

**Comprehensive  
Annual Financial  
Report**



**Clinton Township, MI**

**Year Ended  
June 30, 2016**

**Comprehensive Annual Financial Report  
L'Anse Creuse Public Schools  
24076 F. V. Pankow Blvd  
Clinton Township, MI 48036**

**For the Fiscal Year Ended  
June 30, 2016**

**Board of Education**

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Vice President  
Secretary  
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**Superintendent of Schools**

Jacqueline Johnston

**Cabinet Members**

Superintendent  
Assistant Superintendent for Business and Operations  
Assistant Superintendent for Human Resources  
Director for Public and Community Services  
Assistant Superintendent for Secondary Education  
Assistant Superintendent for Elementary Education  
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Director for Special Education

Jacqueline Johnston  
Rochelle Gauthier  
Michael Van Camp  
Kelly Allen  
Eric Edoff  
Lisa Montpas  
Robert Lenhardt  
Nancy Supanich

**Report Prepared by the Business Office Department**

Rochelle Gauthier, Assistant Superintendent for Business and Operations  
Robert Lenhardt, Director for Finance  
Paula Sorgeloos, Accounting Supervisor  
Beth Disbrow, Grant Accountant  
Martha Luks, Accountant  
Catherine Natzke, Accountant

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**Jacqueline Johnston, Ph.D.**  
SUPERINTENDENT

BUSINESS OFFICE

**Rochelle M. Gauthier**  
ASSISTANT SUPERINTENDENT FOR  
BUSINESS AND OPERATIONS

**Robert J. Lenhardt**  
DIRECTOR FOR FINANCE

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October 17, 2016

To the Citizens and Board Members:

This introductory section of L'Anse Creuse Public Schools' (the "School District") annual financial report presents an overview of the School District, major initiatives, and program highlights.

### **Report Organization**

This report is organized into three sections. The introductory section presents the organizational chart for the School District, as well as the Certificate of Excellence in Financial Reporting (CAFR) award received for the fiscal year ended June 30, 2015. The Association of School Business Officials International (ASBO) awards the CAFR certificate to districts that meet or exceed the reporting principles and standards set by ASBO.

The financial section contains the auditor's opinion letter and the management's discussion and analysis report. The management's discussion and analysis report provides a more detailed analysis of the financial condition of the School District. The School District's basic financial statements, fund financial statements, and required supplemental information are also contained in this section. The statistical section presents selected financial and demographic information on a multi-year basis when appropriate.

### **Management's Discussion and Analysis**

Generally accepted accounting principles under GASB Statement No. 34 require that management provide financial report users with a simple narrative introduction, overview, and analysis of the basic financial statements in the form of a management's discussion and analysis (MD&A), which is required supplemental information. This letter of transmittal is meant to complement the MD&A and should be read in connection with it. The MD&A can be found immediately following the independent auditor's report in the financial section of this report.

## **School District Background**

L'Anse Creuse Public Schools is a public school district operating under the laws of the State of Michigan to offer a free public education to all students within its boundaries. L'Anse Creuse Public Schools is located in the County of Macomb. The School District has an area of 35.4 square miles and includes all of Harrison Township, parts of Chesterfield, Clinton, and Macomb Townships, and small portions of the cities of Mount Clemens and St. Clair Shores. The School District is governed by a Board of Education consisting of seven publicly elected members.

The present School District resulted from the consolidation of five elementary school districts in 1954. Enrollment was then 1,600 students. Today approximately 576 teachers, providing for an approximate 19 to 1 teacher/student ratio, teach approximately 10,800 students. The School District is comprised of 9 elementary schools, four middle schools, and three traditional high schools, including the Frederick V. Pankow Center for Career Education, which offers comprehensive career and job training in business, health service, human service, trade, and industry. The DiAnne M. Pellerin Center is an NCA accredited, non-traditional high school that provides an alternative approach to the high school experience. The students at the DiAnne M. Pellerin Center, engage in academic activities that lead to a L'Anse Creuse diploma. In addition, L'Anse Creuse Public Schools provides educational services to the Macomb County Juvenile Justice Center and adult education to the Macomb County Jail year-round.

The Comprehensive Annual Financial Report of L'Anse Creuse Public Schools for the fiscal year ended June 30, 2016 is submitted herewith. This report was prepared by the finance department and contains all activities under the control of the Board of Education. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. We believe that the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the School District as measured by the financial activity of its various funds, with all disclosures necessary to enable the reader to gain the maximum understanding of the School District's financial affairs. In accordance with the Board of Education's commitment to communication, detailed financial information related to the fiscal operations of the School District has been presented for public review on a timely basis throughout the year at monthly Board of Education meetings.

## **Economic Condition and Outlook**

L'Anse Creuse Public Schools is maintained by the taxpayers of four townships (Harrison, Clinton, Chesterfield, and Macomb Townships) and small portions of the cities of Mount Clemens and St. Clair Shores. The taxable assessed valuations (TAVs) of these properties decreased an average of 2.7 percent from the prior year. This decrease in TAVs has a direct effect on the amount of revenue the School District will receive in state aid from the Michigan Department of Education. As the townships' TAVs decrease, the local portion of revenue decreases, and the Michigan Department of Education's portion of the foundation allowance increases.

On March 15, 1994, Michigan voters went to the polls to vote on school funding reform. The ballot proposal passed, amending the State of Michigan Constitution. State Aid Act 5123, Sec. 20, (1) provides basic foundation allowance and a formula for a supplemental allowance for 1994-1995. Sec. 20, (2) is the language for the base allowance for 2015-2016. Sec. 147, (2) mandates the shifting of the employer's share for employee Social Security and state retirement costs previously paid by the State to the local district. The Michigan Public School Employees' Retirement System (MPERS) underwent massive reform during the 2013 fiscal year. As a result of the reform, employees have options in which to choose for retirement. Based on an employee's retirement choice, the MPERS contribution rate can range from 24.13% to 25.78%.



L'Anse Creuse Public Schools is primarily made up of residential communities. The major industries are industrial and retail. Three of the four communities within the district boundaries experienced a decrease in the issuance of single family building permits. Chesterfield Township shows a decrease of 17% in growth for 2014 and 2015. Clinton Township shows a decrease of 54 percent in the number of single family building permits issued between 2014 and 2015. Harrison Township's total permits increased from 2014 to 2015 by 250 percent by issuing 28 in 2015 from 8 in 2014. Macomb Township also showed a decrease of 23 percent in the number of single family building permits over the previous year and issued 300 in 2015.

L'Anse Creuse Public Schools owns and maintains 21 buildings, of which two are used for administrative and support services. Buildings were constructed between 1954 and 2013. In addition, improvements to buildings totaling approximately \$161,800,000 have been made in the past 10 years.

### **Major Initiatives**

The L'Anse Creuse Board of Education adopted a strategic plan for the School District during 2013-2014. The committee consisted of several board members, School District administrators, teachers, support staff, students, and parents. They met several times in the spring to collaborate on the School District's goals. The plan was presented and approved by the Board of Education in June 2014.

The mission statement answers our reason for being. It is: "To create a challenging collaborative learning community which prepares all students for success in global society". The goals of the strategic plan are as follows:

1. Engage students in real-world experiences that develop life-long learners to be successful in a technological and dynamic global society
2. Provide all students within our community with opportunities and experiences that encourage and challenge them to reach their personal best.
3. Ensure financial stability while maintaining high quality educational programs and services for all.
4. Strengthen our evolving identity where all community members celebrate successes, promote community pride and believe and support L'Anse Creuse is the home of the best students, parents and educators.

In addition to the mission, we have seven beliefs:

1. High academic and behavioral expectations for all learners
2. A safe and nurturing learning environment
3. Instruction that prepares students for a global society
4. Fiscal responsibility
5. Respect for all individuals

6. Collaborative partnerships with community members, parents and teachers
7. The importance of district tradition and history

We believe that a strategic plan results in a common purpose, common sense of direction, priorities for change, protection against overextending, goal-orientation, and longer-term effort.

**For the Year** - L'Anse Creuse Public Schools believes that an alcohol- and drug-free school system is essential for a healthy community. The challenge of meeting this belief is aided by the activities of the L'Anse Creuse Community Action Coalition (CAC).

The CAC is composed of school staff, business leaders, law enforcement officials, and health and service professionals who work as a team to promote, enhance, and maintain a zero tolerance policy regarding alcohol, tobacco, and other drugs. In the 2015-2016 school year, the CAC also sponsored its 15th annual "Dialogue Day," which assembled over 200 students, educators, and community leaders together to discuss openly the issues teens face today. In addition, the group hosted a Call to Conversation focused on teens and social media usage.

L'Anse Creuse Public Schools voluntarily participates in NCA accreditation at the high school level. All high schools are presently accredited by NCA.

L'Anse Creuse attendance rates average more than 95 percent daily. Scholarship monies offered to L'Anse Creuse seniors total approximately \$7.5 million. All L'Anse Creuse students take the PSAT and SAT test. Scores for SAT tests from Spring 2016 are not yet available.

Many L'Anse Creuse students and staff continue to be recognized for excellence through state and national awards. They received honors in writing, speech, music, athletics, co-teaching, art, technology, science, reading, journalism, and more. To enhance effective aspects of the educational process, both high schools instituted a community service requirement. L'Anse Creuse's class of 2016 contributed over 73,902 hours of service. This is viewed as a model throughout the state for the students and staff of other districts.

The L'Anse Creuse Foundation is an independent, nonprofit organization formed in 1989 by community business members and L'Anse Creuse Public Schools. The Foundation is dedicated to obtaining additional financial resources for students within the School District to enhance educational opportunities and provide scholarships. To date, the Foundation has been able to award over \$510,000 in grants and scholarships. This past year, it awarded nearly \$14,000 in grants to teachers and \$10,000 in scholarships for high school and adult education students.

In June 2010, the Boards of Education for L'Anse Creuse Public Schools and New Haven Community Schools entered into a shared service agreement. The first agreement went into effective for the 2011 fiscal year and was renewed through 2016. The Board elected to continue the agreement through the 2017 fiscal year. Under this agreement, L'Anse Creuse Public Schools shall provide certain business office, information technology and transportation services for New Haven Community Schools.

**For the Future** - Michigan Public Acts 25 and 335 (P.A. 25 and P.A. 335) of 1990 made changes in the School Code of Michigan. P.A. 335 further expanded P.A. 25. P.A. 25 requires annual reporting on at least the following seven areas:

- School improvement
- Core curriculum
- Accreditation
- Student achievement
- Parent participation
- Retention rates
- Specialized schools

P.A. 335 requires grade level indicators be developed and distributed to parents, students, and the community. A team of educators from grades K-8 has developed the essential content for each grade level in each academic area.

Every year, written annual reports are posted on each school's web page, as well as the School District's website. Written copies are available through the Office of Community Relations.

Implementation of essential curriculum is crucial to our mission of teaching all students. We are constantly working on revising and aligning our curriculum. We continue to fully implement the Michigan State Standards, as required by the Michigan Department of Education. We will continue to monitor curriculum and student achievement in English, mathematics, science, and social studies. Instructional strategies, assessments, and class offerings are monitored and adjusted regularly. L'Anse Creuse Public Schools continues a commitment to building a strong academic program through quality curriculum alignment and professional development.

**Department Focus** - L'Anse Creuse Public Schools employs one teacher for every 19 students. We are very proud of the accomplishments of our dedicated, hard-working staff over the past year. Some of the more significant department accomplishments are as follows:

- Students certified by the L'Anse Creuse special education department receive vocational programming beginning at the elementary school level that continues through the middle school program. The first two years of high school continue to emphasize the vocational application of the skills learned in the subjects taken by the students. Beginning in their junior year, the students have a variety of vocational training and work placement opportunities available to them. The special education department participates in the Michigan Business Partnership School Adoption Program, Community-based Vocational Programs, MDE Cash Match Program, Targeted Job Tax Credit Program through the Michigan Employment Security Agency (MESA), and our own work study program. Each of the programs provides opportunities for students receiving special education services.
- Co-teaching at the elementary and secondary levels continues to prove very effective at improving the social and educational skills of the students involved. This is achieved through a partnership between special education and general education teachers who work together to take an active role in the teaching responsibilities of students receiving special education services. Overall, this is an excellent program undergoing continuous and positive changes. In 2015-2016, co-teaching continued to be very successful in all the elementary and secondary buildings.

