This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. As of this date, this Preliminary Official Statement has been deemed "final" by the School District for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 30, 2013

NEW ISSUE-Book-Entry-Only — **RATING†*: Moody's Investors Service: Aa2**
Michigan School Bond Qualification and Loan Program

In the opinion of Thrun Law Firm, P.C., Bond Counsel, under existing law (i) the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof, (ii) the interest on the Bonds is excluded from gross income for federal income tax purposes to the extent and subject to the conditions described therein, and (iii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" herein.

$10,000,000**
LAKEVIEW COMMUNITY SCHOOLS
COUNTIES OF MONTCALM, MECOSTA AND KENT
STATE OF MICHIGAN
2013 SCHOOL BUILDING AND SITE BONDS
(General Obligation - Unlimited Tax)

Dated: Date of Delivery — **Due: May 1, as shown below**

On February 26, 2013, the qualified electors of Lakeview Community Schools, Counties of Montcalm, Mecosta and Kent, State of Michigan (the "School District"), approved a proposal authorizing the School District to issue bonds in one or more series in the aggregate principal sum of not to exceed $12,500,000 for school building and site purposes further described in this Official Statement. Proceeds of the 2013 School Building and Site Bonds (General Obligation – Unlimited Tax) (the "Bonds") will be used for a portion of such school building and site purposes. The Bonds are authorized by the Board of Education of the School District by resolutions adopted on March 11, 2013 and expected to be adopted on May 13, 2013 (the "Resolutions"). The Bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon and will be payable from ad valorem taxes, which may be levied on all taxable property in the School District without limitation as to rate or amount, as provided by Article IX, Section 6, and Article IX, Section 16 of the Michigan Constitution of 1963, as amended.

THE BONDS WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" AS DESCRIBED IN SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

The Bonds are expected to be fully qualified as of the date of delivery for the Michigan School Bond Qualification and Loan Program pursuant to Act 92, Public Acts of Michigan, 2005, as amended, enacted pursuant to Article IX, Section 16 of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the School District will be or is unable to pay the principal of and interest on the Bonds when due, the School District shall borrow and the State of Michigan shall lend to it an amount sufficient to enable the School District to make the payment. See "QUALIFICATION BY THE STATE OF MICHIGAN" and APPENDIX A, "State Qualification," herein.

The Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS--Book-Entry-Only System" herein.

Principal of and interest on the Bonds will be paid by the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan (the "Paying Agent"). So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein. Interest will be payable semiannually on May 1 and November 1, commencing November 1, 2013, to the Bondholders of record as of the applicable record dates herein described.

(Base CUSIP§: ______)

Maturity**	Amount**	Interest Rate	Price	CUSIP§	Maturity**	Amount**	Interest Rate	Price	CUSIP§
2014	$115,000				2030	$605,000			
2015	135,000				2031	615,000			
2023	535,000				2032	625,000			
2024	545,000				2033	635,000			
2025	555,000				2034	645,000			
2026	565,000				2035	655,000			
2027	575,000				2036	665,000			
2028	585,000				2037	675,000			
2029	595,000				2038	675,000			

THE BONDS MATURING ON OR AFTER MAY 1, 2024** ARE SUBJECT TO OPTIONAL REDEMPTION BEGINNING MAY 1, 2023**, IN THE MANNER AND AT THE TIMES DESCRIBED HEREIN. SEE "THE BONDS – Optional Redemption" HEREIN.

The Bonds will be offered when, as and if issued by the School District and accepted by the Underwriter subject to the approving legal opinion of Thrun Law Firm, P.C., East Lansing, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan. It is expected that the Bonds will be available for delivery through DTC on or about June ___, 2013.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

FIFTH THIRD SECURITIES

The date of this Official Statement is May ___, 2013

† For an explanation of the ratings, see "RATING" herein.
* As of date of delivery.
** Preliminary, subject to change.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offer made hereby and, if given or made, such other information or representation must not be relied upon as having been authorized by the School District or the Underwriter. This Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy these securities be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Information herein has been obtained from the School District, The Depository Trust Company, and other sources believed to be reliable. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information (except for information under the section captioned "UNDERWRITING" which was obtained from the Underwriter).

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency will have passed upon the adequacy of this Official Statement, or, except for the School District and the State Treasurer of the State of Michigan, approved the Bonds for sale.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION PRESENTED IN THIS OFFICIAL STATEMENT CONCERNING THE SCHOOL DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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TABLE OF CONTENTS

OFFICIAL STATEMENT
relating to

$10,000,000[1]
LAKEVIEW COMMUNITY SCHOOLS
COUNTIES OF MONTCALM, MECOSTA AND KENT
STATE OF MICHIGAN
2013 SCHOOL BUILDING AND SITE BONDS
(General Obligation - Unlimited Tax)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by Lakeview Community Schools, Counties of Montcalm, Mecosta and Kent, State of Michigan (the "School District") of its 2013 School Building and Site Bonds (General Obligation - Unlimited Tax) (the "Bonds") in the amount of $10,000,000[1].

PURPOSE AND SECURITY

On February 26, 2013, the qualified electors of Lakeview Community Schools, Counties of Montcalm, Mecosta and Kent, State of Michigan (the "School District"), approved a proposal authorizing the School District to issue bonds in one or more series in the aggregate principal sum of not to exceed $12,250,000 for the purpose of erecting, furnishing and equipping additions to the Bright Start Elementary building; remodeling, refurnishing and reequipping school district buildings and facilities; acquiring and installing educational technology improvements together with supporting infrastructure improvements; purchasing school buses; and developing and improving playgrounds and sites. Proceeds of the Bonds will be used to pay a portion of the cost of such capital expenditures and to pay the costs of issuing the Bonds.

The Bonds will be issued by the School District pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended and Act 451, Public Acts of Michigan, 1976, as amended.

The Bonds, as authorized for issuance by resolutions of the Board of Education adopted on March 11, 2013 and expected to be adopted on May 13, 2013 (the "Resolutions"), are a full faith and credit unlimited tax general obligation of the School District. The principal of and interest on the Bonds are payable from the proceeds of ad valorem taxes levied on all taxable property in the School District which may be levied without limitation as to rate or amount as provided by Article IX, Section 6 and Article IX, Section 16 of the Michigan Constitution of 1963, as amended. On the date of delivery, the Bonds are expected to be fully qualified for participation in the Michigan School Bond Qualification and Loan Program. See "QUALIFICATION BY THE STATE OF MICHIGAN" and APPENDIX A, "State Qualification," in this Official Statement.

QUALIFIED TAX-EXEMPT OBLIGATIONS

THE BONDS WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" UNDER SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

[1] Preliminary, subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES
- Par Amount of Bonds
- Original Issue Premium
- Original Issue Discount
  - Total Sources

USES
- Capital Projects Fund
- Underwriter's Discount
- Estimated Costs of Issuance
  - Total Uses

THE BONDS

Description and Form of the Bonds

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of $5,000 or any integral multiple thereof. The Bonds will be dated as of and bear interest from the date of delivery. Interest on the Bonds shall be payable semiannually each May 1 and November 1 to maturity or early redemption, commencing November 1, 2013. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

The corporate trust office of The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan or its successor will serve as the Paying Agent (the "Paying Agent") and also as bond registrar and transfer agent if the Bonds cease to be held in book-entry-only form. For a description of payment of principal and interest, transfers and exchanges and notice of redemption on the Bonds, which are held in the book-entry-only system, see "Book-Entry-Only System" below. In the event the Bonds cease to be held in the book-entry-only system, then interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date (the "Record Date"), the registered owner of record, at the owner's registered address. See "Transfer Outside Book-Entry-Only System" below.

Book-Entry-Only System

The information in this section has been furnished by The Depository Trust Company, New York, New York ("DTC"). No representation is made by the School District, the Paying Agent or the Underwriter as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the School District, the Paying Agent or the Underwriter to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the School District nor the Paying Agent will have any responsibility or obligation to DTC Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Paying Agent, or School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the School District or Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the School District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Transfer Outside Book-Entry-Only System

In the event that the book-entry-only system is discontinued, the following provisions would apply to the Bonds. The Paying Agent shall keep the registration books for the Bonds (the "Bond Register") at its corporate trust office. Subject to the further conditions contained in the Resolutions, the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the corporate trust office of the Paying Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations; during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or any time following the mailing of any notice of redemption, the Paying Agent shall not be required to effect or register any transfer or exchange of any bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the School

District and the Paying Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owners of such Bonds for all purposes under the Resolutions. No transfer or exchange made other than as described above and in the Resolutions shall be valid or effective for any purposes under the Resolutions.

Optional Redemption[1]

The Bonds or portions of the Bonds in multiples of $5,000, maturing on or after May 1, 2024, are subject to redemption prior to maturity at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2023, at par and accrued interest to the date fixed for redemption.

Notice of Redemption and Manner of Selection

Notice of redemption of any Bond shall be given not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Paying Agent. The Bonds shall be called for redemption in multiples of $5,000 and Bonds of denominations of more than $5,000 shall be treated as representing the number of Bonds obtained by dividing the face amount of the Bond by $5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in an aggregate face amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof.

If less than all of the Bonds of any maturity shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Paying Agent, in the principal amounts designated by the School District. Any Bonds selected for redemption will cease to bear interest on the date fixed for redemption, whether presented for redemption or not, provided funds are on hand to redeem said Bonds. Upon presentation and surrender of such Bonds at the corporate trust office of the Paying Agent, such Bonds shall be paid and redeemed.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemption, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

QUALIFICATION BY THE STATE OF MICHIGAN

An application will be submitted to the Michigan Department of Treasury to obtain, and it is the School District's expectation that the Bonds will receive, full qualification as of the date of delivery pursuant to Act 92 of the Public Acts of Michigan, 2005, as amended ("Act 92"), enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the School District will be or is unable to pay the principal of and interest on the Bonds when due, the School District shall borrow and the State of Michigan (the "State") shall lend to it from the School Loan Revolving Fund (the "School Loan Revolving Fund") established by the State, an amount sufficient to enable the School District to make the payment. Article IX, Section 16 of the State Constitution as implemented by Act 112 of the Public Acts of Michigan, 1961, as amended, authorizes the State, without approval of its electors, to borrow from time to time such amounts as shall be required, pledge the State's full faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided under such section. Loans to school districts for such

[1] Preliminary, subject to change.

purposes are made from the proceeds of such State borrowing. See also APPENDIX A, "State Qualification," in this Official Statement.

Complete financial statements of all of the State's funds as included in the State's Comprehensive Annual Financial Report ("CAFR") prepared by the State's Office of the State Budget are available from the Office of the State Budget website at www.michigan.gov/budget. The State has agreed to file its CAFR with the nationally recognized municipal securities information repositories and the State Information Depository (as described in Rule 15c2-12(b)(5) of the Securities and Exchange Commission) annually, so long as any bonds qualified for participation in the School Loan Revolving Fund remain outstanding.

TAX PROCEDURES

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value, except as described below. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Beginning in 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, and increased by the lesser of the inflation rate or 5%, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV.

When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

Responsibility for assessing taxable property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, to the local board of review and ultimately to the Michigan Tax Tribunal.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the county's department of equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in the Official Statement. Property granted tax abatements under Act 198, Public Acts of Michigan, 1974, amended, is recorded on a separate tax roll while subject to tax abatement. The valuation of tax-abated property is based upon SEV but is not included in either the SEV or Taxable Value data in the Official Statement except as noted. Under limited circumstances, other state laws permit the partial abatement of certain taxes for other types of property for periods of up to 12 years.

LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES

The Resolutions authorizing the issuance of the Bonds and State law obligate the School District to levy a tax annually in an amount sufficient so that the estimated collections therefrom, together with amounts, if any, to be borrowed from the School Loan Revolving Fund for the Bonds, will be sufficient to pay promptly when due the principal of and interest on the Bonds becoming due prior to the time of the next tax levy. The tax levy shall not be subject to limitation as to rate or amount. Taxes for the payment of the principal of or interest on the Bonds are certified for collection each year within the school tax levies. In the event of the failure of the proper officials to certify taxes for the payment of the principal and interest requirements, a timely action in the nature of mandamus could compel certification and collection of adequate taxes or could compel the School District to make application to borrow the necessary funds from the School Loan Revolving Fund and thus prevent a default. However, if the paying agent for any bonds of the School District qualified for State loans as provided in Article IX, Section 16, of the State Constitution notifies the State Treasurer that the School District has failed to deposit sufficient funds to pay principal or interest on the qualified bonds when due or if a bondholder notifies the State Treasurer that the School District has failed to pay principal or interest on such qualified bonds when due, whether or not the School District has filed a draw request with the State Treasurer, the State Treasurer shall promptly pay the principal or interest on the qualified bonds when due.

If sufficient funds for full payment of debt service on the Bonds do not reach the Paying Agent five business days prior to the debt service payment due date, the Paying Agent will notify the School District of the amount of insufficient funds four business days prior to the due date. In the event that the School District does not immediately resolve the insufficient funds situation, the Paying Agent will notify the Michigan Department of Treasury of the deficiency three business days before the payment due date and the State Treasurer shall make the payment.

Any amount paid by the State Treasurer as described in the preceding paragraphs shall be deemed a loan made to the School District pursuant to the requirements of said Article IX, Section 16, of the State Constitution. Registered owners of the Bonds may attempt to obtain a money judgment against the School District for the principal amount of the Bonds or interest not paid when due and may periodically attempt to enforce the collection of the money judgment by requiring the tax assessing officers for the School District to place the amount of such judgment on the next tax rolls of the School District. The rights of the holders of the Bonds and the enforceability thereof are subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement also may be subject to the exercise of judicial discretion in appropriate cases. See also APPENDIX A, "State Qualification," for the excerpt from the State Constitution and for the statute creating the School Loan Revolving Fund and the related opinions of the Attorney General of the State of Michigan.

SOURCES OF SCHOOL OPERATING REVENUE

On March 15, 1994, the electors of the State of Michigan approved a ballot proposition to amend the State Constitution of 1963, in part, to increase the State sales tax from 4% to 6% as part of a complex plan to restructure the source of funding of public education (K-12) in order to reduce reliance on local property taxes for school operating purposes and to reduce the per pupil finance resource disparities among school districts. The Legislature has appropriated funds to establish a base foundation allowance in 2012/13 ranging from $6,966 to $8,019 per pupil, depending upon the district's 1993/94 revenue. In the future, the foundation allowance may be adjusted annually by an index based upon the change in revenues to the State school aid fund and change in the total number of pupils statewide and the spread between the high and low per pupil allowance is reduced. The foundation allowance is funded by locally raised property taxes plus State aid. The source of revenues for the State's contribution to the foundation allowance is derived from a mix of taxing sources, including but not limited to, a statewide property tax of 6 mills on all taxable property[1], a State sales and use tax, a real estate transfer tax and a cigarette tax.

School districts are required to levy a local property tax of not more than 18 mills or the number of mills levied in 1993 for school operating purposes, whichever is less, on non-homestead properties[2] in order for the district to receive its per pupil foundation allowance. An intermediate school district may seek voter approval for three enhancement mills for distribution to local constituent school districts on a per pupil basis. The enhancement mills are not counted toward the foundation allowance. Furthermore, districts whose per pupil foundation allowance in 2012/13 calculate to an amount in excess of $8,019 are authorized to levy additional millage to obtain the foundation allowance, first by levying such amount of the 18 mills against homestead property[3] as is necessary to hold themselves harmless and, if the 18 mills is insufficient, to then levy such additional mills against all property uniformly as is necessary to obtain the foundation allowance. The School District's per pupil foundation allowance does not exceed $8,019, and the School District does not levy such additional millage.

State aid appropriations and the payment schedule for state aid may be changed by the Legislature at any time. See "STATE AID PAYMENTS" in APPENDIX B of this Official Statement. Due to State budget constraints, the State School Aid Act, as amended, reduced categorical state school aid by $372 per pupil for 2008/09. The $372 per pupil reduction in 2008/09 was offset by Federal stimulus money received by the State of Michigan pursuant to the American Recovery and Reinvestment Act. In 2009/10, the State of Michigan again experienced reduced revenue in the State School Aid Fund resulting in an additional reduction of $71 per pupil (for a total of $443). Out of the total reduction of State School Aid, approximately $278 per pupil was offset by Federal stimulus money in 2009/10, leaving a net reduction in 2009/10 of $165 per pupil from what was received in 2008/09 (taking into consideration the Federal stimulus money in both fiscal years). In July 2010, the Legislature restored $11 in state aid per pupil for 2009/10 and on December 3, 2010, restored another $6 per pupil, together with federal Education Jobs Fund dollars of $148 per pupil for 2009/10. For 2010/11, the state aid component of the foundation allowance was reduced by $170 per pupil. On December 3, 2010, the Governor signed Public Act 217 of 2010 which appropriates one-time federal dollars to each school district in a range of $111 to $222 per pupil. The School District received a restoration of $222 per pupil. In addition, the State appropriated $16 per pupil in 2010/11 to cover school district expenses associated with a previously unfunded mandate after the Michigan Supreme Court ruled in favor of school district plaintiffs in *Adair v. State of Michigan*.

Public Act 62 of 2011 ("Act 62") amended the State School Aid Act and resulted in a reduction of the School District's foundation allowance for the 2011/12 fiscal year to $6,846, or a $470 per pupil reduction from 2010/11 fiscal year. Act 62 also included a one-time payment to the School District to partially offset increases in the retirement plan contribution rate of 24.46% for the period October 1, 2011 to September 30, 2012. Act 62 also included grant funding equal to $100 per pupil for school districts if they satisfy 4 out of 5 "financial best practices" relating to health and other benefit coverage, service consolidation plans, competitive bidding for certain vendor services and transparency in reporting certain educational and financial data to its residents and community members. The Board and Administration have reviewed and met the best practices criteria and received the first payment in January 2012.

Public Act 201 of 2012 ("Act 201") amended the State School Aid Act for the 2012/13 fiscal year which increased the School District's per pupil foundation allowance to $6,966 or a $120 per pupil

[1] "Taxable property" does not include industrial personal property.

[2] "Non-homestead property" includes all taxable property other than principal residence, qualified agricultural property, qualified forestry property and industrial personal property. Commercial personal property is exempt from the first 12 mills of not more than 18 mills levied by school districts.

