500	6,500	7,024
MPSERS Cost Offset	74,444	76,864	76,864
MPSERS Normal Cost Offset	0	33,842	33,842
MPSERS One Time Deposit	0	125,015	125,015
MPSERS REFORMS - DC		0	4,714
MPSERS UAAL Rate Stabilization	659,702	663,927	663,927
Prior Year State Aid Adjustments	0	5,025	29,761
<b>TOTAL STATE REVENUE</b>	<b>5,669,241</b>	<b>5,433,901</b>	<b>5,575,185</b>
<b>FEDERAL REVENUE:</b>			
Funded Grants	645,591	660,073	668,930
<b>TOTAL FEDERAL REVENUE</b>	<b>645,591</b>	<b>660,073</b>	<b>668,930</b>
<b>OTHER REVENUE:</b>			
County Special Education PA-18	\$ 1,029,664	\$ 1,192,380	\$ 1,174,738
Medicaid Proceeds	127,166	73,483	73,483
WISD Misc; GSRP	141,335	154,537	154,537
Services Provided To/By Other LEAs	84,477	58,295	82,000
<b>TOTAL OTHER REVENUE</b>	<b>1,382,642</b>	<b>\$ 1,478,695</b>	<b>\$ 1,484,758</b>
<b>TOTAL REVENUES</b>	<b>10,271,916</b>	<b>\$ 10,201,878</b>	<b>\$ 10,333,019</b>

# WHITMORE LAKE PUBLIC SCHOOLS

## General Fund

### Expenditures and Operating Transfers

	Function	2017-18 ORIGINAL BUDGET	2017-18 AMENDED BUDGET	2017-18 FINAL BUDGET
1111	Elementary	1,930,625	1,919,839	2,038,794
1113	High School	1,998,148	2,124,109	2,214,483
1118	Pre-School	326,877	354,031	356,748
	Total Basic Programs	4,255,650	4,397,979	4,610,025
1122	Special Education	468,900	533,950	540,500
1125	Compensatory Education	175,000	145,498	129,480
1127	Career & Technical Education	203,300	141,382	145,625
	Total Added Needs	847,200	820,830	815,605
	Total Instruction	5,102,850	5,218,809	5,425,630
1212	Guidance	124,222	146,228	144,426
1213	Health	87,527	85,256	93,185
1214	Psychology	20,000	20,000	19,350
1215	Speech	184,281	212,862	226,690
1216	Social Workers	159,650	162,621	167,210
1218	Teacher Consultants	860,759	727,050	761,088
	Total Pupil Support	1,436,439	1,354,017	1,411,949
	Total Instruction and Pupil Support	6,539,289	6,572,826	6,837,579
1221	Improvement of Instruction	296,593	311,612	325,988
1222	Media Services	39,295	42,112	43,689
1226	Supervision of Instructional Staff	139,862	139,119	142,732
1227	Academic Student Assessment	32,390	32,689	31,990
	Total Instructional Staff Services	508,140	525,532	544,399
1231	Board of Education	108,500	108,750	105,341
1232	Executive Administration	200,391	213,474	223,275
	Total General Administration	308,891	322,224	328,616
1241	Office of the Principal	496,574	486,390	538,395
1249	Other School Administration		1,500	825
	Total School Administration	496,574	487,890	539,220
1252	Fiscal Services	288,877	311,753	319,162
1259	Other Business Services	72,000	79,000	62,000
	Total Business Services	360,877	390,753	381,162
1261	Operating Buildings Services	933,667	903,142	872,507
1266	Safety and Security	7,500	7,500	5,800
	Total Operations and Maintenance	941,167	910,642	878,307
1271	Pupil Transportation	494,564	525,953	852,284
	Total Pupil Transportation	494,564	525,953	852,284
1282	Communications	101,802	107,198	111,203
1283	Personnel	35,000	14,200	16,000
1284	Technology Services	125,000	171,598	163,000
1285	Pupil Accounting	3,300	2,700	2,200
	Total Central Support Services	265,102	295,696	253,672
1293	Support Service-Athletics	251,398	259,225	233,000
	Total Support Service-Athletics	251,398	259,225	233,000
1351	Custody & Care of Children	40,058	39,583	39,975
1371	Non-Public School Pupils	44,203	22,114	21,693
1391	Community Services	11,251	12,550	14,425
	Total Community Activities	95,512	74,247	76,093
	Total Expenditures and Operating Transfers	10,261,514	10,364,988	10,924,332

**General Appropriations Resolution  
Resolution for Adoption by the Board of Education**

**Whitmore Lake Public School District  
2017-18 General Education Final Budget**

**Adopted June 25, 2018**

**RESOLVED**, that this resolution shall be the general appropriations of the Whitmore Lake Public School District for the fiscal year 2017-2018: A resolution to make appropriations; and to provide for the disposition of all income received by the Whitmore Lake Public School District.

**BE IT FURTHER RESOLVED**, that the total revenue and unappropriated fund balance be available for appropriations in the **GENERAL EDUCATION FUND** of the Whitmore Lake Public School District for the fiscal year 2017-2018 as follows:

**REVENUE**

Local Revenue	\$ 2,604,146
State Revenue	5,575,185
Federal Revenue	668,930
Incoming Transfers & Other Transactions	1,484,758
<b>TOTAL REVENUE AND INCOMING TRANSFERS</b>	<b>\$ 10,333,019</b>
<b>PROCEEDS FROM CAPITAL LEASE</b>	<b>\$ 285,887</b>
<b>FUND BALANCE AS OF JULY 1, 2017</b>	<b>1,025,166</b>
<b>TOTAL AMOUNT AVAILABLE TO APPROPRIATE</b>	<b><u>\$ 11,644,072</u></b>

**BE IT FURTHER RESOLVED**, that \$11,358,185 of the total available to appropriate in the **GENERAL EDUCATION FUND** is thereby appropriated in the amounts and for the purposes set forth below:

**EXPENDITURES and TRANSFERS**

Basic Programs, Instruction	\$ 4,610,025
Added Needs, Instruction	815,605
Pupil Support	1,411,949
Instructional Staff Services	544,399
General Administration	328,616
School Administration	539,220
Business Services	381,162
Operations/Maintenance	878,307
Transportation	852,284
Central Support Services	253,672
Athletics	233,000
Community Activities	76,093
TRANSFER OUT- FOOD SERVICE	51,000
<b>TOTAL EXPENDITURES and TRANSFERS</b>	<b><u>\$ 10,975,332</u></b>
<b>FUND BALANCE</b>	
<b>TOTAL FUND BALANCE AT JUNE 30, 2018 (Projected)</b>	<b>\$ 668,740</b>
<b>TOTAL APPROPRIATED</b>	<b><u>\$ 11,644,072</u></b>

# WHITMORE LAKE PUBLIC SCHOOLS

## Community Recreation Fund

### Revenues and Expenditures

Property Type	Taxable Values	Estimated Tax Revenues
PRE & Qual Agricultural	\$ 222,958,971	\$ 132,014
Commercial Personal	\$ 6,018,800	\$ -
Non-PRE	\$ 111,504,664	\$ 66,022
Total Taxable Value	<u>\$ 340,482,435</u>	<u>\$ 198,036</u>

PRE and Non-PRE Levy: 0.5921 Mills

	2017-18 ORIGINAL BUDGET	2017-18 FINAL BUDGET
<b>Revenues:</b>		
Property Taxes	\$ 201,439	\$ 198,000
Community Recreation Programs	80,000	32,500
Community Recreation Facility Rentals		16,000
Aquatic Programs		66,200
Aquatic Facility Rentals	45,000	9,755
Interest on Investments	20	68
Total Revenues	<u>\$ 326,459</u>	<u>\$ 322,523</u>
<b>Expenditures:</b>		
Community Recreation		
Salaries & Benefits	\$ 73,000	\$ 87,000
Contracted Services	14,000	8,900
Supplies	4,745	4,500
Advertisement	3,000	1,400
Dues & Fees	200	350
Total Community Education	<u>\$ 94,945</u>	<u>\$ 102,150</u>
Aquatic		
Salaries & Benefits	\$ 73,000	\$ 79,300
Contracted Services	2,000	1,000
Utilities	140,000	161,556
Equipment and Supplies	10,000	10,000
Capital Outlay	0	5,475
Dues & Fees	500	1,925
Total Pool	<u>\$ 225,500</u>	<u>\$ 259,256</u>
Total Expenditures	<u>\$ 320,445</u>	<u>\$ 361,406</u>
Excess (Shortage) of Revs over (under) Exps	\$ 6,014	\$ (38,883)
Fund Balance - Beginning of Year	<u>\$ 50,605</u>	<u>\$ 46,348</u>
Fund Balance - End of Year	<u>\$ 56,619</u>	<u>\$ 7,465</u>



**General Appropriations Resolution  
Resolution for Adoption by the Board of Education**

**Whitmore Lake Public School District  
2017-2018 Community Recreation Fund Final Budget**

**Adopted June 25, 2018**

**RESOLVED**, that this resolution shall be the general appropriations of the Whitmore Lake Public School District for the fiscal year 2017-2018: A resolution to make appropriations; and to provide for the disposition of all income received by the Whitmore Lake Public School District.

**BE IT FURTHER RESOLVED**, that the total revenue, including a tax levy of .5921 mills and unappropriated fund balance be available for appropriations in the **COMMUNITY RECREATION FUND** of the Whitmore Lake School District the fiscal year 2017-2018 as follows:

**REVENUE**

Local Revenue	\$ 322,523
State Revenue	-
Federal Revenue	-
Incoming Transfers & Other Transactions	-
 TOTAL REVENUE AND INCOMING TRANSFERS	 322,523
 FUND BALANCE - JULY 1, 2017	 46,348
 TOTAL AMOUNT AVAILABLE TO APPROPRIATE	 <u>\$ 368,871</u>

**BE IT FURTHER RESOLVED**, that \$368,871 of the total available to appropriate in the **COMMUNITY RECREATION FUND** is thereby appropriated in the amounts and for the purposes set forth below:

**EXPENDITURES**

Salaries & Benefits	\$ 166,300
Contracted Service/Repair	9,900
Utilities	161,556
Supplies	14,500
Capital Outlay	5,475
Advertisement	1,400
Other	2,275
TOTAL EXPENDITURES	<u>\$ 361,406</u>
OUTGOING TRANSFERS	-
TOTAL EXPENDITURES and TRANSFERS	<u>\$ 361,406</u>
 <b>FUND BALANCE</b>	
FUND BALANCE ENDING JUNE 30, 2018 (Projected)	\$ 7,465
	-
<b>TOTAL APPROPRIATED</b>	<u><u>\$ 368,871</u></u>

# WHITMORE LAKE PUBLIC SCHOOLS

## Food Service Fund

### Revenues and Expenditures

	2017-18 ORIGINAL BUDGET	2017-18 FINAL BUDGET
<b>Revenues:</b>		
<b>Local:</b>		
Food Sales	\$ 137,000	\$ 142,717
Catered Events	12,000	4,600
<b>State:</b>		
School Lunch and At-Risk	12,563	20,877
<b>Federal:</b>		
NSLP & USDA Commodity	217,514	193,098
<b>Fund Modification:</b>		
ORS Stabilization Funds	8,490	0
<b>Total Revenues</b>	<u>\$ 387,567</u>	<u>\$ 361,292</u>
<b>Expenditures:</b>		
Salaries and Benefits	\$ 200,000	\$ 220,400
Repairs and Purchased Services	2,115	2,100
Food, Supplies	180,602	186,000
Capital Outlay	0	0
Dues and Other Fees	4,850	4,000
<b>Total Expenditures</b>	<u>\$ 387,567</u>	<u>\$ 412,500</u>
<b>Excess (Deficit) of Revenues over (under) Expenditures</b>	\$ -	\$ (51,208)
<b>Operating Transfer (to)/from General Fund</b>	<u>\$ -</u>	<u>\$ 51,000</u>
<b>Increase (Decrease) in Fund Balance</b>	\$ -	\$ (208)
<b>Fund Balance - Beginning of Year</b>	<u>\$ 76</u>	<u>\$ 527</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ 76</u></u>	<u><u>\$ 319</u></u>

**General Appropriations Resolution  
Resolution for Adoption by the Board of Education**

**Whitmore Lake Public School District  
2017-2018 Food Service Fund Final Budget**

**Adopted June 25, 2018**

**RESOLVED**, that this resolution shall be the general appropriations of the Whitmore Lake Public School District for the fiscal year 2017-2018: A resolution to make appropriations and to provide for the disposition of all income received by the Whitmore Lake Public School District.

**BE IT FURTHER RESOLVED**, that the total revenue and unappropriated fund balance be available for appropriations in the **FOOD SERVICE FUND** of the Whitmore Lake Public School District for the fiscal year 2017-2018 as follows:

**REVENUE**

Local Revenue	\$ 147,317
State Revenue	20,877
Federal Revenue	193,098
Incoming Transfers & Other Transactions	51,000
 TOTAL REVENUE AND INCOMING TRANSFERS	 412,292
 FUND BALANCE - JULY 1, 2017	 527
 TOTAL AMOUNT AVAILABLE TO APPROPRIATE	 <u>\$ 412,819</u>

**BE IT FURTHER RESOLVED**, that \$409,049 of the total available to appropriate in the **FOOD SERVICE FUND** is thereby appropriated in the amounts and for the purposes set forth below:

**EXPENDITURES**

Salaries & Benefits	\$ 220,400
Contracted Service/Repair	2,100
Supplies	186,000
Capital Outlay	-
Other	4,000
TOTAL EXPENDITURES	<u>\$ 412,500</u>
OUTGOING TRANSFERS	-
TOTAL EXPENDITURES and TRANSFERS	<u>\$ 412,500</u>
 FUND BALANCE	
FUND BALANCE ENDING JUNE 30, 2018 (Projected)	\$ 319
 TOTAL APPROPRIATED:	 <u>\$ 412,819</u>

# WHITMORE LAKE PUBLIC SCHOOLS

## Sinking Fund Revenues and Expenditures

Property Type	Taxable Values	Estimated Tax Revenues
PRE & Qual Agricultural	\$ 222,958,971	\$ 220,194
Commercial Personal	\$ 6,018,800	\$ -
Non-PRE	\$ 111,504,664	\$ 110,122
Total Taxable Value	<u>\$ 340,482,435</u>	<u>\$ 330,316</u>

PRE and Non-PRE Levy: 0.9876 Mills

	<b>2017-18 FINAL BUDGET</b>
<b>Revenues:</b>	
Property Taxes	\$ 327,000
Rebates	\$ 6,980
Interest	\$ 225
Total Revenues	<u>\$ 334,205</u>
<b>Expenditures:</b>	
Management Fee	\$ 15,105
Contracted Services	\$ 321,646
Advertisement	\$ 112
Dues & Fees	\$ 425
Total Expenditures	<u>\$ 337,288</u>
Excess (shortage) of Revs over (under) Exps	\$ (3,083)
Fund Balance - Beginning of Year	\$ 331,926
Fund Balance - End of Year	<u><u>\$ 328,843</u></u>

**General Appropriations Resolution  
Resolution for Adoption by the Board of Education**

**Whitmore Lake Public School District  
2017-2018 Sinking Fund Final Budget**

**Adopted June 25, 2018**

**RESOLVED**, that this resolution shall be the general appropriations of the Whitmore Lake Public School District for the fiscal year 2017-2018: A resolution to make appropriations; and to provide for the disposition of all income received by the Whitmore Lake Public School District.