- L'Anse Creuse conducts a preschool screening program for all four-year-old children in the School District. This past year, approximately 212 children participated in the screening process. This process provides the parent with information concerning the pre-kindergarten readiness skills of their children.
- In addition to preschool screening, L'Anse Creuse Public Schools operates five Early Childhood Special Education programs for the preschool-age student. These programs provide the children with a rich language development-based curriculum that maximizes each child's ability to grow socially and increases his or her readiness skills. This year, approximately 107 children were involved in this preschool experience.
- L'Anse Creuse Public Schools offers a number of excellent pre-kindergarten programs. The L'Anse Creuse Early Childhood Program offers tuition-based preschool, The Great Start Readiness Program, parent/child interactive and early learning programs, before and after school care, full-day childcare, and summer mini-camps. Recognizing the need for infant/toddler care, the School District has moved forward and provides care for these children in the childcare addition to the Marie C. Graham Elementary School. This center opened in the fall of 2011. The main goal is the healthy development of children in a loving and caring environment with the focus on child-centered activities and the development of the whole child.
- In the 2014-2015 school year, the district offered an Elementary Chinese Immersion Program for kindergarten students. Students in the program, which was held at Yacks and Carkenord Elementary Schools, have a Chinese teacher in their classroom for half of their day. There are two sections of kindergarten participating in the program. They cover the same curriculum for their grade level; however, half of their instruction will be delivered in Mandarin Chinese. Elementary immersion takes advantage of young children's innate ability to acquire language through early introduction to and immersion in Chinese. In order to ensure that students develop proper pronunciation and understanding of Chinese, all elementary Chinese immersion teachers are native Chinese. L'Anse Creuse employs a Chinese language immersion model for the elementary level. This program proved to be successful and popular and was expanded to first grade in the 2015-2016 school year. The program will continue for kindergarten and first grade for the 2016-2017 school year.
- The L'Anse Creuse Hybrid Initiative involves the development of high school hybrid courses. In these courses, a portion of the instruction is traditional face-to-face instruction while the other portion occurs during online days, for which students are not required to be present if they maintain a certain grade point average. Hybrid teachers utilize BlackBoard as well as other online collaborative platforms to disseminate curriculum and encourage classroom participation. Evidence indicates the program has been successful in terms providing students with a college preparatory experience in terms of the inevitable encounter of varied format classes. Furthermore, it has provided our staff members with the opportunity to utilize a variety of formats to reach their students. It has also provided an opportunity for increased professional development in areas of the blended classroom experience.
- In the 2014-2015 school year, the district introduced the Air Force Junior Reserve Officer Training Corps (AFJROTC). This program instills in students in the 9<sup>th</sup>-12<sup>th</sup> grade the values of citizenship, service to the United States, personal responsibility, and personal responsibility through education and mentoring. The AFJROTC program is for students of all grade levels 9<sup>th</sup> -12<sup>th</sup>. The curriculum is academically comparable to a secondary level science course and includes an introduction to aviation, national defense, careers, space, global studies, leadership and health and wellness. The mission of the AFJROTC program is to develop citizens of character dedicated to serving their nation and community. More specifically, the program is designed to educate and train high school cadets in citizenship; promote community service; instill responsibility; character and self-discipline; and provide instruction in air and space fundamentals.

- The L'Anse Creuse/Mt. Clemens Center for Lifelong Learning houses a variety of programs, catering to the unique educational needs of individuals ages 17 and older in the areas of high school completion, GED preparation, literacy development, career retraining programming, and testing/assessment opportunities.
- The DiAnne M. Pellerin Center provides alternative educational programming for local students ages 14-19 in core academic content areas and elective programming such as art, technology, and vocational education. A cornerstone to the program is a highly effective, required, counseling component that assists students to deal with social, behavioral, and emotional issues that may have previously contributed to lower academic achievement in the student. The students engage in interactive learning activities in a small environment, which also provides growth in student organizations, activities, and events. The DiAnne M. Pellerin Center has been accredited by NCA-CASI.

The DiAnne M. Pellerin Center has a program designed to meet the individual needs of students who attend. The Center focuses on each student's individual learning needs and curricular concerns. Students work on self-paced curriculum with extensive tutoring support. Students can expedite their progress in higher-level learning curriculums.

- The Macomb County Juvenile Justice Center School is a unique public school program operated by L'Anse Creuse Public Schools Department of Special Education in conjunction with the Macomb County Juvenile Court. Two major goals of the program are to provide a positive learning environment and to improve student competency for delinquent, neglected, and/or abused children who reside in the Juvenile Justice Center. The Macomb County Juvenile Justice Center School had 510 enrollments in 2015-2016 (August-June). The summer school program (June 2016 - August 2016) had a total enrollment of 114 students. The facility includes 140 beds and is accredited through the Correctional Education Association as meeting specific national standards.
- Correctional education provides a comprehensive curriculum for incarcerated adults housed in the Macomb County Jail. The curriculum for this department of adult education is broad-based and encompasses academic classes, General Equivalency Degree (GED) preparation, career counseling, employability skills, and transition services. Two completion ceremonies recognize outstanding students.
- The L'Anse Creuse Community Education Program is a full-service program that provides educational, enrichment, fitness and recreational activities for students from preschool age to senior citizen status. In 2015-2016, the Community Education Program served in excess of 6,000 residents of the community. The Trips and Tours program offered 60 trips while the Swim Program served over 2,100 students and community members. The Summer Athletic Camps served 852 students introducing them to a new sport experience or enhancing their skills. The program also offers senior citizens a varied schedule of classes and activities that help to meet the educational, recreational, and social needs of the senior citizen community.
- The School Age Child Care Program offers before- and after-school child care services in all elementary buildings when school is in session. The program is licensed by the state of Michigan and is staffed by certified child care workers. In the 2015-2016 school year, the program serviced 1,200 students, ages 5-12.
- Summer day camp is provided in two locations within the School District for summer child care services. The all-day program features field trips, special events, science and technology experiences, fitness and recreational opportunities for children ages 5-12 years. In 2015-2016, we served approximately 265 students.

- The School District has a unique program to help its students. Recognizing that for some students the only meal of the day comes from the federally funded National School Lunch free or reduced breakfast and lunch program, the School District partnered with Gleaners Food Bank and started the Food- 4-Kids Program. The monthly program provides non-perishable food as well as fresh fruit, vegetables, and large packages of beef or chicken. The program served approximately 75 students each month. The School District, recognizing that there is still a need during the summer months, continued the program during the summer. In summer 2016, over 150 were enrolled in the program.
- In June, July and August, the School District, through the National School Lunch Program, offered a summer lunch program to the School Districts' students. The program called Meet Up and Eat Up, had four mobile sites and a site at one of the elementary schools. A total of 6,407 free lunches were served to local children. The district partnered with the Chesterfield Library and each Tuesday, a library staff member would work on a craft and read a book to the children at each mobile site.

### **Internal Accounting Controls**

An internal control system has been designed to ensure that the assets of L'Anse Creuse Public Schools are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurances recognizes that (1) the cost of the control should not exceed the benefits likely to be derived and (2) the valuation of cases and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, L'Anse Creuse Public Schools is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is subject to periodic review by management.

As part of the L'Anse Creuse Public Schools single audit, internal controls over financial reporting were considered in the planning and performance of the audit, and tests of compliance with certain provisions of laws, regulations, contracts, and grants were performed. The results of L'Anse Creuse Public Schools' single audit for the fiscal year ended June 30, 2016 provided no instances of material weaknesses in the internal control system or violations of applicable laws and regulations.

### **Budgetary Control**

The level of budgetary control (that is, the level at which expenditures cannot legally exceed appropriated amounts) is established in accordance with a resolution of the L'Anse Creuse Public Schools Board of Education. Budgets are legally adopted for the General Fund and the special revenue funds.

The School District's budgetary control and system of internal accounting were designed to adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions. A budget oversight and development process is in place that is focused on achievement of the School District's strategic plan. Ultimate budget oversight for the entire School District rests with the superintendent and the assistant superintendent for business and operations. Budget variances are discussed in the management's discussion and analysis and detailed in Note 2 to the financial section.

The report of L'Anse Creuse Public Schools' independent certified public accountants, Yeo & Yeo, appears on page 2-1 of this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and, accordingly, included consideration of the Board of Education's system of budgetary and accounting controls.

### **Cash Management**

Board policy establishes district cash management guidelines. It is the intent of L'Anse Creuse Public Schools' cash management guidelines to maximize its interest on available cash balances. Interest-bearing cash management accounts and certificates of deposit in state or national banks were utilized for investment of available funds. The School District has not realized any losses from such balances in the past and believes that these balances are with financial institutions that do not subject the School District to any significant risk of losses during the next fiscal year. Further detail on the cash management of the School District can be found in Note 3 to the financial statements.

### **Risk Management**

Risk management is taken very seriously by L'Anse Creuse Public Schools. Each year, a representative of the School District's insurance company performs a review of facilities and provides a listing of key risk areas.

L'Anse Creuse's Manager of Operations is responsible for violations of federal, state, and local laws, codes, regulations, and ordinances. No significant risk items were noted during this year's review. Ultimate responsibility for risk management is listed in the job description of the Assistant Superintendent for Business and Operations.

### **Independent Audit**

State of Michigan statutes require that each school district have an annual audit conducted by independent certified public accountants. The L'Anse Creuse Public Schools Board of Education appointed the accounting firm of Yeo & Yeo, to perform this service for the 2015-2016 fiscal year. In addition, the Uniform Guidance (2 CFR 200) requires that all governmental recipients of federal assistance have organizational-wide financial and compliance audits on an annual basis.

Both of these requirements have been met. The auditor's report on the basic financial statements is included herein, with an unqualified opinion, containing no scope limitations.

### **Awards**

The Association of School Business Officials International (ASBO) has awarded a Certificate of Excellence in Financial Reporting to the School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

While a Certificate of Excellence is valid for a period of one year only, the School District believes our current report continues to conform to program standards and we are submitting our report to ASBO to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this report on a timely basis could not have been accomplished without the effort and dedicated services of the entire staff of the financial department. We would like to express our appreciation to all the members of this office who assisted in the timely closing of the School District's financial records and the preparation of this report.

We would also like to express our appreciation to other departments and individuals who assisted in the preparation of this report.

Sincerely,



Jacqueline Johnston  
Superintendent of Schools



Rochelle M. Gauthier  
Assistant Superintendent for  
Business and Operations



Robert J. Lenhardt  
Director for Finance

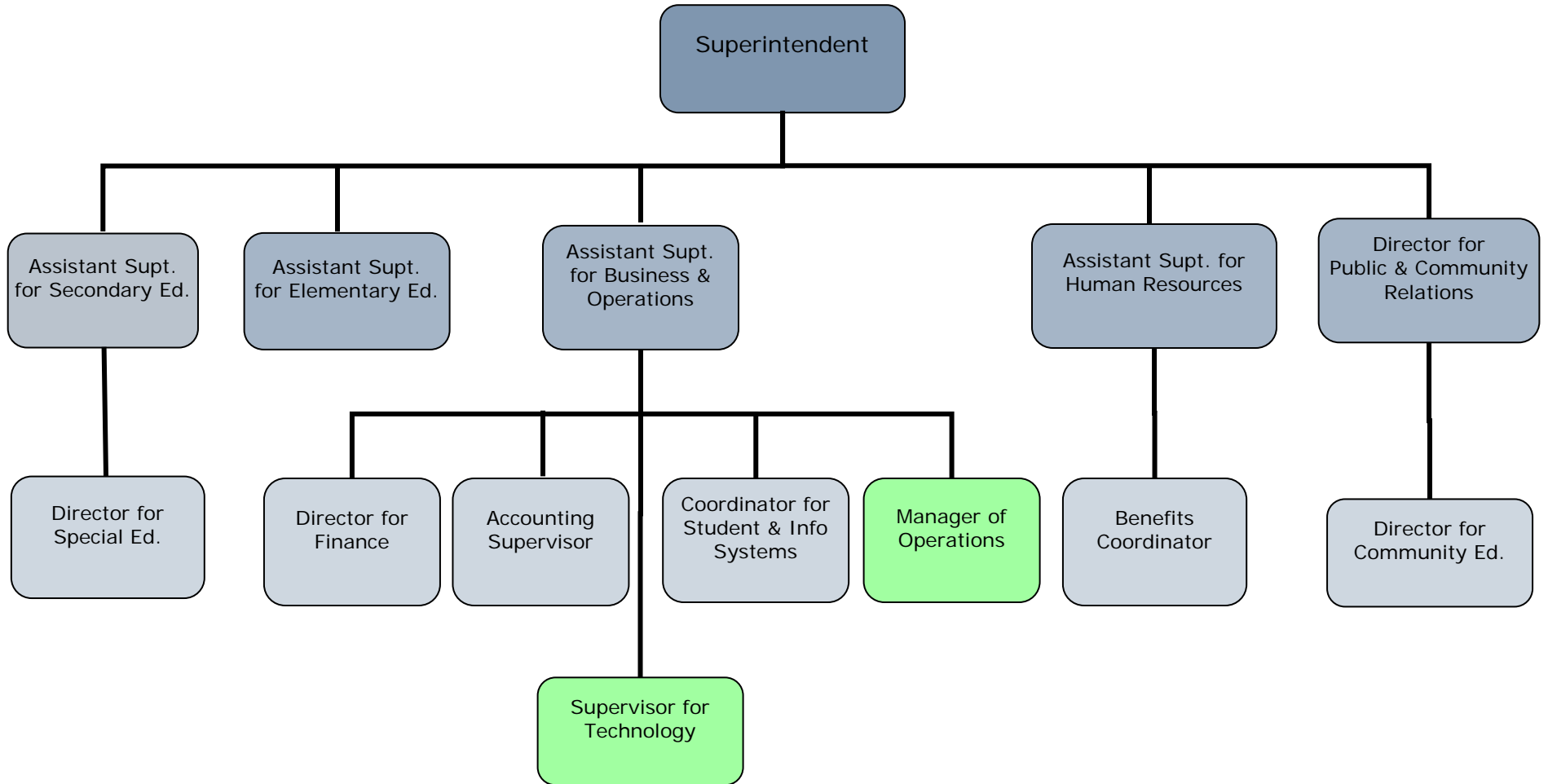


Paula M. Sorgeloos  
Accounting Supervisor



# Harry L. Wheeler Community Center and Administrative Offices and Larry F. Brender Support Services Center

## Central Administration 2015-2016



**Note: Positions in blue boxes are located at the Wheeler Center, green boxes are located at the Brender Center housed in another building.**



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award  
is presented to**

**L'Anse Creuse Public Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2015**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director

## Independent Auditor's Report

Management and the Board of Education  
L'Anse Creuse Public Schools  
Clinton Township, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of L'Anse Creuse Public Schools, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of L'Anse Creuse Public Schools, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Adoption of New Accounting Standards**

As described in Note 1 to the financial statements, during the year ended June 30, 2016, the School District adopted GASB Statement No. 72, *Fair Value Measurement and Application*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, No. 79, *Certain External Investment Pools and Pool Participants*, and No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73, respectively*. Our opinions are not modified with respect to this matter.