[3] "Homestead property", in this context, means principal residence, qualified agricultural property, qualified forestry property, industrial personal property and commercial personal property.

increase for the 2012/13 fiscal year. Act 201 included a one-time payment of approximately $106 per pupil to the School District to partially offset the increase in the retirement plan contribution rate for period October 1, 2012 to September 1, 2013. Act 201 also included grant funding equal to $52 per pupil (reduced from $100 per pupil in 2011/12) for school districts if they satisfy the 7 out of the 8 "best practices" relating to health and other benefits coverage, competitive bidding for certain vendor services, schools of choice, pupil academic growth monitoring and technology infrastructure to monitor and assess public academic growth, post-secondary academic credit opportunities, online instruction programs or blended learning opportunities, a dashboard/report card of the School District's financial management efforts, and physical education consistent with the Michigan State Board of Education's policy. The School District anticipates satisfying these "best practices" requirements and the 2012/13 General Fund Budget includes such grant funding.

THE SOURCES OF THE SCHOOL DISTRICT'S OPERATING REVENUE DO NOT IMPACT THE TAXING AUTHORITY OF THE SCHOOL DISTRICT FOR PAYMENT OF GENERAL OBLIGATION UNLIMITED TAX SCHOOL BONDS AND DO NOT AFFECT THE OBLIGATION OF THE SCHOOL DISTRICT TO LEVY TAXES FOR PAYMENT OF DEBT SERVICE ON GENERAL OBLIGATION UNLIMITED TAX BONDS OF THE SCHOOL DISTRICT, INCLUDING THE BONDS OFFERED HEREIN.

POTENTIAL FUTURE CHANGES TO PERSONAL PROPERTY TAX CLASSIFICATIONS

On December 20, 2012, the Governor of Michigan signed a series of bills designed to phase-out the levy of property taxes on industrial and commercial personal property over a number of years. Beginning December 31, 2013, a taxpayer whose combined commercial and industrial personal property has a taxable value under $40,000 in the given tax collecting unit would be eligible for an exemption on such property. Beginning December 31, 2015, any commercial or industrial personal property used more than 50% of the time in industrial processing or direct integrated support (defined as "eligible manufacturing personal property") would be exempt from the taxation if it was purchased on or after January 1, 2013. Beginning December 31, 2015, the bills will also phase-in exemptions for older property that qualifies as eligible manufacturing personal property if such property had been subject to, or exempt from, ad valorem taxation for the immediately preceding ten years.

The bills will hold school districts harmless for currently existing debt millage, basic operating millage, and State Education Tax revenue lost as a result of the exemptions. Appropriations from the State's use tax into the State Aid Fund will reimburse school districts and intermediate school districts for 100% of the lost revenue. It is currently estimated that the phase-out will not substantially affect school operating revenues.[1] However, the State will not reimburse school districts for any loss incurred for new debt millage after January 1, 2013.

The phase-out and reimbursement scheme will only take effect if a vote of the State-wide electorate approves the appropriations from the State's use tax by referendum in August 2014.

LITIGATION

The School District has not been served with any litigation, administrative action or proceeding, and to the knowledge of the appropriate officials of the School District no litigation or administrative action or proceeding has been threatened against it, seeking to restrain or enjoin the issuance and delivery of the Bonds, or questioning or contesting the validity of the Bonds or the proceedings or authorities

[1] Because the foregone revenue is deposited into the State Aid Fund from use taxes, the legislature may choose to appropriate the money differently in the future by altering the funding formulas in the State School Aid Act of 1979 (Act 94).

under which they are authorized to be issued, sold, executed and delivered. A certificate to such effect will be delivered to the Underwriter at the time of the original delivery of the Bonds.

TAX MATTERS

State

In the opinion of Thrun Law Firm, P.C., East Lansing, Michigan ("Bond Counsel"), based on its examination of the documents described in its opinion, under existing State of Michigan statutes, regulations, rulings and court decisions, the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

Federal

In the opinion of Bond Counsel, based upon its examination of the documents described in its opinion, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that certain corporations must take into account interest on the Bonds in determining adjusted net current earnings for purposes of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence are subject to the condition that the School District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The School District has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel will express no opinion regarding other federal tax consequences with respect to the Bonds.

There are additional federal tax consequences relative to the Bonds and the interest thereon. The following is a general description of some of these consequences but is not intended to be complete or exhaustive and investors should consult with their tax advisors with respect to these matters. Prospective purchasers of the Bonds should be aware that (i) interest on the Bonds is included in the effectively connected earnings and profits of certain foreign corporations for purposes of calculating the branch profits tax imposed by Section 884 of the Code, (ii) interest on the Bonds may be subject to a tax on excess net passive income of certain S Corporations imposed by Section 1375 of the Code, (iii) interest on the Bonds is included in the calculation of modified adjusted gross income for purposes of determining the taxability of social security or railroad retirement benefits, (iv) the receipt of interest on the Bonds by life insurance companies may affect the federal tax liability of such companies, (v) in the case of property and casualty insurance companies, the amount of certain loss deductions otherwise allowed is reduced by a specific percentage of, among other things, interest on the Bonds, (vi) holders of the Bonds may not deduct interest on indebtedness incurred or continued to purchase or carry the Bonds and (vii) commercial banks, thrift institutions and other financial institutions may not deduct their costs of carrying certain obligations such as the Bonds.

Original Issue Discount[1]

The initial public offering prices of certain Bonds, as set forth on the cover page of this Official Statement, may be less than the stated redemption prices at maturity (hereinafter referred to as the "OID Bonds"), and, to the extent properly allocable to each owner of such OID Bond, the original issue discount is excludable from gross income for federal income tax purposes with respect to such owner.

[1] Preliminary, subject to change.

Original issue discount is the excess of the stated redemption price at maturity of an OID Bond over the initial offering price to the public (excluding bond houses and brokers) at which price a substantial amount of the OID Bonds were sold. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. For an owner who acquires an OID Bond in this offering, the amount of original issue discount that accrues during any accrual period generally equals (i) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity on such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such OID Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such OID Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of an OID Bond would be treated as gain from the sale or exchange of such OID Bond. Owners of OID Bonds should consult with their individual tax advisors to determine whether the application of the original issue discount federal regulations will require them to include, for state and local income tax purposes, an amount of interest on the OID Bonds as income even though no corresponding cash interest payment is actually received during the tax year.

Original Issue Premium[1]

For federal income tax purposes, the initial offering prices to the public (excluding bond houses and brokers) of certain Bonds, as set forth on the cover of this Official Statement, may be greater than the stated redemption prices at maturity (the "Premium Bonds"), and constitutes for the original purchasers of the Premium Bonds an amortizable bond premium. Such amortizable bond premium is not deductible from gross income but is taken into account by certain corporations in determining adjusted current earnings for the purpose of computing the alternative minimum tax, which may also affect liability for the branch profits tax imposed by Section 884 of the Code. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of a taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such Premium Bonds.

Future Developments

No assurance can be given that any future legislation or clarifications or amendments to the Code, if enacted into law, will not contain proposals which could cause the interest on the Bonds to be subject directly or indirectly to federal or state income taxation, adversely affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of the status of the interest thereon.

Furthermore, no assurance can be given that the impact of any future court decisions will not cause the interest on the Bonds to be subject directly or indirectly to federal or state income taxation, adversely affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of the status of the interest thereon.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

[1] Preliminary, subject to change.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS, INCLUDING THE TREATMENT OF ORIGINAL ISSUE DISCOUNT OR ORIGINAL ISSUE PREMIUM, IF ANY.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and sale by the School District of the Bonds and with regard to the tax-exempt status thereof are subject to the approving opinion of Thrun Law Firm, P.C., East Lansing, Michigan, Bond Counsel. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds, Bond Counsel has made no inquiry as to any financial information, statements or materials contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

Certain legal matters will be passed upon for the Underwriter by its counsel, Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan.

APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY

The School District has received a letter from the Department of Treasury of the State of Michigan stating that the School District is in material compliance with the criteria of the Revised Municipal Finance Act, Act No. 34, Public Acts of Michigan, 2001, as amended, for a municipality to be granted qualified status. The School District may therefore proceed to issue the Bonds without further approval from the Department of Treasury of the State of Michigan.

RATING

Moody's Investors Service ("Moody's"), is expected to assign, as of the date of delivery of the Bonds, its municipal bond rating of "Aa2" to the Bonds based upon the fact that each Bond is expected to be fully qualified for participation in the Michigan School Bond Qualification and Loan Program as of their date of delivery. See "QUALIFICATION OF BONDS BY THE STATE OF MICHIGAN," "LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES" and APPENDIX A, "State Qualification," herein.

Moody's will also assign, as of the date of delivery of the Bonds, its underlying municipal bond rating of "A3" to the Bonds without regard to qualification for participation in the Michigan School Bond Qualification and Loan Program.

No application has been made to any other ratings service for a rating on the Bonds. The School District furnished to Moody's certain materials and information in addition to that provided here. Generally, the rating agency bases its rating on such information and materials, and on investigations, studies and assumptions. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse affect on the market price of the Bonds. Any rating assigned represent only the view of Moody's. Further information is available upon request from Moody's.

UNDERWRITING

Fifth Third Securities, Inc. (the "Underwriter"), has agreed, subject to the terms of the Bond Purchase Agreement, to purchase the Bonds from the School District. The Bond Purchase Agreement provides, in part, that the Underwriter, subject to certain conditions, will purchase from the School District the aggregate principal amount of Bonds for a purchase price as set forth therein. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering prices as set forth on the cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the cover hereto. The offering prices may be changed from time to time by the Underwriter. The aggregate underwriting fee equals _____ percent of the aggregate principal amount of the Bonds.

The Bond Purchase Agreement provides that the obligations of the Underwriter are subject to certain conditions, including, among other things, that (i) no event has occurred which impairs or threatens to impair the status of the Bonds or interest thereon as exempt from taxation in the State (except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof) and the interest on the Bonds is excluded from gross income for federal income tax purposes and (ii) proceedings relating to the Bonds are not pending or threatened by the Securities and Exchange Commission. The Bond Purchase Agreement further provides that the School District will provide to the Underwriter within five business days of the date of the Bond Purchase Agreement sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended.

FINANCIAL ADVISOR'S OBLIGATION

Stauder, Barch & Associates, Inc., Ann Arbor, Michigan (the "Financial Advisor") has been retained by the School District to provide certain financial advisory services. The information contained in the Official Statement was prepared in part by the Financial Advisor and is based on information supplied by various officials from records, statements and reports required by various local, county or state agencies of the State of Michigan in accordance with constitutional or statutory requirements.

To the best of the Financial Advisor's knowledge, all of the information contained in the Official Statement, which it assisted in preparing, while it may be summarized is (i) complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material fact, or make any untrue statement which would be misleading in light of the circumstances under which these statements are being made. However, the Financial Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statement.

The Financial Advisor's duties, responsibilities and fees arise solely as financial advisor to the School District, and it has no underwriting, secondary market obligations or other responsibility to the School District. The Financial Advisor's fees are expected to be paid from Bond proceeds.

Further information concerning the Bonds may be secured from Stauder, Barch & Associates, Inc., 3989 Research Park Drive, Ann Arbor, Michigan 48108, (734) 668-6688, Financial Advisor to the School District or from Lakeview Community Schools.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the School District will execute a Continuing Disclosure Agreement (the "Agreement") for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined under this caption only) to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. "Beneficial Owner" means, under this caption only, any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or any other intermediaries). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Agreement, are set forth in APPENDIX F, "Form of Continuing Disclosure Agreement". Additionally, the School District shall provide certain annual financial information and operating data generally consistent with the information contained within the tables under the headings "Property Valuations – Historical Valuations," "Major Taxpayers," "Tax Rates (Per $1,000 of Valuation)—Lakeview Community Schools," "State Aid Payments," "Tax Levies and Collections," "Labor Force," "Pension Fund," "Debt Statement – DIRECT DEBT," "School Bond Qualification and Loan Program" (as it relates to the School District's School Loan Revolving Fund balance, if any), and "School Enrollment – Historical Enrollment", in APPENDIX B and General Fund Budget Summary in APPENDIX C.

A failure by the School District to comply with the Agreement will not constitute an event of default under the Resolutions and holders of the Bonds or Beneficial Owners are limited to the remedies described in the Agreement. A failure by the School District to comply with the Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. Further, the School District has not, in the previous five years, failed to comply, in all material respects, with any previous continuing disclosure agreements executed by the School District pursuant to the Rule.

OTHER MATTERS

All information contained in this Official Statement, in all respects, is subject to the complete body of information contained in the original sources thereof. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

LAKEVIEW COMMUNITY SCHOOLS
COUNTIES OF MONTCALM, MECOSTA AND KENT
STATE OF MICHIGAN

By: ______________________________
Its: Superintendent of Schools

APPENDIX A
STATE QUALIFICATION

ARTICLE IX, SECTION 16 OF THE
1963 STATE OF MICHIGAN CONSTITUTION

State loans to school districts.

Sec. 16. The state, in addition to any other borrowing power, may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided in this section.

Amount of loans.

If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for the payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.

Qualified bonds.

The term "qualified bonds" means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section.

Repayment of loans, tax levy by school district.

After a school district has received loans from the state, each year thereafter it shall levy for debt service, exclusive of levies for nonqualified bonds, not less than 13 mill or such lower millage as the legislature may prescribe, until the amount loaned has been repaid, and any tax collections therefrom in any year over and above the minimum requirements for principal and interest on qualified bonds shall be used toward the repayment of state loans. In any year when such levy would produce an amount in excess of the requirements and the amount due to the state, the levy may be reduced by the amount of the excess.

Bonds, state loans, repayment.

Subject to the foregoing provisions, the legislature shall have the power to prescribe and to limit the procedure, terms and conditions for the qualification of bonds, for obtaining and making state loans, and for the repayment of loans.

Power to tax unlimited.

The power to tax for the payment of principal and interest on bonds hereafter issued which are the general obligations of any school district, including refunding bonds, and for repayment of any state loans made to school districts, shall be without limitations as to rate or amount.

Rights and obligations to remain unimpaired.

All rights acquired under Sections 27 and 28 of Article X of the Constitution of 1908, by holders of bonds heretofore issued, and all obligations assumed by the state or any school district under these sections, shall remain unimpaired.

SCHOOL BOND QUALIFICATION, APPROVAL, AND LOAN ACT
Act 92 of 2005

AN ACT to prescribe the procedures, terms, and conditions for the qualification or approval of school bonds and other bonds; to authorize this state to make loans to certain school districts for the payment of certain bonds and to authorize schools to borrow from this state for that purpose; to prescribe the terms and conditions of certain loans to school districts; to prescribe the powers and duties of certain state agencies and certain state and local officials; to provide for certain fees; to prescribe certain penalties; and to repeal acts and parts of acts.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

The People of the State of Michigan enact:

388.1921 Short title.

Sec. 1. This act shall be known and may be cited as the "school bond qualification, approval, and loan act".

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1922 Purpose of act.

Sec. 2. The purpose of this act is to implement section 16 of article IX of the state constitution of 1963 and to provide for loans to school districts.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1923 Definitions.

Sec. 3. As used in this act:

(a) "Computed millage" means the number of mills in any year, not less than 7 mills and not more than 13 mills, determined on the date of issuance of the order qualifying the bonds or on a later date if requested by the school district and approved by the state treasurer, that, if levied by the school district, will generate sufficient annual proceeds to pay principal and interest on all the school district's qualified bonds plus principal and interest on all qualified loans related to those qualified bonds no later than the final mandatory repayment date. Based on changes of circumstances, including, but not limited to, additional bond qualification, refundings, changes in qualified loan interest rates, changes in taxable values, and assumptions contained in any then currently effective guidelines issued by the state treasurer pursuant to section 5(2)(c), the school district shall not less than annually, beginning on October 1, 2013, using methods prescribed in this act, recalculate the computed millage necessary to generate sufficient annual levy proceeds to pay principal and interest on all of the school district's qualified bonds and principal and interest on all qualified loans related to those qualified bonds not later than the final mandatory repayment date. If the school district determines that the recalculated computed millage is lower than its current millage levy rate, the school district shall promptly notify the state treasurer in writing of the recalculated computed millage. Immediately thereafter, the school district shall decrease its millage levy rate to the recalculated computed millage, but not below the computed millage established pursuant to the most recent order qualifying bonds for that school district, or to the minimum levy prescribed by law for receipt of qualified loans, whichever rate is higher. If the school district determines that the recalculated computed millage is higher than its current millage levy rate, the school district shall promptly notify the state treasurer in writing of the recalculated computed millage. Immediately thereafter, the school district shall increase its millage levy rate to the recalculated computed millage, subject to 1 of the following exceptions, and subject to any maximum millage levy rate otherwise prescribed for by law:

(*i*) For each school district's first recalculated computed millage required as of October 1, 2013, increase its millage levy by a percentage amount equal to the equivalent percentage of taxable value change for that school district over the immediately preceding 5 years, but not higher than the recalculated computed millage.

(*ii*) For each school district's subsequent recalculated computed millage beginning October 1, 2014 and each year thereafter, increase its millage levy by a percentage amount equal to the percentage of taxable value decline for the immediately preceding year ending September 30, but not to a rate higher than the recalculated computed millage.

(*iii*) If it is determined that a district's current computed millage is sufficient to pay all qualified loans by the mandatory final loan repayment date, no recalculation of the computed millage is required.

(b) "Final mandatory repayment date" means the final mandatory repayment date determined by the state treasurer under section 9.

(c) "Michigan finance authority" means the Michigan finance authority created under Executive

Reorganization Order No. 2010-2, MCL 12.194.

(d) "Qualified bond" means a bond that is qualified under this act for state loans as provided in section 16 of article IX of the state constitution of 1963. A qualified bond includes the interest amount required for payment of a school district's net interest obligation under an interest rate exchange or swap, hedge, or other agreement entered into pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, but does not include a termination payment or similar payment related to the termination or cancellation of an interest rate exchange or swap, hedge, or other similar agreement. A qualified bond may include a bond issued to refund loans owed to the state under this act.

(e) "Qualified loan" means a loan made under this act or former 1961 PA 108 from this state to a school district to pay debt service on a qualified bond.

(f) "Revolving loan fund" means the school loan revolving fund created under section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

(g) "School district" means a general powers school district organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or a school district of the first class as described in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, having the power to levy ad valorem property taxes.

(h) "State treasurer" means the state treasurer or his or her duly authorized designee.

(i) "Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1924 Qualification of new bonds; terms and conditions applicable to outstanding qualified bonds; application for prequalification.

Sec. 4. (1) A school district may issue and market bonds as qualified bonds if the state treasurer has issued an order granting qualification under this act.

(2) Except with regard to qualification of new bonds, nothing in this act shall be construed to alter the terms and conditions applicable to outstanding qualified bonds issued in accordance with former 1961 PA 108. Unless otherwise amended as permitted by this act, outstanding qualified loans incurred in association with outstanding qualified bonds described in this subsection shall bear interest as provided in section 9(8) but otherwise shall be due and payable as provided in the repayment agreements entered into between the school district and the state before the effective date of this act.