**BE IT FURTHER RESOLVED**, that the total revenue, including a tax levy of .9909 mills and unappropriated fund balance be available for appropriations in the SINKING FUND of the Whitmore Lake School District the fiscal year 2017-2018 as follows:

**REVENUE**

Local Revenue	\$ 334,205
State Revenue	-
Federal Revenue	-
Incoming Transfers & Other Transactions	-
 TOTAL REVENUE AND INCOMING TRANSFERS	 334,205
 FUND BALANCE - JULY 1, 2017	 331,926
 TOTAL AMOUNT AVAILABLE TO APPROPRIATE	 <u>\$ 666,131</u>

**BE IT FURTHER RESOLVED**, that \$666,131 of the total available to appropriate in the **COMMUNITY RECREATION FUND** is thereby appropriated in the amounts and for the purposes set forth below:

**EXPENDITURES**

Management Fees	\$ 15,105
Contracted Services	321,646
Advertisement	112
Dues & Fees	425
TOTAL EXPENDITURES	\$ 337,288
 <b>FUND BALANCE</b>	
FUND BALANCE ENDING JUNE 30, 2018 (Projected)	\$ 328,843
	-
<b>TOTAL APPROPRIATED</b>	<u>\$ 666,131</u>



# WHITMORE LAKE PUBLIC SCHOOLS

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8845 Main St., Whitmore Lake, MI 48189 • phone: 734.449.4464 • fax: 734.449.5336

[www.wlps.net](http://www.wlps.net)

*Exceptional, Personalized Education*

## **General Appropriations Resolution Whitmore Lake Public School District Fiscal Year 2017-2018**

Ayes:

Nays:

Resolution declared adopted.

\_\_\_\_\_ Secretary, Whitmore Lake Board of Education

\_\_\_\_\_ Date

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Ken Dignan, Board of Education, President  
Laura Schwennesen, Board of Education, Vice President  
Michelle Kritzman, Board of Education, Secretary  
Bob Henry, Board of Education, Treasurer

Lee Cole, Board of Education, Trustee  
Lisa McCully, Board of Education, Trustee  
John Meadows, Board of Education, Trustee  
Tom DeKeyser, Superintendent

3



# **Whitmore Lake Public Schools**

## **2018-2019 Original Budget Summary**

To be Presented for Adoption  
June 25, 2018



# Whitmore Lake Public Schools

## General Fund

### BUDGET SUMMARY

	<b>2017-18 AMENDED BUDGET</b>	<b>2017-18 FINAL BUDGET</b>	<b>2018-19 ORIGINAL BUDGET</b>
Revenues and Other Sources	10,201,878	10,333,019	10,114,647
Expenditures and Other Uses	10,364,988	10,924,332	10,103,024
Excess (Shortfall) of Revenues over Expenditures	<u>(163,110)</u>	<u>(591,313)</u>	<u>11,623</u>
Fund Balance - Beginning of Year	1,025,166	1,025,166	668,740
Proceeds From Capital Lease		285,887	
Transfer Out - Food Service		(51,000)	
Fund Balance - End of Year	<u>862,056</u>	<u>668,740</u>	<u>680,363</u>
Total Fund Balance as a Percent of Revenue	8.4%	6.5%	6.7%

# WHITMORE LAKE PUBLIC SCHOOLS

## General Fund

### Revenues and Operating Transfers

Property Type	Taxable Values	Estimated Tax Revenues
PRE & Qual Agricultural	\$ 222,958,971	\$ -
Commercial Personal	\$ 6,018,800	\$ 36,113
Non-PRE	\$ 111,504,664	\$ 2,007,084
Total Taxable Value	\$ 340,482,435	\$ 2,043,197

Non-PRE Levy:	18.0000 Mills
Commercial Personal Levy:	6.0000 Mills

	2017-18 AMENDED BUDGET	2017-18 FINAL BUDGET	2018-19 ORIGINAL BUDGET
<b>LOCAL REVENUE:</b>			
Property Taxes	2,049,849	2,019,801	2,043,197
Delinq/PILT Tax Collections	30,000	25,900	30,000
Interest on Investments	10,000	12,500	10,000
Kids Club, Tuition Presch	102,000	88,000	102,000
Billboards & Facility Rental	226,500	232,000	368,000
Athletics	95,860	85,000	85,000
Other Local	115,000	140,945	100,000
<b>TOTAL LOCAL REVENUE</b>	<b>\$ 2,629,209</b>	<b>\$ 2,604,146</b>	<b>\$ 2,738,197</b>
<b>STATE REVENUE:</b>			
Proposal A	1,615,396	1,670,200	1,480,834
Special Ed. Headlee	523,941	558,939	558,939
Discretionary	2,097,409	2,106,603	2,179,703
At Risk - Section 31A	240,861	240,326	240,326
Computer Adaptive Test	0	2,931	0
Early Literacy Targeted Instruction	12,180	12,180	12,180
Assessments State	0	1,163	1,163
First Robotics Grant	400	3,800	3,800
Vocational Education	11,269	11,269	11,269
Data Collection Headlee Oblig.	21,272	19,960	19,960
High School Pupil Supports	0	6,665	6,665
Hold Harmless Guarantee	6,500	7,024	7,024
MPERS Cost Offset	76,864	76,864	76,864
MPERS Normal Cost Offset	33,842	33,842	0
MPERS One Time Deposit	125,015	125,015	0
MPERS REFORMS - DC	0	4,714	0
MPERS UAAL Rate Stabilization	663,927	663,927	663,927
Prior Year State Aid Adjustments	5,025	29,761	15,000
<b>TOTAL STATE REVENUE</b>	<b>5,433,901</b>	<b>5,575,185</b>	<b>5,277,654</b>
<b>FEDERAL REVENUE:</b>			
Funded Grants	660,073	668,930	658,283
<b>TOTAL FEDERAL REVENUE</b>	<b>660,073</b>	<b>668,930</b>	<b>658,283</b>
<b>OTHER REVENUE:</b>			
County Special Education PA-18	\$ 1,192,380	\$ 1,174,738	\$ 1,133,695
Medicaid Proceeds	73,483	73,483	73,483
WSD Misc; GSRP	154,537	154,537	141,335
Services Provided To/By Other LEAs	58,295	82,000	92,000
<b>TOTAL OTHER REVENUE</b>	<b>\$ 1,478,695</b>	<b>\$ 1,484,758</b>	<b>\$ 1,440,513</b>
<b>TOTAL REVENUES</b>	<b>\$ 10,201,878</b>	<b>\$ 10,333,019</b>	<b>\$ 10,114,647</b>

# WHITMORE LAKE PUBLIC SCHOOLS

## General Fund

### Expenditures and Operating Transfers

	Function	2017-18 AMENDED BUDGET	2017-18 FINAL BUDGET	2018-19 ORIGINAL BUDGET
1111	Elementary	1,919,839	2,038,794	1,849,928
1113	High School	2,124,109	2,214,483	1,991,131
1118	Pre-School	354,031	356,748	328,379
	Total Basic Programs	4,397,979	4,610,025	4,169,438
1122	Special Education	533,950	540,500	570,934
1125	Compensatory Education	145,498	129,480	149,955
1127	Career & Technical Education	141,382	145,625	142,010
	Total Added Needs	820,830	815,605	862,899
	Total Instruction	5,218,809	5,425,630	5,032,337
1212	Guidance	146,228	144,426	135,755
1213	Health	85,256	93,185	92,413
1214	Psychology	20,000	19,350	20,000
1215	Speech	212,862	226,690	211,359
1216	Social Workers	162,621	167,210	161,367
1218	Teacher Consultants	727,050	761,088	783,378
	Total Pupil Support	1,354,017	1,411,949	1,404,272
	Total Instruction and Pupil Support	6,572,826	6,837,579	6,436,609
1221	Improvement of Instruction	311,612	325,988	278,935
1222	Media Services	42,112	43,689	42,112
1226	Supervision of Instructional Staff	139,119	142,732	169,935
1227	Academic Student Assessment	32,689	31,990	7,227
	Total Instructional Staff Services	525,532	544,399	498,209
1231	Board of Education	108,750	105,341	80,000
1232	Executive Administration	213,474	223,275	213,474
	Total General Administration	322,224	328,616	293,474
1241	Office of the Principal	486,390	538,395	494,270
1249	Other School Administration	1,500	825	1,000
	Total School Administration	487,890	539,220	495,270
1252	Fiscal Services	311,753	319,162	308,563
1259	Other Business Services	79,000	62,000	69,000
	Total Business Services	390,753	381,162	377,563
1261	Operating Buildings Services	903,142	872,507	869,577
1266	Safety and Security	7,500	5,800	7,500
	Total Operations and Maintenance	910,642	878,307	877,077
1271	Pupil Transportation	525,953	852,284	539,174
	Total Pupil Transportation	525,953	852,284	539,174
1282	Communications	107,198	111,203	106,922
1283	Personnel	14,200	16,000	12,800
1284	Technology Services	171,598	163,000	135,586
1285	Pupil Accounting	2,700	2,200	2,700
	Total Central Support Services	295,696	253,672	258,008
1293	Support Service-Athletics	259,225	233,000	254,346
	Total Support Service-Athletics	259,225	233,000	254,346
1351	Custody & Care of Children	39,583	39,975	40,550
1371	Non-Public School Pupils	22,114	21,693	21,693
1391	Community Services	12,550	14,425	11,051
	Total Community Activities	74,247	76,093	73,294
	Total Expenditures and Operating Transfers	10,364,988	10,924,332	10,103,024

**General Appropriations Resolution  
Resolution for Adoption by the Board of Education**

**Whitmore Lake Public School District  
2018-2019 General Education Original Budget**

**Adopted June 25, 2018**

**RESOLVED**, that this resolution shall be the general appropriations of the Whitmore Lake Public School District for the fiscal year 2018-2019: A resolution to make appropriations; and to provide for the disposition of all income received by the Whitmore Lake Public School District.

**BE IT FURTHER RESOLVED**, that the total revenue and unappropriated fund balance be available for appropriations in the **GENERAL EDUCATION FUND** of the Whitmore Lake Public School District for the fiscal year 2018-2019 as follows:

**REVENUE**

Local Revenue	\$ 2,738,197
State Revenue	5,277,654
Federal Revenue	658,283
Incoming Transfers & Other Transactions	1,440,513
 TOTAL REVENUE AND INCOMING TRANSFERS	 \$ 10,114,647
 FUND BALANCE AS OF JULY 1, 2018 (Projected)	 668,740
 TOTAL AMOUNT AVAILABLE TO APPROPRIATE	 <u>\$ 10,783,387</u>

**BE IT FURTHER RESOLVED**, that \$10,783,387 of the total available to appropriate in the **GENERAL EDUCATION FUND** is thereby appropriated in the amounts and for the purposes set forth below:

**EXPENDITURES and TRANSFERS**

Basic Programs, Instruction	\$ 4,169,438
Added Needs, Instruction	862,899
Pupil Support	1,404,272
Instructional Staff Services	498,209
General Administration	293,474
School Administration	495,270
Business Services	377,563
Operations/Maintenance	877,077
Transportation	539,174
Central Support Services	258,008
Athletics	254,346
Community Activities	73,294
TOTAL EXPENDITURES and TRANSFERS	<u>\$ 10,103,024</u>
 <b>FUND BALANCE</b>	
TOTAL FUND BALANCE AT JUNE 30, 2019 (Projected)	\$ 680,363
 TOTAL APPROPRIATED	 <u>\$ 10,783,387</u>

# WHITMORE LAKE PUBLIC SCHOOLS

## Community Recreation Fund

### Revenues and Expenditures

Property Type	Taxable Values	Estimated Tax Revenues
PRE & Qual Agricultural	\$ 222,958,971	\$ 131,568
Commercial Personal	\$ 6,018,800	\$ -
Non-PRE	\$ 111,504,664	\$ 65,799
Total Taxable Value	<u>\$ 340,482,435</u>	<u>\$ 197,367</u>

PRE and Non-PRE Levy: 0.5901 Mills

	2017-18 ORIGINAL BUDGET	2017-18 FINAL BUDGET	2018-19 ORIGINAL BUDGET
<b>Revenues:</b>			
Property Taxes	\$ 201,439	\$ 198,000	\$ 197,367
Community Recreation Programs	80,000	32,500	40,000
Community Recreation Facility Rentals		16,000	0
Aquatic Programs		66,200	70,000
Aquatic Facility Rentals	45,000	9,755	10,000
Interest on Investments	20	68	20
Total Revenues	<u>\$ 326,459</u>	<u>\$ 322,523</u>	<u>\$ 317,387</u>
<b>Expenditures:</b>			
Community Recreation			
Salaries & Benefits	\$ 73,000	\$ 87,000	\$ 67,000
Contracted Services	14,000	8,900	9,000
Supplies	4,745	4,500	3,500
Advertisement	3,000	1,400	1,500
Dues & Fees	200	350	350
Total Community Education	<u>\$ 94,945</u>	<u>\$ 102,150</u>	<u>\$ 81,350</u>
Aquatic			
Salaries & Benefits	\$ 73,000	\$ 79,300	\$ 73,000
Contracted Services	2,000	1,000	1,000
Utilities	140,000	161,556	155,000
Equipment and Supplies	10,000	10,000	5,000
Capital Outlay	0	5,475	0
Dues & Fees	500	1,925	500
Total Pool	<u>\$ 225,500</u>	<u>\$ 259,256</u>	<u>\$ 234,500</u>
Total Expenditures	<u>\$ 320,445</u>	<u>\$ 361,406</u>	<u>\$ 315,850</u>
Excess (Shortage) of Revs over (under) Exps	\$ 6,014	\$ (38,883)	\$ 1,537
Fund Balance - Beginning of Year	<u>\$ 50,605</u>	<u>\$ 46,348</u>	<u>\$ 7,465</u>
Fund Balance - End of Year	<u>\$ 56,619</u>	<u>\$ 7,465</u>	<u>\$ 9,002</u>

**General Appropriations Resolution  
Resolution for Adoption by the Board of Education**

**Whitmore Lake Public School District  
2018-2019 Community Recreation Fund Original Budget**

**Adopted June 25, 2018**

**RESOLVED**, that this resolution shall be the general appropriations of the Whitmore Lake Public School District for the fiscal year 2018-2019: A resolution to make appropriations; and to provide for the disposition of all income received by the Whitmore Lake Public School District.

**BE IT FURTHER RESOLVED**, that the total revenue, including a tax levy of .5901 mills and unappropriated fund balance be available for appropriations in the **COMMUNITY RECREATION FUND** of the Whitmore Lake School District the fiscal year 2018-2019 as follows:

**REVENUE**

Local Revenue	\$ 317,387
State Revenue	-
Federal Revenue	-
Incoming Transfers & Other Transactions	-
<b>TOTAL REVENUE AND INCOMING TRANSFERS</b>	<b>317,387</b>
<b>FUND BALANCE - JULY 1, 2018 (Projected)</b>	<b>7,465</b>
<b>TOTAL AMOUNT AVAILABLE TO APPROPRIATE</b>	<b><u>\$ 324,852</u></b>

**BE IT FURTHER RESOLVED**, that \$324,852 of the total available to appropriate in the **COMMUNITY RECREATION FUND** is thereby appropriated in the amounts and for the purposes set forth below:

**EXPENDITURES**

Salaries & Benefits	\$ 140,000
Contracted Service/Repair	10,000
Utilities	155,000
Supplies	8,500
Capital Outlay	-
Advertisement	1,500
Other	850
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 315,850</u></b>
<b>OUTGOING TRANSFERS</b>	<b><u>-</u></b>
<b>TOTAL EXPENDITURES and TRANSFERS</b>	<b><u>\$ 315,850</u></b>
<b>FUND BALANCE</b>	
<b>FUND BALANCE ENDING JUNE 30, 2019 (Projected)</b>	<b>\$ 9,002</b>
<b>TOTAL APPROPRIATED</b>	<b><u>\$ 324,852</u></b>

# WHITMORE LAKE PUBLIC SCHOOLS

## Food Service Fund

### Revenues and Expenditures

	2017-18 ORIGINAL BUDGET	2017-18 FINAL BUDGET	2018-19 ORIGINAL BUDGET
<b>Revenues:</b>			
<b>Local:</b>			
Food Sales	\$ 137,000	\$ 142,717	\$ 142,000
Catered Events	12,000	4,600	4,600
<b>State:</b>			
School Lunch and At-Risk	12,563	20,877	19,500
<b>Federal:</b>			
NSLP & USDA Commodity	217,514	193,098	195,000
<b>Fund Modification:</b>			
ORS Stabilization Funds	8,490	0	0
<b>Total Revenues</b>	<u>\$ 387,567</u>	<u>\$ 361,292</u>	<u>\$ 361,100</u>
<b>Expenditures:</b>			
Salaries and Benefits	\$ 200,000	\$ 220,400	\$ 190,000
Repairs and Purchased Services	2,115	2,100	2,000
Food, Supplies	180,602	186,000	165,000
Capital Outlay	0	0	0
Dues and Other Fees	4,850	4,000	4,000
<b>Total Expenditures</b>	<u>\$ 387,567</u>	<u>\$ 412,500</u>	<u>\$ 361,000</u>
<b>Excess (Deficit) of Revenues over (under) Expenditures</b>	\$ -	\$ (51,208)	\$ 100
<b>Operating Transfer (to)/from General Fund</b>	<u>\$ -</u>	<u>\$ 51,000</u>	<u>\$ -</u>
<b>Increase (Decrease) in Fund Balance</b>	\$ -	\$ (208)	\$ 100
<b>Fund Balance - Beginning of Year</b>	<u>\$ 76</u>	<u>\$ 527</u>	<u>\$ 319</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ 76</u></u>	<u><u>\$ 319</u></u>	<u><u>\$ 419</u></u>

**General Appropriations Resolution  
Resolution for Adoption by the Board of Education**

**Whitmore Lake Public School District  
2018-2019 Food Service Fund Original Budget**

**Adopted June 25, 2018**

**RESOLVED**, that this resolution shall be the general appropriations of the Whitmore Lake Public School District for the fiscal year 2018-2019: A resolution to make appropriations and to provide for the disposition of all income received by the Whitmore Lake Public School District.