### **Other Matters:**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, and schedule of the school district's contributions, identified in the table of contents, 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.

#### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise L'Anse Creuse Public Schools' basic financial statements. The other supplementary information, introductory section, and statistical section and other information, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section and other information, as identified in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2016 on our consideration of L'Anse Creuse Public 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* in considering L'Anse Creuse Public Schools' internal control over financial reporting and compliance.

*Yeo & Yeo, P.C.*

Flint, Michigan  
October 17, 2016

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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# L'Anse Creuse Public Schools

## Management's Discussion and Analysis

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This section of L'Anse Creuse Public Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2016. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

### Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand L'Anse Creuse Public Schools financially as a whole. The district-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds - the General Fund, the 2008 Capital Projects Fund and the 2010 Series Capital Projects Fund - with all other funds presented in one column as nonmajor funds. Three of the remaining statements, the statement of fiduciary net position, the statement of changes in fiduciary net position and the statement of changes in assets and liabilities present financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The other remaining statements relate to the School District's Proprietary Funds (Internal Service Funds).

Management's Discussion and Analysis (MD&A)  
(Required Supplementary Information)

### Basic Financial Statements

District-wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

### Required Supplemental Information

Budgetary Comparison Schedule

Schedule of the School District's Proportionate Share of the Net Pension Liability

Schedule of the School District's Contributions

### Other Supplementary Information



## **L'Anse Creuse Public Schools**

### **Management's Discussion and Analysis (Continued)**

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#### ***Reporting the School District as a Whole - District-wide Financial Statements***

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net position - the difference between assets and liabilities, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, child care, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

#### ***Reporting the School District's Most Significant Funds - Fund Financial Statements***

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Service Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

**Governmental Funds** - All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending.

They are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides.

## **L'Anse Creuse Public Schools**

### **Management's Discussion and Analysis (Continued)**

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Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations.

**Proprietary Funds** – Proprietary fund reporting focuses on economic resources measurement and full accrual accounting. The proprietary fund statements present a long-term view of operations and the services it provides to other funds. Revenue and expenditures are recorded when earned or obligated, regardless of when the cash is actually paid.

#### **The School District as Trustee - Reporting the School District's Fiduciary Responsibilities**

The School District is the trustee, or fiduciary, for one fiduciary fund. The student activity fund represents the activities of the student and parent groups for school and school-related purposes and are considered an Agency Fund. The scholarship fund is considered a private purpose trust which includes contributions received by the School District to be awarded in the form of scholarships. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

#### **The School District as a Whole**

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a comparative summary of the School District's net position as of June 30:

**L'Anse Creuse Public Schools**  
**Management's Discussion and Analysis (Continued)**

Table 1	Governmental Activities	
	June 30	
	2016	2015
	(in millions)	
<b>Assets</b>		
Current and other assets	\$ 38.6	\$ 43.5
Capital assets	249.8	262.4
Total assets	288.4	305.9
<b>Deferred Outflows of Resources</b>		
Total assets and deferred outflows of resources	38.0	22.5
<b>Liabilities</b>		
Current liabilities	18.4	16.8
Net pension liability	183.9	163.2
Long-term liabilities	324.3	323.6
Total liabilities	526.6	503.6
<b>Deferred Inflow of Resources</b>		
Total liabilities and deferred inflows of resources	5.3	12.0
<b>Net Position</b>		
Net investment in capital assets	(35.3)	(32.7)
Restricted	2.8	6.4
Unrestricted	(173.0)	(160.9)
Total net position	<b>\$ (205.5)</b>	<b>\$ (187.2)</b>

The above analysis focuses on the net position (see Table 1). The change in net position (see Table 2) of the School District's governmental activities is discussed below. The School District's net position was a deficit of \$205.5 million at June 30, 2016. Capital assets, net of related debt totaling a negative \$35.3 million, compares the original cost, less depreciation of the Schools Districts capital

## **L'Anse Creuse Public Schools**

### **Management's Discussion and Analysis (Continued)**

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assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day to day operations. The remaining amount of net position (a deficit of \$173.0 million) was unrestricted.

As required by the Government Accounting Standards Board (GASB) the School District adopted GASB 68 and 71. These standards required the inclusion of the district's proportionate share of the Michigan Public School Employees Retirement Plan within the District's financial statements, effective July 1, 2014. The effect of the adoption was to decrease July 1, 2014 beginning net position by \$165.2 million and the inclusion of the obligation, and related deferred inflows and outflows, in the June 30, 2015 financial statements. All governments participating in the retirement plan were required to adopt these new standards.

The \$173.0 million deficit in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The unrestricted net assets balance enables the School District to meet working capital and cash flow requirements as well as to provide for future uncertainties. A total of \$183.9 million of this deficit unrestricted net position is the School Districts proportionate share of the net pension liability related to the Michigan public School Employees' Retirement System. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the School District as a whole are reported in the statement of activities, which shows the changes in net position for fiscal years 2016 and 2015 (see Table 2).

**L'Anse Creuse Public Schools**  
**Management's Discussion and Analysis (Continued)**

Table 2

	Governmental Activities	
	Year Ended June 30	
	2016	2015
	(in millions)	
<b>Revenue</b>		
Program revenue:		
Charges for services	\$ 4.4	\$ 4.7
Operating grants	25.7	23.7
General revenue:		
Property taxes	30.3	29.9
State aid - Unrestricted	65.4	67.9
Other	0.9	1.2
Total revenue	126.7	127.4
<b>Functions/Program Expenses</b>		
Instruction	71.6	69.7
Support services	37.9	37.8
Athletics	1.3	1.2
Food services	3.5	3.6
Community services	1.9	1.9
Payments to other public schools	0.1	0.1
Interest and other expenses on long-term debt	15.1	11.3
Loss on sale of capital assets (unallocated)	3.8	-
Depreciation (unallocated)	9.9	10.1
Total functions/program expenses	145.0	135.7
<b>Decrease in Net Position</b>	(18.3)	(8.3)
<b>Net Position - Beginning of year</b>	(187.2)	(178.9)
<b>Net Position - End of year</b>	<b>\$ (205.5)</b>	<b>\$ (187.2)</b>

## **L'Anse Creuse Public Schools**

### **Management's Discussion and Analysis (Continued)**

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As reported in the statement of activities, the cost of all of our governmental activities this year was \$144.9 million. Certain activities were partly funded from those who benefited from the programs, \$4.4 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$25.7 million. We also incurred a net loss on the sale of capital assets of \$3.8 million. We paid for the remaining "public benefit" portion of our governmental activities with \$30.3 million in taxes, \$65.4 million in unrestricted state aid, and \$.9 million of our other revenue comprised of interest and general entitlements.

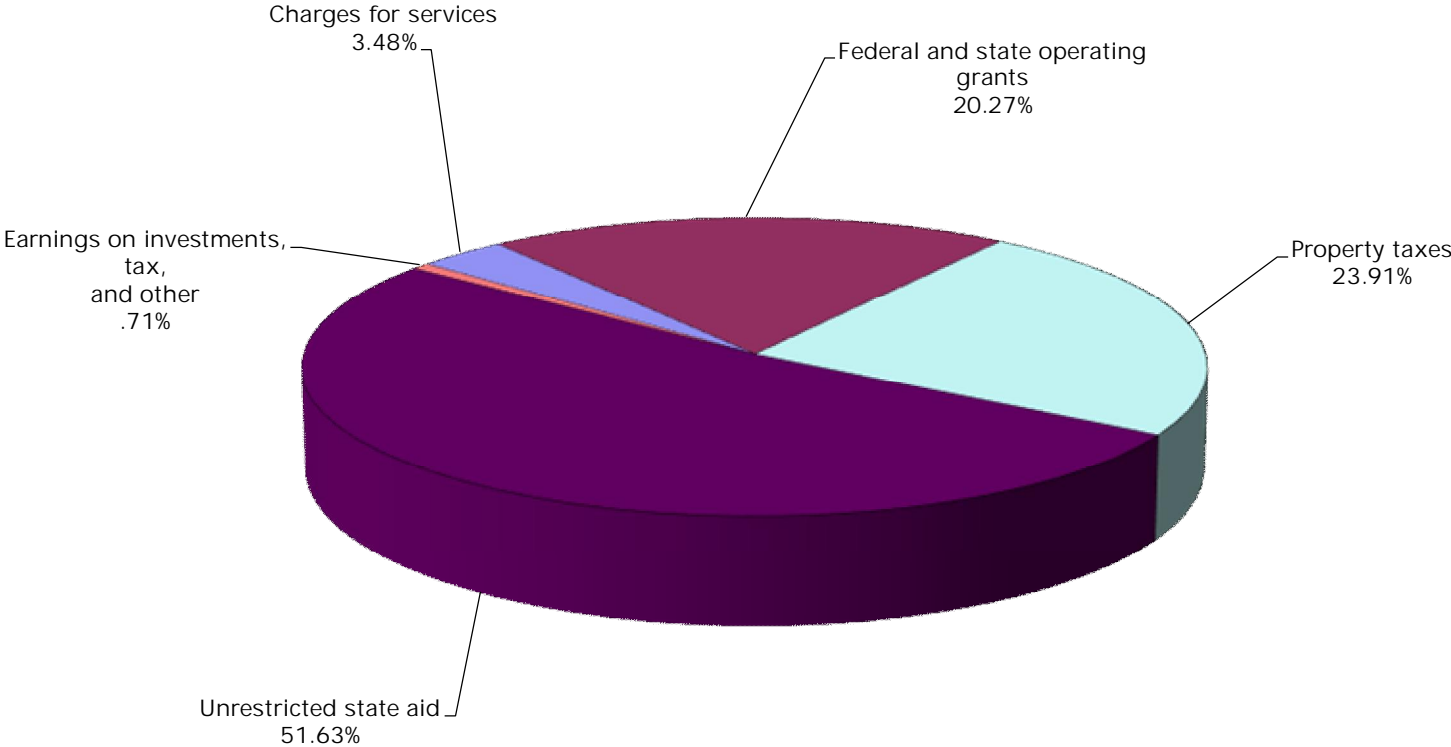
The School District experienced a decrease in net position of \$18.3 million. Key reasons for the change in net position are comprised of a \$20.7 million increase in the District's net pension liability. A reconciliation of the changes in net position appears in the basic financial statements.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