(3) The state treasurer may qualify bonds for which the state treasurer has received an application for prequalification on or before May 25, 2005 without regard to the requirements of section 5(2)(f) if the electors of the school district approve the bonds at an election held during 2005.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1925 Preliminary qualification; application.

Sec. 5. (1) A school district may apply to the state treasurer for preliminary qualification of a proposed school bond issue by filing an application in the form and containing the information required by this act.

(2) An application for preliminary qualification of a school bond shall contain all of the following information:

(a) The proposed ballot language to be submitted to the electors.

(b) A description of the project or projects proposed to be financed.

(c) A pro forma debt service projection showing the estimated mills the school district will levy to provide revenue the school district will use to pay the qualified bonds, any outstanding qualified bonds, and any outstanding or projected qualified loans of the school district. For the purpose of the pro forma debt service projection, the school district may assume for the first 5 years following the date of the application the average growth or decline in taxable value for the 5 years or such other period of time requested by the school district if approved by the state treasurer preceding the date of the application and the average growth or decline rate for the 20 years immediately preceeding the date of the application but not more than 3% or less than 0% growth rate, for the remaining term of the proposed bonds.

(d) Evidence that the rate of utilization of each project to be financed will be at least 85% for new buildings and 60% for renovated facilities. If the projected enrollment of the district would not otherwise support utilization at the rates described in this subsection, the school district may include an explanation of the actions the school district intends to take to address the underutilization, including, if applicable, actions to close school buildings or other actions designed to assure continued assured use of the facilities being financed.

(e) Evidence that the cost per square foot of the project or projects will be reasonable in light of economic conditions applicable to the geographic area in which the school district is located.

(f) Evidence that the school district will repay all outstanding qualified bonds, the proposed qualified bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed qualified bond issue, not later than the applicable final mandatory repayment date.

(g) The overall utilization rate of all school buildings in the school district, excluding special education purposes.

(h) The total bonded debt outstanding of the school district and the total taxable value of property in the school district for the school district fiscal year in which the application is filed.

(i) A statement describing any environmental or usability problems to be addressed by the project or projects.

(j) An architect's analysis of the overall condition of the facilities to be renovated or replaced as a part of the project or projects.

(k) An amortization schedule demonstrating that the weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed or refinanced with the proceeds of the qualified bonds, determined as of the later of the date on which the qualified bonds will be issued or the date on which each facility is expected to be placed in service.

(*l*) An agreement that the school district will keep books and records detailing the investment and expenditure of the proceeds of the qualified bonds and, at the request of the state treasurer, the school district will promptly, but not later than the date specified in the request, which date shall be not less than 5 business days after the date of the request, submit information requested by the state treasurer related to the detailed information maintained by the school district as to the investment and expenditure of the proceeds of its qualified bonds.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1926 Prequalification of bonds; determination by state treasurer.

Sec. 6. The state treasurer shall prequalify bonds of a school district if the state treasurer determines all of the following:

(a) The issuance of additional qualified bonds will not prevent the school district from repaying its outstanding qualified bonds, the proposed bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed bond issue, not later than the applicable final mandatory repayment date.

(b) The form and language of the ballot conforms with the requirements of this act.

(c) The school district has filed an application complying with the requirements of section 5.

(d) If the proposed bond issue is approved by the voters after September 30, 2012 and will result in additional qualified loans, the outstanding balance of all qualified loans on the most recent May 1 or November 1 did not exceed $1,800,000,000.00. The $1,800,000,000.00 limitation described in the immediately preceding sentence does not apply after June 30, 2016.

(e) The issuance of additional qualified bonds approved by voters after September 30, 2012 will not have an adverse financial impact on the school district, this state, or the school loan revolving fund. In making this determination, the state treasurer shall consider relevant factors, including, but not limited to, whether the issuance of the proposed bond issue will cause the aggregate outstanding amount of qualified and nonqualified bonds, including the proposed bond issue, and currently outstanding qualified loans of the school district to exceed 25% of the taxable value of the school district at the time the proposed bonds are issued.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1927 Qualification of bonds; determination by state treasurer; order; specifications; loan agreement; reapplication; qualification of refunding bonds; requirements.

Sec. 7. (1) The state treasurer shall qualify bonds of a school district if the state treasurer determines all of the following:

(a) A majority of the school district electors have approved the bonds.

(b) The terms of the bond issue comply with applicable provisions of the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(c) The school district is in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(d) The weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed or refinanced with the proceeds of the bonds, determined as of the later of the date on which the qualified bonds will be issued or the date on which each facility is expected to be placed in service.

(e) The school district has filed any information necessary to update the contents of the original application to reflect changes in any of the information approved in the preliminary qualification process.

(f) The school district has agreed that the school district will keep books and records detailing the investment and expenditure of the proceeds of the qualified bonds and, at the request of the state treasurer, the school district will promptly, but not later than the date specified in the request, which date shall be not less than 5 business days after the date of the request, submit information requested by the state treasurer related to the detailed information maintained by the school district as to the investment and expenditure of the proceeds of its qualified bonds.

(2) An order qualifying bonds shall specify the principal and interest payment dates for all the bonds, the maximum principal amount of and maximum interest rate on the bonds, the computed millage, if any, the final mandatory repayment date, and other matters as the state treasurer shall determine or as are required by this act.

(3) If the application for prequalification demonstrates that the school district will borrow from this state in accordance with this act, the state treasurer and the school district shall enter into a loan agreement setting forth the terms and conditions of any qualified loans to be made to the school district under this act.

(4) If a school district does not issue its qualified bonds within 180 days after the date of the order qualifying bonds, the order shall no longer be effective. However, the school district may reapply for qualification by filing an application and information necessary to update the contents of the original application for prequalification or qualification.

(5) The state treasurer shall qualify refunding bonds issued to refund qualified loans or qualified bonds if the state treasurer finds that all of the following are met:

(a) The refunding bonds comply with the provisions of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(b) That the school district will repay all outstanding qualified bonds, the proposed qualified bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed qualified bond issue, not later than the applicable final mandatory repayment date.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1928 Submission of ballot to electors; ballot.

Sec. 8. A ballot submitted to the school electors of a school district after November 8, 2005 requesting authorization to issue unlimited tax general obligations that will be guaranteed by this state in accordance with section 16 of article IX of the state constitution of 1963 shall inform the electors that if the school district expects to borrow from this state to pay debt service on the bonds, the estimated total amount of the principal of that borrowing and the interest to be paid on that borrowing, the estimated duration of the millage levy, and the estimated computed millage rate for that levy. The ballot shall also inform the electors of the total amount of qualified bond and loan debt currently outstanding and that the estimated computed millage rate may change based on changes in certain circumstances.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1929 Amount of borrowing; limitation; payment date for outstanding qualified loans; order; maintenance of separate accounts for each school district; duration of millage levy; amended and restated repayment agreements; waiver of portion of millage levy; findings; interest; final or later mandatory repayment date.

Sec. 9. (1) Except as otherwise provided in this act, a school district may borrow from the state an amount not greater than the difference between the proceeds of the school district's computed millage and the amount necessary to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies.

(2) For school districts having qualified loans outstanding as of July 20, 2005, the state treasurer shall review information relating to each school district regarding the taxable value of the school district and the actual debt service of outstanding qualified bonds as of July 20, 2005 and shall issue an order establishing the payment date for all those outstanding qualified loans and any additional qualified loans expected to be incurred by those school districts related to qualified bonds issued before July 20, 2005. The payment date shall be not later than 72 months after the date on which the qualified bonds most recently issued by the school district are due and payable. The payment date established pursuant to this subsection for a school district is a final mandatory repayment date.

(3) For qualified loans related to qualified bonds issued after July 20, 2005, the qualified loans shall be due

72 months after the date on which the qualified bonds for which the school borrowed from this state are due and payable. The due date determined pursuant to this subsection for a school district is a final mandatory repayment date. This section does not preclude early repayment of qualified bonds or qualified loans.

(4) The state treasurer shall maintain separate accounts for each school district on the books and accounts of this state noting the qualified bond, the related qualified loans, the final payment date of the bonds, the final mandatory repayment date of the qualified loans, and the interest rate accrued on the loans.

(5) For qualified loans relating to qualified bonds issued after July 20, 2005, a school district shall continue to levy the computed millage until it has completely repaid all principal and interest on its qualified loans.

(6) For qualified loans relating to qualified bonds issued before July 20, 2005, a school district shall continue to comply with the levy and repayment requirements imposed before July 20, 2005. Not less than 90 days after July 20, 2005, the state treasurer and the school district shall enter into amended and restated repayment agreements to incorporate the levy and repayment requirements applicable to qualified loans issued before July 20, 2005.

(7) Upon the request of a school district made before June 1 of any year, the state treasurer annually may waive all or a portion of the millage required to be levied by a school district to pay principal and interest on its qualified bonds or qualified loans under this section if the state treasurer finds all of the following:

(a) The school board of the school district has applied to the state treasurer for permission to levy less than the millage required to be levied to pay the principal and interest on its qualified bonds or qualified loans under subsection (1).

(b) The application specifies the number of mills the school district requests permission to levy.

(c) The waiver will be financially beneficial to this state, the school district, or both.

(d) The waiver will not reduce the millage levied by the school district to pay principal and interest on qualified bonds or qualified loans under this act to less than 7 mills.

(e) The board of the school district, by resolution, has agreed to comply with all conditions that the state treasurer considers necessary.

(8) All qualified loans shall bear interest at 1 of the following rates:

(a) The greater of 3% or the average annual cost of funds used to make qualified loans plus 0.125%, but not less than the cost of funds on outstanding qualified notes and bonds issued by the Michigan finance authority to finance loans computed by the state treasurer not less often than annually.

(b) A lesser rate determined by the state treasurer to be necessary to maintain the exemption from federal income tax of interest on any bonds or notes issued to fund qualified loans.

(c) A higher rate determined by the state treasurer to be necessary to prevent the impairment of any contract of this state or the Michigan finance authority in existence on the effective date of the amendatory act that added this subdivision.

(9) A payment date determined under subsection (2) or a due date determined under subsection (3) is a final mandatory repayment date. Once established for a school district as provided in this section, a final mandatory repayment date shall apply to all qualified loans of the school district, whenever made, until 30 days after the date the school district has no outstanding qualified loans and no outstanding debt incurred to refund qualified loans. Notwithstanding this subsection, the state treasurer may determine a later mandatory repayment date for a school district that agrees to levy a higher millage, acceptable to the state treasurer, not to exceed 13 mills, than its existing computed millage.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2006, Act 71, Imd. Eff. Mar. 20, 2006;—Am. 2009, Act 50, Imd. Eff. June 18, 2009;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1930 Certificates of qualification or approval; file; delivery.

Sec. 10. The state treasurer shall keep all certificates of qualification or approval in a permanent file and shall deliver copies of the certificates to the school district.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1931 Rules; bulletins.

Sec. 11. The state treasurer may promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and may issue bulletins as authorized by this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1932 Failure to apply for prequalification, qualification, or approval of bond before issuance.

Sec. 12. If a school district does not apply for prequalification or qualification or approval of a bond issue before the issuance of those bonds, the state treasurer shall not approve or qualify those bonds as qualified bonds under this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1933 School district owing revolving loan fund; filing annual loan activity application required; borrowing for debt service on qualified bonds; draw request; duties of state treasurer upon receipt of qualified loan confirmation; notification of no need to borrow by school district; invoice for repayment amount; remittance.

Sec. 13. (1) If a school district owes a balance due to the revolving loan fund or has been identified as a potential borrower, the school district shall file an annual loan activity application with the state treasurer no less than 60 days before certifying its annual tax levy. The annual loan activity application shall be submitted in a format prescribed by the state treasurer and shall provide the taxable value, debt service, and any other information necessary to determine the proper required millage levy required under this act. The application shall contain a resolution passed by the local school board authorizing a designated school district official to complete all necessary documents to obtain a loan from the revolving loan fund or for making repayment to the revolving loan fund for the year.

(2) If a school district is eligible to borrow for debt service on qualified bonds, the school district shall file a draw request with the state treasurer not less than 30 days before each date on which the school district owes the debt service. The draw request shall include all of the following:

(a) A statement of the debt service owed in the next 6 months.

(b) A copy of the most recent bank statement showing the amount on hand in the debt service accounts for all qualified bonds.

(c) A statement of any revenue received for payment of the debt service since the date of the bank statement.

(d) A statement of any withdrawals made from the debt service account since the date of the bank statement.

(3) Not more than 7 days before the date established by the state treasurer for making qualified loans, the school district shall confirm in writing the final qualified loan amount to be drawn on a certificate in the form prescribed by the state treasurer.

(4) Upon receipt of a qualified loan confirmation described in subsection (3), the state treasurer shall determine the amount of the draw, which shall be the difference between the funds on hand in all debt service accounts and the amount of the debt service, and shall make a qualified loan in that amount to the school district no later than 6 days before the date the debt service is due.

(5) When a school district's current computed millage levy is sufficient to pay principal and interest on its qualified bonds, a school district shall notify the state treasurer in writing of no need to borrow no later than 30 days before the date set for payment of the qualified bonds.

(6) Within 30 days after receipt of the annual activity application under subsection (1), the state treasurer shall send an invoice to the school district for the amount of repayment the school district owes on its outstanding qualified loans, which shall be the difference between the debt service payable or paid to bondholders and the funds on hand at the school district, less a reasonable amount of funds on hand, as determined by the state treasurer, to cover minimum balance requirements or potential tax disputes. The school district shall remit the amount specified in the invoice within 30 days after the dated date of the invoice.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1934 Failure of school district to pay principal and interest due on qualified bonds; notice; payment by state treasurer; billing of school district for amount paid; remittance.

Sec. 14. (1) If any paying agent for a school district’s qualified bonds notifies the state treasurer that the school district has failed to deposit sufficient funds to pay principal and interest due on the qualified bonds when due, or if a bondholder notifies the state treasurer that the school district has failed to pay principal or interest on qualified bonds when due, whether or not the school district has filed a draw request with the state treasurer, the state treasurer shall promptly pay the principal or interest on the qualified bond when due.

(2) If the state treasurer pays any amount described in this section, the state treasurer shall bill the school district for the amount paid and the school district shall immediately remit the amount to the state treasurer. If the school district would have been eligible to borrow the debt service in accordance with the terms of this act, the school district shall enter into a loan agreement establishing the terms of the qualified loan as provided in this act. If the state treasurer directs the Michigan municipal bond authority to pay any amount described in this section, the state treasurer shall cause the Michigan municipal bond authority to bill the

school district for the amount paid and the school district shall immediately remit the amount to the Michigan municipal bond authority.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1935 Default; repayment.

Sec. 15. (1) If a school district that owes this state loan repayments relating to qualified bonds fails to levy at least the computed millage upon its taxable value for debt retirement purposes for qualified bonds and for repayment of a qualified loan made under this act while any part of the qualified loan is unpaid or defaults in its agreement to repay a qualified loan or any installment of a qualified loan, the school district shall increase its debt levy in the next succeeding year to obtain the amount necessary to repay this state the amount of the default plus a late charge of 3% and shall pay that amount to this state together with any other amounts owed during the next tax year. The school district may use other funds to repay this state including a transfer of general funds of the school district, if approved by the state treasurer. The state treasurer shall not disburse state school aid to the school district until the school district has made satisfactory arrangements with the state treasurer for the payment of the amount in default.

(2) If a school district fails to process any report, application, confirmation, or repayment as required under this act, the state treasurer may withhold a school district's state aid funds until the school district complies with the requirements under this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1936 Charging and disposition of fees.

Sec. 16. (1) The state treasurer may charge a prequalification application fee, a qualification application fee, and an annual loan activity fee in the amounts determined by the state treasurer to be required to pay the estimated administrative expenses incurred under this act for the fiscal year in which the state treasurer imposes the fee.

(2) The state treasurer shall deposit all fees collected under this act into a separate fund established within the state treasury, and shall use the proceeds of the fees solely for the purpose of administering and enforcing this act. The unexpended and unobligated balance of this fund at the end of each state fiscal year shall be carried forward over to the succeeding state fiscal year and shall not lapse to the general fund but shall be available for reappropriation for the next state fiscal year.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1937 False statement or unauthorized use of proceeds; violation as felony; penalty.

Sec. 17. A person who knowingly makes a false statement or conceals material information for the purpose of obtaining qualification of a bond issue under this act or for the purpose of obtaining a qualified loan under this act, or who knowingly uses all or part of the proceeds of a qualified loan obtained under this act for any purpose not authorized by this act, is guilty of a felony punishable by imprisonment for not more than 4 years or a fine of not more than $5,000.00, or both.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1938 Use of remaining proceeds.

Sec. 18. If a school district has completed the projects approved by the school electors of the school district to be funded from proceeds of qualified bonds, a school district may use any remaining proceeds of the qualified bonds as follows:

(a) To pay debt service on the qualified bonds.

(b) To repay this state.

(c) If in the opinion of the school district's bond counsel use of the remaining proceeds for the purposes described in subdivisions (a) and (b) would adversely affect the federal tax treatment of interest on the qualified bonds, to pay for enhancements to the projects approved by the school electors as described in the ballot language proposing the qualified bonds.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1939 Actions by designee.

Sec. 19. The state treasurer may designate in writing a person or persons to take any actions required to be taken by the state treasurer under this act. The signature of any designee shall have the same force and effect as the signature of the state treasurer for all purposes of this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

OPINION #4422 OF THE ATTORNEY GENERAL, STATE OF MICHIGAN
DATED MARCH 12, 1965

CONSTITUTIONAL LAW:
SCHOOL BONDS:
MUNICIPAL FINANCE COMMISSION:

Article 9, § 16, Michigan Constitution of 1963, requires school districts to borrow and State to lend sufficient sum to cover debt service payments on qualified bonds of school districts. Although this is not a pledge of full faith and credit of the State, the Municipal Finance Commission may and must enforce the duty of the district to borrow and the State to lend such sum.

No. 4422 March 12, 1965.

Hon. Sanford A. Brown
State Treasurer
Lansing, Michigan

You have asked in your letter of February 5 whether Article IX, § 16 of the Michigan Constitution of 1963 pledges the full faith and credit of the State to the payment of principal and interest of qualified school bonds.

Article IX, § 16 of the Michigan Constitution of 1963 provides in pertinent part as follows:

> "The state * * * may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided in this section.
>
> "If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.
>
> "The term 'qualified bonds' means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section."

Thus, the school district is required to borrow and the State to lend an amount sufficient to enable the school district to make payments of principal and interest due on qualified bonds, and the state is empowered to borrow and to issue its notes or bonds for the purpose of making such loans, and to pledge its full faith and credit for such state bonds or notes.