**BE IT FURTHER RESOLVED**, that the total revenue and unappropriated fund balance be available for appropriations in the **FOOD SERVICE FUND** of the Whitmore Lake Public School District for the fiscal year 2018-2019 as follows:

**REVENUE**

Local Revenue	\$ 146,600
State Revenue	19,500
Federal Revenue	195,000
Incoming Transfers & Other Transactions	-

TOTAL REVENUE AND INCOMING TRANSFERS	361,100
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FUND BALANCE - JULY 1, 2018 (Projected)	319
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<b>TOTAL AMOUNT AVAILABLE TO APPROPRIATE</b>	<b><u>\$ 361,419</u></b>
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**BE IT FURTHER RESOLVED**, that \$361,419 of the total available to appropriate in the **FOOD SERVICE FUND** is thereby appropriated in the amounts and for the purposes set forth below:

**EXPENDITURES**

Salaries & Benefits	\$ 190,000
Contracted Service/Repair	2,000
Supplies	165,000
Capital Outlay	-
Other	4,000
TOTAL EXPENDITURES	<u>\$ 361,000</u>
OUTGOING TRANSFERS	-
TOTAL EXPENDITURES and TRANSFERS	<u>\$ 361,000</u>

**FUND BALANCE**

FUND BALANCE ENDING JUNE 30, 2019 (Projected)	\$ 419
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<b>TOTAL APPROPRIATED:</b>	<b><u>\$ 361,419</u></b>
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# WHITMORE LAKE PUBLIC SCHOOLS

## Sinking Fund Revenues and Expenditures

Property Type	Taxable Values	Estimated Tax Revenues
PRE & Qual Agricultural	\$ 222,958,971	\$ 220,194
Commercial Personal	\$ 6,018,800	\$ -
Non-PRE	\$ 111,504,664	\$ 110,122
Total Taxable Value	<u>\$ 340,482,435</u>	<u>\$ 330,316</u>

PRE and Non-PRE Levy: 0.9876 Mills

	2017-18 FINAL BUDGET	2018-19 ORIGINAL BUDGET
<b>Revenues:</b>		
Property Taxes	\$ 327,000	\$ 330,316
Rebates	\$ 6,980	\$ -
Interest	\$ 225	\$ 500
Total Revenues	<u>\$ 334,205</u>	<u>\$ 330,816</u>
<b>Expenditures:</b>		
Management Fee	\$ 15,105	\$ 13,309
Contracted Services	\$ 321,646	\$ 305,120
Advertisement	\$ 112	\$ 500
Dues & Fees	\$ 425	\$ 500
Total Expenditures	<u>\$ 337,288</u>	<u>\$ 319,429</u>
Excess (shortage) of Revs over (under) Exps	\$ (3,083)	\$ 11,387
Fund Balance - Beginning of Year	\$ 331,926	\$ 328,843
Fund Balance - End of Year	<u>\$ 328,843</u>	<u>\$ 340,230</u>

**General Appropriations Resolution  
Resolution for Adoption by the Board of Education**

**Whitmore Lake Public School District  
2018-2019 Sinking Fund Original Budget**

**Adopted June 25, 2018**

**RESOLVED**, that this resolution shall be the general appropriations of the Whitmore Lake Public School District for the fiscal year 2018-2019: A resolution to make appropriations; and to provide for the disposition of all income received by the Whitmore Lake Public School District.

**BE IT FURTHER RESOLVED**, that the total revenue, including a tax levy of .9876 mills and unappropriated fund balance be available for appropriations in the SINKING FUND of the Whitmore Lake School District the fiscal year 2018-2019 as follows:

**REVENUE**

Local Revenue	\$ 330,816
Incoming Transfers & Other Transactions	-
<b>TOTAL REVENUE AND INCOMING TRANSFERS</b>	<b>330,816</b>
<b>FUND BALANCE - JULY 1, 2018 (Projected)</b>	<b>328,843</b>
<b>TOTAL AMOUNT AVAILABLE TO APPROPRIATE</b>	<b><u>\$ 659,659</u></b>

**BE IT FURTHER RESOLVED**, that \$659,659 of the total available to appropriate in the **COMMUNITY RECREATION FUND** is thereby appropriated in the amounts and for the purposes set forth below:

**EXPENDITURES**

Management Fee	\$ 13,309
Contracted Services	305,120
Advertisement	500
Due & Fees	500
<b>TOTAL EXPENDITURES</b>	<b>\$ 319,429</b>
<b>OUTGOING TRANSFERS</b>	<b>-</b>
<b>TOTAL EXPENDITURES and TRANSFERS</b>	<b><u>\$ 319,429</u></b>
<b>FUND BALANCE</b>	
<b>FUND BALANCE ENDING JUNE 30, 2019 (Projected)</b>	<b>\$ 340,230</b>
	<b>-</b>
<b>TOTAL APPROPRIATED</b>	<b><u>\$ 659,659</u></b>



## WHITMORE LAKE PUBLIC SCHOOLS

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*Exceptional, Personalized Education*

### **General Appropriations Resolution Whitmore Lake Public School District Fiscal Year 2018-2019**

Ayes:

Nays:

Resolution declared adopted.

\_\_\_\_\_ Secretary, Whitmore Lake Board of Education

\_\_\_\_\_ Date

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Ken Dignan, Board of Education, President  
Laura Schwennesen, Board of Education, Vice President  
Michelle Kritzman, Board of Education, Secretary  
Bob Henry, Board of Education, Treasurer

Lee Cole, Board of Education, Trustee  
Lisa McCully, Board of Education, Trustee  
John Meadows, Board of Education, Trustee  
Tom DeKeyser, Superintendent

4

**RESOLUTION AUTHORIZING ISSUANCE OF NOTES  
IN ANTICIPATION OF STATE SCHOOL AID**

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Whitmore Lake Public School District, Washtenaw and Livingston Counties, Michigan (the "Issuer" or "School District")

A regular meeting of the board of education of the Issuer (the "Board") was held in the \_\_\_\_\_, within the boundaries of the Issuer, on the 25th day of June, 2018, at \_\_\_\_ o'clock in the \_\_.m.

The meeting was called to order by \_\_\_\_\_, President.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

**WHEREAS**, under the terms of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended (the "Act"), the School District is authorized to borrow money for school operations and issue its notes therefor, in one or more series, pledging for the payment thereof moneys to be received by it pursuant to the State School Aid Act of 1979, Act 94, Public Acts of Michigan, 1979, as amended (the "State Aid Act"), which notes shall be the full faith and credit obligation of the School District; and

**WHEREAS**, the estimated amount of the state school aid appropriations allocated or to be allocated to the School District for the fiscal year ending June 30, 2019 and expected to be received by the School District from October 2018 through August 2019, inclusive (the "2018/2019 State Aid" or the "Pledged State Aid"), is shown in paragraph 1 of Exhibit A; and

**WHEREAS**, the School District has the need to borrow the sum of not to exceed the amount shown in paragraph 2 of Exhibit A to pay operating expenses for the fiscal year ending June 30, 2019, which amount is estimated to be not more than 70% of the difference between the total state school aid funds apportioned or to be apportioned to the School District for the 2018/2019 State Aid and that portion of the 2018/2019 State Aid already received or pledged; and

**WHEREAS**, the School District plans to issue or has issued notes, bonds or other obligations subject to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), relating to arbitrage and the rebate thereof, including but not limited to federally tax-exempt and/or tax-advantaged bonds and other obligations, not including this borrowing, during calendar year 2018 in the aggregate principal amount shown in paragraph 3 of Exhibit A; and

**WHEREAS**, the School District determines that it is in its best interest to borrow the sum of not to exceed the amount shown in paragraph 2 of Exhibit A and issue the general obligation notes in one or more series (the "Note" or "Notes") of the School District therefor.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. In the event that an Authorized Officer (defined below) determines that it is in the best interests of the School District to negotiate the sale of the Notes to the Michigan Finance Authority (the "Authority" or "MFA"), the following provisions shall apply:

A. The School District, pursuant to Section 1225 of the Act, shall issue its Notes in one or more series in order to borrow for the above purpose a sum not to exceed the amount shown in paragraph 2 of Exhibit A, the final amount and series designation to be determined by an officer designated in paragraph 4 of Exhibit A, or a designee who shall be a member of the administrative staff or board of education of the School District (each an "Authorized Officer"), prior to the sale of the Notes, or such portion thereof as the Michigan Department of Treasury (the "Treasury") may approve, if prior approval is necessary, and issue the Notes of the School District therefor in anticipation of the distribution of the Pledged State Aid.

B. The Notes shall be issued in one or more series, bear interest at the rate or rates determined on the sale thereof, which shall not exceed the maximum rate permitted by law at the time of sale, be dated as set forth in paragraph 5 of Exhibit A, or as of the date of delivery, and be due and payable on the date shown in paragraph 5 of Exhibit A. The Notes shall be payable in lawful money of the United States of America at a bank or trust company qualified to act as paying agent in the State of Michigan, as shall be designated by the Authority. The Notes shall be in denominations to be determined by an Authorized Officer prior to the sale of the Notes. The Notes shall be subject to redemption prior to maturity as specified in the Purchase Contract described below.

C. The School District hereby appropriates a sufficient amount of the Pledged State Aid to repay the principal of and interest on the Notes. In addition, the full faith and credit of the School District is hereby irrevocably pledged for payment of the principal of and interest on the Notes and, in case of the insufficiency of the Pledged State Aid, the School District shall pay the Notes from any funds legally available therefor, and, if necessary, levy sufficient taxes on all taxable property in the School District for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

D. In the event any Authorized Officer determines that it is in the best interest of the School District to choose to pay all or a portion of the principal and interest on the Notes with set-aside installments, the following provisions in this paragraph 1(D) shall apply:

Moneys to pay the principal and interest on the Notes when due shall be set aside in a separate fund with the depository designated in the Purchase Contract described below (the "Depository") in three (3), five (5) or seven (7) consecutive monthly set-aside installments (the "Installment" or "Installments"), ending on July 22, 2019, and earlier on the 20th day of each month (or in the case of January, the 22nd, and in the case of April, the 22nd), or such other state school aid payment date as may be provided for under state law (each a "Payment Date"). If a Payment Date falls on a Saturday, Sunday or legal holiday, the Payment Date shall be the next business day. The payment to the Depository shall be made first from the Pledged State Aid received during the month of the Installment. If, for any reason, the Pledged State Aid received during the month of the Installment is insufficient to pay the Installment, then in that event the School District pledges to use any and all other available funds to meet the Installment obligation. If the School District fails to set aside all or any portion of an Installment (the "Installment Shortfall") on the Payment Date, the Authority is authorized, pursuant to Section 17a(3) of the State Aid Act, to intercept 100% of the Pledged State Aid to be distributed to the School District beginning with the month following the School District's failure to meet the Installment obligation and all months thereafter, in accordance with the terms and conditions of the Purchase Contract (the "Purchase Contract") between the Authority and the School District. Beginning with the month following the Installment Shortfall, the Authority shall intercept 100% of the Pledged State Aid to be distributed to the School District and apply the intercepted amount on

the following priority basis: (A) the Installment Shortfall; (B) the current month's Installment; and (C) any amounts remaining to be immediately distributed to the School District. The intercept process set forth above shall continue each month following the Installment Shortfall until sufficient funds are deposited with the Depository to pay the total principal and interest on the Notes. The maximum amount of each Installment will not exceed 50% of the amount of Pledged State Aid due to the School District in any set-aside month.

If the School District has failed to deposit all or a portion of an Installment by the last business day of the month of the Installment, the Depository is authorized and directed to give written notice to the Authority, the State Treasurer and the School District on the first business day following the last business day of the month of the failure to deposit all or a portion of the Installment. Upon receipt of such written notice from the Depository, the Authority shall promptly notify the School District that it will immediately commence to intercept 100% of the Pledged State Aid.

If on the date of the final Installment as specified in Schedule I to the Purchase Contract, the funds with the Depository are insufficient to pay the principal of and interest on the Notes when due, the School District, pursuant to Section 17a(3) of the State Aid Act to the extent necessary to meet the payment obligation, assigns to the Authority and authorizes and directs the State Treasurer to advance all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the payment has been made.

Any Authorized Officer is further authorized to agree, if required by the Authority, to assign to the Authority and authorize and direct the State Treasurer to intercept all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the state school aid payment has been made pursuant to Section 17(a)(3) of the State Aid Act.

Any Authorized Officer is further authorized to determine that each Installment is a partial mandatory redemption of a particular series of the Notes and that the last Installment is the maturity date of that series of the Notes, and such determination shall be conclusively evidenced by the Purchase Contract described below.

E. Any Authorized Officer is authorized to sell all or a portion of the Notes to the Authority without an Installment payment schedule (the "No Set-Aside Notes") pursuant to the provisions of this resolution. In that event: (a) any Authorized Officer is further authorized to agree, if required by the Authority, to assign to the Authority and authorize and direct the State Treasurer to intercept or advance all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the state school aid payment has been made pursuant to Section 17a(3) of the State Aid Act; (b) the School District acknowledges that payment of the principal and interest on certain of the No Set-Aside Notes may be secured by a direct-pay letter of credit issued for the account of the Authority and the School District by one or more providers selected by the Authority (each a "Letter of Credit"; and each issuer a "Letter of Credit Bank"); (c) it shall not be deemed a default by the School District under the provisions of the Purchase Contract or the No Set-Aside Notes if the principal and interest on the No Set-Aside Notes shall have been paid in full when due to the Authority from proceeds of a drawing on the Letter of Credit and the drawing on the Letter of Credit is reimbursed by the School District on the designated date set forth in the reimbursement agreement relating to the Letter of Credit; and (d) the School District appoints the Authority as its agent to enter into the reimbursement agreement for and on behalf of the School District, if required by the Authority, as well as on the Authority's own behalf, and the School District agrees to be referred to as an account party in the Letter of Credit obtained by the Authority to secure payment of the No Set-Aside Notes and a series of the Authority's State Aid Revenue Notes issued to finance the Authority's purchase of the No Set-Aside Notes.

F. The President and Secretary of the Board of Education shall execute the Notes on behalf of the School District, and the executed Notes shall be delivered to the Authority upon the receipt of the purchase price therefor. The Vice President, Treasurer or Superintendent may execute the Notes instead of either the President or Secretary. The foregoing officials are hereby authorized to execute and deliver a temporary Note or Notes and exchange, when available, final printed Notes therefor at the request of the Authority.