**L'Anse Creuse Public Schools  
Management's Discussion and Analysis (Continued)**

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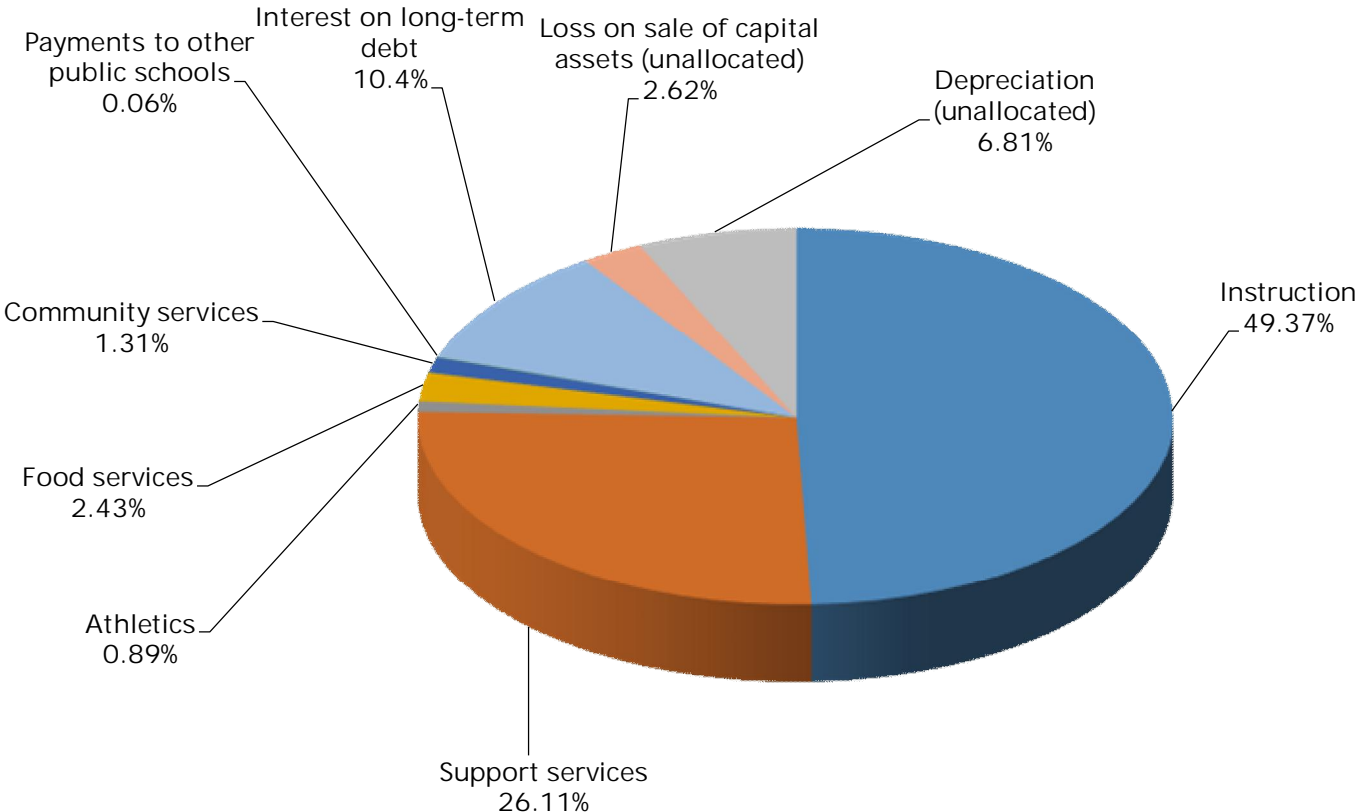
**Analysis of Revenue - Governmental Activities  
Year Ended June 30, 2016**



**L'Anse Creuse Public Schools  
Management's Discussion and Analysis (Continued)**

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**Analysis of Expenses - Governmental Activities  
Year Ended June 30, 2016**





## **L'Anse Creuse Public Schools**

### **Management's Discussion and Analysis (Continued)**

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#### **The School District's Funds**

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$21.4 million, which is a decrease from last year of \$4.6 million. The primary reasons for changes within major funds are as follows:

- In the General Fund, our principal operating fund, the fund balance decreased approximately \$1.8 million to \$6.3 million. The change is directly related to planned budgeted use of the fund balance.
- Combined, the debt service funds showed a fund balance decrease of approximately \$.9 million. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service funds fund balances are reserved since they can only be used to pay debt service obligations.
- The combined capital projects funds showed a fund balance decrease of approximately \$1.8 million as the School District continued construction projects related primarily to the 2008 and 2010 bond issues. Bonded capital projects funds balances are reserved for capital projects.
- The proprietary funds account for certain services provided to other funds on a cost reimbursement basis. The activity in these funds reflects expenditures or transfers from the other funds totaling approximately \$2 million, which represents the cost of obligations from previous years, as well as current year activities.

#### **General Fund Budgetary Highlights**

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided as required supplementary information of these financial statements. A summary of the significant deviation from budget to actual is as follows:

- The variance between the budgeted and actual revenue was unfavorable by approximately \$1.5 million. The unfavorable variance was due to cuts in Federal and State categorical grants. The favorable variance in expenditures of approximately \$1.3 million is the result of lower utilization of Federal and State categorical resources. The favorable variance of \$.5 million in other financing sources is primarily attributable to the sale of land at the end of the fiscal year.

**L'Anse Creuse Public Schools**  
**Management's Discussion and Analysis (Continued)**

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- Overall, the General Fund resulted in a favorable variance of approximately \$.3 million, representing 0.3% of actual revenues.

**Capital Assets and Debt Administration**

***Capital Assets***

As of June 30, 2016, the School District had \$249.8 million invested in a broad range of net capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net decrease (including additions, disposals and depreciation) of approximately \$12.7 million, or 4.8% under last year.

	2016	2015
Land	\$ 10,925,916	\$ 11,315,797
Construction in progress	490,633	211,136
Buildings and building improvements	340,641,191	348,692,724
Buses and other vehicles	6,881,636	7,051,096
Furniture and equipment	45,465,050	43,505,877
Total capital assets	404,404,426	410,776,630
Less accumulated depreciation	154,637,008	148,339,773
Net capital assets	<b>\$ 249,767,418</b>	<b>\$ 262,436,857</b>

This year's reduction of net capital assets includes a net reduction of \$7.2 million on the disposal of capital assets, and depreciation of approximately \$9.9 million. New purchases for land improvements, furniture and equipment, technology, building renovations, as well as buses comprise the balance of approximately \$4.5 million. Existing debt originally issued in 2006 funded all additions with the exception of the buses that are funded from the General Fund.

Several major capital projects are planned for the 2016-2017 fiscal year. We anticipate capital additions will be equal to the amount spent in the 2015-2016 fiscal year. We present more detailed information about our capital assets in Note 5 to the financial statements.

## L'Anse Creuse Public Schools Management's Discussion and Analysis (Continued)

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### ***Debt***

At the end of this year, the School District had approximately \$205.9 million in bonds outstanding versus \$218 million in the previous year - a decrease of 5.6 percent. The bonds consisted of the following:

	<u>2016</u>	<u>2015</u>
General obligation bonds	<u>\$ 205,875,000</u>	<u>\$ 217,975,000</u>

The School District's general obligation bond rating is A1-/A2. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. All of the School District's bonded indebtedness is qualified, not subject to the statutorily imposed bonded debt limit of \$351.3 million.

Other obligations include School Loan Revolving Fund obligations, accrued vacation and sick leave pay, and bond premiums and discounts, totaling \$118.4 million. We present more detailed information about our long-term liabilities in Note 8 to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

Our elected officials and administration consider many factors when setting the School District's 2016-2017 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2016-2017 fiscal year is anticipated to be 10 percent and 90 percent of the February 2016 and October 2016 student counts, respectively. Any change in the blended student count calculation could result in revenue loss for the School District. The 2016-2017 budget was adopted in June 2016, based on an estimate of students that will be enrolled in October 2016. Approximately 80 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, School District funding is heavily dependent on the State's ability to fund local school operations. The State finalized a school aid bill with a foundation allowance increase from the previous year per pupil of \$103 to \$7,735 for L'Anse Creuse Public Schools. The budget will be adjusted accordingly in the fall based on the October 2016 audited pupil count.

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to school districts.

The School District currently has four unions as part of its workforce. Support Services is currently in negotiations. Their contract expired August 31, 2016. The teachers' contract, MEA Local 1 will expire August 31, 2019. The Clerical contract, MEA-NEA Local 1 will

## **L'Anse Creuse Public Schools**

### **Management's Discussion and Analysis (Continued)**

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expire June 30, 2019. The Parapro contract, AFSCME Local 1993 will expire June 30, 2019. The school district is also in negotiations with the Administrators association. Their contract expired July 31, 2016.

#### **Adoption of New Accounting Standards**

The District adopted several new accounting principles with GASB Statements No. 72, 76, 79, and 82. Please see the notes to the financial statements for further discussion on these standards.

#### **Contacting the School District's Financial Management**

This financial report is designed to provide the School District's citizens, parents, and investors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the business office at the Harry L. Wheeler Community Center, 24076 F.V. Pankow Boulevard, Clinton Township, Michigan 48036-1304.

## BASIC FINANCIAL STATEMENTS

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**L'Anse Creuse Public Schools**  
**Statement of Net Position**  
**June 30, 2016**

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	Governmental Activities
<b>Assets</b>	
Cash	\$ 11,330,720
Accounts receivable	284,932
Due from other governmental units	15,681,899
Due from agency fund activities	201,778
Inventory	36,806
Investments	6,570
Prepaid items	534,822
Restricted assets	10,529,052
Capital assets not being depreciated	11,416,549
Capital assets - net of accumulated depreciation	<u>238,350,869</u>
 Total assets	 <u>288,373,997</u>
 <b>Deferred Outflows of Resources</b>	
Accumulated decrease in fair value of hedging activities	14,689,387
Deferred amount relating to the net pension liability	21,547,518
Deferred amount on debt refunding	<u>1,850,182</u>
 Total deferred outflows of resources	 <u>38,087,087</u>
 Total assets and deferred outflows of resources	 <u>326,461,084</u>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Statement of Net Position**  
**June 30, 2016**

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	<u>Governmental Activities</u>
<b>Liabilities</b>	
Accounts payable	1,281,389
Other accrued payroll-related liabilities	5,910,913
Accrued expenditures	4,181,497
Accrued salaries payable	6,688,272
Unearned revenue	413,860
Noncurrent liabilities	
Net pension liability	183,916,898
Due within one year	13,321,486
Due in more than one year	<u>310,931,458</u>
 Total liabilities	 <u>526,645,773</u>
 <b>Deferred Inflows of Resources</b>	
Deferred amount on net pension liability	<u>5,288,349</u>
 Total liabilities and deferred inflows of resources	 <u>531,934,122</u>
 <b>Net Position</b>	
Net investment in capital assets	(35,244,396)
Restricted for:	
Capital projects	2,784,106
Unrestricted (deficit)	<u>(173,012,748)</u>
 Total net position	 <u>\$ (205,473,038)</u>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Functions/Programs</b>				
Governmental activities				
Instruction	\$ 71,586,409	\$ 135,000	\$ 15,219,899	\$ (56,231,510)
Supporting services	37,864,068	-	7,204,533	(30,659,535)
Athletics	1,288,005	313,313	-	(974,692)
Food services	3,524,938	1,400,049	2,301,502	176,613
Community services	1,838,853	2,563,627	958,155	1,682,929
Payments to other public schools	71,990	-	-	(71,990)
Depreciation expense (unallocated)	9,876,872	-	-	(9,876,872)
Loss on sale of capital assets (unallocated)	3,803,944	-	-	(3,803,944)
Interest and fiscal charges on long-term debt	15,079,454	-	-	(15,079,454)
Total governmental activities	\$ 144,934,533	\$ 4,411,989	\$ 25,684,089	(114,838,455)
General revenues				
				13,770,386
				16,530,258
				39,103
				65,417,081
				121,897
				693,260
Total general revenues				96,571,985
Change in net position				(18,266,470)
Net position - beginning				(187,206,568)
Net position - ending				\$ (205,473,038)

See Accompanying Notes to the Financial Statements



**L'Anse Creuse Public Schools**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2016**

	General Fund	2008 Capital Projects Fund	2010 Series A Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 7,086,272	\$ -	\$ -	\$ 4,244,448	\$ 11,330,720
Accounts receivable	232,373	-	-	52,559	284,932
Due from other funds	796,919	-	-	1,318,004	2,114,923
Due from other governmental units	15,681,899	-	-	-	15,681,899
Inventory	-	-	-	36,806	36,806
Investments	6,570	-	-	-	6,570
Prepaid items	524,197	-	-	10,625	534,822
Restricted assets	-	4,139,168	5,704,077	685,807	10,529,052
<b>Total assets</b>	<b>\$ 24,328,230</b>	<b>\$ 4,139,168</b>	<b>\$ 5,704,077</b>	<b>\$ 6,348,249</b>	<b>\$ 40,519,724</b>
<b>Liabilities</b>					
Accounts payable	\$ 789,960	\$ -	\$ 491,383	\$ 46	\$ 1,281,389
Due to other funds	4,283,649	72,002	39,427	358,331	4,753,409
Other accrued payroll-related liabilities	5,910,913	-	-	-	5,910,913
Accrued expenditures	13,122	-	-	-	13,122
Accrued salaries payable	6,688,272	-	-	-	6,688,272
Unearned revenue	324,968	38,863	-	50,029	413,860
<b>Total liabilities</b>	<b>18,010,884</b>	<b>110,865</b>	<b>530,810</b>	<b>408,406</b>	<b>19,060,965</b>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2016**