The constitutional provision quoted does not pledge the full faith and credit of the state to all qualified bonds. The state is not primarily liable on qualified bonds of a school district. Rather, the state is required to lend whatever the school district needs, from time to time, to meet debt service requirements on such bonds.

You ask what remedies are available to enforce the obligation of the state.

The quoted language makes it mandatory upon the school district to borrow and upon the state to lend "an amount necessary to enable the school district to make the payment." Under Chapter II, Section 2(f) of the Municipal Finance Act [C.L. 1948 § 132.2; M.S.A. 1958 Rev. Vol. § 5.3188(4)f], the Municipal Finance Commission has power to enforce compliance with any law by, inter alia, the "institution of appropriate proceedings in the courts of the state, including those for writs of mandamus and injunction."

The Commission could and indeed must enforce the duty of the district to borrow and the state to lend. The bondholders also would have an action to enforce the duty of the district to borrow and of the state to lend.

Thus the bondholders are assured of the availability of state funds where needed to meet debt service requirements on qualified bonds. This is not a pledge of full faith and credit, but gives the bondholders as much or more protection as would such a pledge.

FRANK J. KELLEY,
Attorney General

OPINION #4508 OF THE ATTORNEY GENERAL, STATE OF MICHIGAN
DATED AUGUST 29, 1966

BONDS: Qualified bonds of school districts.
CONSTITUTION OF 1963: School Bond Loan Fund.
SCHOOLS: Bond Loans.
STATE TREASURER: Payment of principal and interest on qualified school district bonds.

Authority of State Treasurer and procedures to be followed in paying from the School Bond Loan Fund principal and interest on qualified school bonds upon presentment by a bondholder.

No. 4508 Hon. Allison Green August 29, 1966.
State Treasurer
Capitol Building
Lansing, Michigan

You have requested my opinion on what procedures should be followed by the state treasurer preparatory to making loans to local school districts which are unable to make payments on principal and interest of qualified school district bonds.[1]

Loans to bonded school districts are authorized by Article IX, Section 16, Constitution of 1963, which in part contains pertinent language:

> "If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for the payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.
>
> "The term 'qualified bonds' means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section."

Article IX, Section 16, Constitution of 1963, is a continuation with minor revisions of the provisions relating to school bond financing which appeared in Sections 27 and 28 of Article X, Constitution of 1908. Section 27, Article X, Constitution of 1908, was proposed by joint resolution of the legislature in 1955 and approved by the people at the regular election of April 4, 1955. The loan provisions of Section 27 ceased to have effectiveness after July 1, 1962, and were replaced by the provisions of Section 28, Article X, Constitution of 1908, which was proposed by joint resolution of the legislature in 1960 and approved by the people at the general election of November 8, 1960. Section 28 by its own terms took effect on July 1, 1962.

Section 28, Article X, Constitution of 1908, was implemented by the legislature by the enactment of Act 108, P.A. 1961, which took effect September 8, 1961. The first section of Act 108, P.A. 1961, stated that the purpose of the act was to implement Section 28 of Article X of the Constitution of 1908. The Constitution of 1963 took effect on January 1, 1964. In anticipation of the effectiveness of that Constitution, the legislature passed Act 33, P.A. 1963, Second Extra Session, such act to take effect on January 1, 1964. Act 33, P.A. 1963, Second Extra Session, amended Sections 1, 3, 8 and 9 of Act 108, P.A. 1961, and further amended section 7 of Act 108, P.A. 1961, as amended by Act 131, P.A. 1962. The first section of amendatory Act 33 stated that the act's purpose was to implement Section 16 of Article IX of the Constitution of 1963. Subsequent amendment has been made to Sections 2, 4, 6, 9 and 10 of Act 108, P.A. 1961, by Act 169, P.A. 1964, which act also added a new Section 4a.[2].

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[1]In your letter of request you stated that you were familiar with Opinion No. 4422 issued by me on March 12, 1965, in which it was ruled that Article IX, Section 16, Constitution of 1963, requires school districts to borrow and the state to lend sufficient sums to cover debt service payments on qualified bonds of school districts but that this requirement is not a pledge of the full faith and credit of the state; the Municipal Finance Commission however may and must enforce the duty of the school district to borrow and have the state to lend the necessary amounts.

[2]Act 108, P.A. 1961, in its present amended form appears in M.S.A. 1965 Cum. Supp. § S 3.424(111) et seq.

Answer to your question is to be found in amended Sections 6, 7 and 8 of the act. These sections present two situations in which you may become involved as state treasurer. The first situation is where a loan is to be made to the school district to permit the district to meet the principal and interest requirements on its bonds without a default in payment; the second is where the principal or interest on the bonds has not been paid when due upon proper presentation because of inadequate funds resulting in a default in payment.

Under amended Section 6 of the act, in any school district where the amount necessary to be levied in any year for principal and interest on qualified bonds exceeds 7 mills on each dollar of the assessed valuation of the school district as last equalized by the state, such school district on or before 60 days prior to the time of certification of its tax levy to the assessing officer shall file with the superintendent of public instruction[3] a preliminary application for a loan from the state in the amount of any part of such excess over 7 mills which the school district does not propose to levy in such year.[4] Amended Section 6 specifies the information to be supplied in the application. The superintendent of public instruction if he finds the application in proper form shall approve or deny the application in whole or in part and notify the school district of his action. Amended Section 7 of the act provides that if a loan from the state shall become necessary for the payment of principal and interest on qualified bonds in accordance with an approved preliminary application to the superintendent of public instruction or by virtue of a supplemental application, it shall be the duty of the superintendent of public instruction after audit to forward to the state treasurer a statement setting forth the amount to be loaned to the school district for the payment of principal and interest and the date on or before which loan shall be made.[5] The superintendent shall prepare a voucher as a basis for the issuance of a warrant and upon receipt of such statement and warrant, it shall be the duty of the state treasurer to loan to the school district from the school bond loan fund the amount set forth in the statement of the superintendent of public instruction on or before the date specified therein. The state treasurer upon making such loan shall obtain from the school district a receipt for the amount so loaned which receipt shall specify the terms of repayment in accordance with the provisions of Section 16 of Article IX, Constitution of 1963 and the act. The school district treasurer upon receipt of the loan is required to deposit the same in the debt retirement fund to be used solely for the payment of principal and interest on qualified bonds.

The foregoing summaries of the procedures prescribed by amended Section 6 and 7 relate to the first situation above-described where the loan to the school district is to be made before the school district has defaulted in the payment of the principal or interest on its bonds.

The second situation described above is covered by amended Section 8 of the act which prescribes that in the event the principal or interest on any qualified bond is not paid when due, upon proper presentation of the bond or interest coupon to the agent or officer charged with making payment thereof, the state treasurer shall forthwith pay such principal or interest upon presentation of the bond or coupon to him. Any amount so paid by the state treasurer shall be deemed a loan to the school district made pursuant to the requirements of Section 16, Article IX, Constitution of 1963, and the act and the school district shall give a receipt therefor and repay the loan in the manner provided in the act for the repayment of loans.

The method of processing loans to school districts under amended Sections 6 and 7 before default in payment of principal or interest is adequately spelled out in those sections and no additional comment from me is necessary. Your real concern is in regard to the applicable procedures which you should follow in the situation where the school district has defaulted in the payment of principal or interest on its bonds and the bond or bonds and the interest coupons have not been paid when due by the paying agent because of lack of funds. In the event of such a happening it is assumed for the purposes of this opinion that the holder of the bond or of the interest coupon will make demand on you as state treasurer for the prompt payment of the obligation thereunder. Should such demand be made on you as state treasurer, you would be entitled to take the following action before making payment:

a. Ascertaining from the superintendent of public instruction or from the records in your own office that the bonds involved are duly qualified bonds as defined and described in amended Section 3 of the act;

b. Requiring proof reasonably satisfactory to you that the bond or bonds or the interest coupons have been properly presented for payment to the paying agent or officer charged with the responsibility for making payment thereof and that payment has been refused because sufficient monies had not been deposited by the school district for that purpose; such proof of nonpayment may be furnished you in the form of a certificate from the paying agent.

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[3]Article VIII, Section 3, Constitution of 1963 requires the state board of education to appoint a superintendent of public instruction who shall be the principal executive officer of the department of education and who shall have powers and duties provided by law. Section 14 of Act 287, P.A. 1964 (M.S.A. 1965 Cum. Supp. § 15.1023(14)) specifies that after June 30, 1965, a reference in any law to the powers and duties of the superintendent of public instruction shall be deemed to be made to the state board of education, subject to exceptions not pertinent here, and that the state board of education may delegate any of its functions to the superintendent. Section 300 of Act 380, P.A. 1965, creates a department of education. Section 301 of that act provides that the head of the department of education is the state board of education. Section 303 of that act transfers by a Type III transfer all powers, duties and functions then vested by law in the superintendent of public instruction to the department of education. Section 305 of the act specifies that the principal executive officer of the department of education is the superintendent of public instruction. Act 380 appears in M.S.A. 1965 Cum. Supp. at § 3.29(1) et seq. Act 380, P.A. 1965, was amended without regard to the sections involved here by Act 407, P.A. 1965. Without doubt, under the foregoing provisions the state board of education could delegate to the superintendent of public instruction the performance of all of the functions and duties imposed on the board in connection with the School Bond Loan Fund.

[4]Other details set forth in amended Section 6 have been omitted.

[5]Other details set forth in amended Section 7 have been omitted.

c. Notification to the school district given by you or your designee of the action taken by paying agent in refusing payment of the bonds or interest coupons on presentment because of the failure of the school district to have deposited funds with the paying agent for that purpose and verification from the school district of the fact of such failure to supply the required funds; notification to the school district by you or your designee that payment of the required amounts were to be made from the school bond loan fund by you as state treasurer and that such payment would be in the form of a loan to the school district which the school district would be required to be repay to the school bond loan fund in the manner required by law; the school district will be required to furnish you as state treasurer with a receipt evidencing the loan and specifying the terms of repayment, as required by law.

Upon the fulfillment of the above conditions in a manner reasonably acceptable to you, you would be authorized to make payment of the amounts due on the bonds and interest coupons and thereupon to demand their surrender and delivery to you as state treasurer.

Because of the safeguards built into the Michigan Constitution and statutes there should be no default of Michigan qualified school bonds. The School Loan Fund Program will have afforded the school district access to loan funds prior to the due date of the principle [sic] and interest on such bonds. In order to advise of the procedures in the remote possibility of nonpayment, however, I have set forth the foregoing guide lines [sic].

FRANK J. KELLEY,
Attorney General

APPENDIX B[1]

LAKEVIEW COMMUNITY SCHOOLS
GENERAL FINANCIAL INFORMATION

AREA

The School District encompasses an area of 190.9 square miles.

POPULATION

The estimated population for the School District is as follows:

	School District*
2012 Estimate	10,263
2010 U.S. Census	10,249
2000 U.S. Census	10,114
1990 U.S. Census	8,600

* Estimated based on an extrapolation of the U.S. Census figures of the local units within the School District.

PROPERTY VALUATIONS

In accordance with Act 539, Public Acts of Michigan, 1982, as amended, and Article IX, Section 3 of the Michigan Constitution, the ad valorem State Equalized Valuation (SEV) represents 50% of true cash value. SEV does not include any value of tax exempt property (e.g. churches, governmental property) or property granted tax abatements under Act 198, Public Acts of Michigan, 1974, as amended. **As a result of Proposal A, ad valorem property taxes are assessed on the basis of taxable value, which is subject to assessment caps. SEV is used in the calculation of debt margin and true cash value.** See **"TAX PROCEDURES"** herein for more information.

Taxable property in the School District is assessed by the local municipal assessor and is subject to review by the County Equalization Department.

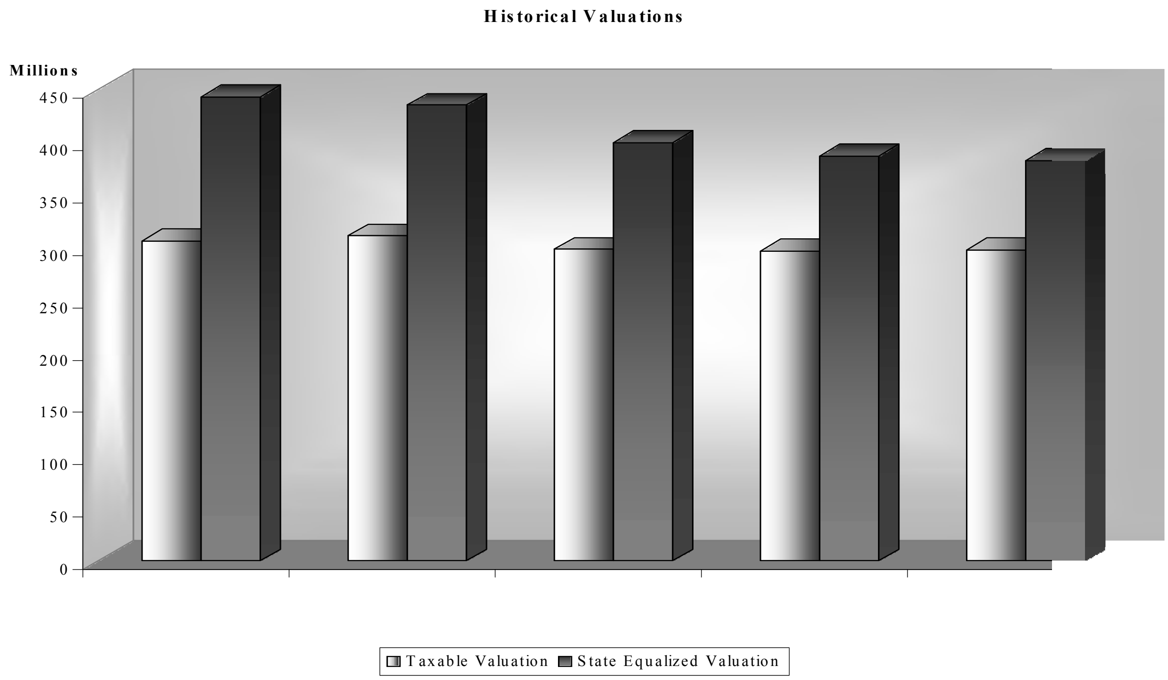
Historical Valuations*

Year	Principal Residence†	Non-Principal Residence†	Total Taxable Value	State Equalized Valuation
2012	$198,022,225	$99,060,425	$297,082,650	$382,698,600
2011	196,852,134	99,394,364	296,246,498	386,465,650
2010	199,037,523	98,702,613	297,740,136	399,293,986
2009	209,483,776	100,962,102	310,445,878	435,185,050
2008	203,011,918	102,877,034	305,888,952	443,474,584

† Until 2008 all personal property was included in non-principal residence valuations. Beginning in 2008, all industrial personal property is included in the principal residence tax base. While commercial personal property continues to be included in the non-principal residence tax base, it is exempt from the first 12 mills of the 18 operating mills levied by the School District on non-principal residence property only. In 2012, industrial personal property had a taxable value of $2,176,849 and commercial personal property had a taxable value of $3,420,366 in the School District.

* See "Future Changes to Personal Property Tax Classifications" herein for information regarding changes to certain tax classifications taking effect in the 2014 and 2016 tax years.

[1] Information included in Appendix B of this Official Statement was obtained from the School District unless otherwise noted.



Per Capita Valuation

2012 Per Capita Taxable Value	$28,946.96
2012 Per Capita State Equalized Valuation	$37,289.16
2012 Per Capita Estimated True Cash Valuation	$74,578.31

Renaissance Zone

Act 376, Public Acts of Michigan, 1996 ("Act 376") authorized the creation of six urban, three rural and two ex-military facilities for designation as "renaissance zones." The purpose of a renaissance zone is to foster economic development and stimulate industrial, commercial and residential improvements by, in part, providing certain tax credits or exemptions within the zone. One of the subzones lies within the School District's boundaries. Property within this subzone has a 2012 Taxable Value of $603,300.

TAX BASE COMPOSITION†

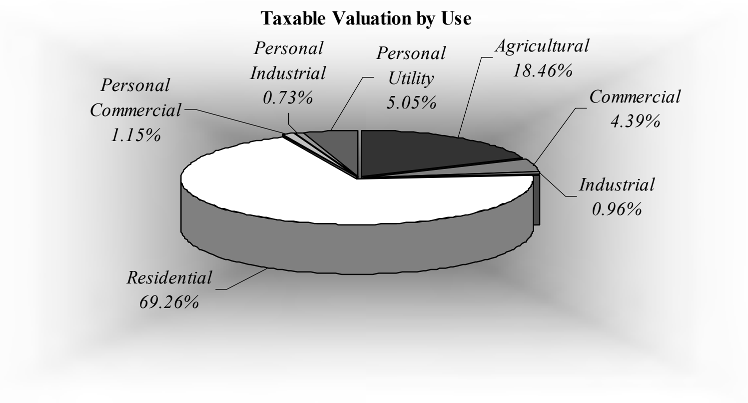
A breakdown of the School District's 2012 Taxable Value by municipality, class and use are as follows:

Municipality	Principal[1] Residence	Non-Principal[1] Residence	Total Taxable Value	Percent of Total
Montcalm County				
Belvidere Township	$16,814,332	$20,705,074	$37,519,406	12.63%
Cato Township	48,548,020	28,069,941	76,617,961	25.79
Douglass Township	10,651,338	5,625,685	16,277,023	5.48
Maple Valley Township	32,443,158	13,498,854	45,942,012	15.46
Montcalm Township	142,042	27,492	169,534	0.06
Pine Township	38,851,613	11,586,042	50,437,655	16.98
Winfield Township	18,539,762	8,100,864	26,640,626	8.97
Mecosta County				
Hinton Township	20,282,035	8,930,413	29,212,448	9.83
Millbrook Township	2,242,049	895,249	3,137,298	1.05
Kent County				
Spencer Township	9,507,876	1,620,811	11,128,687	3.75
TOTAL	$198,022,225	$99,060,425	$297,082,650	100.00%

[1] See "SOURCES OF SCHOOL OPERATING REVENUE" in this Official Statement for further details.

† See "Future Changes to Personal Property Tax Classifications" herein for information regarding changes to certain tax classifications taking effect in the 2014 and 2016 tax years.