G. Unless the Notes are issued as federally taxable, the School District hereby covenants for the benefit of all holders of the Notes to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be or continue to be excluded from gross income for federal income taxation purposes, including, but not limited to, requirements relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Note proceeds and moneys deemed to be Note proceeds.

H. If necessary, any Authorized Officer is hereby authorized to make application to Treasury for and on behalf of the School District for an order approving the issuance of the Notes and to pay any applicable fee therefor, or a post-issuance filing fee, as applicable.

I. The President, Vice President, Secretary, Treasurer, Superintendent, individual acting in the capacity of the school business official, or designee and any Authorized Officer are further authorized to execute any documents or certificates necessary to complete the transaction including, but not limited to, any certificates relating to federal or state securities laws, rules or regulations.

J. The Notes shall be sold to the Authority and the following provisions shall apply:

(i) Any Authorized Officer is hereby authorized to execute and deliver one or more Purchase Contracts with the Authority (which shall be determined by whether one or more series of Notes are issued hereunder) in substantially the form attached hereto as Exhibit B reflecting the terms and conditions of the borrowing with such additions, deletions or substitutions (including without limitation additions, deletions or substitutions required by any Letter of Credit Bank(s) or any purchaser(s) of the State Aid Revenue Notes issued by the Authority to finance its purchase of the No Set-Aside Notes), as the Authority and any Authorized Officer shall deem necessary and appropriate, including the number of set-asides, if any, and their dates and amounts, and not inconsistent with the provisions of this resolution. The choice of whether to make Installments for the Notes and/or the number, dates and amounts of Installments shall be conclusively evidenced by the Purchase Contract. The Purchase Contract shall include the School District's agreement with respect to any Installment not received by the Depository from the School District on the Payment Date, to pay the Authority an amount as invoiced by the Authority to recover its administrative costs and lost investment earnings attributable to that late payment.

(ii) Any Authorized Officer is further authorized to approve the specific interest rate(s) to be borne by the Notes, not exceeding the maximum rate permitted by law, the purchase price of the Notes, not less than the price specified in paragraph 6 of Exhibit A, a guaranteed investment agreement or other permitted investment in accordance with state law for funds paid to the Depository, if applicable, direct payments of Pledged State Aid to and if required by the Authority, and other terms and conditions relating to the Notes and the sale thereof.

(iii) The form of the Notes shall contain the following language in substantially the form set forth below as applicable, with such additions, deletions or substitutions (not inconsistent with the Purchase Contract) as the Authority and any Authorized Officer shall deem necessary and appropriate:

To the extent permitted by law, the principal of and interest on this Note which remains unpaid after this Note has matured and all other outstanding and unpaid amounts owing by



the School District under the Purchase Contract shall bear interest until paid at an interest rate per annum based upon a 360-day year for the actual number of days elapsed equal to the "Default Rate" as described in Schedule I to the Purchase Contract.

K. By opting to sell its Notes to the Authority, the School District hereby determines that it is in the best interest of the School District to sell its Notes to the Authority rather than sell the Notes at a competitive sale based upon the historical performance of the Authority's note pool program whereby competitive interest rates and reduced costs of issuance are obtained by pooling several participating school districts in one or more series of notes.

L. Within fifteen (15) business days after issuance of the Notes, the Board hereby authorizes and directs the Superintendent to cause to be filed with Treasury any and all documentation required subsequent to the issuance of the Notes, along with any statutorily required fee.

M. The series of Notes issued hereunder are of equal standing as to the Pledged State Aid. The School District reserves the right to issue additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid with the prior written consent of an authorized officer of the Authority. The School District further resolves that the amount payable as to principal and interest on the Notes plus the amount payable as to principal and interest on or prior to the maturity date of the Notes on any additional notes or other obligations of equal standing with the Notes as to payment from Pledged State Aid will not exceed 75% of the amount of Pledged State Aid.

2. In the event that an Authorized Officer (as defined in paragraph 1(A) herein) determines that it is in the best interests of the School District to sell the Notes to a bank or financial institution through negotiation or by distributing a solicitation for bids, without publication, to obtain bids from banks and/or financial institutions for the purchase of the Note, the following provisions shall apply:

A. Based upon expense considerations associated with publishing a notice of sale, as specified in Section 309(2) of Act 34, Public Acts of Michigan, 2001, as amended, the Board authorizes the distribution of a solicitation for bids, without publication, to obtain bids under the terms of paragraph 2(E) of this resolution.

B. This Issuer shall borrow the sum of not to exceed One Million Six Hundred Thousand Dollars (\$1,600,000) or such lesser amount as the Department of Treasury may approve or as reduced by an Authorized Officer, and shall issue its note or notes (the "Notes") therefor. The Issuer hereby appropriates a sufficient amount of state aid to repay the principal of and interest on the Notes. In addition, the full faith and credit of the Issuer is hereby irrevocably pledged for payment of the principal and interest on the Notes, and in case of insufficiency of state aid, the Issuer shall pay the Notes from any funds legally available therefor, and, if necessary, levy taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations, all pursuant to Act 451. The pledge of full faith and credit is subordinate to any encumbrances or tax levies pledged or to be pledged for the payment of tax anticipation notes issued or to be issued by the Issuer pursuant to Act 34, Public Acts of Michigan, 2001, as amended.

It is hereby declared that said borrowing is necessary for the purpose of securing funds for school operations and it is agreed with the purchaser of said Notes that the proceeds thereof will be used exclusively for that purpose.

C. Said Notes shall be dated as of August 20, 2018, or the date of delivery, shall bear interest from the date thereof until paid at a rate not exceeding four percent (4%) per annum on the balance from time to time remaining unpaid, shall be in minimum denominations of \$100,000 or multiples of \$1,000 in excess of \$100,000, shall be payable to the Registered Owner, in lawful money of the United States of

America, at such bank or trust company in the State of Michigan as shall be designated by the original purchaser of the Notes, which paying agent qualifies as such under the statutes of the State of Michigan or of the Federal Government, and shall be due and payable on August 20, 2019. If more than one note is issued, the Notes shall be numbered serially from 1 upwards. Such Notes may be designated, at the option of the purchaser thereof, as a "State Aid Note" or "State Aid Notes".

D. The form of the Notes shall be in substantially the form set forth and attached hereto as Exhibit C.

E. Once the Issuer has either achieved qualified status under Act 34, Public Acts of Michigan, 2001, as amended, or received prior approval for the issuance of the Notes from the authorized representative of the Department of Treasury, and based upon the determination of Paragraph 2(A) of this resolution, an Authorized Officer is authorized to arrange for the sale of such Notes without the taking of competitive bids thereon, provided that when bids, competitive or otherwise, are solicited and more than one bid received, such Notes shall be awarded to the lowest responsible bidder. The Notes shall be executed by the President and Secretary of the Board. In the absence of the President, the Superintendent may sign in the place of the President, and in the absence of the Secretary, the Treasurer of the Board may sign in place of the Secretary.

F. The form of solicitation for bids shall be in substantially the form set forth and attached hereto as Exhibit D.

G. If the Issuer has not achieved qualified status under Act 34, Public Acts of Michigan, 2001, as amended, an Authorized Officer is hereby authorized and directed to file a certified copy of this resolution with the authorized representative of the Department of Treasury for and on behalf of the Issuer and an application for an order approving such borrowing and issuance of said Notes, if applicable, and to pay any applicable fee therefor.

H. The Board hereby designates the Notes of this issue as "Qualified Tax-Exempt Obligations" for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended. The Board covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended, necessary to maintain the exemption of interest on the Notes from federal income taxation.

I. An Authorized Officer is further authorized to approve the specific interest rate to be borne by the Notes, not exceeding the maximum rate authorized herein, the purchase price of the Notes, not less than the price specified in paragraph 6 of Exhibit A, and other terms and conditions relating to the Notes and the sale thereof. An Authorized Officer is directed to execute a certificate accepting the interest rate and purchase price of the Notes on behalf of the Issuer.

3. Within fifteen (15) business days after issuance of the Notes, the Board hereby authorizes and directs the Superintendent to cause to be filed with the Department of Treasury any and all documentation required subsequent to the issuance of the Notes, along with any statutorily required fee.

4. An Authorized Officer is further authorized to execute any documents or certificates necessary to complete the transaction and may designate, in writing, an individual to act in their place with respect to the powers conveyed in this paragraph.

5. The Authority has appointed Thrun Law Firm, P.C. to act as counsel to the underwriter and the structuring agent for the August 2018 state aid note program. The School District consents to Thrun Law Firm, P.C. representing this School District and acting as counsel to the underwriter and the structuring agent for the Authority's August 2018 state aid note program.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

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Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Whitmore Lake Public School District, Washtenaw and Livingston Counties, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at a regular meeting held on June 25, 2018, the original of which is part of the Board's minutes. The undersigned further certifies that notice of the meeting was given to the public pursuant to the provisions of the "Open Meetings Act" (Act 267, Public Acts of Michigan, 1976, as amended).

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Secretary, Board of Education

JJS/kmh

## EXHIBIT A

1. Estimated 2018/2019 State Aid allocated or to be allocated for fiscal year ending June 30, 2019: \$5,277,654 (total amount estimated to be received from October 1, 2018 through August 31, 2019)
2. Amount of borrowing not to exceed: \$1,600,000
3. Principal amount of notes, bonds or other obligations, including but not limited to federally tax-exempt and/or tax-advantaged bonds, not including this borrowing, that have been issued or are expected to be issued during the 2018 calendar year: \$0.00 (include plans for voted or non-voted bonds, refunding bonds, additional state aid notes, tax anticipation notes, installment purchase agreements, lines of credit, and lease-purchase agreements)
4. Authorized Officer: President, Vice President, Secretary or Treasurer of the Board of Education, Superintendent, Assistant/Associate Superintendent or individual acting in the capacity of the school business official, or a designee thereof
5. The Notes shall be dated August 20, 2018 and shall mature on March 20, 2019, July 22, 2019, August 20, 2019, or such other date as determined by any Authorized Officer
6. Purchase price: Not less than 97% of the principal amount of the Notes
7. Five percent (5%) of estimated fiscal year 2017/2018 operating expenses: \$531,600

## EXHIBIT B

### FORM OF PURCHASE CONTRACT

**[Insert Name of School District Here]**

The Michigan Finance Authority (the "Authority"), a public body corporate, separate and distinct from the State of Michigan, hereby offers to enter into this Purchase Contract with the Issuer named below (the "Issuer") which, upon the acceptance of this offer by the Issuer, will be binding upon the Authority and the Issuer. This offer is made subject to acceptance on or before the date set forth below. The Issuer accepts the electronic or digital signature of the Authority's Executive Director (or other authorized officer of the Authority) if set forth below and acknowledges that it has the same legal effect and enforceability as a manual signature.

Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, including those set forth on Schedule I hereto, the Authority hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Authority, notes (the "Notes") in the principal amount and with the interest rate as shown on Schedule I. The purchase price for the Notes shall be as set forth on Schedule I.

[The Issuer acknowledges that the Authority will purchase the Notes with proceeds from certain State Aid Revenue Notes to be issued by the Authority (the "Authority's Notes").] The Issuer represents and warrants to, and agrees with, the Authority that (A) the Issuer has, and on the Closing Date (specified below) will have, full legal right, power and authority (1) to enter into this Purchase Contract, and (2) to sell and deliver the Notes to the Authority and pledge and assign to the Authority the moneys to be received by the Issuer pursuant to the State School Aid Act of 1979, as amended (the "State School Aid") as provided herein and in the resolution authorizing the Notes and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in this Purchase Contract including those set forth in Schedule I; and (B) the Issuer shall promptly pay its pro rata share of the Costs of Issuance upon notification by the Authority. The term "Costs of Issuance" shall mean and include printing charges, rating agency charges, trustee fees, note counsel fees, fees and expenses of a purchaser (the "Purchaser") of all or a portion of the Authority's Notes [(as defined below)], and other counsel fees and issuance fees of the Authority and the Purchaser related to the Authority's Notes; provided, however, that the Issuer's pro rata share of such Costs of Issuance shall not exceed the amount shown on Schedule I. The terms "Purchaser", "Holder" and "Holders' Representative" shall have the same meanings as defined in the Note Purchase Agreement(s) dated \_\_\_\_\_, 2018 between the Authority and \_\_\_\_\_ (the "Note Purchase Agreement").

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IF THREE, FIVE OR SEVEN SET-ASIDES ARE APPLICABLE, THE FOLLOWING LANGUAGE SHALL BE INCLUDED IN THE PURCHASE CONTRACT:

[The Issuer pledges to pay the principal and interest on the Notes from its State School Aid appropriations allocated or to be allocated to it for the fiscal year ending June 30, 2019 and to be paid during October 2018 through August 2019, inclusive (the "Pledged State Aid"). Moneys to pay the principal and interest on the Notes when due shall be set aside in a separate fund with the Depository (as defined in Schedule I) as hereinafter described in 3, 5 or 7 installments (the "Installment" or "Installments") as specified in Schedule I, commencing (i) in the case of 3 installments, on May 20, 2019, (ii) in the case of 5 installments, on March 20, 2019, and (iii) in the case of 7 installments, on January 22, 2019, and thereafter on the 20th day of each month (or in the case of April, the 22nd) to and in each case ending on [July 22],

2019, or such other State School Aid payment date as may be provided for under state law (the "Payment Date"). If a Payment Date falls on a Saturday, Sunday or legal holiday, the Installment shall be due on the next business day. The payment to the Depository shall be made first from the Pledged State Aid received during the month of the Installment. Notwithstanding the foregoing, the Issuer hereby irrevocably directs the State of Michigan to directly transfer to the Depository payment of the Issuer's current month's Installment from the Pledged State Aid received during the month of the Installment on the Payment Date. If, for any reason, the Pledged State Aid received during the month of the Installment is insufficient to pay the Installment, then in that event the Issuer pledges to use any and all other available funds to pay the Installment obligation. If the Issuer fails to set aside any portion of an Installment (the "Installment Shortfall"), pursuant to Section 17a(3) of the State School Aid Act of 1979, as amended (the "Act"), the Authority is authorized to intercept 100% of the Pledged State Aid to be distributed to the Issuer. Beginning with the month following the Installment Shortfall, the Authority shall intercept 100% of the Pledged State Aid to be distributed to the Issuer and apply the intercepted amount on the following priority basis: (A) the Installment Shortfall; (B) the current month's Installment; and (C) any amounts remaining to be immediately distributed to the Issuer. The intercept process set forth above shall continue each month following the Installment Shortfall until sufficient funds are deposited with the Depository to pay the principal of and interest on the Notes. The Authority shall promptly notify the Issuer that it will immediately commence to intercept the Pledged State Aid.

Each Installment shall be treated as a mandatory redemption of a portion of the principal of the Notes and also payment of accrued interest thereon to the date of the Installment, which together shall be equal to the amount of such Installment.

If the Issuer has failed to deposit all or a portion of an Installment by the last business day of the month of the Installment, the Depository is authorized and directed to give written notice to the Authority, the State Treasurer and the Issuer on the first business day following the last business day of the month of the failure to deposit all or a portion of the Installment. Upon receipt of written notice from the Depository, the Authority shall promptly notify the Issuer that it will immediately commence to intercept 100% of the Pledged State Aid.

If on the date of the final Installment as specified in Schedule I, the funds on deposit with the Depository are insufficient to pay the principal of and interest on the Notes when due, and any and all other amounts owed by the Issuer as set forth in Schedule I (the "Payment Obligations") the Issuer, pursuant to Section 17a(3) of the Act, to the extent necessary to meet the Payment Obligations assigns to the Authority and authorizes and directs the State Treasurer to advance all or part of any payment which is dedicated for distribution or for which the appropriation authorizing payment has been made under the Act.