	<u>General Fund</u>	<u>2008 Capital Projects Fund</u>	<u>2010 Series A Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balance</b>					
Non-spendable					
Inventory	-	-	-	36,806	36,806
Prepaid items	524,197	-	-	10,625	534,822
Restricted for					
Food service	-	-	-	272,812	272,812
Debt service	-	-	-	1,809,006	1,809,006
Capital projects	-	4,028,303	5,173,267	2,784,106	11,985,676
Committed - capital projects	-	-	-	1,022,386	1,022,386
Assigned for employee severance liability	257,850	-	-	-	257,850
Assigned - International Fund	-	-	-	4,102	4,102
Unassigned	<u>5,535,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,535,299</u>
 Total fund balance	 <u>6,317,346</u>	 <u>4,028,303</u>	 <u>5,173,267</u>	 <u>5,939,843</u>	 <u>21,458,759</u>
 Total liabilities and fund balance	 <u>\$ 24,328,230</u>	 <u>\$ 4,139,168</u>	 <u>\$ 5,704,077</u>	 <u>\$ 6,348,249</u>	 <u>\$ 40,519,724</u>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2016**

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<b>Total fund balances for governmental funds</b>	<b>\$ 21,458,759</b>
Total net position for governmental activities in the statement of net position is different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	
Capital assets not being depreciated	11,416,549
Capital assets - net of accumulated depreciation	238,350,869
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	1,850,182
Changes in the fair value of interest rate swap agreements that are classified as hedging instruments are recorded as deferred outflows of resources	14,689,387
Deferred inflows of resources resulting from the net pension liability	(5,288,349)
Deferred outflows of resources resulting from the net pension liability	21,547,518
Certain liabilities are not due and payable in the current period and are not reported in the funds	
Accrued interest	(4,168,375)
Special termination benefits	(257,850)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities	
Net pension liability	(183,916,898)
Bonds payable	(223,049,546)
Interest rate swap	(14,689,387)
School bond loan payable (including accrued interest)	(83,415,897)
<b>Net position of governmental activities</b>	<b>\$ (205,473,038)</b>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2016**

	General Fund	2008 Capital Projects Fund	2010 Series A Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Local sources	\$ 17,611,280	\$ 9,110	\$ -	\$ 18,157,327	\$ 35,777,717
State sources	82,383,378	-	-	192,164	82,575,542
Federal sources	4,607,285	-	-	2,109,338	6,716,623
Interdistrict sources	1,922,260	-	-	-	1,922,260
	<u>106,524,203</u>	<u>9,110</u>	<u>-</u>	<u>20,458,829</u>	<u>126,992,142</u>
<b>Expenditures</b>					
Current					
Education					
Instruction	69,471,311	-	-	-	69,471,311
Supporting services	36,781,654	-	-	43,754	36,825,408
Athletics	1,252,674	-	-	-	1,252,674
Food services	-	-	-	3,428,244	3,428,244
Community services	1,788,411	-	-	-	1,788,411
Intergovernmental payments	71,990	-	-	-	71,990
Facilities acquisition	-	2,053,999	2,380,370	10,894	4,445,263
Capital outlay	14	-	-	-	14
Debt service					
Principal	-	-	-	12,100,000	12,100,000
Interest and other expenditures	-	-	-	11,761,132	11,761,132
	<u>109,366,054</u>	<u>2,053,999</u>	<u>2,380,370</u>	<u>27,344,024</u>	<u>141,144,447</u>
Deficiency of revenues over expenditures	<u>(2,841,851)</u>	<u>(2,044,889)</u>	<u>(2,380,370)</u>	<u>(6,885,195)</u>	<u>(14,152,305)</u>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2016**

	General Fund	2008 Capital Projects Fund	2010 Series A Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Other Financing Sources (Uses)</b>					
Proceeds from school bond loan fund	-	-	-	6,348,429	6,348,429
Proceeds from sale of capital assets	483,240	-	-	2,795,000	3,278,240
Transfers in	612,934	-	-	61,904	674,838
Transfers out	(61,904)	-	-	(612,934)	(674,838)
 Total other financing sources (uses)	 <u>1,034,270</u>	 <u>-</u>	 <u>-</u>	 <u>8,592,399</u>	 <u>9,626,669</u>
 Net change in fund balance	 (1,807,581)	 (2,044,889)	 (2,380,370)	 1,707,204	 (4,525,636)
 Fund balance - beginning	 <u>8,124,927</u>	 <u>6,073,192</u>	 <u>7,553,637</u>	 <u>4,232,639</u>	 <u>25,984,395</u>
 Fund balance - ending	 <u>\$ 6,317,346</u>	 <u>\$ 4,028,303</u>	 <u>\$ 5,173,267</u>	 <u>\$ 5,939,843</u>	 <u>\$ 21,458,759</u>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2016**

<b>Net change in fund balances - Total governmental funds</b>	<b>\$ (4,525,636)</b>
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	(324,079)
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.	
Depreciation expense	(9,876,872)
Capital outlay	4,289,617
Sale of capital assets (net book value)	(7,082,184)
Expenses are recorded when incurred in the statement of activities.	
Interest	(4,239,026)
Special termination benefits	(257,850)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	(20,765,354)
Net change in the deferral of resources related to the net pension liability	19,167,428
Net change between the current year and prior year deferred outflow of resources related to contributions made subsequent to the measurement date	(1,324,789)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Debt issued	(3,774,738)
Repayments of long-term debt	12,100,000
Interest accrual on school bond loan fund	(2,573,691)
Amortization of deferred amount on debt refunding	(77,634)
Amortization of premiums	1,041,528
Amortization of bond discount	(43,190)
<b>Change in net position of governmental activities</b>	<b>\$ (18,266,470)</b>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Net Position**  
**June 30, 2016**

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	<u>Internal Service Fund</u>
<b>Assets</b>	
Current - Due from other funds	\$ <u>2,840,264</u>
<b>Liabilities</b>	
Current - compensated absences	351,486
Long-term - compensated absences	<u>2,488,778</u>
Total liabilities	<u>2,840,264</u>
<b>Net Position</b>	
Net position - unrestricted	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2016**

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	<u>Internal Service Fund</u>
<b>Operating Revenue</b>	
Charges for services	\$ 2,009,611
<b>Operating Expenses</b>	
Compensated absences	<u>2,009,611</u>
Operating income	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

See Accompanying Notes to the Financial Statements



**L'Anse Creuse Public Schools**  
**Proprietary Fund - Internal Service Fund**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2016**

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	<u>Internal Service Fund</u>
<b>Cash Flows from Operating Activities</b>	
Charges to other funds	\$ 2,009,611
Payments to employees	<u>(2,009,611)</u>
Net cash provided by operating activities	<u>-</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>\$ -</u>
Cash and Cash Equivalents - beginning	<u>-</u>
Cash and Cash Equivalents - ending	<u><u>\$ -</u></u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>	
Operating income	<u><u>\$ -</u></u>
Adjustments to reconcile change in net position to net cash from operating activities - Changes in assets and liabilities:	
Due from others	1,936
Accrued compensated absences	<u>(1,936)</u>
Net cash provided by operating activities	<u><u>\$ -</u></u>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools  
Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2016**

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	<u>Scholarship Trust Fund</u>	<u>Student Activities Agency Funds</u>
<b>Assets</b>		
Cash	\$ -	\$ 1,548,191
Due from other funds	<u>32,458</u>	<u>125,381</u>
Total assets	<u>32,458</u>	<u>\$ 1,673,572</u>
<b>Liabilities</b>		
Due to other funds	-	\$ 359,617
Due to agency fund activities	<u>-</u>	<u>1,313,955</u>
Total liabilities	<u>-</u>	<u>\$ 1,673,572</u>
<b>Net Position</b>		
Assets held for scholarships	<u>\$ 32,458</u>	

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2016**

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	<u>Scholarship Trust Fund</u>
<b>Deductions</b>	
Scholarships and expenses	\$ <u>3,895</u>
Change in net position	(3,895)
Net position - beginning	<u>36,353</u>
Net position - ending	<u>\$ 32,458</u>

See Accompanying Notes to the Financial Statements

**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

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**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the L'Anse Creuse Public Schools (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

**Reporting Entity**

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District is not included in any other governmental "reporting entity" since the board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary financial accountability for fiscal matters. Based on the application of the criteria, the School District does not contain any component units.

**District-wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary 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 revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's district-wide activities are considered governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are

offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes, intergovernmental payments, and other items not properly included among program revenue are reported instead as general revenue.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

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Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. 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, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the School District.

Proprietary and Fiduciary fund statements are also reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses for the proprietary fund generally are charges to other funds and payments for employee compensated absence liabilities, respectively. All revenues and expenses not meeting the above definition are reported as nonoperating revenues and expenses.

The School District reports the following major governmental funds:

General Fund –The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.

2010 Series A Capital Projects Fund - The 2010 Series A Capital Projects Fund is used to record bond proceeds and other revenue and the disbursement of invoices specifically designated for the purpose of financing the third phase of erecting, furnishing, and equipping a new administration building; an addition to an existing elementary school for a child care center; acquiring and installing educational technology improvements; acquiring school buses; acquiring additional land and developing and improving playgrounds, play fields, athletic fields, facilities, and sites; and paying the costs of issuing the bonds.

2008 Capital Projects Fund - The 2008 Capital Projects Fund is used to record bond proceeds and other revenue and the disbursement of invoices specifically designated for the purpose of financing the second phase of erecting, furnishing, and equipping one new elementary school building and an adult education building to replace existing buildings; acquiring and installing educational technology improvements; acquiring school buses; acquiring additional land and developing and improving playgrounds, play fields, athletic fields, facilities, and sites; and paying the costs of issuing the bonds.

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School District's special revenue funds consist of a Food and Nutrition Fund (which accounts for the food service program activities), and the International Fund (which accounts for tuition and expenditures

**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

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related to housing international students) that are used to segregate, for administrative purposes, the transactions of those activities from the General Fund revenue and expenditures.

Debt Service Funds – The debt service funds are used to record tax, interest, other revenue for payment of interest and principal, and other expenditures on the bond issues.

Capital Projects Funds – The General Capital Projects Fund is used to record transfers from the General Fund specifically designated for the purpose of erecting, furnishing, and equipping additions and remodeling, refurbishing, and re-equipping School District buildings; acquiring and installing educational technology improvements; acquiring school buses; and developing and improving sites, playgrounds, and outdoor physical education and athletic fields and facilities. The 2016 Capital Projects Fund is used to account for proceeds from the sale of capital assets that were acquired with funds restricted for those purposes, in addition to the related expenditures of these funds.

Internal Service Fund – The purpose of the internal service fund is to account for certain services provided to other funds on a cost-reimbursement basis. The Compensated Absences Fund accounts for compensated absence liabilities due to employees upon separation from the School District based on negotiated terms in the collective bargaining agreements.

Fiduciary Funds – The fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent on behalf of others. The School District has two fiduciary funds, which include the Scholarship Fund, a private purpose trust, and the Student Activities Fund, an Agency Fund. The private purpose trust includes contributions received by the School District to be awarded in the form of scholarships. The Agency Fund is used to account for transactions of student groups for school and related

purposes. The funds are segregated and held in trust for the students.

**Assets, Liabilities and Net Position or Equity**

Cash and Cash Equivalents and Investments – Cash and investments include cash on hand, demand deposits, and short-term investments with a maturity of one year or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds." All outstanding balances are expected to be paid within one year.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are assessed as of December 31 and are billed and become a lien on July 1 of the following year. Taxes are considered delinquent on March 1 of the following year. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid assets in both district-wide and fund financial statements and accounted for using the purchases method.

Restricted Assets – Restricted assets exist when their use is constrained for a particular purpose. This includes the unspent bond proceeds of the bonded capital projects funds and amounts legally segregated for payments of debt.

**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

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Capital Assets – Capital assets, which include land, buildings, equipment, vehicles, and construction in progress, are reported in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$20,000 for land improvements and buildings and \$2,500 for all remaining asset classifications. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-50 years
Equipment and furniture	5-20 years
Buses and other vehicles	5-15 years

Compensated Absences – The liability for compensated absences reported in the Compensated Absences Internal Service Fund consists of earned but unused accumulated vacation and sick leave benefits as well as termination payments. Compensated absences are earned and accumulated based on the provisions of the respective collective bargaining agreements. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments at normal retirement age and other employees who are expected to become eligible in the future to receive such payments upon normal retirement are included.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond

premium or discount. Bond issuance costs are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has three items that qualify for reporting in this category, which are reported in the district-wide statement of net position. The first item is the accumulated decrease in the fair value of hedging derivatives. An accumulated decrease in the fair value of hedging derivatives results when interest rate swaps that qualify as effective hedging instruments have a negative fair value. This amount is deferred and amortized as net settlements occur. The second item is the deferred charge recorded for

**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

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the refunding of certain long-term debt liabilities as disclosed in Note 7. The third item is the deferred outflow related to the pension plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School District has two types of this item. The first item arises only under a modified accrual basis of accounting, and is therefore only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from certain receivables that are not collected during the period of availability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred inflows related to the pension plan which is only recorded in the district-wide financial statements.

Fund Equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

Committed – amounts that have been formally set aside by the Board of Education for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board of Education.