Class	Taxable Value	Percent of Total
Real Property	276,483,749	93.07%
Personal Property	20,598,901	6.93
TOTAL	$297,082,650	100.00%
Use		
Agricultural	$54,843,171	18.46%
Commercial	13,052,269	4.39
Industrial	2,863,975	0.96
Residential	205,724,334	69.26
Personal Commercial	3,420,366	1.15
Personal Industrial	2,176,849	0.73
Personal Utility	15,001,686	5.05
TOTAL	$297,082,650	100.00%



Source: Respective municipalities

MAJOR TAXPAYERS

The ten largest taxpayers in the School District and their 2012 Taxable Value totals are as follows:

Taxpayer	Product/Service	Taxable Value
Michigan Consolidated Gas	Utility	$10,947,073
Consumers Energy Co.	Utility	4,107,716
Parker-Hannifin Corporation	Brass Fittings	1,996,323
Tri-County Electric Co	Utility	1,828,100
Newell, Kenneth	Dairy Farm	936,940
Wolverine Power Supply Co.	Utility	922,049
Young AG LLC	Agriculture	815,522
L A C E, Inc.	Real Estate	761,100
Leppinks of Lakeview Ltd Prtn	Supermarket	753,396
Evans, Danny E Trust	Trust	681,243
TOTAL		$23,749,462

The Taxable Values of the major taxpayers represent 7.99% of the School District's 2012 Taxable Value of $297,082,650.

Source: Respective municipalities

TAX RATES - (Per $1,000 of Valuation)†

Each school district, county, township, special authority and city has a geographical definition which constitutes a tax district. Since local school districts and the county overlap either a township or a city, and intermediate school districts overlap local school districts and county boundaries, the result is many different tax rate districts.

Lakeview Community Schools	2012	2011	2010	2009	2008
Operating Non-Principal Residence	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	6.9200	6.4500	6.8500	6.2300	6.0800
TOTAL PRINCIPAL RESIDENCE	6.9200	6.4500	6.8500	6.2300	6.0800
TOTAL NON-PRINCIPAL RESIDENCE	24.9200	24.4500	24.8500	24.2300	24.0800

† See "Future Changes to Personal Property Tax Classifications" herein for information regarding changes to certain tax classifications taking effect in the 2014 and 2016 tax years.

The School District levies a total of 18 mills for operating purposes on non-principal residence and authorized debt millage on all principal residence and non-principal residence property located within the School District. The operating millage will expire with the December 2015 levy. See "SOURCES OF SCHOOL OPERATING REVENUE" in this Official Statement.

Other Major Taxing Units	2012	2011
State Education Tax[1]	6.0000	6.0000
Montcalm County	4.4082	4.4082
Cato Township	0.7827	0.7827
Mecosta County	7.2500	7.2054
Kent County	5.3940	5.3940
Montcalm I/S/D	5.0859	5.0859
Montcalm Community College	2.7292	2.7292

[1] The State of Michigan levies 6.00 mills for school operating purposes on all principal residence and non-principal residence property located within the School District.

Source: Mecosta, Kent and Montcalm Counties

STATE AID PAYMENTS

The School District's primary source of funding for operating costs is the State school aid foundation allowance per pupil. The foundation allowance was set from $6,846 to $8,019 per pupil for the fiscal year 2011/12 and has been set from $6,966 to $8,019 per pupil for the fiscal year 2012/2013. In future years, this allowance may be adjusted by an index based upon the change in revenues to the state school aid fund and the change in the total number of pupils statewide. The State may reduce state school aid appropriations at any time if the State's revenues do not meet budget expectations. See "SOURCES OF SCHOOL OPERATING REVENUE" herein for additional information.

The following table shows a history and current estimate of the School District's total State school aid revenues, including categoricals and other amounts, the State Amount Received per Pupil and the Foundation Allowance per Pupil.

Year	Total	State Amount Received per Pupil	Foundation Allowance per Pupil
2012/13 (March's estimate)	$7,827,831	$5,538	$6,966
2011/12	8,108,715	5,478	6,846
2010/11	9,064,102	6,059	7,316
2009/10	9,075,850	6,032	7,316
2008/09	9,488,290	6,073	7,316

* Adjustment is offset by ARRA stabilization funds
Source: Michigan Department of Education

TAX LEVIES AND COLLECTIONS

The School District's fiscal year begins July 1 and ends June 30. School District property taxes are due July 1 of each fiscal year and are payable without interest or penalty on or before the following February 14. All real property taxes remaining unpaid on March 1st of the year following the levy are turned over to the County Treasurers for collection. Montcalm, Mecosta and Kent Counties (the "Counties") annually pay from their Tax Payment Funds delinquent taxes on real property to all taxing units in the Counties, including the School District, shortly after the date delinquent taxes are returned to the County Treasurers for collection.

A history of tax levies and collections for the School District are as follows:

Levy Year	Operating Tax Levy	Collections to March 1 of Following Year		Collections Plus Funding To June 30 of Following Year	
2012	$1,810,904	$1,659,439	91.64%	N/A	
2011	1,830,566	1,648,204	90.04	$1,682,549	91.91%
2010	1,845,202	1,626,661	88.16	1,761,317	95.45
2009	1,817,318	1,633,757	89.90	1,661,458	91.42
2008	1,851,786	1,667,532	90.05	1,836,035	99.15

The Tax Payment Fund is financed through the issuance of General Obligation Limited Tax Notes (GOLTNs) by the Counties. Although the School District anticipates the continuance of this program by the Counties, the ability of the Counties to issue such GOLTNs is subject to market conditions at the time of offering. In addition, Act 206, Public Acts of Michigan, 1893, as amended, provides in part that: "The primary obligation to pay to the county the amount of taxes and interest on the taxes shall rest with the local taxing units and the state for the state education tax under the state education tax act... If the delinquent taxes that are due and payable to the county are not received by the county for any reason, the county has full right of recourse against the taxing unit or to the state for the state education tax... to recover the amount of the delinquent taxes and interest..." On the third Tuesday in July in each year, a tax sale is held by the Counties at which lands delinquent for taxes assessed in the third year preceding the sale, or in a prior year, are sold for the total of the unpaid taxes of those years. Pursuant to Act 123, Public Acts of Michigan, 1999, as amended, property owners with taxes that are two years delinquent will be foreclosed and the property will be sold at public auction. For example, property owners who fail to pay their 2012 delinquent property taxes will lose their property in March 2015.

LABOR FORCE

A breakdown of the number of salaried employees of the School District and their affiliations with organized groups are as follows:

Employees	Number	Bargaining Unit	Contract Expiration
Administrators	5	Non-Affiliated	N/A
Supervisors	3	Non-Affiliated	N/A
Teachers	76	Lakeview Education Association	06/30/2014
Social Worker	1	Lakeview Education Association	06/30/2014
Secretaries	4	Lakeview Ed. Support Pers. Assoc.	06/30/2015
Paraprofessionals	10	Lakeview Ed. Support Pers. Assoc.	06/30/2015
Custodial/Maintenance	2	Lakeview Ed. Support Pers. Assoc.	06/30/2015
Mechanics	1	Lakeview Ed. Support Pers. Assoc.	06/30/2015
TOTAL STAFF	102		

The School District has not experienced a strike by any of its bargaining units within the past ten years.

PENSION FUND

For the period October 1 through September 30, the School District pays an amount equal to a percentage of its employees' wages to the Michigan Public School Employees Retirement System ("MPSERS"), which is administered by the State of Michigan. These contributions are required by law and are calculated by using the contribution rates and periods provided in the table below of the employees' wages. The employer contribution rate for employees who first worked July 1, 2010 or later (Pension Plus members) for the time period July 1, 2010 to September 30, 2010 was 15.44%. For other employees, the rate was 16.94% through September 30, 2010. Effective October 1, 2010, the employer contribution rate for all employees except Pension Plus members increased to 19.41%. For Pension Plus members, the employer contribution rate is 17.91%.

On June 28, 2010, the Michigan Court of Claims issued an injunction in response to a challenge to the authority of the State to require employees who began working before July 1, 2010, to contribute 3% of reportable wages to the retiree health care trust at MPSERS. As a result, the State has adjusted the contribution rate due on employees wages paid between November 1, 2010 and September 30, 2011 to 20.66% for members who first worked prior to July 1, 2010 and 19.16% for Pension Plus members. In March 2011, the Court of Claims granted the plaintiffs' motions for summary disposition finding that the mandatory 3% contribution violated both the U.S. and Michigan Constitutions. The State appealed the ruling to the Michigan Court of Appeals. In August of 2012, the Court of Appeals affirmed the decision of the Court of Claims. The State of Michigan has filed and Application for Leave to Appeal with the Michigan Supreme Court.

On September 4, 2012, the Governor signed SB 1040 (H-3) designated Public Act 300 of 2012 to reform MPSERS. That Act will make changes to employee contributions to their pensions and retiree health benefits, shifting the 3% pension contribution to retiree health benefits. The legislation will increase the amount retirees contribute to their health insurance, and employees will be required to choose to increase contributions to their pension plan, maintain current contribution rates and freeze existing benefits, or freeze existing pension benefits and move into a defined contribution plan.

In addition, the legislation will end retiree health benefits for new hires. On September 5, 2012, an Ingham County Circuit Court judge issued a temporary restraining order barring the State of Michigan from implementing Public Act 300 of 2012. The State of Michigan sought expedited review of the case with the Michigan Supreme Court, bypassing the Michigan Court of Appeals. On November 9, 2012, the Michigan Supreme Court denied the request for an expedited appeal and the case has been remanded to the Circuit Court for review. The ultimate impact of a decision by the Michigan Supreme Court, Court of Appeals or Ingham County Circuit Court on the implementation of this legislation is unknown at this time.

The School District's estimated contribution to MPSERS for 2012/13 and the contributions for the previous four years are shown below.

Contribution Period	Contribution Rate	Pension Plus
Oct. 1, 2012-Sept. 30, 2013 (Employees hired before 7/1/10)*	25.36%	23.20%
Oct. 1, 2011-Sept. 30, 2012	24.46	23.23
Nov. 1, 2010-Sept. 30, 2011	20.66	19.16
Oct. 1, 2010-Oct. 31, 2010	19.41	17.91
Oct. 1, 2009-Sept. 30, 2010	16.94	N/A
Oct. 1, 2008-Sept. 30, 2009	16.54	N/A

Fiscal Year Ending June 30	Contributions to MPSERS
2013 (estimate)	$1,275,273
2012	1,280,812
2011	1,168,711
2010	1,091,240
2009	1,096,507

*Other rates depending on the hire date and type of benefits received - ranging from 20.96% for those hired after 9/4/12 that elect defined contribution and 24.13% for those hired between 7/1/10 and 9/3/12.

Source: Audited financial statements.

OTHER POST-EMPLOYMENT BENEFITS

MPSERS is a cost-sharing, multi-employer, statewide plan. Pension benefits and retiree health benefits are established by law and funded through employer contributions. The cost of retiree health benefits is funded annually on a pay-as-you-go basis, with retirees paying some of the costs. Current year liability for retiree health benefits is reflected in the figures provided above. Further information regarding MPSERS, including retiree health benefits, can be found at: www.michigan.gov/orsschools.

DEBT STATEMENT (As of March 20, 2013 and including the Bonds described herein)

DIRECT DEBT

Dated Date	Purpose	Type	Interest Spread	Maturities	Amount Outstanding
07/01/06	Building & Site	UTQ	4.375%	05/01/13	$ 405,000
02/26/08	Refunding	UTQ	3.00 - 4.00	05/01/13-22	4,990,000
02/13/09	Refunding	UTQ	2.85 - 4.40	05/01/13-22	3,865,000
03/31/10	Refunding (MMBA)	UTQ	3.00	05/01/13	370,000
12/09/10	Refunding	UTQ	2.55 - 3.90	05/01/13-22	2,880,000
TBD	Building & Site	UTQ	(________)		10,000,000*
NET DIRECT DEBT					$22,510,000*

* Preliminary, subject to change.

OVERLAPPING DEBT

Percent	Municipality	Amount Outstanding	District Share
100.00%	Lakeview Village	$265,000	$265,000
0.06	Kent County	177,190,000	106,314
2.61	Mecosta County	9,140,000	238,554
15.83	Montcalm County	9,410,000	1,489,603
14.51	Montcalm I/S/D	1,989,000	288,604
17.35	Montcalm Community College	4,665,000	676,892
0.03	Flat River Community Library	805,000	322

NET OVERLAPPING DEBT	$3,065,289
NET DIRECT AND OVERLAPPING DEBT	$25,575,289*

* Preliminary, subject to change.
Source: Municipal Advisory Council of Michigan.

DEBT RATIOS*

Per Capita (10,263)	
Net Direct Debt	$2,193.32
Net Direct and Overlapping Debt	$2,491.99
Ratio to 2012 Taxable Value ($297,082,650)	
Net Direct Debt	7.58%
Net Direct and Overlapping Debt	8.61%
Ratio to 2012 State Equalized Valuation ($382,698,600)	
Net Direct Debt	5.88%
Net Direct and Overlapping Debt	6.68%
Ratio to 2012 Estimated True Cash Valuation ($765,397,200)	
Net Direct Debt	2.94%
Net Direct and Overlapping Debt	3.34%

* Preliminary, subject to change.

DEBT HISTORY

The School District has no record of default.

FUTURE FINANCING

The School District does not anticipate additional capital financing in the foreseeable future.

OTHER FINANCING

The School District issued Bonds in the amount of $93,693 to the Michigan Municipal Bond Authority ("MMBA") on November 24, 1998, payable solely from state revenues pursuant to section 11g of the State School Aid Act of 1979, as amended. Such Bonds do not, by statute, constitute a general obligation of the School District or a debt of the School District within the meaning of any constitutional or statutory debt limitation.

OTHER BORROWING

The School District has the following borrowings outstanding:

Date	Description	Interest Rate	Maturity Date	Balance
08/20/12	State Aid Note	.64%	08/20/13	$1,250,000
07/15/08	Electrical Improvement	0.00%	07/15/13	5,217
08/27/12	Bus Lease (4)	2.46%	07/07/14	278,416
11/01/12	Bus Lease (1)	2.58%	11/01/13	68,000

The School District anticipates issuing a taxable State Aid Note in August 2013 in the approximate amount of $1,250,000.

LEGAL DEBT MARGIN

2012 State Equalized Valuation		$382,698,600
Debt Limit (15% of 2012 State Equalized Valuation)		$57,404,790
Debt Outstanding, including Bonds described herein	$22,510,000*	
Less Bonds not subject to Debt Limit**	(22,510,000)*	
Total Subject to Debt Limit		0*
Additional Debt Which Could Be Legally Incurred		$57,404,790*

* Preliminary, subject to change.

** Section 1351(3) of Act 451, Public Acts of Michigan, 1976, as amended Act 451, provides that the bonded indebtedness of a school district shall not exceed 15% of the total assessed valuation of the district. Bonds not included in the computation of the legal debt margin are (1) any bond qualified under Article IX, Section 16 of the Michigan Constitution of 1963, and (2) deficit budget bonds as authorized under Section 1356 of Act 451. In addition, Section 605 of Act 34, Public Acts of Michigan, 2001, as amended, provides, in relevant part, that debt evidenced by a refunding security shall not be deemed to be within any statutory or charter limitation of outstanding debt limit.

SCHOOL BOND QUALIFICATION AND LOAN PROGRAM

The School District does not currently have a School Loan Revolving Fund under the School Bond Qualification and Loan Program.

Source: State of Michigan Department of Treasury

GENERAL ECONOMIC INFORMATION

LOCATION AND AREA

Lakeview Community Schools encompasses an area of approximately 190.9 square miles and is located in the western portion of Montcalm County, with small portions lying in adjacent Mecosta and Kent Counties. The School District is comprised of portions of the Townships of Belvidere, Cato, which includes Lakeview Village, Douglass, Maple Valley, Montcalm, Pine and Winfield in Montcalm County and portions of Hinton and Millbrook Townships in Mecosta County and Spencer Township in Kent County.

With the boundaries of the School District is one of the nation's largest underground natural gas storage fields, located near Six Lakes, and owned by Michigan Consolidated Gas Company.

Major municipalities and their direction and approximate distances from the School District are as follows:

21	miles west of Alma
33	miles southeast of Big Rapids
45	miles north of Grand Rapids
74	miles northwest of Lansing
136	miles northwest of Ann Arbor
155	miles northwest of Detroit

POPULATION BY AGE

The 2010 U.S. Census estimate of population by age for Montcalm County are as follows:

	Number	Percent
Total Population	63,342	100.00%
0 through 19 years	16,984	26.81
20 through 64 years	37,416	59.07
65 years and over	8,942	14.12
Median Age	39.3 years	

INCOME

The 2010 U.S. Census estimate of household income for Montcalm County are as follows:

	Number	Percent
HOUSEHOLDS BY INCOME	23,133	100.00%
Less than $10,000	2,059	8.90
$10,000 to $14,999	1,619	7.00
$15,000 to $24,999	3,169	13.70
$25,000 to $34,999	3,123	13.50
$35,000 to $49,999	4,164	18.00
$50,000 to $74,999	4,696	20.30
$75,000 to $99,999	2,175	9.40
$100,000 to $149,999	1,619	7.00
$150,000 to $199,999	393	1.70
$200,000 or more	116	0.50
Median Income	$39,775	
Mean Income	$48,938	

Source: www.census.gov

EMPLOYMENT CHARACTERISTICS*

The following employers located within the School District's boundaries and surrounding communities offer employment opportunities.

Employer	Product/Service	Approx. No. Employed
Within the School District (12 or more employed)		
Parker Hannifin Corp.	Brass fittings	150
Kelsey Memorial Hospital	Health care	150
Lakeview Community Schools	Education	102
McDonalds	Fast food restaurant	65
Leppinks	Supermarket	60
Steeplechase Tool & Die, Inc.	Tool & die job shop	40
State Police	Law enforcement	20
Firstbank	Finance	18
Gummer Peat Co, Inc.	Potting soil	15
Farmers Elevator Co.	Soup bean processing	12
Montcalm County (210 or more employed)		
Federal Mogul Powertrain	Automotive	300
Montcalm County	Government	270
Tower Automotive	Metal stampings	250
Walmart	Department store	250
Montcalm Area ISD	Education	226
Clarion Technologies, Inc.	Plastic molding	225
Eightcap, Inc.	Social services	220
Tri-County Schools	Education	210
Mecosta County (200 or more employed)		
Ferris State University	Higher education	800
Wolverine World Wide, Inc.	Footwear	540
Wal-Mart	Retail	400
Fluid Routing Solutions, Inc.	Fuel assemblies	400
Haworth Inc.-Big Rapids	Office furniture	300
Mecosta-Osceola ISD	Education	298
Mecosta General Hospital	Health care	280
Chippewa Hills School District	Education	260
Meijer	Retail	200

*The approximate number of employees listed above are as reported in the sources indicated below. Because of reporting time lags and other factors inherent in collecting and reporting such information, the numbers may not reflect recent changes in employment levels, if any, nor are they necessarily indicative of the current financial condition of the employers listed in light of the significant economic downturn currently affecting the nation and the State.