If at any time and from time to time prior to the maturity date of the Notes the Authority has reason to believe that the Issuer will be unable to pay in full the principal and interest on the Notes when due, the Authority, in its sole discretion, may by phone or email:

- (i) request from the Issuer a written confirmation of both its ability to pay the Notes when due and a description of the source(s) of funds for the repayment of the Notes. If the Issuer fails within ten (10) days to provide such confirmation to the satisfaction of the Authority, the Issuer hereby authorizes the intercept of any Pledged State Aid to be distributed to the Issuer earlier than August 2019 in such amount as determined by the Authority to be appropriate and further authorizes the Authority to give notice to the State Treasurer to intercept that amount of any Pledged State Aid which has not already been transferred to the Issuer. Any Pledged State Aid which is thus intercepted shall be transferred to the Depository and shall, after the Authority's Notes are paid, be applied on the following priority basis: (1) to the Purchaser, all other amounts due and owing to the

Purchaser under its Note Purchase Agreement with the Authority and the Depository relating to the 2018A-\_\_ Notes, and (2) any amount remaining to be immediately distributed to the Issuer]; and/or

(ii) give notice to the Issuer requiring the Issuer to enter into one or more Tax Intercept Agreements (each a "TIA") to provide additional security for the payment of the Notes. Each TIA shall be in a form prescribed by the Authority, with such additions, deletions or substitutions reasonably required by any local taxing unit that collects operating taxes revenues collected for the Issuer, and the delinquencies thereon, on behalf of the Issuer, as the Authority and any Authorized Officer shall deem necessary and appropriate.]

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IF NO SET-ASIDE INSTALLMENTS ARE APPLICABLE, THE FOLLOWING LANGUAGE SHALL BE INCLUDED IN THE PURCHASE CONTRACT:

[The Issuer acknowledges that: (i) the Authority will purchase the Notes with proceeds from the State Aid Revenue Notes, Series 2018A-\_\_, Series 2018A-\_\_, and Series 2018A-\_\_, to be issued by the Authority (the "Authority's Notes"); (ii) the Authority's Notes of Series 2018A-\_\_ (the "2018A-\_\_ Notes") will be directly purchased from the Authority by \_\_\_\_\_, unsecured by any letter of credit; (iii) the Authority's Notes of Series 2018A-\_\_ (the "2018A-\_\_ Notes") will be directly purchased from the Authority by \_\_\_\_\_, unsecured by any letter of credit and (iv) the Authority's Notes of Series 2018A-\_\_ (the "2018A-\_\_ Notes") will be directly purchased from the Authority by \_\_\_\_\_, unsecured by any letter of credit.

The Issuer [(i) irrevocably directs the State of Michigan to directly transfer to the Depository the mandatory payment (the "Mandatory Payment") from the current month's installment of the Pledged State Aid in the amounts and on the payment dates (the "Payment Dates") as set forth in Schedule I attached hereto; and (ii)] agrees that it will deposit[, including in accordance with any Mandatory Payment schedule in Schedule I,] with the Depository (as defined in Schedule I) payment of the principal of and interest on the Notes in immediately available funds, the full amount of such principal and interest on the Notes to be received by the Depository by 11:00 a.m. on the maturity date of the Notes. The Issuer pledges to pay the principal and interest on its Notes from the 2018/2019 State School Aid to be allocated to it and to be paid during October 2018 through August 2019, inclusive (the "Pledged State Aid").

Not later than [March \_\_, 2019][August \_\_, 2019], the Issuer shall determine whether there will be sufficient funds on deposit with the Depository on [March 20, 2019][August 20, 2019] (the maturity date of the Notes) to pay the principal of and interest on the Notes when due on that maturity date. If the Issuer determines that there will be insufficient funds on deposit with the Depository on [March 20, 2019][August 20, 2019] to pay the principal of and interest on the Notes on the maturity date of the Notes, the Issuer will so notify the Authority by telephone and email not later than [March \_\_, 2019][August \_\_, 2019] (email to: TreasMFA-StateAidNote@michigan.gov; and telephone the Executive Director, 517-335-0994).

If on the maturity date of the Notes there are insufficient funds on deposit with the Depository to pay the principal of and interest on the Notes when due, the Issuer, pursuant to Section 17a(3) of the Act, to the extent necessary to pay the principal of and interest on the Notes when due, and any and all other amounts owed by the Issuer as set forth in Schedule I (the "Payment Obligations"), assigns to the Authority, pledges to the payment of the Payment Obligations, and authorizes and directs the State Treasurer to intercept or advance all or part of any State School Aid payment which is dedicated for distribution to the Issuer or for which the appropriation authorizing the payment has been made under the Act. The Issuer acknowledges that a State Aid Agreement will be executed among the Authority, the State Treasurer, the

Depository, and the Trustee for the Authority whereby the State Treasurer agrees to intercept and/or advance all or part of any State School Aid as described under this Purchase Contract. The Authority in its sole discretion may determine the amount of any State School Aid payment to be intercepted and the dates for such collection and application. The Authority and the Issuer may also agree to the collection and application of other Issuer revenues to any unpaid Payment Obligations. State School Aid payments shall continue to be intercepted until all Payment Obligations have been paid in full. Notwithstanding the foregoing:

(A) the Issuer hereby irrevocably directs the State of Michigan to pay to the Depository 100% of the Pledged State Aid to be distributed to the Issuer on the [March 2019][August 2019] payment date, or the balance thereof to the extent all or a portion of it, prior to the [March 2019][August 2019] payment date, has been advanced to satisfy any amounts owed by the Issuer for payment of the Authority's State Aid Revenue Notes, Series 2018A-\_\_, and the Depository shall apply the [March 2019][August 2019] State School Aid payment on the following priority basis: (1) first, if the Issuer has outstanding Notes maturing March 20, 2019, to pay to the Holder(s) of such Notes the principal and interest due on March 20, 2019 on such Notes; (2) second, if the Issuer has outstanding Notes maturing August 20, 2019, to pay to the Holder(s) of such Notes the principal and interest due on the Notes on August 20, 2019; (3) third, to pay to each Holders' Representative all other amounts due and owing under its respective Note Purchase Agreement with the Authority relating to the 2018A-\_\_ Notes, the 2018A-\_\_ Notes or the 2018A-\_\_ Notes and (4) fourth, any amount remaining to be immediately distributed to the Issuer; and

(B) if (1) the Issuer's remaining Pledged State Aid to be received prior to [March 2019] [August 2019] will be less than the principal and interest on the Notes and any other notes issued by the Authority payable therefrom and (2) the Issuer will pay any of the remaining amount due from any source other than proceeds from its borrowing in the Authority's August 2019 state aid note pool, the Issuer shall give written notice not later than [March \_\_, 2019][August \_\_, 2019] to the Authority and the Depository specifying each such source and amount (e.g., \$\_\_\_\_\_ will be wired to the Depository from [ bank name ]); and

(C) if at any time and from time to time prior to the maturity date of the Notes the Authority has reason to believe that the Issuer will be unable to pay in full the principal and interest on the Notes when due, the Authority, in its sole discretion, may by phone or email:

(i) request from the Issuer a written confirmation of both its ability to pay the Notes when due and a description of the source(s) of funds for the repayment of the Notes. If the Issuer fails within ten (10) days to provide such confirmation to the satisfaction of the Authority, the Issuer hereby authorizes the intercept of any Pledged State Aid to be distributed to the Issuer earlier than [March 2019][August 2019] in such amount as determined by the Authority to be appropriate and further authorizes the Authority to give notice to the State Treasurer to intercept that amount of any Pledged State Aid which has not already been transferred to the Issuer. Any Pledged State Aid which is thus intercepted shall be transferred to the Depository and shall be applied after the Authority's Notes are paid in the same manner as provided in paragraph (A) above; and/or

(ii) give notice to the Issuer requiring the Issuer to enter into one or more Tax Intercept Agreements (each a "TIA") to provide additional security for the payment of the Notes and the Issuer shall take the actions necessary to enter into the TIA(s). Each TIA shall be in a form prescribed by the Authority, with such additions, deletions or substitutions reasonably required by any local taxing unit that collects



operating taxes revenues collected for the Issuer, and the delinquencies thereon, on behalf of the Issuer, as the Authority and any Authorized Officer shall deem necessary and appropriate.

(D) failure to pay all or a portion of the Payment Obligations to the Authority not later than [March 20, 2019][August 20, 2019] shall constitute an event of default ("Default") under this Purchase Contract and the Authority's, the Holders' and the Holders' Representatives' rights and remedies upon such Default shall be as set forth in this Purchase Contract and Schedule I and in applicable law.]

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The Issuer consents to the Authority's pledge and assignment of and grant of a security interest in the Authority's rights and interest (subject to certain rights of indemnification) in the Notes and this Purchase Contract as security for the Authority's Notes and a Trust Indenture dated as of August 1, 2018, issued by the Authority pursuant to its Note Authorizing Resolution adopted May 17, 2018, and for the Authority's obligations under a Note Purchase Agreement between it and any Holder of the Authority's Notes.

The Issuer acknowledges that Section 15 of the Authority's enabling statute, the Shared Credit Rating Act, as amended, provides for a statutory lien on the Authority's pledge of the Pledged State Aid which is paramount and superior to all other liens for the sole purpose of paying the principal of, and interest on, the Authority's Notes.

The Issuer further acknowledges that Section 17a(3) of the Act does not require the State to make an appropriation to any school district or intermediate school district and shall not be construed as creating an indebtedness of the State.

With respect to any payment not received from the Issuer by the Depository by the time and date due under this Purchase Contract, the Issuer agrees to pay the Authority an amount as invoiced by the Authority to recover its administrative costs attributable to the late payment. The Issuer further agrees to reimburse the Authority (A) for any and all amounts which the Authority may have to rebate to the federal government due to investment income which the Issuer may earn in connection with the issuance or repayment of its Notes and (B) for the Issuer's pro rata share of the Costs of Issuance that were paid by the Authority in the event that the Authority is required to rebate investment earnings to the federal government regardless, in either case, whether the Issuer is subject to such rebate or not. In the event the Issuer does not meet any arbitrage rebate exception pursuant to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, relative to the Notes, the Issuer will make any required rebate payment to the federal government when due.

The Issuer shall make the Notes and its Closing Documents (defined below) available for inspection by the Authority on August \_\_, 2018, at the offices of the Thrun Law Firm, P.C., East Lansing, Michigan. At 9:00 a.m., prevailing Eastern time, on August 20, 2018 ("Closing Date"), the Issuer shall deliver the Notes to the Authority at the offices of Dykema Gossett PLLC, Lansing, Michigan, together with such other documents, certificates and closing opinions as the Authority shall require (the "Closing Documents") and the Authority shall accept delivery of the Notes and the Closing Documents and pay the purchase price for the Notes.

*(Remainder of Page Intentionally Left Blank)*

The Authority shall have the right in its sole discretion to terminate the Authority's obligations under this Purchase Contract to purchase, accept delivery of and pay for the Notes if the Authority is unable for any reason to sell and deliver the Authority's Notes on or prior to the Closing Date.

Michigan Finance Authority

By \_\_\_\_\_  
Its Authorized Officer

Accepted and Agreed to this  
\_\_\_\_\_ day of \_\_\_\_\_, 2018  
\_\_\_\_\_ ("Issuer")

By \_\_\_\_\_  
Title: \_\_\_\_\_

*(Signature page to Purchase Contract)*

## Schedule I

### [INSTALLMENT PAYMENT SCHEDULE]

*All capitalized terms used and not expressly defined in this Schedule I shall have the meanings given to them in the Purchase Contract to which this Schedule I is attached (the "Purchase Contract").*

1. The Issuer hereby covenants that it will deposit all Installment payments as set forth in paragraph 9 below with U.S. Bank National Association, or its successor (the "Depository") at its designated corporate trust office located in Lansing, Michigan. [The Issuer directs the Depository to use the proceeds of the Installment payments to acquire U.S. Treasury Obligations state and local government series (SLGS) and/or such other U.S. Treasury notes, bonds, bills and securities as authorized and directed by the Authority and as permitted by law, or, if authorized and directed by the Authority to enter into an investment contract with a financial institution on behalf of the Issuer for the investment of the Installment payments.] In the event the Depository resigns, or is removed, the Issuer hereby accepts and appoints a successor depository appointed by the Authority as depository for the Notes.

2. The number of Installments shall be as set forth in paragraph 9 below. The Issuer hereby agrees to deposit funds with the Depository in accordance with the Purchase Contract and its resolution authorizing the Notes.

3. The Issuer covenants that it will deliver from time to time such additional information regarding the financial condition of the Issuer as the Authority may reasonably request.

4. The Issuer covenants that the principal amount of the Notes, together with any additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid, will not exceed 75% of the amount of State School Aid to be received by the Issuer during the period from October 1, 2018, through August 31, 2019.

5. The principal amount and the initial interest rate on the Notes shall not exceed \$\_\_\_\_\_ and \_\_\_\_\_% per annum, respectively.

6. The Issuer's pro rata share of the Costs of Issuance shall not exceed: (A) \$\_\_\_\_\_, plus (B) the Issuer's pro rata share of related charges pursuant to the Note Purchase Agreement between the Authority and the Purchaser, including, without limitation, all other amounts owing to the Holders under the Note Purchase Agreement.

7. The Notes shall be dated August 20, 2018 and shall mature on [July 22], 2019.

8. The purchase price of the Notes shall be \$\_\_\_\_\_ (par of \$\_\_\_\_\_ [less net discount of \$\_\_\_\_\_] [plus net premium of \$\_\_\_\_\_]).

9. The amounts of the Installments/Mandatory Redemptions on the Payment Dates are:

<u>Payment Date</u>	<u>Installment/Mandatory Redemption</u>
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10. In the event that the Issuer fails to pay all or a portion of the Payment Obligations to the Authority on any Payment Date or at maturity, the unpaid principal amount shall bear a default interest rate per annum beginning on the applicable Payment Date or maturity date, payable each day such principal amount remains unpaid, in an amount calculated by multiplying such unpaid principal by a percentage equal to the Base Rate plus \_\_\_\_% per annum or such lower interest rate as may be established by the Authority pursuant to an agreement between the Authority and the Holders' Representative. Interest at such default interest rate shall be payable on demand on any Business Day.

“Adjusted One Month LIBOR Rate” means for any date an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the sum of (i) \_\_\_\_% per annum plus (ii) the quotient of (a) the interest rate determined by the Holders’ Representative by reference to the Reuters Screen LIBOR01 Page (or on any successor or substitute page) to be the rate at approximately 11:00 a.m. London time, on such date or, if such date is not a Business Day, on the immediately preceding Business Day, for dollar deposits with a maturity equal to one (1) month divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to dollar deposits in the London interbank market with a maturity equal to one (1) month, provided that if the rate for any date so determined shall be less than zero, such rate shall be zero for purposes of this calculation.

“Base Rate” means, for any day, the highest of (a) the Prime Rate, (b) the Adjusted One Month LIBOR Rate and (c) \_\_\_\_\_ percent (\_\_\_\_%) per annum.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in the States of Michigan, Illinois or New York are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

“Prime Rate” means, for any day, the rate of interest announced by JPMorgan Chase Bank, N.A. from time to time as its prime commercial rate for U.S. dollar loans, or equivalent, as in effect on such day, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

“Reserve Requirement” means a percentage equal to the daily average during the most recently completed interest period of the aggregate maximum reserve requirements (including all basic, supplemental, marginal and other reserves), as specified under Regulation D of the Federal Reserve Board, or any other applicable regulation that prescribes reserve requirements applicable to Eurocurrency liabilities (as presently defined in Regulation D) or applicable to extensions of credit by the Purchaser the rate of interest on which is determined with regard to rates applicable to Eurocurrency liabilities. Without limiting the generality of the foregoing, the Reserve Requirement shall reflect any reserves required to be maintained by the Purchaser against any category of liabilities that includes deposits by reference to which the Adjusted One Month LIBOR Rate is to be determined.