Assigned – intent to spend resources on specific purposes expressed by the Board of Education or superintendent, or the

superintendent's designee, who is authorized by policy approved by the Board of Education to make assignments

Unassigned – amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the School District's policy is to first apply restricted resources. When an expense is incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used, it is the School District's policy to spend funds in this order: committed, assigned, and unassigned.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**Eliminations and Reclassifications**

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up"



**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

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effect on assets and liabilities within the governmental activities column.

**Adoption of New Accounting Standards**

The Governmental Accounting Standards Board (“The GASB”) has issued Statement No. 72 *Fair Value Measurements and Applications*. Statement 72 provides guidance for accounting and financial reporting issues related to fair value measurement. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The guidance establishes a three level hierarchy of inputs for valuation of fair value. Statement 72 is effective for the year ending June 30, 2016.

GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement 76 is effective for the year ending June 30, 2016.

GASB No. 79, *Certain External Investment Pools and Pool Participants*, establishes criteria that, if met, permit external investment pools to elect to measure all of their investments at amortized cost for financial reporting purposes. Also, it establishes additional disclosure requirements for qualifying external investment pools that make that election and for governments that participate in such external

investment pools. Statement 79 is effective for the year ending June 30, 2016.

GASB No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Statement 82 is effective for the year ending June 30, 2016.

**Upcoming Accounting and Reporting Changes**

Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses the other postemployment benefits plans (OPEB) – defined benefit and defined contribution – administered through trusts. This Statement will improve the financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts. This information will enhance the transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. Statement No. 74 is effective for the fiscal year ending June 30, 2017.

Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

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For defined OPEB plans, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee services. It also requires additional note disclosures and required supplementary information. Statement No. 75 is effective for the fiscal year ending June 30, 2018.

GASB Statement No. 77, *Tax Abatement Disclosures* requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for the fiscal year ending June 30, 2017.

GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14* amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this Statement are effective for the fiscal year ending June 30, 2017.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Statement No. 81 is effective for the fiscal year ending June 30, 2018.

The School District is evaluating the impact that the above pronouncements will have on its financial reporting.

**Note 2 - Stewardship, Compliance, and Accountability**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. The statement of revenue, expenditures, and changes in fund balance presents capital outlay separately, as required by generally accepted accounting principles. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the School District did not amend any budgets.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be re-appropriated and honored during the subsequent year.

The special revenue funds budgetary comparison schedules presented in other supplemental information and the budgetary comparison schedule for the General Fund presented in required supplemental information are presented in conformity with accounting principles generally accepted in the United States of America and are presented in more detail than the formally adopted budget.

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**Excess of Expenditures over Appropriations**

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Pupil	\$ 7,831,000	\$ 8,095,853	\$ 264,853
General administration	650,900	678,162	27,262
Operations and maintenance	8,978,900	9,203,119	224,219
Pupil transportation services	3,852,500	3,955,959	103,459
Intergovernmental payments	62,400	71,990	9,590
Transfers out	-	61,904	61,904

**District-Wide Deficits**

The School District has an unrestricted net position deficit for District-Wide activities in the amount of \$ 173,012,748 as of June 30, 2016. There are no other governmental funds with a deficit.

**Compliance - Bond Proceeds**

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994.

Beginning with the year of bond issuance, the School District has reported the annual construction activity in the 2008 Capital Project Fund. The projects for which the 2008 Issue bonds were issued were considered substantially complete on June 30, 2015.

The following is a summary of the revenue and expenditures in the bonded Capital Project Funds from the inception of the funds through the current fiscal year:

	<u>2010 Series A</u>	<u>2008 Issue</u>
Revenues	\$ 14,849,151	\$ 75,173,889
Expenditures	9,675,884	71,145,586

**Note 3 - Deposits and Investments**

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

The School District has designated several banks for the deposit of its funds.

The investment policy adopted by the board has authorized investments as listed in the state statutory authority as listed above.

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Interest rate risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. The School District's policy minimizes interest

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rate risk by requiring structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements.

Credit risk – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy limits investments in commercial papers to a rating of A or above by two nationally recognized statistical rating organizations.

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Cash	\$ 11,330,720	\$ 1,548,191	\$ 12,878,911
Restricted assets	10,529,052	-	10,529,052
Investments	<u>6,570</u>	<u>-</u>	<u>6,570</u>
	<u>\$ 21,866,342</u>	<u>\$ 1,548,191</u>	<u>\$ 23,414,533</u>

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 19,479,611
Investments in securities, mutual funds, and similar vehicles	3,870,497
Petty cash and cash on hand	<u>64,425</u>
Total	<u>\$ 23,414,533</u>

At year end, the School District had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturities</u>	<u>Rating</u>	<u>Organization</u>
Michigan Liquid Asset Fund	\$ <u>3,870,497</u>	N/A	AAAm	S&P

Concentration of credit risk – The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign currency risk – Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's policy prohibit investment in foreign currency.

Custodial credit risk – deposits – For deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level be used for the School District's deposits for custodial credit risk. At year end, the School District's deposit balance of \$ 21,277,287

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had \$ 20,271,475 in bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the School 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 School District's policy for custodial credit risk states custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law, and by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. The School District does not have investments with custodial credit risk.

**Note 4 – Fair Value Measurements**

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2016:

- Amounts invested in MILAF + Portfolio of \$ 3,870,497. The MILAF + Portfolio is not registered under Rule 2a-7 under the Investment Company Act of 1940. The money market securities are valued using

amortized cost, which generally approximates the current fair value of the security. However, the value is not obtained from a quoted price in an active market. (Level 2 inputs)

- The fair values of the interest rate swaps (see Note 9) were estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement on the swaps. (Level 2 inputs)

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**Note 5 – Capital Assets**

Capital asset activity of the School District's governmental activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 11,315,797	\$ -	\$ 389,881	\$ 10,925,916
Construction-in-progress	<u>211,136</u>	<u>490,633</u>	<u>211,136</u>	<u>490,633</u>
Total capital assets not being depreciated	<u>11,526,933</u>	<u>490,633</u>	<u>601,017</u>	<u>11,416,549</u>
Capital assets being depreciated				
Buildings and building improvements	348,692,724	1,105,219	9,156,752	340,641,191
Equipment and furniture	43,505,877	2,034,904	75,731	45,465,050
Buses and other vehicles	<u>7,051,096</u>	<u>869,997</u>	<u>1,039,457</u>	<u>6,881,636</u>
Total capital assets being depreciated	<u>399,249,697</u>	<u>4,010,120</u>	<u>10,271,940</u>	<u>392,987,877</u>
Less accumulated depreciation for				
Buildings and building improvements	106,458,158	7,754,757	2,587,102	111,625,813
Equipment and furniture	37,392,343	1,622,275	57,024	38,957,594
Buses and other vehicles	<u>4,489,272</u>	<u>499,840</u>	<u>935,511</u>	<u>4,053,601</u>
Total accumulated depreciation	<u>148,339,773</u>	<u>9,876,872</u>	<u>3,579,637</u>	<u>154,637,008</u>
Net capital assets being depreciated	<u>250,909,924</u>	<u>(5,866,752)</u>	<u>6,692,303</u>	<u>238,350,869</u>
Net capital assets	<u>\$ 262,436,857</u>	<u>\$ (5,376,119)</u>	<u>\$ 7,293,320</u>	<u>\$ 249,767,418</u>

Depreciation expense was not charged to activities as the School District considers its assets to impact multiple activities and allocation is not practical. Unallocated depreciation expense, as reported on the statement of activities, does not include direct depreciation expenses of the various programs. Disposals relate to normal disposal of assets which are no longer held by the School District.

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**Note 6 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances is as follows:

Fund Due To	Fund Due From					Amount
	General Fund	2008 Capital Projects Fund	2010A Capital Projects Fund	Nonmajor Governmental Funds	Fiduciary Funds	
General Fund	\$ -	\$ 72,002	\$ 39,427	\$ 358,331	\$ 327,159	\$ 796,919
Nonmajor Governmental Funds	1,318,004	-	-	-	-	1,318,004
Internal Service Fund	2,840,264	-	-	-	-	2,840,264
Fiduciary Funds	125,381	-	-	-	32,458	157,839
Total	<u>\$ 4,283,649</u>	<u>\$ 72,002</u>	<u>\$ 39,427</u>	<u>\$ 358,331</u>	<u>\$ 359,617</u>	<u>\$ 5,113,026</u>

The General Fund has amounts due to the General Capital Projects Fund totaling \$ 1,222,386 for transfers for future capital improvements, and the General Capital Projects Fund has \$ 200,000 due to the General Fund for amounts decommitted from the Capital Projects Fund. The General Fund has amounts due to internal service funds totaling \$ 2,840,264 that arose when the new funds were initially established. All remaining balances resulted from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

The Food and Nutrition Fund transferred funds totaling \$ 207,066 to the General Fund for current year indirect costs. The International Fund transferred funds totaling \$ 205,868 to the General Fund to reimburse the General Fund for expenses incurred on behalf of the International Fund. The General Capital Projects Fund transferred \$ 200,000 to the General Fund for the purpose described above.

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**Note 7 - Receivables and Unavailable and Unearned Revenue**

Receivables as of year end for the School District's individual major funds and the nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Receivables:</b>			
Accounts receivable	\$ 232,373	\$ 52,559	\$ 284,932
Intergovernmental	<u>15,681,899</u>	<u>-</u>	<u>15,681,899</u>
 Total receivables	 <u>\$ 15,914,272</u>	 <u>\$ 52,559</u>	 <u>\$ 15,966,831</u>

The majority of the intergovernmental receivable is from the State of Michigan for the July and August state aid payments of approximately \$ 14,600,000 and from the federal government for grants receivable of approximately \$ 875,000.

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

	Governmental Funds Unearned
Grant and categorical aid payments received prior to meeting all eligibility requirements	\$ 165,929
Summer tuition and fall school charges and other payments received prior to services being rendered	<u>247,931</u>
 Total	 <u>\$ 413,860</u>

**Note 8 - Long-Term Debt**

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Notes are also general obligations of the School District. Other long-term obligations include compensated absences and an employee severance liability.



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Long-term debt activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds	\$ 217,975,000	\$ -	\$ 12,100,000	\$ 205,875,000	\$ 12,970,000
Issuance discounts	(251,932)	-	(43,190)	(208,742)	-
Issuance premiums	18,424,816	-	1,041,528	17,383,288	-
Interest rate swap	10,127,517	4,561,870	-	14,689,387	-
School Loan Revolving Fund	66,665,591	6,348,429	-	73,014,020	-
School Loan Revolving Fund - Accrued interest	7,828,186	2,573,691	-	10,401,877	-
Employee severance liability	-	257,850	-	257,850	-
Employee compensated absences	2,842,200	-	1,936	2,840,264	351,486
<b>Total</b>	<b>\$ 323,611,378</b>	<b>\$ 13,741,840</b>	<b>\$ 13,100,274</b>	<b>\$ 324,252,944</b>	<b>\$ 13,321,486</b>

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Year Ending June 30	Principal	Interest	Total
2017	\$ 12,970,000	\$ 9,755,602	\$ 22,725,602
2018	11,770,000	9,205,355	20,975,355
2019	12,190,000	8,633,634	20,823,634
2020	12,665,000	8,040,680	20,705,680
2021	11,070,000	7,421,430	18,491,430
2022 - 2026	45,725,000	29,428,548	75,153,548
2027 - 2031	44,455,000	18,986,067	63,441,067
2032 - 2036	43,640,000	7,442,908	51,082,908
2037 - 2040	11,390,000	1,065,564	12,455,564
<b>Total</b>	<b>\$ 205,875,000</b>	<b>\$ 99,979,788</b>	<b>\$ 305,854,788</b>

**Governmental Activities**

General obligation bonds payable at year end, consist of the following:

\$13,990,000 serial bonds due in annual installments of \$1,975,000 to \$2,000,000 through May 1, 2018, interest at 4.76% to 4.93%	\$ 3,975,000
\$8,665,000 serial bonds due in annual installments of \$710,000 to \$1,060,000 through May 1, 2022, interest at 4.0%	5,885,000
\$28,960,000 serial bonds due in annual installments of \$2,715,000 to \$3,775,000 through May 1, 2023, interest at 4.0% to 5.0%	22,905,000
\$70,130,000 serial bonds due in annual installments of \$2,025,000 to \$4,250,000 through May 1, 2035, interest at variable rate fixed with swap agreement at 3.639% (see Note 8); the bonds have an optional tender feature that allows the bond holder to request tender on demand. The School District has entered into an agreement with a remarketing agent to remarket any bonds tendered and a liquidity facility agreement with a financial institution to provide liquidity in the event that the remarketing agent is unable to remarket the bonds. In the event that the bonds are tendered and the financial institution does not perform under the liquidity facility agreement, or the liquidity facility agreement expires, the variable interest rate would increase to 12% until the remarketing agent is able to remarket the bonds.	59,425,000
\$118,685,000 serial bonds due in annual installments of \$2,835,000 to \$6,340,000 through May 1, 2040, interest at 3.75% to 5.0%	113,685,000
<b>Total general obligation bonded debt</b>	<b>\$ 205,875,000</b>

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During the year, the School District transferred the 2008 bonds to new bondholders. The maturity schedule, including due dates, principal payments, and interest payments, remain unchanged from the prior agreement.