Source: 2012 Michigan Manufacturers Directory, 2013 Crain's Book of Lists, Manta Company Intelligence website, the Michigan Economic Development Council ("MEDC"), and individual employers.

EMPLOYMENT BREAKDOWN

The 2010 U. S. Census reports the occupational breakdown of persons 16 years and over for Montcalm County are as follows:

	Number	Percent
PERSONS BY OCCUPATION	25,269	100.00%
Professional Specialty Occupations	5,601	22.16
Service Occupations	4,287	16.96
Sales & Office Occupations	6,220	24.62
Natural Resources, Construction, and Maintenance Occupations	3,309	13.10
Transportation & Material Moving Occupations	5,852	23.16

The breakdown totals by industry for persons 16 years and over in Montcalm County are as follows:

	Number	Percent
PERSONS BY INDUSTRY	25,269	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	888	3.51
Construction	1,696	6.71
Manufacturing	5,303	20.99
Wholesale Trade	653	2.58
Retail Trade	3,510	13.89
Transportation	1,268	5.03
Information	418	1.65
Finance, Insurance, & Real Estate	946	3.74
Professional & Management Services	1,379	5.46
Educational, Health & Social Services	5,083	20.12
Arts, Entertainment, Recreation and Food Services	1,592	6.30
Other Professional and Related Services	1,418	5.61
Public Administration	1,115	4.41

UNEMPLOYMENT*

The Michigan Department of Labor and Economic Growth, Office of Labor Market Information, reports unemployment averages for Montcalm County as compared to the State of Michigan are as follows:

	County of Montcalm	State of Michigan
2012 YTD (December)	10.4%	8.9%
2011 Annual Average	12.3	10.4
2010 Annual Average	15.2	12.5
2009 Annual Average	16.1	13.3
2008 Annual Average	11.5	8.3

*not seasonally adjusted

BANKING

The following banks have branches located within the School District's boundaries. Deposits are as reported in the Accuity American Financial Directory, July - December 2012.

Bank	Main Office	Total State-Wide Deposits
Firstbank	Mount Pleasant	$336,735,000
Chemical Bank West	Midland	4,367,107,000
Isabella Bank	Mount Pleasant	924.199,000

GENERAL SCHOOL INFORMATION

DESCRIPTION

The School District currently operates two elementary schools, one middle school and one high school. The School District's 2012/13 student enrollment is 1,369. A staff of 76 teachers, five administrators and 21 support personnel are employed by the School District.

BOARD OF EDUCATION

The Board of Education consists of seven members who are elected at large for six-year overlapping terms. The Board bi-annually elects a President, Vice President, Treasurer and Secretary. The Board is responsible for the selection and appointment of the Superintendent of Schools. The Board meets as a single body to set or amend policy, develop long range educational goals and act upon recommendations of the Superintendent of Schools. The Board is also responsible for adopting and periodically amending the operating budget and evaluating school programs in accordance with governing laws.

ADMINISTRATIVE STAFF

Kyle Hamlin, SUPERINTENDENT

Mr. Hamlin received his Bachelor of Arts degree in General Management from Spring Arbor College in December 1997 and his Masters Degree in Educational Leadership from Eastern Michigan University in April 2002. He has completed all courses for his Specialist Degree in Educational Leadership from Central Michigan University.

Mr. Hamlin began his career as a child development worker with Jackson County Youth Center in 1995. In 1998, he joined Northeast Elementary, (Jackson Community Schools) as a fourth grade teacher. He joined Davis Middle School, (Hillsdale Community Schools) in 2002. He was promoted to Hillsdale Community Schools Assistant Principal/Middle School Athletic Director. In 2004 through 2007, he was Assistant Principal for Western Middle School, (Western School District). In 2008, he assumed the position of Principal, Special Education Coordinator of Lakeview Middle School, Lakeview Community Schools. In July of 2011, he assumed the position of Superintendent of Lakeview Community Schools.

Mr. Hamlin's professional affiliations include Lakeview Area Community Foundation and Lakeview Lions Club member.

Patricia K. Root, ACCOUNT SUPERVISOR

Ms. Root received her Associates in Accounting from Montcalm Community College and has her Bachelor Degree in General Business from Davenport University.

Ms. Root began serving as the Account Supervisor for Lakeview Community Schools in August 1995. Ms. Root holds membership in the Michigan School Business Officials.

SCHOOL ENROLLMENT

Historical Enrollment

The School District's historical enrollment totals (Fall Pupil Count Day) are as follows:

School Year	Enrollment	School Year	Enrollment
2012/13	1,369	2007/08	1,553
2011/12	1,335	2006/07	1,665
2010/11	1,440	2005/06	1,733
2009/10	1,491	2004/05	1,811
2008/09	1,554	2003/04	1,841

Enrollment by Grade

The enrollment totals by grade for the school year 2012/13 (Fall Pupil Count Day) are as follows:

Kindergarten	85	Ninth	113
First	88	Tenth	133
Second	86	Eleventh	108
Third	96	Twelfth	111
Fourth	80	*Sub Total*	1,290
Fifth	93	Special Ed.	26
Sixth	98	Alternative Ed.	53
Seventh	107		
Eighth	92	TOTAL	1,369

Projected Enrollment

The projected enrollment totals for 2016/17 are as follows:

K-6	591
7-8	182
9-12	376
Special Ed.	26
Alternative Ed.	53
TOTAL	1,228

EXISTING SCHOOL FACILITIES

School	Grades	Year Completed	Additions	Type of Construction	Pupil Capacity
Elementary					
Bright Start	PreK-K	1998	--	Brick	340
Lakeview	1-4	1957	1958/60/64/86/88/90/98	Brick	320
Middle School					
Lakeview	5-8	1957	1959/87/98	Brick	355
High School					
Lakeview	9-12	1969	1975/97	Brick	574

Upon the completion of the project, the functional capacity of the School District will be 1,589.

OTHER SCHOOLS

The following are parochial and charter schools within the School District's boundaries.

School	Grades Served	Approximate Enrollment
Pleasant Hill Amish School	1-8	27
Brockway Christian Academy	K-12	32
Cowden Lake Bible Academy	K-12	46
Lakeview Baptist Schools	K-12	50
Pine Grove Amish School #1	K-6	28
Threshold Academy	K-6	183

APPENDIX C

Lakeview Community Schools
General Fund Budget Summary
For Fiscal Year Ending June 30, 2013

	2012/13 Amended Budget
REVENUE	
Local Taxes	$1,830,904
Other Local Revenue	$79,800
'State Aid & Programs	$8,025,070
Federal Programs	$949,695
Other Financing Sources	443,330
TOTAL REVENUE	$11,328,799
EXPENDITURES	
INSTRUCTION:	
Basic Programs	4,817,801
Added Needs	1,917,811
SUB-TOTAL INSTRUCTION	$6,735,612
SUPPORT:	
Pupil Services	626,913
Instructional Support	197,823
SUB-TOTAL SUPPORT	$824,736
SUPPORTING SERVICES:	
Administrative	1,203,995
Maintenance & Operations	1,074,485
Transportation Services	1,003,587
Staff Training	19,256
Information Services	229,800
Community Services	10,500
Capital Lease	0
TOTAL SUPPORT SERVICES	$3,541,623
Debt Service	13,000
Indirect Cost/Athletics	135,236
Food Service	0
TOTAL EXPENDITURES	$11,250,207
Proceeds from sale of capital assets	
REVENUE OVER (UNDER) EXPENDITURES	$78,592
BEGINNING FUND BALANCE	693,303
ESTIMATED ENDING FUND BALANCE, JUNE 30	$719,499
Transfers out	$136,118
Unencumbered Estimated Ending Fund Balance, June 30	$583,381

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Rehmann

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PO Box 6547
Grand Rapids, MI 49516
Ph: 616.975.4100
Fx: 616.975.4400

INDEPENDENT AUDITORS' REPORT

August 30, 2012

Board of Education
Lakeview Community Schools
Lakeview, Michigan

We have audited the accompanying financial statements of the governmental activities, the general fund and the aggregate remaining fund information of ***Lakeview Community Schools*** (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lakeview Community Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate remaining fund information of Lakeview Community Schools as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison of the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued, under separate cover, our report dated August 30, 2012 on our consideration of Lakeview Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Rehmann Robson

MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of Lakeview Community Schools, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $4,269,536 (*net assets*). Of this amount, $807,738 (*unrestricted net assets*) may be used to meet the District's ongoing obligations for district programs.
- The District's total net assets increased by $782,707.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $1,250,390, a decrease of $57,627 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance of the general fund was $561,525 or 5.1% percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements, including management's discussion and analysis, budgetary schedules and combining statements for nonmajor and fiduciary funds.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated leave).

Both of the government-wide financial statements display functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The activities of the District include instruction, supporting services, community services, food services, athletics and other services. The District has no business-type activities as of and for the year ended June 30, 2012.

The government wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government wide financial statements. By doing so, readers may better understand the long term impact of the District's near term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The District maintains numerous individual governmental funds, one internal service fund, and two agency funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenue, expenditures and changes in fund balances for the general fund which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. These funds include several debt service funds and a food service fund. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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The District adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The governmental fund financial statements can be found on pages 16-20 of this report.

Proprietary Funds. The District maintains one proprietary fund. The *internal service fund* is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to accumulate resources to fund compensated absences payable. The proprietary fund financial statements can be found on pages 21-23 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support Lakeview Community Schools' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 24 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-41 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 46-60 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by $4,269,536 at the close of the most recent fiscal year. The timing of debt service payments and depreciation expense of capital assets has a significant impact on this balance.

A portion of the District's net assets reflect investment in capital assets net of related debt (e.g., land, buildings, vehicles, and equipment, less any related debt used to acquire those assets that is still outstanding). The District uses these capital assets to provide services to the students it serves; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Net Assets	
	2012	2011
Assets		
Current and other assets	$ 4,192,357	$ 4,754,980
Capital assets, net	15,381,012	16,054,284
Total assets	19,573,369	20,809,264
Liabilities		
Current liabilities	2,784,621	3,283,183
Long-term liabilities outstanding	12,519,212	14,039,252
Total liabilities	15,303,833	17,322,435
Net assets		
Invested in capital assets, net of related debt	3,004,476	2,177,780
Restricted	457,322	483,699
Unrestricted	807,738	825,350
Total net assets	$ 4,269,536	$ 3,486,829

An additional portion of the District's net assets represents resources that are subject to other external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing obligations to its general programs.

	Change in Net Assets	
	2012	2011
Revenue		
Program revenues:		
Charges for services	$ 345,875	$ 373,418
Operating grants and contributions	2,064,219	2,022,456
General revenues:		
Property taxes - operations	1,782,846	1,804,247
Property taxes - debt service	1,914,598	2,051,959
Grants and contributions not restricted to specific programs	7,393,139	8,800,711
Universal service funds	8,531	13,087
Gain on sale of capital assets	9,900	-
Unrestricted investment earnings	6,936	12,010
Other revenue	31,062	27,067
Total revenues	13,557,106	15,104,955
Expenses		
Instruction	7,125,626	7,690,217
Supporting services	3,590,466	4,220,231
Athletics	189,673	211,012
Community services	6,420	36,706
Food services	635,469	673,416
Interest on long-term debt	529,559	588,627
Depreciation - unallocated	697,186	699,677
Total expenses	12,774,399	14,119,886
Change in net assets	782,707	985,069
Net assets, beginning of year	3,486,829	2,501,760
Net assets, end of year	$ 4,269,536	$ 3,486,829

Governmental Activities. Net assets increased by $782,707. This was primarily the result of the current year principal payments on long-term debt exceeding the amount of capitalized assets.

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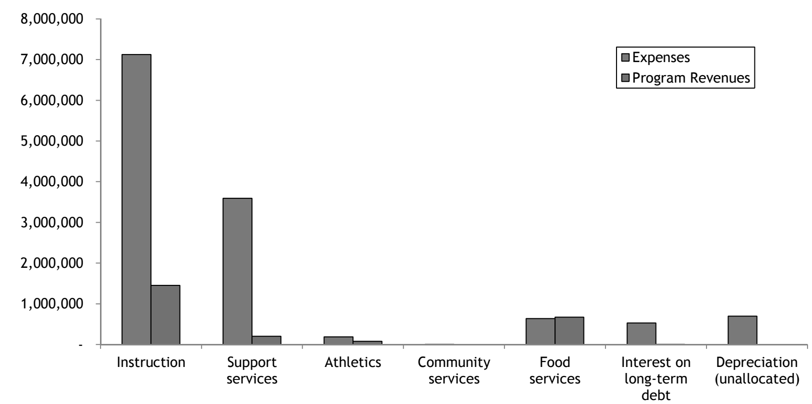
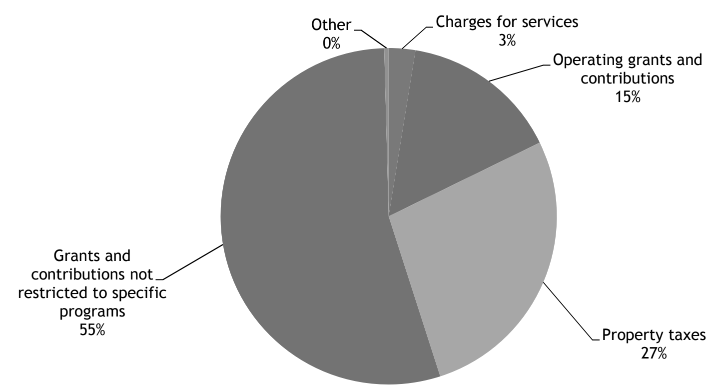
Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $561,525, while the total fund balance was $719,499. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 5.1% and 6.5%, respectively, of total general fund expenditures.

The fund balance of the District's general fund decreased by $23,429 during the current fiscal year. Fund balance of the general fund remained relatively consistent with only a 3.2% change from the prior year. The largest revenue source in this fund is state revenue which includes primarily state aid. Expenditures consist primarily of costs associated with instruction and related supporting activities.

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General Fund Budgetary Highlights

Amendments to the original adopted budget are passed in order to reflect changes in information and circumstances. Some of the more significance changes between the original adopted and final amended budgets were:

- The budget for Special Education Medicaid revenue from the ISD increased from $40,000 in the original budget to $128,330 in the final budget to account for funding initially held back by the ISD in anticipation of potential payback to the State, based on pending legislation. The funds were not required to be repaid and were distributed to the local districts.

- Budgeted revenue and expenditures for certain federal grants were increased in order to account for allowable carry forward of unspent balances from the prior year.

- Budgeted expenditures for basic programs (elementary, middle school, and high schools) all increased from the original budget because the District was able to call certain teachers back from layoff status, based on the realignment of our schools.

- Budgeted expenditures for special education and compensatory education, components of "added needs" instructional expenditures both increased because additional grant funds were received mid-year and additional staff was hired to assist with overload numbers in special education classrooms.

- Improvement of instruction expenditures were originally budgeted for $158,151 which was increased to $190,820 in the final amended budget. However, actual expenditures were only $151,852. These variances were a result of not using the full amount of funds allotted for grants and committee compensation pay.

In accordance with State statute, the District is prohibited from amending the budget after year-end. As the District's books are not closed for accounting purposes at that point, a certain level of estimation is required in determining actual need. Some of the more significant differences between the final amended budget and the actual financial results were:

- Special education expenditures were approximately $87,000 less than the final budget because the budget for retirement expense had been figured incorrectly. In addition, special education tuition charges from other schools and ISD billings for transportation services each came in at lower than expected amounts.

- Compensatory education expenditures were approximately $170,000 less than the final budget because the District budgets for the full amount of Title I and At-risk grants awards. However, the District is often unable to utilize the full amounts of these award for the specific allowable purposes.

- Operating and building services were approximately $103,000 less than the final budget as a result of utility and repair bills coming in at lower than expected amounts.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2012 amounted to $15,381,012 (net of accumulated depreciation). Significant additions included sporting equipment and an oven for the food service program. Capital assets at year-end included the following:

	Capital Assets (Net of Depreciation)	
	2012	2011
Land	$ 370,160	$ 370,160
Buildings and improvements	14,064,103	14,579,815
Machinery and equipment	711,398	795,554
Vehicles	235,351	308,755
Total capital assets, net	$15,381,012	$16,054,284

Additional information on the District's capital assets can be found in Note 5 on pages 35 of this report.

Long-Term Debt. At the end of the current fiscal year, the District had total long-term debt outstanding of $12,519,212. The District's total debt decreased by $1,520,040 during the current fiscal year.

Additional information on the District's long term debt can be found in Note 7 on pages 36-38 of this report.

Factors Bearing on the District's Future

The following factors were considered in preparing the District's budget for the 2012-2013 fiscal year:

- Wage freeze for all staff.
- Employees to pay 20 percent of health insurance premiums.
- Increase in foundation allowance of $120 per student.
- Blended student count of 1,280 students, a decrease of 62 students from fiscal year 2011-2012.
- Retirement costs were projected according to the state retirement rate of 27.37 percent.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Superintendent or Designee
Lakeview Community Schools
123 Fifth Street
Lakeview, MI 48850

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BASIC FINANCIAL STATEMENTS

LAKEVIEW COMMUNITY SCHOOLS

Statement of Net Assets
June 30, 2012

	Governmental Activities
Assets	
Cash and cash equivalents	$ 1,459,427
Investments	800,660
Receivables	1,706,000
Other assets	83,374
Deferred bond issuance costs, net	142,896
Capital assets not being depreciated	370,160
Capital assets being depreciated, net	15,010,852
Total assets	19,573,369
Liabilities	
Accounts payable and accrued expenses	1,180,084
Unearned revenue	104,537
Note payable	1,500,000
Current portion of long-term debt	1,593,269
Long-term debt, net of current portion	10,925,943
Total liabilities	15,303,833
Net assets	
Invested in capital assets, net of related debt	3,004,476
Restricted for food service operations	207,474
Restricted for debt service	249,848
Unrestricted	807,738
Total net assets	$ 4,269,536

The accompanying notes are an integral part of these financial statements.

Statement of Activities
For the Year Ended June 30, 2012

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue
Governmental activities				
Instruction	$ 7,125,626	$ 45,438	$ 1,406,059	$ (5,674,129)
Supporting services	3,590,466	33,491	166,906	(3,390,069)
Athletics	189,673	79,440	-	(110,233)
Community services	6,420	-	-	(6,420)
Food services	635,469	187,506	485,045	37,082
Interest on long-term debt	529,559	-	6,209	(523,350)
Unallocated depreciation	697,186	-	-	(697,186)
Total governmental activities	$ 12,774,399	$ 345,875	$ 2,064,219	(10,364,305)
General revenues				
Property taxes - operations				1,782,846
Property taxes - debt service				1,914,598
Grants and contributions not restricted to specific programs				7,393,139
Universal service funds				8,531
Gain on sale of capital assets				9,900
Unrestricted investment earnings				6,936
Other revenue				31,062
Total general revenues				11,147,012
Change in net assets				782,707
Net assets, beginning of year				3,486,829
Net assets, end of year				$ 4,269,536

The accompanying notes are an integral part of these financial statements.

Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 857,102	$ 524,944	$ 1,382,046
Investments	800,660	-	800,660
Accounts receivable	27,003	-	27,003
Taxes receivable	196	372	568
Due from other governments	1,645,187	33,242	1,678,429
Inventory	33,484	10,756	44,240
Prepaid items	39,134	-	39,134
Total assets	$ 3,402,766	$ 569,314	$ 3,972,080
Liabilities			
Accounts payable	$ 99,130	$ 27,785	$ 126,915
Accrued expenditures	979,600	-	979,600
Deferred revenue	104,537	10,638	115,175
Note payable	1,500,000	-	1,500,000
Total liabilities	2,683,267	38,423	2,721,690
Fund balances (Note 9)			
Nonspendable	72,618	10,756	83,374
Restricted	-	520,135	520,135
Committed	54,657	-	54,657
Assigned	30,699	-	30,699
Unassigned	561,525	-	561,525
Total fund balances	719,499	530,891	1,250,390
Total liabilities and fund balances	$ 3,402,766	$ 569,314	$ 3,972,080

The accompanying notes are an integral part of these financial statements.

Reconciliation
Fund Balances for Governmental Funds
to Net Assets of Governmental Activities
June 30, 2012

Fund balances - total governmental funds	$ 1,250,390
Amounts reported for *governmental activities* in the statement of net assets are different because:	
Long-term receivables are reported as an asset and revenue when earned on the of net assets while the governmental funds report these balances as an asset and deferred revenue until the availability criterion for revenue recognition is met.	
Deferred long-term Durant receivable	10,638
Amortization of bond issuances costs are not recorded in the fund statements, but are recorded as other assets on the statement of net assets.	
Bond issuance costs, net of accumulated amortization	142,896
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	370,160
Capital assets being depreciated, net	15,010,852
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(12,537,257)
Unamortized bond premiums/discounts	(63,287)
Unamortized deferred loss on bond refunding	213,370
Accrued interest on bonds payable	(73,569)
Compensated absences payable:	
Total liability reported	(132,038)
Amount reported as liability in the internal service fund	77,381
Net assets of governmental activities	$ 4,269,536

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The accompanying notes are an integral part of these financial statements.

LAKEVIEW COMMUNITY SCHOOLS

Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue			
Local sources	$ 2,120,947	$ 2,107,597	$ 4,228,544
State sources	8,186,636	35,709	8,222,345
Federal sources	645,991	460,478	1,106,469
Total revenue	10,953,574	2,603,784	13,557,358
Expenditures			
Current:			
Instruction	7,149,716	-	7,149,716
Supporting services	3,583,600	-	3,583,600
Athletics	193,625	-	193,625
Community services	6,420	-	6,420
Food services	-	642,243	642,243
Debt service:			
Principal	14,460	1,505,152	1,519,612
Interest and fiscal charges	16,139	490,396	506,535
Taxes abated	9,755	191	9,946
Capital outlay	13,188	-	13,188
Total expenditures	10,986,903	2,637,982	13,624,885
Revenue over (under) expenditures	(33,329)	(34,198)	(67,527)
Other financing sources			
Proceeds from sale of capital assets	9,900	-	9,900
Net changes in fund balances	(23,429)	(34,198)	(57,627)
Fund balances, beginning of year	742,928	565,089	1,308,017
Fund balances, end of year	$ 719,499	$ 530,891	$ 1,250,390

The accompanying notes are an integral part of these financial statements.

Reconciliation
Net Changes in Fund Balances of Governmental Funds
to Change in Net Assets of Governmental Activities
For the Year Ended June 30, 2012

Net change in fund balances - total governmental funds	$ (57,627)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Long-term receivables are reported as revenue when earned on the statement of activities while the governmental funds report these balances as revenue when the availability criterion for revenue recognition is met.	
Change in deferred Durant receivable	(10,152)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	23,914
Depreciation expense	(697,186)
Proceeds from sale of capital assets	(9,900)
Gain on sale of capital assets	9,900
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but a reduction in long-term debt on the statement of net assets.	
Principal payments on long-term debt	1,519,612
Amortization of bond issuance costs	(21,353)
Amortization of bond premiums/discounts	16,938
Amortization of deferred loss on bond refunding	(26,430)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in accrued interest payable on bonds	7,821
Change in compensated absences payable:	
Net change in total liability	9,920
Change in balance recorded in internal service fund	17,250
Change in net assets of governmental activities	$ 782,707

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The accompanying notes are an integral part of these financial statements.

LAKEVIEW COMMUNITY SCHOOLS

Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Local sources	$ 2,064,239	$ 2,133,602	$ 2,120,947	$ (12,655)
State sources	8,030,758	8,330,137	8,186,636	(143,501)
Federal sources	530,509	804,042	645,991	(158,051)
Total revenue	10,625,506	11,267,781	10,953,574	(314,207)
Expenditures				
Current:				
Instruction	6,529,746	7,522,685	7,149,716	(372,969)
Supporting services	3,516,983	3,900,076	3,583,600	(316,476)
Athletics	175,634	194,414	193,625	(789)
Community services	20,118	13,755	6,420	(7,335)
Debt service:				
Principal	13,000	14,460	14,460	-
Interest and fiscal charges	75,000	16,200	16,139	(61)
Taxes abated	30,000	10,000	9,755	(245)
Capital outlay	-	13,188	13,188	-
Total expenditures	10,360,481	11,684,778	10,986,903	(697,875)
Revenue over (under) expenditures	265,025	(416,997)	(33,329)	383,668
Other financing sources				
Proceeds on sale of capital assets	-	9,900	9,900	-
Net changes in fund balance	265,025	(407,097)	(23,429)	383,668
Fund balance, beginning of year	742,928	742,928	742,928	-
Fund balance, end of year	$ 1,007,953	$ 335,831	$ 719,499	$ 383,668

The accompanying notes are an integral part of these financial statements.

LAKEVIEW COMMUNITY SCHOOLS

Statement of Net Assets
Internal Service Fund
June 30, 2012

	Compensated Absences Fund
Assets	
Cash and cash equivalents	$ 77,381
Liabilities	
Compensated absences	77,381
Net assets	
Unrestricted	$ -

The accompanying notes are an integral part of these financial statements.

LAKEVIEW COMMUNITY SCHOOLS

Statement of Revenue, Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Year Ended June 30, 2012

	Compensated Absences Fund
Operating revenue	
Charges for services	$ 16,893
Operating expenses	
Personnel services	17,250
Operating loss	(357)
Nonoperating revenue	
Interest income	357
Change in net assets	-
Net assets, beginning of year	-
Net assets, end of year	$ -

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2012

		Compensated Absences Fund
Cash flows from operating activities		
Receipts from interfund services provided	$	16,893
Cash flows from investing activities		
Interest received		357
Net increase in cash and cash equivalents		17,250
Cash and cash equivalents, beginning of year		60,131
Cash and cash equivalents, end of year	$	77,381
Cash flows from operating activities		
Operating loss	$	(357)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Change in:		
Compensated absences		17,250
Net cash provided by operating activities	$	16,893

The accompanying notes are an integral part of these financial statements.

Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2012

Assets		
Cash and cash equivalents	$	74,683
Accounts receivable		650
Total assets	$	75,333
Liabilities		
Due to student groups	$	68,567
Withholdings payable		6,766
Total liabilities	$	75,333

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

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Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of Lakeview Community Schools (the "District"), consistently applied in the preparation of the accompanying financial statements, is as follows:

The Reporting Entity

As required by generally accepted accounting principles, these financial statements present the reporting entity of Lakeview Community Schools. The criteria identified in GASB Statements 14 and 39, including financial accountability, have been utilized in identifying the District's reporting entity which includes no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. The District had no *business-type activities* during the year ended June 30, 2012.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental, proprietary and fiduciary funds even though the latter are excluded from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The agency fund follows the accrual basis of accounting, but does not have a measurement focus.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, expenditure-driven grant revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

The *general fund* is the District's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Additionally, the District reports the following fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *internal service fund* accounts for earned, but unused, sick and vacation benefits that the District may be liable for upon employee retirement.

The *agency funds* account for resources held on the behalf of other individuals and governments.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. The District had no capital grants and contributions for the year ended June 30, 2012. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, unrestricted grants and interest income.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the internal service fund is charges to other funds for employee benefits. Operating expenses for the internal service fund are comprised of accrued compensated absences. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Budgets and Budgetary Accounting

Budgets are adopted for general and special revenue funds as required by state law and are adopted on a basis consistent with generally accepted accounting principles (GAAP). The District considers the debt service payment schedule to be an adequate budgetary control. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the Board a proposed operating budget for the fiscal year commencing the following July 1.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of a resolution.

4. Formal budgetary integration is employed as a management control device during the year for all governmental funds.

5. Adoption and amendments of all budgets used by the District are governed by Public Act 621, which was followed for the year ended June 30, 2012. Expenditures may not exceed appropriations at the function code level. The appropriations resolutions are based on the projected expenditures budget of the department heads of the District. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the School Board.

Property Taxes

Property taxes are recognized as revenue in the general and debt service funds on a levy year basis. The 2011 levy amounts are recognized as current property tax revenue to the extent that they are collected during the year or within sixty days after year end. Collections of delinquent taxes in subsequent years are recognized as property tax revenues in the year collected. Property taxes are levied December 1 on the assessed valuation of property located in the District as of the preceding December 31, the lien date. Assessed values are established annually by the various governmental units within the District and are equalized by the State of Michigan.

Cash and Cash Equivalents

The District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Investments

The District's investments consist of mutual funds with a regional financial institution. Investments are stated at fair value.

State statues authorize the District to invest in:

a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, depository receipts of a qualified financial institution.

c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

d. Bankers acceptances of United States banks.

e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.

f. Mutual funds registered under the Investment Company Act of 9140 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

Receivables

The District follows the practice of recording as receivables revenues that have been earned but not yet received. Receivables consist primarily of State Aid payments from the State of Michigan and Federal grant funds earned but not yet collected. No amounts have been identified as potentially uncollectible by management, and therefore, no amount has been recorded as a provision for bad debts.

Other Assets

Inventories consist of office supplies and food items. Inventories are stated at cost (first in, first out). Payments to vendors for services that will benefit periods beyond a fund's fiscal year-end are recorded as prepaid items in both the government-wide and fund financial statements.

Deferred Bond Issuance Costs, Net

The District incurs costs in issuing and refunding certain bonds payable. These costs do not represent a cost of a single period and, as such, have been recorded as an asset in the statement of net assets. Amounts are amortized on a straight-line basis over the life of the respective bond issues.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the District are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-45
Machinery and equipment	5-20
Vehicles	8

Salaries Payable and Accrued Employee Benefits

A liability is recorded at June 30 for those amounts owed to teachers and other employees of the District who do not work during the summer when school is not in session but have elected to have their salaries paid over an entire year. This has the effect of properly charging their salaries to expenditures in the fiscal year in which their services are received, even though they are not paid until July and August of the following fiscal year.

The liability for accrued retirement and the employer share of FICA related to the salaries payable has been recorded as has the liability for employee health insurances for the months of July and August. The District pays these insurances for this period as a part of the compensation for services rendered in the preceding school year.

Vested Termination Benefits

Most employees of the District are compensated for leaves of absences chargeable to sick days. Each school year, the covered employees are credited with a number of sick days and any unused portion of such allowances can accumulate. Upon retirement, those employees who meet certain age and years of service requirements will be paid for a portion of sick days accumulated to a maximum number of days and at a rate determined by their job category.

The liability for the sick leave has been computed using the vesting method in accordance with Governmental Accounting Standards Board Statement No. 16. This District is funded this liability through biweekly payroll withholdings. Such amounts are reported in the compensated absences self insurance fund. The entire balance is recorded as a liability in the government-wide statements. In accordance with Board policy, the difference between the total liability and the amount recorded in the internal service fund is recorded as committed fund balance of the general fund.

Long-term Obligations

For new bond issuances of governmental funds after the implementation of GASB Statement No. 34 and all proprietary fund bond issues, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums and discounts on debt issuances are reported as other financing uses and sources, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

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Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education. A formal resolution of the Board of Education is required to establish, modify, or rescind a fund balance commitment. The District reports assigned fund balance for amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education has delegated the authority to assigned fund balance to the Superintendent. Unassigned fund balance is the residual classification for the general fund.

The Board of Education has adopted a minimum fund balance policy in which the total fund balance of the general fund will be equal to 5 to 15 percent of the subsequent year's budgeted expenditures and transfers out. If the fund balance of the general fund falls below the minimum range, the District will replenish shortages or deficiencies using budgets strategies and timeframes as detailed in the policy. If the fund balance of the general fund exceeds 15 percent, the District may consider using such surpluses for certain purposes or may retain such balances for future needs or unanticipated expenses, in accordance with the policy.

When the District incurs an expenditure for purposes for which various fund balance classifications can be used, it is the District's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Durant Related Issues

Under Public Act 142 of 1997, enacted in November 1997 as part of the Durant Resolution Package, school districts and intermediate school districts were offered settlement amounts to settle, compromise, and resolve, in their entirety, any potential claims they may have asserted for violations of section 29, Article IX, of the constitution through September 30, 1997, which were similar to the claims asserted by the plaintiffs in the Durant v. State of Michigan case. To be eligible to receive its offer of settlement amount, the non-plaintiff district needed to adopt and submit to the State Treasurer a waiver resolution, in the form set forth in Public Act 142 of 1997, waiving any potential claims through September 30, 1997. Settlement amounts were based on the formula used to determine amounts owed to Durant plaintiffs. Half the settlement amount was received in ten annual payments; the other half was received in a lump sum by participating in a special bonding program offered through the Michigan Municipal Bond Authority (MMBA) or in fifteen annual payments. Lakeview Community Schools elected to participate in the special bonding program.

Districts electing to bond under the Durant settlement received a lump sum amount (bond proceeds) on November 24, 1998. This created a liability which will be reduced each year with an annual state appropriation made for debt service on the bonds. The annual State of Michigan appropriation is the only revenue source for making the annual debt service payment on the bonds. If the legislature fails to appropriate the funds, the District is under no obligation for payment. Additionally, the bond documentation states specifically that the Bonds shall not be in any way a debt or liability of the State of Michigan. This liability has been booked on the statement of net assets. Annual appropriations from the State are recorded in the Durant debt service fund along with the payment of the interest and principal of the bonds.

The original bond proceeds were recorded in the Durant Construction Fund and expended for purposes specified in §1351a of the Michigan Revised School Code.

Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The amounts recorded as subsidies or advances are determined by the District.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. STATE OF MICHIGAN SCHOOL AID

The District reports State of Michigan school aid in the fiscal year in which the District is entitled to the revenue as provided by State of Michigan school aid appropriation acts. State funding represented 75% of the District's general fund revenue during the 2012 fiscal year.

3. DEPOSITS AND INVESTMENTS

The captions on the financial statements relating to cash and investments are as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and cash equivalents	$ 1,459,427	$ 74,683	$ 1,534,110
Investments	800,660	-	800,660
Total	$ 2,260,087	$ 74,683	$ 2,334,770

Cash and investments are comprised of the following at year-end:

Checking and savings accounts	$ 1,533,560
Investments	800,660
Cash on hand	550
Total	$ 2,334,770

Cash and cash equivalents are comprised of deposits in two (2) financial institutions located in Michigan. State policy limits the District's investing options to financial institutions located in Michigan. All accounts are in the name of the District and a specific fund or common account. They are recorded in District records at fair value.

The District chooses to disclose its investments by specifically identifying each. As of year-end, the District had the following deposits and investments:

	Fair Value	Rating
Investment		
Cash management/mutual funds:		
MILAF plus - max series	$ 800,660	S&P AAAm

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in Note 1 of the summary of significant accounting policies. The District's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. None of the District's deposits or investments had fixed maturities at year end.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of District's specific financial institutions, qualified mutual funds, and qualified external investment pools as identified in Note 1 (summary of significant accounting policies). The investment policy does not have specific limits in excess of State law on investment credit risk. The ratings for each investment are identified above for investments held at year-end.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District minimizes this risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors to be in compliance with the requirements set forth in the District's investment policy. As of year-end, $1,214,317 of the District's bank balance of $1,714,317 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimized this risk by pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors to be in compliance with the requirements set forth in the District's investment policy. Of the above mutual fund investments the District's custodial credit risk exposure cannot be determined because the mutual funds do not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1 of the summary of significant accounting policies. The District's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

4. RECEIVABLES AND PAYABLES

Receivables in the government-wide financial statements at year-end are as follows:

	Governmental Activities
Accounts	$ 27,003
Taxes	568
Due from other governments	1,678,429
Totals	$ 1,706,000

Accounts payable and accrued expenditures in the government-wide financial statements at year-end are as follows:

	Governmental Activities
Accounts	$ 126,915
Accrued expenditures	979,600
Interest payable on long-term debt	73,569
Totals	$ 1,180,084

5. CAPITAL ASSETS

A summary of changes in capital assets activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 370,160	$ -	$ -	$ -	$ 370,160
Capital assets, being depreciated:					
Buildings and improvements	26,294,476	-	-	-	26,294,476
Machinery and equipment	1,826,035	23,914	-	-	1,849,949
Vehicles	1,468,020	-	(242,551)	-	1,225,469
	29,588,531	23,914	(242,551)	-	29,369,894
Less accumulated depreciation for:					
Buildings and improvements	(11,714,661)	(515,712)	-	-	(12,230,373)
Machinery and equipment	(1,030,481)	(108,070)	-	-	(1,138,551)
Vehicles	(1,159,265)	(73,404)	242,551	-	(990,118)
	(13,904,407)	(697,186)	242,551	-	(14,359,042)
Total capital assets being depreciated, net	15,684,124	(673,272)	-	-	15,010,852
Governmental activities capital assets, net	$ 16,054,284	$ (673,272)	$ -	$ -	$ 15,381,012

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

In May 2011, the Board of Education determined that Bright Start Elementary (which has an original cost $3,730,433 and accumulated depreciation of $1,098,109 as of June 30, 2012) would be closed for the 2011-12 school year. The building is currently being rented by various organizations, but not for classroom space by the District. The District is currently housing its elementary-aged students in a separate facility, which is larger and able to accommodate current enrollment. If student counts continue to decline, as is predicted by management, Bright Start Elementary (a newer facility) will be reopened in a subsequent year when it is able to accommodate the student population.