11. As long as the Notes are outstanding, the Issuer shall neither pledge nor make any request for an advancement pursuant to Section 17b of the State School Aid Act of 1979, as amended, of any portion of its Pledged State Aid, October 2019 State School Aid, or State School Aid payable thereafter without the prior written consent of the Authority, by its Executive Director, which consent shall not be unreasonably withheld. The Issuer shall not, at any time prior to the maturity of the Notes, issue any other obligations pledging the Pledged State Aid (“Other Obligations”) unless: (i) the Issuer shall have given prior written notice to the Authority of the Issuer’s intent to issue any Other Obligations promptly after forming such intent; (ii) any Other Obligations shall mature after August 20, 2019; and (iii) any pledge of the Pledged State Aid as security for the payment of any Other Obligations shall be: (A) expressly subject to the prior right of interception set forth in this Purchase Contract; and (B) expressly subordinate, under written subordination terms satisfactory to the Authority and its counsel, to the Issuer’s prior pledge of Pledged State Aid as security for the Notes. “Other Obligations” defined in this paragraph shall not include state aid notes, if any, issued by the Issuer as a separate series on August 20, 2018 and purchased by the Authority with proceeds from its State Aid Revenue Notes, Series 2018A-\_\_ and Series 2018A-\_\_, to be issued by the Authority pursuant to the Trust Indenture dated as of August 1, 2018. Any one or more of the foregoing restrictions set forth in this paragraph may be waived in writing by the Authority, by its Authorized Officer, in his or her sole and absolute discretion.

***[Note: If a Purchaser of the Authority’s State Aid Revenue Notes, Series 2018A-\_\_, requires particular provisions for determining the interest rate on the Notes or a default interest rate, such provisions will be added to this Schedule I, as appropriate.]***

## Schedule I

### [NO INSTALLMENTS]

*All capitalized terms used and not expressly defined in this Schedule I shall have the meanings given to them in the Purchase Contract to which this Schedule I is attached (the "Purchase Contract").*

1. The Issuer hereby agrees to deposit or cause to be deposited funds to pay principal of and interest on the Notes with U.S. Bank National Association, or its successor (the "Depository") at its designated corporate trust office located in Lansing, Michigan, in accordance with the Purchase Contract and resolution authorizing the Notes. In the event the Depository resigns, or is removed, the Issuer hereby accepts and appoints a successor depository appointed by the Authority as depository for the Notes.
2. The Issuer covenants that it will deliver from time to time such additional information regarding the financial condition of the Issuer as the Authority may reasonably request.
3. The Issuer covenants that the principal amount of the Notes, together with any additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid, will not exceed 75% of the amount of State School Aid to be received by the Issuer during the period from October 1, 2018, through August 31, 2019.
4. The principal amount and the initial interest rate on the Notes shall not exceed \$\_\_\_\_\_ and \_\_\_\_\_% per annum, respectively.
5. The Issuer's pro rata share of the Costs of Issuance shall not exceed: (A) \$\_\_\_\_\_, plus (B) the Issuer's pro rata share of related charges pursuant to the Note Purchase Agreement[s] among the Authority, [the/each] Purchaser and the Depository (including, without limitation, all other amounts owing to the Holders under the Note Purchase Agreement).
6. The Notes shall be dated August 20, 2018 and shall mature on [March 20, 2019][August 20, 2019].
7. The purchase price of the Notes shall be \$\_\_\_\_\_ (par of \$\_\_\_\_\_ [less net discount of \$\_\_\_\_\_] [plus net premium of \$\_\_\_\_\_]).
8. The amounts of the Installments/Mandatory Payments on the Payment Dates are:

Payment Date

Installment/Mandatory Redemption

9. In the event that the Issuer fails to pay all or a portion of the Payment Obligations to the Authority on [March 20, 2019][August 20, 2019], the Notes shall bear a default interest rate per annum beginning [March 20, 2019][August 20, 2019], payable each day such principal amount remains unpaid, in an amount calculated by multiplying such unpaid principal by a percentage equal to the Base Rate plus \_\_\_\_% per annum or such lower interest rate as may be established by the Authority pursuant to an agreement between the Authority and the Holders' Representative. Interest at such default interest rate shall be payable on demand on any Business Day and shall also be payable during the continuance of any event of default.

"Adjusted One Month LIBOR Rate" means for any date an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the sum of (i) \_\_\_\_% per annum plus (ii) the quotient of (a) the interest rate determined by the Holders' Representative by reference to the Reuters Screen LIBOR01 Page (or on any successor or substitute page) to be the rate at approximately 11:00 a.m. London time, on such date or, if such date is not a Business Day, on the immediately preceding Business Day, for

dollar deposits with a maturity equal to one (1) month divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to dollar deposits in the London interbank market with a maturity equal to one (1) month, provided that if the rate for any date so determined shall be less than zero, such rate shall be zero for purposes of this calculation.

“Base Rate” means, for any day, the highest of (a) the Prime Rate, (b) the Adjusted One Month LIBOR Rate and (c) \_\_\_\_\_ percent (\_\_\_\_%) per annum.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in the States of Michigan, Illinois or New York are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

“Prime Rate” means, for any day, the rate of interest announced by JPMorgan Chase Bank, N.A. from time to time as its prime commercial rate for U.S. dollar loans, or equivalent, as in effect on such day, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

“Reserve Requirement” means a percentage equal to the daily average during the most recently completed interest period of the aggregate maximum reserve requirements (including all basic, supplemental, marginal and other reserves), as specified under Regulation D of the Federal Reserve Board, or any other applicable regulation that prescribes reserve requirements applicable to Eurocurrency liabilities (as presently defined in Regulation D) or applicable to extensions of credit by the Purchaser the rate of interest on which is determined with regard to rates applicable to Eurocurrency liabilities. Without limiting the generality of the foregoing, the Reserve Requirement shall reflect any reserves required to be maintained by the Purchaser against any category of liabilities that includes deposits by reference to which the Adjusted One Month LIBOR Rate is to be determined.

10. So long as the Notes are outstanding or any amounts are due and owing to the Authority under this Purchase Contract, the Issuer shall neither pledge nor make any request for an advancement pursuant to Section 17b of the State School Aid Act of 1979, as amended, of any portion of its Pledged State Aid, October 2019 State School Aid, or State School Aid payable thereafter without the prior written consent of the Authority, by its Executive Director, which consent shall not be unreasonably withheld. The Issuer shall not, at any time prior to the maturity of the Notes, issue any other obligations pledging the Pledged State Aid (“Other Obligations”) unless: (i) the Issuer shall have given prior written notice to the Authority of the Issuer’s intent to issue any Other Obligations promptly after forming such intent; (ii) any Other Obligations shall mature after [March 20, 2019][August 20, 2019], and (iii) any pledge of the Pledged State Aid as security for the payment of any Other Obligations shall be: (A) expressly subject to the prior right of interception set forth in this Purchase Contract; and (B) expressly subordinate, under written subordination terms satisfactory to the Authority and its counsel, to the Issuer’s prior pledge of Pledged State Aid as security for the payment of the Notes. “Other Obligations” defined in this paragraph shall not include state aid notes, if any, issued by the Issuer as a separate series on August 20, 2018 and purchased by the Authority with proceeds from the State Aid Revenue Notes, Series 2018A-\_\_ or Series 2018A-\_\_, to be issued by the Authority pursuant to the Trust Indenture dated as of August 1, 2018. Any one or more of the foregoing restrictions set forth in this paragraph may be waived in writing by the Authority, by its Authorized Officer, in his or her sole and absolute discretion.

***[Note: If a Purchaser of the Authority’s State Aid Revenue Notes, Series 2018A-\_\_ or Series 2018A-\_\_, requires particular provisions for determining the interest rate on the Notes or a default interest rate, such provisions will be modified, or added to, this Schedule I, as appropriate.]***

**EXHIBIT C**

**UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTIES OF WASHTENAW AND LIVINGSTON  
WHITMORE LAKE PUBLIC SCHOOL DISTRICT  
STATE AID NOTE**

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
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August 20, 2018

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

Whitmore Lake Public School District, Counties of Washtenaw and Livingston, State of Michigan (the "Issuer"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, with interest thereon from the date hereof until paid at the Rate specified above based on a 360-day year, 30-day month, on presentation and surrender of this note (the "Note") at \_\_\_\_\_, Michigan (the "Paying Agent"). This Note is issued in minimum denominations of \$100,000 or multiples of \$1,000 in excess of \$100,000.

This Note is not subject to redemption prior to maturity.

This Note is issued under the provisions of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, for the purpose of providing money for school operations for the fiscal year ending June 30, 2019. The Issuer has pledged for the payment of this Note monies to be received by it from state school aid. As additional security the Issuer has pledged the full faith, credit and resources of the Issuer and, in the event of the unavailability or insufficiency of state school aid for any reason, this Note is payable from tax levies within the Issuer's constitutional and statutory limitations or from unencumbered funds of the Issuer. The pledge of the full faith, credit and resources is subordinate to any encumbrances of tax levies pledged for the payment of tax anticipation notes issued or to be issued by the Issuer pursuant to Act 34, Public Acts of Michigan, 2001, as amended.

The Issuer has designated this Note as a "Qualified Tax-Exempt Obligation" for the purpose of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended.

It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this Note, have been done, exist and have happened in regular and due time and form as required by law, and that the total indebtedness of the Issuer, including this Note, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, Whitmore Lake Public School District, Counties of Washtenaw and Livingston, State of Michigan, by its Board of Education, has caused this Note to be signed in the name of the Issuer by its President and Secretary, as of August 20, 2018.

Whitmore Lake Public School District  
Counties of Washtenaw and Livingston  
State of Michigan

By Form Only - Not for Execution  
President

And Form Only - Not for Execution  
Secretary



**EXHIBIT D**

**SOLICITATION FOR BIDS**

**WHITMORE LAKE PUBLIC SCHOOL DISTRICT  
COUNTIES OF WASHTENAW AND LIVINGSTON  
STATE OF MICHIGAN  
\$1,600,000  
STATE AID NOTES**

Unconditional and firm bids for the purchase of not to exceed One Million Six Hundred Thousand Dollars (\$1,600,000) of State Aid Notes (the "Note" or "Notes") will be received by Whitmore Lake Public School District, Washtenaw and Livingston Counties, Michigan (the "Issuer"), at the administrative offices of the Issuer, 8845 Main Street, Whitmore Lake, Michigan 48189-9597, on the \_\_\_\_ day of \_\_\_\_\_, 2018, until \_\_\_\_ o'clock in the \_\_\_\_m., prevailing Eastern Time, at which time and place said bids will be publicly opened and read. Award of Notes will be made on behalf of the Issuer by an authorized officer of the Issuer no later than 5:00 o'clock, p.m., on \_\_\_\_\_.

**FAXED BIDS:** Bidders may submit signed bids via facsimile transmission to the Issuer at (734) 446-5336 provided that the faxed bids are received prior to the time and date fixed for receipt of bids. Bidders submitting faxed bids bear the full risk of failed or untimely transmission of their bids. Bidders are encouraged to confirm the timely receipt of their full and complete bids by telephoning the Issuer at (734) 449-4464.

**NOTE DETAILS; INTEREST RATE; PAYING AGENT; AND DENOMINATION:** The Notes will be dated August 20, 2018, or date of delivery, due on August 20, 2019, and will bear interest at a rate not exceeding four percent (4%) per annum. Both principal and interest will be payable at a bank or trust company located in the State of Michigan; New York, New York; or Chicago, Illinois, to be designated by the original purchaser of the Notes, which paying agent qualifies as such under the statutes of the state in which it is located or of the United States, with paying agent fees, if any, to be paid by the purchaser of the Notes. The Notes shall be issued in minimum denominations of \$100,000 or multiples of \$1,000 in excess of \$100,000. If more than one Note is issued, the Notes shall be numbered serially from one upwards.

**NO OFFICIAL STATEMENT:** The Issuer will not provide a Near Final or final Official Statement. Further, compliance with Rule 15c2-12 of the Securities and Exchange Commission regarding sale to limited numbers of sophisticated investors is the sole responsibility of the successful bidder.

**PRIOR REDEMPTION:** The Notes are not subject to redemption prior to maturity.

**AWARD OF NOTES:** For the purpose of awarding the sale of the Notes, the interest cost of each unconditional and firm bid will be computed on a 360-day year, 30-day month, by determining, at the rate specified therein, the total dollar value of all interest on the Notes from \_\_\_\_\_, 2018, to maturity and deducting therefrom any premium. The Notes will be awarded to the bidder whose unconditional and firm bid on the above computation produces the lowest dollar interest cost to the Issuer. No proposal for the purchase of less than all the Notes or at a price less than their par value will be considered. Any and all fees or charges of the bidder must be incorporated into the rate.

**SECURITY:** The Notes are issued under the provisions of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, for the purpose of providing money for school operations for the fiscal year ending June 30, 2019. The Issuer has pledged for the payment of the Notes, monies to be received by it from state school aid.

As additional security the Issuer has pledged the full faith, credit and resources of the Issuer and, in the event of the unavailability or insufficiency of state school aid for any reason, the Notes are payable from tax levies within its constitutional and statutory limitations or from unencumbered funds of the Issuer. The pledge of full faith and credit is subordinate to any encumbrances or tax levies pledged or to be pledged for the payment of tax anticipation notes issued or to be issued by the Issuer pursuant to Act 34, Public Acts of Michigan, 2001, as amended.

**LEGAL OPINION:** Bids shall be conditioned upon the unqualified opinion of Thrun Law Firm, P.C., attorneys of East Lansing, Michigan, which opinion will be furnished without expense to the purchaser prior to the delivery thereof, approving the legality of the Notes.

**TAX MATTERS:** In the opinion of note counsel, assuming continued compliance by the Issuer with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excluded from gross income for federal income tax purposes, as described in the opinion, and the Notes and interest thereon are excluded from taxable income for State of Michigan income tax purposes. Further, the Note and the interest thereon are subject to inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The Issuer has designated the Notes as **"QUALIFIED TAX-EXEMPT OBLIGATIONS"** within the meaning of the Code and has covenanted to comply with those requirements of the Code necessary to continue the exclusion of interest on the Notes from gross income for federal income tax purposes.

**CERTIFICATE REGARDING "ISSUE PRICE":** The successful bidder will be required to furnish, prior to the delivery of the Notes, a certificate in a form acceptable to note counsel as to the "issue price" of the Notes within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. By submitting a bid, the bidder represents to the Issuer that it intends to hold the Notes for its own account with no present intention to reoffer the Notes unless the bidder has notified Note counsel, in writing, at least 72 hours before the bid deadline that the bidder intends to reoffer the Notes.

**INVESTMENT CERTIFICATE:** As a condition of award, the successful bidder will be required to furnish prior to the delivery of the Notes a certificate in a form acceptable to note counsel that documents the investment experience of the successful bidder and provides representations that either the Notes are being purchased for the bidder's own portfolio without the intent to sell or re-offer the Notes or that if there is an intent to sell or re-offer the Notes, the bidder will obtain from the subsequent purchaser an investment certificate that is substantially identical to the certificate provided by the successful bidder. A sample form investment certificate acceptable to note counsel is available for review through note counsel prior to the sale and will be provided by note counsel to the successful bidder after the sale.

**CLOSING DOCUMENTS:** Drafts of all closing documents, including the form of Note and note counsel's legal opinion, may be requested from Thrun Law Firm, P.C. Final closing documents will be in substantially the same form as the drafts provided. Closing documents will not be modified at the request of a bidder, regardless of whether the bidder's proposal is accepted.

**DELIVERY OF NOTES:** The Issuer shall furnish Notes ready for execution at its expense. Notes will be delivered without expense to the purchaser at a place located in the STATE OF MICHIGAN, to be mutually agreed upon between the purchaser and the Issuer. Delivery can also be made in Chicago, Illinois or New York, New York, but at the EXPENSE of the PURCHASER. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Notes, will be delivered at the time of the delivery of the Notes. Accrued interest to the date of delivery of the Notes, if any, shall be paid by the purchaser at the time of delivery.

Payment for the Notes shall be in such manner as to assure receipt of funds by the Issuer on the day of delivery of the Notes.