**School Loan Revolving Fund**

The School Loan Revolving Fund payable represents notes payable to the State of Michigan for loans made to the School District, as authorized by the 1963 State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the School District issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board in accordance with Section 9 of Act No. 92 of the Public Acts of 2005, as amended. Interest was charged at 3.34 to 3.44 percent during the year ended June 30, 2016. Repayment is required when the revenue from the computed millage rate exceeds the amount sufficient to pay debt service on qualified bonds. The School District is required to levy at least 7.0 mills and repay to the State any excess of the amount levied over the bonded debt service requirements. Due to recent legislated changes to the School Loan Revolving Fund program, participating districts are now required to adjust their annual millage rate to amounts between 7.0 and 13.0 mills, depending on a specified formula. Additionally, the School District has been provided a mandatory repayment date of May 1, 2046, although there are no required principal and interest payments each year. Due to the variability of the factors that affect the timing of repayment, including the future amount of state-equalized value of property in the School District, no provision for repayment has been included in the above amortization schedule.

**Note 9 - Derivative Instruments**

During the current year, the School District had one interest rate swap agreement in connection with its \$70.13 million 2008 School Building and Site variable rate bonds.

**Hedging Derivative Instrument** - The swap agreement (referred to as SIFMA) was entered into in August 2005, with an effective date that coincided with the issuance date of the bonds in May 2008. The intention of the swap was to effectively hedge the changes in cash flows related to the interest payments on the variable rate bonds. At June 30, 2016, the swap's notional amount of \$59.425 million matched the \$59.425 million outstanding balance of the variable rate bonds. The notional value of the swap and the principal amount of the associated debt decline at the same rate until maturity in May 2035. Under the swap, the School District pays the counterparty a fixed payment of 3.639 percent and receives a variable payment computed at the Securities Industry and Financial Markets Association Municipal Swap Index™ (SIFMA) rate. The bonds' variable rate coupons are determined by the remarketing agent based on the rate necessary to remarket the bonds. This rate approximates the SIFMA rate at June 30, 2016. At June 30, 2016, the SIFMA swap had a negative fair value of \$ 14,689,387, which was recorded in other long-term liabilities on the statement of net position. As the swap is a hedging instrument, the change in fair value is considered a deferred outflow of resources on the statement of net position.

**Credit Risk** - The swap counterparty was rated A by Fitch Ratings and Standard & Poor's and A1 by Moody's Investors Service as of June 30, 2016. In the event that the counterparty were to default on the swap agreement, the School District would have the option to enter into another swap agreement. The School District was not exposed to credit risk related to the SIFMA swap as the fair market value of that swap was negative at June 30, 2016.

**Interest Rate Risk** - The School District is exposed to interest rate risk on the swap agreement, since changes in the interest rate market will affect the fair value of the swap agreement.

**Basis Risk** - The SIFMA swap exposes the School District to basis risk because the variable-rate payments received by the School District on the hedging derivative instrument are based on an index other than

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interest rates the School District pays on its hedged variable-rate debt, which is remarketed every seven days. As of June 30, 2016, the SIFMA swap index rate was 0.41 percent, whereas the weighted average interest rate on the School District's hedged variable rate debt on the bonds was 0.405 percent.

**Termination Risk** - The School District or the counterparty may terminate the swap agreement if the other party fails to perform under the terms of the contract. The swap may be terminated by the counterparty if the School District's credit quality rating and the State of Michigan's credit quality rating fall below "A" as issued by Standard & Poor's or Moody's Investors Service. If the SIFMA swap is terminated, the variable rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the School District would be liable to the counterparty for a payment equal to the swap's fair value. To mitigate the termination risk, the School District has obtained swap insurance that would cover the termination payment in the event that the School District were to default on the terms of the swap agreement.

**Derivative Instrument Payments and Hedged Debt** - As of June 30, 2016, aggregate debt service requirements of the School District's debt and net receipts/payments on associated hedging derivative instruments (the SIFMA swap) are presented below. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the SIFMA swap will vary. The data below has also been included in the principal and interest payment schedules included in Note 8.

	Principal	Interest	Hedging Derivatives- Net	Total
<b>Year Ending June 30</b>				
2017	\$ 2,025,000	\$ 240,671	\$ 1,918,833	\$ 4,184,504
2018	2,150,000	232,470	1,853,446	4,235,916
2019	2,250,000	223,763	1,784,023	4,257,786
2020	2,375,000	214,650	1,711,370	4,301,020
2021	2,500,000	205,031	1,634,681	4,339,712
2022 - 2026	14,375,000	863,156	6,881,806	22,119,962
2027 - 2031	17,500,000	546,750	4,359,150	22,405,900
2032 - 2035	16,250,000	167,063	1,331,963	17,749,026
<b>Total</b>	<u>\$ 59,425,000</u>	<u>\$ 2,693,554</u>	<u>\$ 21,475,272</u>	<u>\$ 83,593,826</u>

**Note 10 - Risk Management**

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees. The School District has purchased commercial insurance for property loss, torts, errors and omissions, and medical benefit claims; the School District is self-insured for workers' compensation claims up to \$450,000 per occurrence. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three

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fiscal years. There were no changes in insurance coverage by major category of risk from that of the preceding year.

The School District is insured under a retrospectively rated policy and estimates the liability for employee injury claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in the basic financial statements. The estimates and changes in estimates were not material to the financial statements.

**Note 11 - Pension Plans and Post-Employment Benefits**

**Organization**

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

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available at [www.michigan.gov/mpsers-cafr](http://www.michigan.gov/mpsers-cafr).

**Benefits Provided**

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as

amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits for DB plan members are determined by final average compensation and years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB member or Pension Plus plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

**Contributions and Funding Status**

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2015 valuation will be amortized over a 21 year period for the plan's 2015 fiscal year.

**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

The schedule below summarizes pension contribution rates in effect for fiscal year 2015.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	22.52 - 23.07%
Member Investment Plan	3.0 - 7.0	22.52 - 23.07
Pension Plus	3.0 - 6.4	21.99
Defined Contribution	0.0	17.72 - 18.76

Required contributions to the pension plan from the School District were \$ 14,526,057 for the year ending September 30, 2015.

**Net Pension Liability**

June 30, 2016, the School District reported a liability of \$ 183,916,898 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2014. The School District's proportionate share of the net pension liability was based on statutorily required contributions in relation to all employers' statutorily required contributions for the measurement period. At September 30, 2015, the School District's proportionate share percent was .7530 percent, which was an increase of .0123 percent since the prior measurement date.

**Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2016, the School District recognized total pension expense of \$ 16,162,100. The School District's actual contributions for the years ended June 30, 2016, 2015, and 2014 and were approximately \$ 13,203,000, \$ 19,258,000, and \$ 14,747,000, respectively.

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (609,187)
Changes in assumptions	4,528,423	-
Net difference between projected and actual earnings on pension plan investments	938,747	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,293,236	-
Employer contributions subsequent to the measurement date	13,787,112	(4,679,162)
	<u>\$ 21,547,518</u>	<u>\$ (5,288,349)</u>

\$ 13,787,112 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. \$ 4,679,162 reported as deferred inflows of resources relating to pensions resulting from employer contributions subsequent to the measurement date are 147c revenues received that will be recognized in the year ended June 30, 2017 when the related payments reduce the net pension liability.

**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year Ending September 30	Amount:
2016	\$ 1,133,272
2017	1,133,272
2018	887,720
2019	<u>3,996,955</u>
Total	<u>\$ 7,151,219</u>

**Actuarial Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

*Summary of Actuarial Assumptions:*

- Valuation Date: September 30, 2014
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 3.5%
- Investment Rate of returns:
  - MIP and Basic Plans (Non-Hybrid): 8.0%
  - Pension Plus Plan (Hybrid): 7.0%
- Projected Salary Increases: 3.5-12.3%, including wage inflation at 3.5%

- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Healthcare Cost Trend Rate: 8.5% Year 1 graded to 3.5% Year 12
- Mortality: RP-2000 Male and Female Combined Healthy Life Mortality Tables, adjusted for mortality improvements to 2025 using projection scale BB. This assumption was first used for the September 30, 2014 valuation of the System. For retirees, 100% of the table rates were used. For active members, 80% of the table rates were used for males and 70% of the table rates were used for females.

Assumption changes as a result of an experience study for the periods 2007 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for liabilities is the average of the expected remaining service lives of all employees in years: (4.7158 for non-university employers). The recognition period for assets in years is 5.0000. Full actuarial assumptions are available in the 2015 MPSERS Comprehensive Annual Financial Report (CAFR) ([www.michigan.gov/mpsers-cafr](http://www.michigan.gov/mpsers-cafr)).

**Long-Term Expected Return on Plan Assets**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	28.0 %	5.9
Alternative Investment Pools	18.0	9.2
International Equity	16.0	7.2
Fixed Income Pools	10.5	0.9
Real Estate and Infrastructure Pools	10.0	4.3
Absolute Return Pools	15.5	6.0
Short Term Investment Pools	2.0	0.0
	<u>100.0%</u>	

\*Long term rate of return does not include 2.1% inflation

**Discount Rate**

A discount rate of 8.0% was used to measure the total pension liability (7.0% for the Pension Plus plan, a hybrid plan). This discount rate was based on the long-term expected rate of return on pension plan investments of 8.0% (7.0% for the Pension Plus plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially-determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the School District's proportionate share of the net pension liability, calculated using a discount rate of 8.0% (7.0% for the Pension Plus Plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease (Non-Hybrid/Hybrid)* 7.0% / 6.0%	Current Single Discount Rate Assumption (Non-Hybrid/Hybrid)* 8.0% / 7.0%	1% Increase (Non-Hybrid/Hybrid)* 9.0% / 8.0%
<u>\$ 237,116,028</u>	<u>\$ 183,916,898</u>	<u>\$ 139,067,853</u>

\*Non-university employers, the Basic plan and the Member Investment Plan (MIP) are non-hybrid plans. Pension Plus is a hybrid plan, with a defined benefit (pension) component and a defined contribution (DC) component.

**Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS CAFR. See the 2015 MPSERS CAFR ([www.michigan.gov/mpsers-cafr](http://www.michigan.gov/mpsers-cafr)).

**Payables to the Pension Plan**

There were no significant payables to the pension plan that are not ordinary accruals to the district.

**Post-Employment Benefits**

In addition to the pension benefits described above, state law requires the School District to provide post-employment healthcare benefits for eligible retirees and beneficiaries through the Michigan Public School Employees Retirement System (MPSERS).

**L'Anse Creuse Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2016**

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The 2012 Retirement Reform included changes to retiree healthcare benefits. New employees hired after the effective date who elect this benefit are enrolled in the defined contribution Personal Healthcare Fund. This establishes a portable tax-deferred account in which the participant contributes up to 2% of their salary, and receives up to a 2% employer match. These funds can be used to pay for healthcare expenses in retirement.

Employees working prior to the enactment of the 2012 Retirement Reform have two options: (a) the Personal Healthcare Fund, or (b) the defined benefit Premium Subsidy benefit.

Employees electing the defined benefit Premium Subsidy benefit contribute 3% of their compensation, and the employer contributes an actuarially determined percent of payroll for all participants. Upon retirement members receive a premium subsidy towards health, dental and vision insurance. The subsidy is a percent of the premium cost, with the percentage varying based on several factors.

For the periods July 1, 2015 through September 30, 2015, and October 1, 2015 through June 30, 2016, the employer contribution rate ranged from 2.20% to 2.71% and 6.40% to 6.83%, respectively.

The School District's actual contributions match the required contributions (100% of required contributions were made) for the years ended June 30, 2016, 2015, and 2014 and were approximately \$ 3,770,000, \$ 2,173,000, and \$ 4,312,000, respectively.

**Unfunded Accrued Liability**

During the year ending June 30, 2016, the School District had contributions in the amount of \$ 7,204,253 to the MPSERS. This amount represents the additional employer contributions attributed to the unfunded accrued actuarial liability (UAAL) rate, which was approximately 10.53% for the year ending June 30, 2016.

**Note 12 - Contingent Liabilities**

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2016.



