

LAKEVIEW COMMUNITY SCHOOLS

Notes to Financial Statements

Depreciation expense is reported as unallocated in the statement of activities.

At June 30, 2016, the District had construction commitments outstanding of approximately \$17,000 for projects funded by the 2013 and 2014 building and site bonds.

8. NOTE PAYABLE

The following is a summary of short-term debt transactions of the District for the year ended June 30, 2016:

	Beginning Balance	Additions	Deductions	Ending Balance
School aid anticipation note (maturing 08/22/2016) with an interest rate of 0.74% (operating cash flow)	\$ 1,000,000	\$ 700,000	\$ (1,000,000)	\$ 700,000

9. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2016:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 20,345,000	\$ -	\$ (1,405,000)	\$ 18,940,000	\$ 1,445,000
Unamortized premiums	287,083	-	(21,391)	265,692	21,391
Unamortized discounts	(111,728)	-	5,079	(106,649)	(5,079)
Compensated absences	121,413	3,763	(15,563)	109,613	-
Total governmental activities	\$ 20,641,768	\$ 3,763	\$ (1,436,875)	\$ 19,208,656	\$ 1,461,312

General obligation bonds

2008 refunding bonds due in amounts ranging from \$265,000 through \$555,000 plus interest at 4.05-4.65% through 2023 (unlimited tax, general obligation) \$ 3,080,000

2009 refunding bonds due in amounts ranging from \$175,000 through \$400,000 plus interest at 2.40-4.40% through 2022 (unlimited tax, general obligation) 2,400,000

2010B refunding bonds due in amounts ranging from \$285,000 through \$300,000 plus interest at 2.05-3.09% through 2022 (unlimited tax, general obligation) 1,725,000

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General obligation bonds (concluded)

2013 school building and site bonds due in amounts ranging from \$130,000 through \$685,000 plus interest at 2.00-4.00% through 2038 (unlimited tax, general obligation)	\$ 9,630,000
2014 school building and site bonds due in amounts ranging from \$160,000 through \$435,000 plus interest at 2.00-2.50% through 2022 (unlimited tax, general obligation)	<u>2,105,000</u>
Total	<u><u>\$ 18,940,000</u></u>

Future principal and interest payment requirements on outstanding installment debt are as follows:

Year Ended June 30,	Principal	Interest	Total
2017	\$ 1,445,000	\$ 639,223	\$ 2,084,223
2018	1,490,000	592,176	2,082,176
2019	1,535,000	543,351	2,078,351
2020	1,580,000	492,063	2,072,063
2021	1,630,000	438,412	2,068,412
2022-2026	3,790,000	1,565,776	5,355,776
2027-2031	2,925,000	1,105,000	4,030,000
2032-2036	3,190,000	595,620	3,785,620
2037-2038	1,355,000	73,950	1,428,950
Totals	<u>\$ 18,940,000</u>	<u>\$ 6,045,571</u>	<u>\$ 24,985,571</u>

The District has advance refunded certain bonds payable in previous periods through issuance of refunding bonds. The proceeds from issuance of the refunding bonds were placed in escrow until the related bonds were called. Of the refunding bonds reported in the table above, there are no amounts currently held in escrow, as the original bonds in each instance have already been called and repaid in full.

During 2006, the District began advance funding its liability for compensated absences through interfund charges from an internal service fund. The District expects to liquidate its compensated absences through this fund.

10. RETIREMENT PLAN

Plan Description

The Michigan Public School Employees' Retirement System (the "System" or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (the "State") originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.