BIDDER CERTIFICATION - NOT "IRAN-LINKED BUSINESS": By submitting a bid, the bidder shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act 517, Public Acts of Michigan, 2012; MCL 129.311, et seq.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

The bids should be plainly marked "Proposal for Whitmore Lake Public School District State Aid Notes".

Form Only - Not for Execution  
Superintendent  
Whitmore Lake Public School District

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# EOLA of MICHIGAN

## LOCAL TEMPLATES

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT**

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**REVISED POLICY - VOL. 30, NO. 2**

**GRANT FUNDS**

It is the objective of the Board of Education to provide equal educational opportunities for all students within the District. Government agencies, as well as foundations, businesses, and individuals, periodically offer both human and material resources to the District that would benefit students and the educational program. Therefore, it is the intent of the Board to consider grant proposals and applications for their potential to enhance educational opportunities, the educational environment, and the physical and mental growth for each student.

The Superintendent shall review new Federal education legislation and prepare proposals for programs s/he deems would be of aid to the students of this District. The Superintendent shall approve each such proposal prior to its submission, and the Board shall approve all grants resulting from such proposals.

The Board regards available Federal funds of aid to local school districts and communities as a public trust. It forbids the use of Federal monies for partisan political activities and for any use that would not be in ~~accord~~ **accordance** with Federal **regulations and guidelines** ~~on discrimination~~.

No Federal funds received by the District shall be used (1) to develop or distribute materials, or operate programs or courses of instruction directed at youth, that are designed to promote or encourage sexual activity, whether homosexual or heterosexual; (2) to distribute or to aid in the distribution by any organization of legally obscene materials to minors on school grounds; (3) to provide sex education or HIV-prevention education in schools unless that instruction is age appropriate and includes the health benefits of abstinence; or (4) to operate a program of contraceptive distribution in schools.



## EOLA of MICHIGAN

### LOCAL TEMPLATES

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT**

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#### Grant Proposal Development

- A. All grant proposals must support at least one (1) District goal or priority.
- B. For projects where grant funds will not cover the entire cost of project implementation, additional fund sources must be identified, documented, and approved during the internal review process.

#### Grant Proposal Internal Review

- A. Each grant proposal shall be reviewed and approved by the Superintendent prior to submission to the funding source.
- ( ) The Superintendent shall present the following proposals to the Board for approval:
  - ( ) Government-funded proposals, regardless of the amount,
  - ( ) Proposals with budgets exceeding \$\_\_\_\_\_.00; or
  - ( ) Multi-school or District-wide proposals.

Remove

#### Grant Administration

- A. The administration of grants will adhere to all applicable Federal, State, **local**, and grantor rules and regulations, **including the terms and conditions of the Federal awards**, as well as District policies and administrative guidelines.
- B. The Superintendent is responsible for the efficient and effective administration of grant awards through the application of sound management practices.
- C. The Superintendent is responsible for administering grant funds in a manner consistent with underlying agreements, **program applicable statutes, regulations, and objectives**, and the terms and conditions of the grant award.



# EOLA of MICHIGAN

## LOCAL TEMPLATES

BOARD OF EDUCATION  
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- D. The District, in recognition of its unique combination of staff, facilities, and experience, shall employ **internal controls, including** the organizational and management strategies necessary to assure proper and efficient administration of grant awards.
- E. All Federal funds received by the District will be used in accordance with the applicable Federal law **and regulations and the terms and conditions of the Federal award**. The Superintendent shall require that each draw of Federal monies **be aligned with the District's payment process (whether reimbursement, cash advance or a combination)**. **If funds are permitted to be drawn in advance, all draws will be** as close as administratively feasible to the related program expenditures and that, when restricted, such monies are used to supplement programs and funding and not to supplant or replace existing programming or current funding.
  - ( ) The Superintendent is authorized to sign related documents for grant administration, including documents required for submittal of grant proposals.
  - ( ) Written amendments requiring **the Superintendent's** signature shall be presented to the Board for approval.
  - ( ) Employee positions established through the use of grant funding shall terminate if and when the related grant funding ceases.
  - ( ) Program reports including but not limited to audit, site visits and final reports shall be submitted to the Superintendent for review and distribution to **the Board and other** appropriate parties.



# EOLA of MICHIGAN

## LOCAL TEMPLATES

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### Fiscal ~~Financial~~ Management

The financial management of grant funds shall be in compliance with all applicable Federal, State, **local**, and grantor rules, regulations, and assurances as well as District policies and administrative guidelines.

The Superintendent ~~District~~ shall provide for the following:

- A. Identification, in District accounts, of all grant awards received and expended and the programs under which they were received. For Federal programs and awards, identification shall include the Catalog of Federal Domestic Assistance (CFDA) title and number, Federal award identification number and year, name of the Federal agency and name of the pass-through entity, as applicable.
- B. Accurate, current, and complete disclosure of the financial results of each Federally-sponsored project **Federal award or program** in accordance with the reporting requirements of the grant.
- C. **Records that adequately identify the source and application of funds provided for Federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.** ~~Effective control over and accountability for all funds, property, and other assets in their use solely for authorized purposes.~~





**EOLA of MICHIGAN**  
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- D. Effective control over, and accountability for, all funds, property, and other assets. The District must adequately safeguard all assets and assure that they are used solely for authorized purposes.**

**Further, the District must:**

- 1. establish and maintain effective internal control over the Federal award that provides reasonable assurance that the District is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;**
- 2. comply with Federal statutes, regulations and the terms and conditions of the Federal award;**
- 3. evaluate and monitor the District's compliance with statutes, regulations and the terms and conditions of the Federal award;**
- 4. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;**
- 5. take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality.**

- E. Comparison of expenditures with budget amounts for each Federal award.**



# EOLA of MICHIGAN

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**D.F.** Recordkeeping and written procedures ~~as may be required to the extent required~~ by Federal, State, **local**, and grantor rules and regulations pertaining to the grant award and accountability, including **but not limited to, the following areas:** ~~such provisions as may be applicable as cost sharing and matching requirements, budget revisions, audit requirements, reasonableness, allocability, and allowability of costs, comparison of expenditures with budget amounts for each award, procurement, property management and disposition, and payment/repayment requirements.~~

1. **cash management**
2. **allowability**
3. **conflict of interest**
4. **procurement**
5. **equipment management**
6. **conducting technical evaluations of proposals and selecting recipients**
7. **compensation and fringe benefits**
8. **travel**

**E.G.** Disclosure of any potential conflict of interest and all mandatory violation disclosures potentially affecting the Federal award/grant to the Federal awarding agency or pass-through agency in accordance with applicable Federal policy.

**F.H.** Insurance coverage for real property and equipment, if applicable, equivalent to such property owned by the District.



# **EOLA of MICHIGAN**

## **LOCAL TEMPLATES**

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### **Program Income**

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the Federal award during the grant's period of performance.

It includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts and interest earned on any of them. Additionally, taxes, special assessments, levies, fines and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment or supplies are not program income.



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Unless it has received prior approval to use a different method or the terms and conditions of the grant authorize a different method, the District uses the deduction method of accounting for program income. Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the District is otherwise directed by the Federal awarding agency or pass-through entity.

### Cost Principles

~~The Superintendent is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with the associated agreements/assurances, program objectives, and the specific terms and conditions of the grant award.~~

~~Costs may be allowable to a specific grant award if the cost is necessary and reasonable for the performance of the grant program initiative, is in accordance with generally accepted accounting principles (GAAP), and is allocable to the grant award if the goods or services involved are charged in accordance with relative benefits accrued to the initiative. A cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the purchasing decision is made.~~

**34 C.F.R. 75.707, 76.563, 76.565, 76.707**

**2 C.F.R. 200.56, 200.71, 200.77, 200.80, 200.112, 200.302, 200.307**

**2 C.F.R. 200.309, 200.310, 200.313, 200.318-.320, 200.343(b)&(e)**

**2 CFR 200.112, 200.302, 200.310, 200.403, 200.404 and 200.406**

**Compliance Supplement for Single Audits of State and Local Governments  
20 U.S.C. 7906**



# EOLA of MICHIGAN

## LOCAL TEMPLATES

**BOARD OF EDUCATION**  
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**REVISED POLICY - VOL. 30, NO. 2**

**INTERNAL CONTROLS**

The Superintendent shall establish and maintain effective internal control over financial grants and awards that provide reasonable assurance that the program and funds are managed in compliance **with applicable statutes, regulations and the terms and conditions of the awards. The District will have a process that provides reasonable assurance regarding the achievement of the following objectives:** ~~with Federal and State statutes, regulations, and the terms and conditions of the award. Internal controls shall be in compliance with "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission.~~

- A. **effectiveness and efficiency of operations;**
- B. **reliability of reporting for internal and external use; and**
- C. **compliance with applicable laws and regulations.**

The internal controls must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal reports; maintain accountability over assets; and demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The internal controls must also provide reasonable assurance that these transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal award, as well as any other Federal statutes and regulations that are identified in the Compliance Supplement. Finally, the District's internal controls must provide reasonable assurance that all Federal funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.



# EOLA of MICHIGAN

## LOCAL TEMPLATES

**BOARD OF EDUCATION**  
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The District shall:

- A. comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;**
- A.B. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of the award;**
- B.C. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and**
- C.D. take reasonable measures to safeguard protected "personally identifiable information" ("PII") and other information the awarding agency or pass-through entity designates as sensitive or the District considers sensitive consistent with applicable Federal, state, local, and tribal laws and District policies regarding privacy and obligations of confidentiality.**

**PII is defined at 2 C.F.R. 200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. "**

**However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.**

**2 C.F.R. 200.61-.62**  
**2 C.F.R. 200.79**  
**2 C.F.R. 200.203303**



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**Suggested resources:**

- A. "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States;
- B. "Internal Control Integrated Framework" (commonly referred to as the Green Book) issued by the Committee of Sponsoring Organizations of the Treadway Commission;
- C. "Compliance Supplement" issued by the U.S. Office of Management and Budget; and
- D. Internal control guidance issued by the U.S. Department of Education.



# **EOLA of MICHIGAN**

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**NEW POLICY - VOL. 30, NO. 2**

**CASH MANAGEMENT OF GRANTS**

In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the Superintendent shall implement internal controls in the area of cash management.

The District's payments methods shall minimize the time elapsing between the transfer of funds from the United States Treasury or the Michigan Department of Education (MDE) (pass-through entity) and disbursement by the District, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

The District shall use forms and procedures required by the grantor agency or pass-through entity to request payment. The District shall request grant funds payments in accordance with the provisions of the grant. Additionally, the District's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The Superintendent is authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When the District uses a cash advance payment method, the following standards shall apply:

- A. The timing and amount of the advance payment requested will be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The District shall make timely payment to contractors in accordance with contract provisions.





# NEOLA of MICHIGAN

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- C. To the extent available, the District shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
- D. The District shall account for the receipt, obligation and expenditure of funds.
- E. Advance payments will be deposited and maintained in insured accounts whenever possible.
- F. Advance payments will be maintained in interest bearing accounts unless the following apply:
  - 1. The District receives less than \$120,000 in Federal awards per year.
  - 2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
  - 3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
  - 4. A foreign government or banking system prohibits or precludes interest bearing accounts.



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## LOCAL TEMPLATES

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- G. Pursuant to Federal law and regulations, the District may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System ("PMS") through an electronic medium using either Automated Clearing House ("ACH") network or a Fedwire Funds Service payment. Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number ("PAN") if the payment originated from PMS, or Agency information if the payment originated from Automated Standard Application for Payment ("ASAP"), National Science Foundation ("NSF") or another Federal agency payment system.

Applicable Laws, Regulations, and Guidance:  
2 C.F.R. 200.305

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# **EOLA of MICHIGAN**

## **LOCAL TEMPLATES**

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**NEW POLICY - VOL. 30, NO. 2**

### **COST PRINCIPLES - SPENDING FEDERAL FUNDS**

The Superintendent is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with all applicable Federal, State and local laws, the associated agreements/assurances, program objectives and the specific terms and conditions of the grant award.

#### **Cost Principles**

Except where otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:

- A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

To determine whether a cost is reasonable, consideration shall be given to:

1. whether a cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the Federal award;
2. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;
3. market prices for comparable goods or services for the geographic area;
4. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and



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5. whether the cost represents any significant deviation from the established practices or Board of Education policy which may increase the expense.

While Federal regulations do not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the District can demonstrate that the cost addresses an existing need, and can prove it.

When determining whether a cost is necessary, consideration may be given to whether:

- a. the cost is needed for the proper and efficient performance of the grant program;
- b. whether the cost is identified in the approved budget or application;
- c. whether there is an educational benefit associated with the cost;
- d. whether the cost aligns with identified needs based on results and findings from a needs assessment;
- e. whether the cost addresses program goals and objectives and is based on program data.

A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received.



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- B. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the Federal award.
- C. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the District.
- D. Be afforded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
- E. Be determined in accordance with generally accepted accounting principles.
- F. Be representative of actual cost, net of all applicable credits or offsets.

The term "applicable credits" refers to those receipts or reductions of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the State relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.

- G. Be not included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.



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H. Be adequately documented:

1. in the case of personal services, the Superintendent shall implement a system for District personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;
2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

### Selected Items of Cost

The District shall follow the rules for selected items of cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures to a Federal grant. When applicable, District staff shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable and District personnel shall follow those rules as well.

### Cost Compliance

The Superintendent shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant.



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## LOCAL TEMPLATES

**BOARD OF EDUCATION**  
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Determining Whether a Cost is Direct or Indirect:

- A. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

These costs may include: salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; and infrastructure costs directly attributable to the program (such as long distance telephone calls specific to the program, etc.).

- B. Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

These costs may include: general data processing, human resources, utility costs, maintenance, accounting, etc.

Federal education programs with supplement not supplant provisions must use a restricted indirect cost rate. In a restricted rate, indirect costs are limited to general management costs. General management costs do not include divisional administration that is limited to one component of the District, the governing body of the District, compensation of the Superintendent, compensation of the chief executive officer of any component of the District, and operation of the immediate offices of these officers.



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The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are integral to a project or activity.
2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency.
4. The costs are not also recovered as indirect costs.

Where a Federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap shall include all direct administrative charges as well as any recovered indirect charges.

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Michigan Department of Education (MDE) or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation).





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### Timely Obligation of Funds

Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

The following list illustrates when funds are determined to be obligated under the U.S. Department of Education ("USDOE") regulations:

If the obligation is for:

- A. Acquisition of property - on the date which the District makes a binding written commitment to acquire the property.
- B. Personal services by an employee of the District - when the services are performed.
- C. Personal services by a contractor who is not an employee of the District - on the date which the District makes a binding written commitment to obtain the services.
- D. Public utility services - when the District receives the services.
- E. Travel - when the travel is taken.
- F. Rental of property - when the District uses the property.
- G. A pre-agreement cost that was properly approved by the Secretary (USDOE) under the cost principles in 2 C.F.R. Part 200, Subpart E - Cost Principles - on the first day of the project period.



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### Period of Performance

All obligations must occur on or between the beginning and ending dates of the grant project. This period of time is known as the period of performance. The period of performance is dictated by statute and will be indicated in the grant award notification ("GAN"). As a general rule, State-administered Federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many Federal education grants, the period of performance is twenty-seven (27) months. This maximum period includes a fifteen (15) month period of initial availability, plus a twelve (12) month period for carryover. For direct grants, the period of performance is generally identified in the GAN.

In the case of a State-administered grant, obligations under a grant may not be made until the grant funding period begins or all necessary materials are submitted to the granting agency, whichever is later. In the case of a direct grant, obligations may begin when the grant is, unless an agreement exists with MDE or the pass-through entity to reimburse for pre-approval expenses.

For both State-administered and direct grants, regardless of the period of availability, the District shall liquidate all obligations incurred under the award not later than ninety (90) days after the end of the funding period unless an extension is authorized. Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and shall be returned to the awarding agency. Consequently, the District shall closely monitor grant spending throughout the grant cycle.