6. SHORT-TERM DEBT

The following is a summary of debt transactions of the District for the year ended June 30, 2012:

	Beginning Balance	Additions	Deductions	Ending Balance
School aid anticipation note (maturing 08/20/2012) with an interest rate of 0.99% (operating cash flow)	$ 1,800,000	$ 1,500,000	$ (1,800,000)	$ 1,500,000

7. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2012:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
General obligation bonds	$ 14,025,790	$ -	$ (1,505,152)	$ 12,520,638	$ 1,570,638
Installment purchase agreement	31,079	-	(14,460)	16,619	15,295
	14,056,869	-	(1,519,612)	12,537,257	1,585,933
Unamortized discounts / premiums	80,225	-	(16,938)	63,287	10,911
Deferred loss on bond refunding	(239,800)	-	26,430	(213,370)	(26,429)
Compensated absences	141,958	10,070	(19,990)	132,038	22,854
Totals	$ 14,039,252	$ 10,070	$ (1,530,110)	$ 12,519,212	$ 1,593,269

General obligation bonds

1998 school improvement bonds (Durant settlement) due in amounts ranging from $6,996 through $16,264 plus interest at 4.76% through 2013	$ 10,638
2006 school building and site bonds due in amounts ranging from $150,000 through $405,000 plus interest at 4.375% through 2013 (unlimited tax, general obligation)	405,000
2008 refunding bonds due in amounts ranging from $265,000 through $555,000 plus interest at 4.05-4.65% through 2022 (unlimited tax, general obligation)	4,990,000
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)	3,865,000

General obligation bonds (concluded)	
2010 refunding bonds due in amounts ranging from $325,000 through $370,000 plus interest at 2.00-3.00% through 2013 (unlimited tax, general obligation)	$ 370,000
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)	2,880,000
Total	$ 12,520,638
Installment purchase agreements	
2008 electrical improvements installment purchase agreement, payable in monthly installments of $1,319 including interest at 4.42% through 2013	$ 16,619

Following is a summary of future bond and loan principal maturities and interest requirements:

Year Ended June 30,	Principal	Interest	Total
2013	$ 1,585,933	$ 442,455	$ 2,028,388
2014	1,246,324	390,604	1,636,928
2015	1,255,000	353,348	1,608,348
2016	1,245,000	314,334	1,559,334
2017	1,225,000	273,561	1,498,561
2018-2022	5,980,000	708,154	6,688,154
Totals	$ 12,537,257	$ 2,482,456	$ 15,019,713

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.

Compensated absences are expected to be liquidated by the general and food service funds. During 2006, the District began advance funding its liability for compensated absences through interfund charges from an internal service fund. Once funded, the District expects to liquidate its compensated absences through this fund.

8. RETIREMENT PLAN

Plan Description

The District contributes to the Michigan Public School Employees Retirement System ("MPSERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Michigan Department of Management and Budget, Office of Retirement Systems. MPSERS provides survivor and disability benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by state statute.

The Office of Retirement Systems issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report can be obtained by writing to Michigan Public School Employees Retirement System, 7150 Harris Drive, P.O. Box 30171, Lansing, Michigan, 48909 or by calling (517) 322-5103.

Funding Policy

Member contribution rates vary based on date of hire and certain voluntary elections. Member Investment Plan ("MIP") members enrolled in MIP prior to January 1, 1990 contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990 through June 30, 2008 contribute at the following graduated permanently fixed contribution rates: 3 percent of the first $5,000; 3.6 percent of $5,001 through $15,000; 4.3 percent of all wages over $15,000. Members first hired July 1, 2008 through June 30, 2010 contribute at the following graduated permanently fixed contribution rates: 3 percent of the first $5,000; 3.6 percent of $5,001 through $15,000; 6.4 percent of all wages over $15,000. Basic Plan members make no contributions. Members first enrolled on or after July 1, 2010 are enrolled in the Pension Plus Plan which contains a defined contribution component. Member contributions are matched at a rate of 50 percent by the employer, up to a maximum of one percent. The District is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefits on a cash disbursement basis.

The rates for the year ended June 30, 2012 as a percentage of payroll ranged from 20.66 to 24.46 percent for MIP members and 19.16 to 23.23 percent for Pension Plus members. The contribution requirements of plan members and the District are established by Michigan State statue and may be amended only by action of the State Legislature. The District's contributions to MPSERS for the years ended June 30, 2012, 2011, and 2010 were $1,280,812, $1,168,711, and $1,091,240, respectively, equal to the required contributions for each year.

Other Postemployment Benefits

Retirees have the option of health coverage which is funded on a cash disbursement basis by the employers. The State of Michigan has contracted to provide the comprehensive group medical, hearing, dental and vision coverage for retirees and beneficiaries. All health care benefits are on a self-funded basis. A significant portion of the premium is paid by MPSERS with the balance deducted from the monthly pension.

Pension recipients are eligible for fully paid Master Health Plan coverage and 90% paid Dental Plan, Vision Plan and Hearing Plan coverage with the following exceptions:

1. Retirees not yet eligible for Medicare coverage pay an amount equal to the Medicare Part B premiums.

2. Retirees with less than 30 years of service, who terminate employment after October 31, 1998 with the vested deferred benefits, are eligible for partially State of Michigan paid health benefit coverage (no payment if less than 21 years of service).

9. FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* the District classified fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable:			
Inventory	$ 33,484	$ 10,756	$ 44,240
Prepaid items	39,134	-	39,134
Total nonspendable	72,618	10,756	83,374
Restricted for:			
Debt service	-	323,417	323,417
Food service program	-	196,718	196,718
Total restricted	-	520,135	520,135
Committed for:			
Compensated absences	54,657	-	54,657
Assigned for:			
Athletics program	26,196	-	26,196
Pop funds	4,503	-	4,503
Total assigned	30,699	-	30,699
Unassigned	561,525	-	561,525
Total fund balances - governmental funds	$ 719,499	$ 530,891	$ 1,250,390

10. INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT

The composition of net assets invested in capital assets, net of related debt as of June 30, 2012, was as follows:

	Governmental Activities
Capital assets:	
Capital assets not being depreciated	$ 370,160
Capital assets being depreciated, net	15,010,852
	15,381,012
Related debt:	
Total bonds and notes payable	12,537,257
Net bond premiums/discounts	63,287
Deferred loss on advance refunding	(213,370)
Less: Durant receivable	(10,638)
	12,376,536
Invested in capital assets, net of capital-related debt	$ 3,004,476

11. RELATED PARTIES

During the year ended June 30, 2012, the District made certain purchases from a local fast food restaurant owned and operated by a member of the Board of Education. The dollar amounts involved cannot be readily determined as they were reimbursed to employees through expense reports, but are estimated to be less than $1,000. In addition, a member of the Board of Education serves as an account representative for the District's 403(b) deferred compensation plan.

12. CONTINGENCIES

Federal Grant Programs

The District participates in federally assisted grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, not to be material.

Risk Management and Self Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2012, the District carried commercial insurance and participated in a public entity risk pool. The District has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

Notes to Financial Statements

Effective October 1, 2011, the District became self-insured for dental, vision and prescription on a pay-as-you-go basis for claims. The self-insurance program is administered by third party administrators. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Management has recorded known claims payable as of June 30, based on reports provided by the third-party administrator. An estimate for incurred-but-not-reported claims has not been recorded, as management as determined that the amount would not be material to the financial statements.

Changes in the balance of claims liabilities are as follows:

	Coverage Type	
	Dental / Vision	Prescription
Estimated liability, June 30, 2011	$ -	$ -
Estimated claims incurred	58,272	193,164
Claim payments	(50,199)	(172,821)
Estimated liability, June 30, 2012	**$ 8,073**	**$ 20,343**

13. SUBSEQUENT EVENTS

Subsequent to June 30, 2012, the District received proceeds of $1,250,000 in State of Michigan School Aid anticipation notes due in August 2013. The notes bear interest at 0.64%.

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DRAFT LEGAL OPINION

Lakeview Community Schools
Counties of Montcalm, Mecosta and Kent
State of Michigan

We have acted as legal counsel in connection with the issuance by Lakeview Community Schools, Counties of Montcalm, Mecosta and Kent, State of Michigan (the "Issuer"), of bonds in the aggregate principal amount of $___________, designated 2013 School Building and Site Bonds (General Obligation-Unlimited Tax) (the "Bonds").

The Bonds are in fully registered form and issued without coupons.

The Bonds are dated _____________, 2013, are subject to redemption prior to maturity at the option of the Issuer in the manner and at the times as set forth in the Bonds, are of $5,000 denomination or any integral multiple thereof, mature serially on May 1 of each year, bearing interest payable on November 1, 2013, and semiannually thereafter on May 1 and November 1 of each year in the amounts and rates as follows:

Year	Amount	Rate

The Bonds maturing on May 1, _____, are term Bonds subject to mandatory redemption in part, by lot, on the redemption dates and at the redemption price equal to the principal amount thereof as provided in the Bonds.

We have examined the documents which we deem authentic and pertinent to the validity of the Bonds, including the certified record evidencing the authorization of the Bonds by the board of education of the Issuer, a copy of the approval of the Department of Treasury of the State of Michigan to issue the Bonds, a certified copy of the certificate of the Treasurer of the State of Michigan qualifying the Bonds for purposes of Article IX, Section 16, of the Michigan Constitution, and a specimen of the Bond certificates.

Based upon the foregoing, we are of the opinion that under existing law:

(1) the Bonds have been lawfully authorized and issued and are enforceable obligations of the Issuer in accordance with their terms;

(2) the Bonds are the general obligation of the Issuer for which its full faith, credit and resources have been irrevocably pledged;

(3) the Issuer has the power, and is obligated, to levy taxes on all taxable property now situated within the corporate boundaries of the Issuer, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Bonds;

(4) the Bonds have been qualified pursuant to Act 92, Public Acts of Michigan, 2005, as amended, enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the Issuer will be or is unable to pay the principal and interest on the Bonds when due, then the Issuer shall borrow, and the State of Michigan shall lend to it, an amount sufficient to enable the Issuer to make the payment;

(5) the Issuer has designated the Bonds as "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended;

(6) the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof; and

(7) the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that certain corporations must take into account interest on the Bonds in determining adjusted net current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement of such rights may also be subject to the exercise of judicial discretion in appropriate cases.

THRUN LAW FIRM, P.C.

TLF:MDG

FORM OF
CONTINUING DISCLOSURE AGREEMENT

$___________
LAKEVIEW COMMUNITY SCHOOLS
COUNTIES OF MONTCALM, MECOSTA AND KENT
STATE OF MICHIGAN
2013 SCHOOL BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

This Continuing Disclosure Agreement (the "Agreement") is executed and delivered by Lakeview Community Schools, Counties of Montcalm, Mecosta and Kent, State of Michigan (the "Issuer"), in connection with the issuance of $___________ 2013 School Building and Site Bonds (General Obligation - Unlimited Tax) (the "Bonds"). The Bonds are being issued pursuant to the resolutions adopted by the Board of Education of the Issuer on March 11, 2013 and _________, 2013 (together, the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Agreement is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with the Rule. The Issuer acknowledges that this Agreement does not address the scope of any application of Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act to the Annual Reports or notices of the Listed Events provided or required to be provided by the Issuer pursuant to this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Agreement.

"Bondholder" means the registered owner of a Bond or any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"Dissemination Agent" means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access which provides continuing disclosure services for the receipt and public availability of continuing disclosure documents and related information required by Rule 15c2-12 promulgated by the SEC.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"Official Statement" shall mean the final Official Statement for the Bonds dated __________, 2013.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Resolution" shall mean the resolution duly adopted by the Issuer authorizing the issuance, sale and delivery of the Bonds.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the State of Michigan.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the SEC. Currently, the following is the State Repository:

Municipal Advisory Council of Michigan
Buhl Building
535 Griswold, Suite 1850
Detroit, Michigan 48226
Tel: (313) 963-0420
Fax: (313) 963-0943
E-Mail: mac@macmi.com

SECTION 3. Provision of Annual Reports.

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, on or prior to the 180th day after the end of the fiscal year of the Issuer commencing with the fiscal year ending June 30, 2013, to EMMA and the State Repository an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Agreement. Currently, the Issuer's fiscal year ends on June 30. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Agreement; provided, however, that if the audited financial statements of the Issuer are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the financial statements contained in the Official Statement shall be included in the Annual Report.

(b) The Annual Report shall be submitted to EMMA either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, Issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the Issuer; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the Issuer's submitter.

(c) If the Issuer is unable to provide to EMMA an Annual Report by the date required in subsection (a), the Issuer shall send a notice in a timely manner to the MSRB and to the State Repository in substantially the form attached as Appendix A.

(d) If the Issuer's fiscal year changes, the Issuer shall send a notice of such change to the MSRB and to the State Repository in substantially the form attached as Appendix B. If such change will result in the Issuer's fiscal year ending on a date later than the ending date prior to such change, the Issuer shall provide notice of such change to the MSRB and to the State Repository on or prior to the deadline for filing the Annual Report in effect when the Issuer operated under its prior fiscal year. Such notice may be provided to the MSRB and to the State Repository along with the Annual Report, provided that it is filed at or prior to the deadline described above.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) audited financial statements of the Issuer prepared pursuant to State laws, administrative rules and guidelines and pursuant to accounting and reporting policies conforming in all material respects to generally accepted accounting principles as applicable to governmental units as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time; and

(b) additional annual financial information and operating data as set forth in the Official Statement under "CONTINUING DISCLOSURE".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which previously have been provided to each of the Repositories or filed with the SEC. If the document included by specific reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer covenants to provide, or cause to be provided, notice in a timely manner not in excess of ten business days of the occurrence of any of the following events with respect to the Bonds in accordance with the Rule:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(7) modifications to rights of security holders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution, or sale of property securing repayment of the securities, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would constitute material information for the Bondholders, provided, that any event other than those listed under Section 5(a)(1), (3), (4), (5), (9), (11) (only with respect to any change in any rating on the Bonds) or (12) above will always be deemed to be material. Events listed under Section 5(a)(6) and (8) above will always be deemed to be material except with respect to that portion of those events which must be determined to be material.

(c) The Issuer shall promptly cause a notice of the occurrence of a Listed Event, determined to be material in accordance with the Rule, to be electronically filed with EMMA and with the State Repository together with a significant event notice cover sheet substantially in the form attached as Appendix C. In connection with providing a notice of the occurrence of a Listed Event described in Section 5(a)(9) above, the Issuer shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) The Issuer acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Agreement may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Issuer is liable, or on any indebtedness for which the State is liable.

(e) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. Termination of Reporting Obligation.

(a) The Issuer's obligations under this Agreement shall terminate upon the legal defeasance of the Resolution or the prior redemption or payment in full of all of the Bonds.

(b) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of nationally recognized bond counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB, and to the State Repository, if any.

SECTION 7. Dissemination Agent. The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may be amended, and any provision of this Agreement may be waived to the effect that:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer, or the types of business in which the Issuer is engaged;

(b) this Agreement as so amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, in the opinion of independent legal counsel; and

(c) such amendment or waiver does not materially impair the interests of the Bondholders, in the opinion of independent legal counsel.

If the amendment or waiver results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Agreement, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. If the amendment or waiver involves a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared based on the new accounting principles and those prepared based on the former accounting principles. The comparison should include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles should be sent by the Issuer to the MSRB and to the State Repository. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution or the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with the Agreement shall be an action to compel performance.

SECTION 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the Bondholders and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

LAKEVIEW COMMUNITY SCHOOLS
COUNTIES OF MONTCALM, MECOSTA AND KENT
STATE OF MICHIGAN

By:_______________________________
Its: Superintendent

Dated: ___________________, 2013

APPENDIX A

NOTICE TO THE MSRB AND TO THE STATE REPOSITORY
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Lakeview Community Schools, Montcalm, Mecosta and Kent Counties, Michigan

Name of Bond Issue: 2013 School Building and Site Bonds (General Obligation - Unlimited Tax)

Date of Bonds: ______________, 2013

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Agreement with respect to the Bonds. The Issuer anticipates that the Annual Report will be filed by _____________.

LAKEVIEW COMMUNITY SCHOOLS
COUNTIES OF MONTCALM, MECOSTA AND KENT
STATE OF MICHIGAN

By:________________________________
Its: Superintendent

Dated: _____________________

APPENDIX B

NOTICE TO THE MSRB AND THE STATE REPOSITORY
OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Issuer: Lakeview Community Schools, Montcalm, Mecosta and Kent Counties, Michigan

Name of Bond Issue: 2013 School Building and Site Bonds (General Obligation - Unlimited Tax)

Date of Bonds: ______________, 2013

NOTICE IS HEREBY GIVEN that the Issuer's fiscal year has changed. Previously, the Issuer's fiscal year ended on ______________. It now ends on _________________.

LAKEVIEW COMMUNITY SCHOOLS
COUNTIES OF MONTCALM, MECOSTA AND
KENT
STATE OF MICHIGAN

By:________________________________
Its: Superintendent

Dated: _____________________

APPENDIX C

SIGNIFICANT EVENT NOTICE COVER SHEET

This cover sheet and significant event notice should be provided in an electronic format to the Municipal Securities Rulemaking Board and the State Repository pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or other Obligated Person's Name: ______________________________

Issuer's Six-Digit CUSIP Number(s): ______________________________

or Nine-Digit CUSIP Number(s) to which this significant event notice relates: ______________________________

Number of pages of attached significant event notice: ______________________________

Description of Significant Events Notice (Check One):

1. _____ Principal and interest payment delinquencies
2. _____ Non-payment related defaults
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties
5. _____ Substitution of credit or liquidity providers, or their failure to perform
6. _____ Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. _____ Modifications to rights of security holders
8. _____ Bond calls
9. _____ Tender offers
10. _____ Defeasances
11. _____ Release, substitution, or sale of property securing repayment of the securities
12. _____ Rating changes
13. _____ Bankruptcy, insolvency, receivership or similar event of the obligated person
14. _____ The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms
15. _____ Appointment of a successor or additional trustee or the change of name of a trustee
16. _____ Other significant event notice (specify) ______________________________

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: ______________________________

Name: ______________________________ Title: ______________________________

Employer: ______________________________

Address: ______________________________

City, State, Zip Code: ______________________________

Voice Telephone Number (__________)______________________________

The MSRB Gateway is www.msrb.org or through the EMMA portal at emma.msrb.org/submission/Submission_Portal.aspx. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice. The cover sheet and notice may also be faxed to the MAC at (313) 963-0943.

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