2 C.F.R. 200.403-.406, 200.413(a)-(c), 200.430(a), 200.431(a), 200.458

2 C.F.R 200.474(b)



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**NEW POLICY - VOL. 30, NO. 2**

**TIME AND EFFORT REPORTING**

As a recipient of Federal funds, the District shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 200.430 of the Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:

- A. is reasonable for the services rendered, conforms to the District's established written policy, and is consistently applied to both Federal and non-Federal activities; and
- B. follows an appointment made in accordance with the District's written policies and meets the requirements of Federal statute, where applicable.

**Time and Effort Reports**

The reports:

- A. are supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
- B. are incorporated into the official records of the District;



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- C. reasonably reflect the total activity for which the employee is compensated by the District, not exceeding 100% of the compensated activities;
- D. encompass both Federally assisted and other activities compensated by the District on an integrated basis;
- E. comply with the District's established accounting policies and practices;
- F. support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one (1) Federal award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The District will also follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Payroll Office is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data will be made available only to authorized auditors.

### **Reconciliations**

Budget estimates are not used as support for charges to Federal awards. However, the District may use budget estimates for interim accounting purposes. The system used by the District to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by the District and entered into the District's records in a timely manner.



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The District's internal controls include a process to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Applicable Laws, Regulations, and Guidance:  
2 C.F.R. 200.430, 200.431

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**NEW POLICY - VOL. 30, NO. 2**

### **PROCUREMENT – FEDERAL GRANTS/FUNDS**

Procurement of all supplies, materials, equipment, and services paid for from Federal funds or District matching funds shall be made in accordance with all applicable Federal, State, and local statutes and/or regulations, the terms and conditions of the Federal grant, Board of Education policies, and administrative procedures.

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (2 CFR 200.317-.326) for the administration and management of Federal grants and Federally-funded programs. The District shall maintain a contract administration system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the District's documented general purchasing Policy 6320 and AG 6320.

All District employees, officers, and agents who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, officers, and agents engaged in the selection, award, and administration of contracts as established in Policy 1130, Policy 3110 and Policy 4110 – Conflict of Interest.

The District will avoid acquisition of unnecessary or duplicative items. Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis shall be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

To foster greater economy and efficiency, the District may enter into State and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.



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### Competition

All procurement transactions shall be conducted in a manner that encourages full and open competition and that is in accordance with good administrative practice and sound business judgement. In order to promote objective contractor performance and eliminate unfair competitive advantage, the District shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids or requests for proposals from competition for such procurements.

Some of the situations considered to be restrictive of competition include, but are not limited to, the following:

- A. unreasonable requirements on firms in order for them to qualify to do business;
- B. unnecessary experience and excessive bonding requirements;
- C. noncompetitive contracts to consultants that are on retainer contracts;
- D. organizational conflicts of interest;
- E. specification of only a "brand name" product instead of allowing for an "*or equal*" product to be offered and describing the performance or other relevant requirements of the procurement; and
- F. any arbitrary action in the procurement process.

Further, the District does not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals, unless (1) an applicable Federal statute expressly mandates or encourages a geographic preference; or (2) the District is contracting for architectural and engineering services, in which case geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.



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*REMOVE*

To the extent that the District uses a pre-qualified list of persons, firms or products to acquire goods and services, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition. The District allows vendors to apply for consideration to be placed on the list \_\_\_\_\_ [insert frequency. see Drafting Note].

**[Drafting Note: The District shall allow vendors not on the pre-qualified list to apply for placement on the list periodically. The District may determine how frequently the pre-qualified list becomes open for new vendors or whether it is open continuously.]**

### Solicitation Language

The District shall require that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it shall conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which shall be met by offers shall be clearly stated; and identify all requirements which the offerors shall fulfill and all other factors to be used in evaluating bids or proposals.





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The Board will not approve any expenditure for an unauthorized purchase or contract.

### Procurement Methods

The District shall utilize the following methods of procurement:

( ) Micro-purchases

Procurement by micropurchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$ \_\_\_\_\_ (not to exceed \$3,500). To the extent practicable, the District shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if Superintendent considers the price to be reasonable. The District maintains evidence of this reasonableness in the records of all purchases made by this method.



Small Purchases

Small purchase procedures provide for relatively simple and informal procurement methods for securing services, supplies, and other property that does not exceed the competitive bid threshold of \$ \_\_\_\_\_. ~~Small purchase procedures require that price or rate quotations shall be obtained from ( ) ( ) an adequate number of qualified sources.~~

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### **Sealed Bids**

Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment which amounts to the amount allowed by Michigan statute and when the Board determines to build, repair, enlarge, improve, or demolish a school building/facility the cost of which will exceed the amount allowed by Michigan statute.

In order for sealed bidding to be feasible, the following conditions shall be present:

1. a complete, adequate, and realistic specification or purchase description is available;
2. two (2) or more responsible bidders are willing and able to compete effectively for the business; and
3. the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

When sealed bids are used, the following requirements apply:

1. Bids shall be solicited in accordance with the provisions of State law and Policy 6320. Bids shall be solicited from ( ) \_\_\_\_\_ ( ) an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.
2. The invitation for bids will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.
3. All bids will be opened at the time and place prescribed in the invitation for bids; bids will be opened publicly.



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4. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when prior experience indicates that such discounts are usually taken.
5. The Board reserves the right to reject any or all bids for sound documented reason.



### Competitive Proposals

Procurement by competitive proposal, normally conducted with more than one source submitting an offer, is generally used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method. **[Drafting Note: Like sealed bids, Federal law does not require a competitive proposal unless the procurement is for over \$150,000. The State/District may set a lower threshold for sealed bids and competitive proposals. Michigan law stipulates a threshold for which sealed bids are required. (See Policy 6320.)]**

If this method is used, the following requirements apply:

1. Requests for proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to the publicized requests for proposals shall be considered to the maximum extent practical.
2. Proposals shall be solicited from an ( ) \_\_\_\_\_ ( ) adequate number of sources.
3. The District shall use its written method for conducting technical evaluations of the proposals received and for selecting recipients.



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4. Contracts shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E that firms are a potential source to perform the proposed effort.

### Noncompetitive Proposals

Procurement by noncompetitive proposals allows for solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. the item is available only from a single source
2. the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
3. the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District
4. after solicitation of a number of sources, competition is determined to be inadequate



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### Contract/Price Analysis

The District shall perform a cost or price analysis in connection with every procurement action in excess of \$150,000, including contract modifications. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District shall come to an independent estimate prior to receiving bids or proposals.

When performing a cost analysis, the District shall negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

### Time and Materials Contracts

The District uses a time and materials type contract only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the District is the sum of the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, the District sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.



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#### Suspension and Debarment

The District will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions shall be made in the best interests of the District and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the District shall consider such factors as (1) contractor integrity; (2) compliance with public policy; (3) record of past performance; and (4) financial and technical resources.

The Superintendent shall have the authority to suspend or debar a person/corporation, for cause, from consideration or award of further contracts. The District is subject to and shall abide by the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR Part 180.

Suspension is an action taken by the District that immediately prohibits a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 CFR chapter 1) for a temporary period, pending completion of an agency investigation and any judicial or administrative proceedings that may ensue. A person so excluded is suspended. (2 CFR Part 180 Subpart G)

Debarment is an action taken by the Superintendent to exclude a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 CFR chapter 1). A person so excluded is debarred. (2 CFR Part 180 Subpart H)

The District shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over \$25,000, the District shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at [www.sam.gov](http://www.sam.gov); collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 CFR Part 180 Subpart C)



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### Bid Protest

The District maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (RFPs) or the individual bid specifications package, for resolution. Bid protests shall be filed in writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

### Maintenance of Procurement Records

The District maintains records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

Applicable laws and regulations:

2 C.F.R. 200.317 - .326



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**REVISED POLICY - VOL. 30, NO. 2**

**TRAVEL PAYMENT & REIMBURSEMENT**

Travel expenses incurred for official business travel on behalf of the Board of Education shall be limited to those expenses reasonably and necessarily incurred by the employee in the performance of a public purpose authorized, in advance, in accordance with administrative guidelines.

Payment and reimbursement rates for per diem meals, lodging, and mileage shall be approved by the Board annually. The Board shall establish mileage rates (✓) in accordance with ( ) ~~not exceeding~~ the Federal IRS prescribed mileage rate.

Employees are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed.

Unauthorized expenses include but are not limited to alcohol, movies, fines for traffic violations, and the entertainment/meals/lodging of spouses or guests.

- [ ] **Commercial airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would (1) require circuitous routing; (2) require travel during unreasonable hours; (3) excessively prolong travel; (4) result in additional costs that would offset the transportation savings; or (5) offer accommodations not reasonably adequate for the traveler's medical needs. Instances of commercial airfare cost in excess of the basic least expensive unrestricted accommodations class must be justified and documented on a case-by-case basis.**





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- [ ] Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences are allowable provided that (1) the costs are a direct result of the individual's travel for the Federal award; (2) the costs are consistent with the District's documented administrative guidelines for all entity travel; and (3) are only temporary during the travel period. Travel costs for dependents are unallowable, except for travel of a duration of six (6) months or more with prior approval of the Federal awarding agency.**

Travel payment and reimbursement provided from Federal funds must be authorized in advance and must be reasonable and consistent with the District's travel policy and administrative guidelines. **For travel paid for with Federal funds, the travel authorization must include documentation that demonstrates that (1) the participation in the event by the individual traveling is necessary to the Federal award; and (2) the costs are reasonable and consistent with the District's travel policy.**

All travel shall comply with the travel procedures and rates established in the administrative guidelines. **All costs incurred with Federal funds must meet the cost allowability standards within Board Policy 6114.**

**To the extent that the District's policy does not establish the allowability of a particular type of travel cost, the rates and amounts established under 5 U.S.C. 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his/her designee), must apply to travel under Federal awards.**

2 C.F.R. 200.474

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**REVISED POLICY - VOL. 30, NO. 2**

### DISPOSITION OF REAL PROPERTY

The Board of Education believes that the efficient administration of the District requires the disposition of property and goods no longer necessary for the maintenance of the educational program or the operation of the School District.

**"Real Property" means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.**

The Board shall direct the periodic review of all District property and authorize the disposition by sale, donation, trade, or discard of any property not required for school purposes **in accordance with the provisions of this policy and Policy 7310 - Disposition of Surplus Property.**

- ( ) All written offers on real property under consideration for disposition shall be presented as an item on the agenda of a public Board meeting. A preliminary review of offers to purchase or lease shall include: source of offer, date of offer, expiration date of offer, and intended use of property.
- ( ) Written offers shall be referred to the Board Finance Committee for review and recommendations. Offers, when received, will be distributed to the members of the Board.
- ( ) All property considered for (sale) disposition
  - ( ) may
  - ( ) shallbe subjected to a current, outside, professional appraisal prior to the solicitation of offers.
- ( ) All property considered for lease or sale shall be reviewed by the Board prior to solicitation of offers. The solicitation of offers by the Board shall include an expiration date.
- ( ) The authorized agents of the Board to review all purchase or lease offers pertaining to sale or lease of property shall be the Superintendent and the Board Finance Committee. The Board shall give final approval of all contracts.



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- ( ) In consideration of the best interest of the District and of the residents and taxpayers, the Board reserves the right to reject any and all offers at its sole discretion, regardless of price and terms.
- ( ) Potential purchasers or lessees shall demonstrate financial capability to meet the terms and conditions of their purchase or lease offer.
- ( ) Potential purchasers shall demonstrate reasonable likelihood of obtaining necessary city/township approvals and/or compliance with city/township zoning ordinances.

M.C.L. 380.1260

**2 C.F.R. 200.78, 200.85**

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**REVISED POLICY - VOL. 30, NO. 2**

**DISPOSITION OF SURPLUS PROPERTY**

The Board of Education requires the Superintendent to review the property of the District periodically and to dispose of that material and equipment which is no longer usable in accordance with the terms of this policy.

A. **Instructional Material**

The District shall review instructional materials (i.e. textbooks, library books, manuals, support materials, etc.) periodically to determine the relevance of such materials to the present world and current instructional programs. The following criteria will be used to review instructional materials for redistribution and possible disposal:

1. concepts or content that do not support the current goals of the curriculum
2. information that may not be current
3. worn beyond salvage

B. **Equipment**

The District shall inspect the equipment used in the instructional program periodically, to determine the condition and usability of such equipment in the current educational program. Should the equipment be deemed no longer serviceable or usable, the following criteria will be used to determine possible disposal:

1. repair parts for the equipment no longer readily available
2. repair records indicate the equipment has no usable life remaining



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3. obsolete and no longer contributing to the educational program
4. some potential for sale at a school auction
5. creates a safety or environmental hazard

C. Disposition

The Superintendent is authorized to dispose of obsolete instructional and other property by selling, it to the highest bidder, by donation to appropriate parties, or by proper waste removal. ~~Disposal of surplus property purchased with Federal funds shall be disposed of in accordance with Federal guidelines.~~

**When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, the District shall request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made in accordance with disposition instructions of the Federal awarding agency.**

**Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.**



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Except as provided in §200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

The District may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the District shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

**2 C.F.R. 200.312, 200.313**

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**REVISED POLICY - VOL. 30, NO. 2**

**PROPERTY INVENTORY**

As steward of this District's property, the Board of Education recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The Board shall

- ☐ conduct a complete inventory
- ☒ maintain a continuous inventory

of all District-owned equipment

- ☐ and supplies
  - ☐ annually.
  - ☐ every \_\_\_\_\_ years. [specify number]
  - ☒ at such intervals as will coincide with property insurance renewal.
- ☒ and Generally Accepted Accounting Principles ("G.A.A.P.") reporting requirements.

For purposes of this policy, "equipment" shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is nonexpendable, costs at least \$ 5,000 -

- ☐ to replace
- ☒ as a single unit

and does not lose its identity when incorporated into a more complex unit. When defining supplies for inventory purposes, no items will be counted whose total value is less than \$ 5,000. [The Federal threshold for a supply designation is \$5,000 regardless of length of useful life, however, the District may set a early acquisition cost level for designation as supply.]



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It shall be the duty of the

- ☐ Superintendent
- ☒ Business Manager
- ☐ \_\_\_\_\_

to ensure that inventories are recorded systematically and accurately and property records of equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

- ☐ Major items of equipment shall be subject to annual spot check inventory to determine loss, mislocation, or depreciation; any major loss shall be reported to the Board.
- ☐ Property records of consumable supplies shall be maintained on a continuous inventory basis.
- ☐ The \_\_\_\_\_ shall maintain a system of property records which shall show, as appropriate to the item recorded, the
  - ☐ description and identification,
  - ☐ manufacturer,
  - ☐ year of purchase,
  - ☐ initial cost,
  - ☐ location,
  - ☐ condition and depreciation,
  - ☐ evaluation in conformity with insurance requirements.





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**Equipment acquired under a Federal award will vest upon acquisition to the District, subject to the following conditions:**

- A. The equipment shall be used for the authorized purposes of the award project during the period of performance or until the equipment is no longer needed for the purposes of the project.**
- B. The equipment shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.**
- C. The equipment may only be used and disposed of in accordance with the provisions of the Federal awarding agency or the pass-through entity and Policy 7300 and Policy 7310, and AG 7310.**
- D. Property records shall be maintained that include a description of the equipment, a serial number or other identification number, the source of funding for the equipment (including the Federal Award Identification Number (FAIN), title entity, acquisition date, cost of the equipment, percentage of Federal participation in the project costs for the award under which the equipment was acquired, the location, use, and condition of the equipment, and ultimate disposition data, including date of disposal and sale price of the equipment.**
- E. A physical inventory of the property must be taken and results reconciled with property records at least once every two (2) years.**
- F. A control system shall be developed to provide adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft shall be investigated.**
- G. Adequate maintenance procedures shall be implemented to keep the property in good condition.**

**2 C.F.R. 200.313**