## REQUIRED SUPPLEMENTARY INFORMATION

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**L'Anse Creuse Public Schools**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>			Over (Under) Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Local sources	\$ 17,093,673	\$ 17,637,180	\$ 17,611,280	\$ (25,900)
State sources	81,765,616	82,524,343	82,383,378	(140,965)
Federal sources	6,929,839	5,871,346	4,607,285	(1,264,061)
Interdistrict sources	<u>1,965,000</u>	<u>2,015,000</u>	<u>1,922,260</u>	<u>(92,740)</u>
 Total revenues	 <u>107,754,128</u>	 <u>108,047,869</u>	 <u>106,524,203</u>	 <u>(1,523,666)</u>
<b>Expenditures</b>				
Instruction				
Basic programs	53,948,711	54,973,653	54,484,271	(489,382)
Added needs	15,417,747	15,577,300	14,662,514	(914,786)
Adult and continuing education	425,261	338,900	324,526	(14,374)
Supporting services				
Pupil	7,768,220	7,831,000	8,095,853	264,853
Instructional staff	4,066,772	3,672,200	3,526,925	(145,275)
General administration	594,374	650,900	678,162	27,262
School administration	7,093,610	7,432,600	7,320,390	(112,210)
Business	1,498,707	1,439,731	1,263,035	(176,696)
Operations and maintenance	9,696,874	8,978,900	9,203,119	224,219
Pupil transportation services	4,044,758	3,852,500	3,955,959	103,459
Central	2,439,583	2,784,321	2,733,714	(50,607)
Athletic activities	1,134,896	1,301,300	1,252,674	(48,626)
Other	-	6,500	4,497	(2,003)
Community services	1,864,015	1,789,200	1,788,411	(789)
Intergovernmental payments	135,000	62,400	71,990	9,590
Capital outlay	<u>-</u>	<u>647</u>	<u>14</u>	<u>(633)</u>
 Total expenditures	 <u>110,128,528</u>	 <u>110,692,052</u>	 <u>109,366,054</u>	 <u>(1,325,998)</u>
 Deficiency of revenues over expenditures	 <u>(2,374,400)</u>	 <u>(2,644,183)</u>	 <u>(2,841,851)</u>	 <u>(197,668)</u>

**L'Anse Creuse Public Schools**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	100,000	483,240	383,240
Transfers in	415,000	430,000	612,934	182,934
Transfers out	-	-	(61,904)	(61,904)
	<u>415,000</u>	<u>530,000</u>	<u>1,034,270</u>	<u>504,270</u>
Total other financing sources (uses)				
Net change in fund balance	(1,959,400)	(2,114,183)	(1,807,581)	306,602
Fund balance - beginning	<u>8,124,927</u>	<u>8,124,927</u>	<u>8,124,927</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,165,527</u>	<u>\$ 6,010,744</u>	<u>\$ 6,317,346</u>	<u>\$ 306,602</u>

**L'Anse Creuse Public Schools**  
**Required Supplementary Information**  
**Schedule of the School District's Proportionate Share of the Net Pension Liability**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years (Measurement Date September 30th)**

	June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
A. School district's proportion of net pension liability (%)	0.753%	0.741%								
B. School district's proportionate share of net pension liability	\$ 183,916,898	\$ 163,151,544								
C. School district's covered-employee payroll	\$ 62,639,375	\$ 60,159,805								
D. School district's proportionate share of net pension liability as a percentage of its covered- employee payroll	293.61%	271.20%								
E. Plan fiduciary net position as a percentage of total pension liability	63.17%	66.20%								

**Note:**

Information for the years 2007-2014 is unavailable. The information in this schedule was not required until the 2014-15 fiscal year.

**L'Anse Creuse Public Schools**  
**Required Supplementary Information**  
**Schedule of the School District's Contributions**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years**

	For the Years Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
A. Statutorily required contributions	\$ 13,203,368	\$ 13,198,825								
B. Contributions in relation to statutorily required contributions	<u>13,203,368</u>	<u>13,198,825</u>								
C. Contribution deficiency (excess)	\$ -	\$ -								
D. School district's covered-employee payroll	66,337,643	\$ 60,296,139								
E. Contributions as a percentage of covered-employee payroll	19.90%	21.89%								

**Note:**

Information for the years 2007-2014 is unavailable. The information in this schedule was not required until the 2014-15 fiscal year.

Benefit changes - There were no changes of benefit terms in 2015-16.

Changes in assumptions - There were no changes of benefit assumptions in 2015-16.

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## OTHER SUPPLEMENTARY INFORMATION

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**L'Anse Creuse Public Schools**  
**Other Supplementary Information**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2016**

	Special Revenue Funds		Debt Service Funds					Capital Project Funds		Total Nonmajor Governmental Funds
	Food and Nutrition	International	2015 Refunding	2012 Refunding	2010 Series A	2008 Issue	2006 Refunding	2016 Capital Projects Fund	General Capital Projects	
<b>Assets</b>										
Cash	\$ 276,570	\$ 39,123	\$ 217,233	\$ 278,144	\$ 623,826	\$ 4,341	\$ 21,105	\$ 2,784,106	\$ -	\$ 4,244,448
Accounts receivable	52,559	-	-	-	-	-	-	-	-	52,559
Due from other funds	33,714	61,904	-	-	-	-	-	-	1,222,386	1,318,004
Inventory	36,806	-	-	-	-	-	-	-	-	36,806
Prepaid items	10,625	-	-	-	-	-	-	-	-	10,625
Restricted assets	-	-	-	-	-	685,807	-	-	-	685,807
<b>Total assets</b>	<b>\$ 410,274</b>	<b>\$ 101,027</b>	<b>\$ 217,233</b>	<b>\$ 278,144</b>	<b>\$ 623,826</b>	<b>\$ 690,148</b>	<b>\$ 21,105</b>	<b>\$ 2,784,106</b>	<b>\$ 1,222,386</b>	<b>\$ 6,348,249</b>
<b>Liabilities</b>										
Accounts payable	\$ 46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46
Due to other funds	49,956	86,925	1,161	442	257	791	18,799	-	200,000	358,331
Unearned revenue	40,029	10,000	-	-	-	-	-	-	-	50,029
<b>Total liabilities</b>	<b>90,031</b>	<b>96,925</b>	<b>1,161</b>	<b>442</b>	<b>257</b>	<b>791</b>	<b>18,799</b>	<b>-</b>	<b>200,000</b>	<b>408,406</b>
<b>Fund Balance</b>										
Non-spendable										
Inventory	36,806	-	-	-	-	-	-	-	-	36,806
Prepaid items	10,625	-	-	-	-	-	-	-	-	10,625
Restricted for										
Food service	272,812	-	-	-	-	-	-	-	-	272,812
Debt service	-	-	216,072	277,702	623,569	689,357	2,306	-	-	1,809,006
Capital projects	-	-	-	-	-	-	-	2,784,106	-	2,784,106
Committed - capital projects	-	-	-	-	-	-	-	-	1,022,386	1,022,386
Assigned	-	4,102	-	-	-	-	-	-	-	4,102
<b>Total fund balance</b>	<b>320,243</b>	<b>4,102</b>	<b>216,072</b>	<b>277,702</b>	<b>623,569</b>	<b>689,357</b>	<b>2,306</b>	<b>2,784,106</b>	<b>1,022,386</b>	<b>5,939,843</b>
<b>Total liabilities and fund balance</b>	<b>\$ 410,274</b>	<b>\$ 101,027</b>	<b>\$ 217,233</b>	<b>\$ 278,144</b>	<b>\$ 623,826</b>	<b>\$ 690,148</b>	<b>\$ 21,105</b>	<b>\$ 2,784,106</b>	<b>\$ 1,222,386</b>	<b>\$ 6,348,249</b>



**L'Anse Creuse Public Schools**  
**Other Supplementary Information**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2016**

	Special Revenue Funds		Debt Service Funds					Capital Project Funds	Total Nonmajor Governmental Funds	
	Food and Nutrition	International	2015 Refunding	2012 Refunding	2010 Series A	2008 Issue	2006 Refunding	2016 Capital Projects Fund	General Capital Projects	
<b>Revenues</b>										
Local sources	\$ 1,393,182	\$ 187,718	\$ 6,960,702	\$ 1,786,696	\$ 1,541,298	\$ 5,608,233	\$ 679,498	\$ -	\$ -	\$ 18,157,327
State sources	192,164	-	-	-	-	-	-	-	-	192,164
Federal sources	2,109,338	-	-	-	-	-	-	-	-	2,109,338
<b>Total revenues</b>	<b>3,694,684</b>	<b>187,718</b>	<b>6,960,702</b>	<b>1,786,696</b>	<b>1,541,298</b>	<b>5,608,233</b>	<b>679,498</b>	<b>-</b>	<b>-</b>	<b>20,458,829</b>
<b>Expenditures</b>										
Current										
Education										
Supporting services	-	43,754	-	-	-	-	-	-	-	43,754
Food services	3,428,244	-	-	-	-	-	-	-	-	3,428,244
Facilities acquisition	-	-	-	-	-	-	-	10,894	-	10,894
Debt service										
Principal	-	-	5,000,000	2,540,000	1,925,000	1,925,000	710,000	-	-	12,100,000
Interest and other expenditures	-	-	6,890,963	1,225,302	279,858	3,099,526	265,483	-	-	11,761,132
<b>Total expenditures</b>	<b>3,428,244</b>	<b>43,754</b>	<b>11,890,963</b>	<b>3,765,302</b>	<b>2,204,858</b>	<b>5,024,526</b>	<b>975,483</b>	<b>10,894</b>	<b>-</b>	<b>27,344,024</b>
Excess (deficiency) of revenues over expenditures	266,440	143,964	(4,930,261)	(1,978,606)	(663,560)	583,707	(295,985)	(10,894)	-	(6,885,195)
<b>Other Financing Sources (Uses)</b>										
Proceeds from school bond loan fund	-	-	5,146,333	998,046	-	-	204,050	-	-	6,348,429
Proceeds from sale of capital assets	-	-	-	-	-	-	-	2,795,000	-	2,795,000
Transfers in	-	61,904	-	-	-	-	-	-	-	61,904
Transfers out	(207,066)	(205,868)	-	-	-	-	-	-	(200,000)	(612,934)
<b>Total other financing sources (uses)</b>	<b>(207,066)</b>	<b>(143,964)</b>	<b>5,146,333</b>	<b>998,046</b>	<b>-</b>	<b>-</b>	<b>204,050</b>	<b>2,795,000</b>	<b>(200,000)</b>	<b>8,592,399</b>
<b>Net change in fund balance</b>	<b>59,374</b>	<b>-</b>	<b>216,072</b>	<b>(980,560)</b>	<b>(663,560)</b>	<b>583,707</b>	<b>(91,935)</b>	<b>2,784,106</b>	<b>(200,000)</b>	<b>1,707,204</b>
Fund balance - beginning	260,869	4,102	-	1,258,262	1,287,129	105,650	94,241	-	1,222,386	4,232,639
Fund balance - ending	\$ 320,243	\$ 4,102	\$ 216,072	\$ 277,702	\$ 623,569	\$ 689,357	\$ 2,306	\$ 2,784,106	\$ 1,022,386	\$ 5,939,843

**L'Anse Creuse Public Schools**  
**Other Supplementary Information**  
**Food and Nutrition Fund - Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Local sources	\$ 1,650,000	\$ 1,600,000	\$ 1,393,182	\$ (206,818)
State sources	135,000	185,000	192,164	7,164
Federal sources	<u>2,200,000</u>	<u>2,110,000</u>	<u>2,109,338</u>	<u>(662)</u>
Total revenues	<u>3,985,000</u>	<u>3,895,000</u>	<u>3,694,684</u>	<u>(200,316)</u>
<b>Expenditures</b>				
Current				
Education				
Food services	<u>3,520,000</u>	<u>3,635,000</u>	<u>3,428,244</u>	<u>(206,756)</u>
Excess of revenues over expenditures	<u>465,000</u>	<u>260,000</u>	<u>266,440</u>	<u>6,440</u>
<b>Other Financing Uses</b>				
Transfers out	<u>(215,000)</u>	<u>(230,000)</u>	<u>(207,066)</u>	<u>22,934</u>
Net change in fund balance	250,000	30,000	59,374	29,374
Fund balance - beginning	<u>260,869</u>	<u>260,869</u>	<u>260,869</u>	<u>-</u>
Fund balance - ending	<u>\$ 510,869</u>	<u>\$ 290,869</u>	<u>\$ 320,243</u>	<u>\$ 29,374</u>

**L'Anse Creuse Public Schools**  
**Other Supplementary Information**  
**International Fund - Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Local sources	\$ 197,250	\$ 188,300	\$ 187,718	\$ (582)
<b>Expenditures</b>				
Current				
Education				
Instruction	220,000	227,200	-	(227,200)
Supporting services	28,250	-	43,754	43,754
Total expenditures	<u>248,250</u>	<u>227,200</u>	<u>43,754</u>	<u>(183,446)</u>
Excess (deficiency) of revenues over expenditures	<u>(51,000)</u>	<u>(38,900)</u>	<u>143,964</u>	<u>182,864</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	46,836	53,403	61,904	8,501
Transfers out	-	(18,605)	(205,868)	(187,263)
Total other financing sources (uses)	<u>46,836</u>	<u>34,798</u>	<u>(143,964)</u>	<u>(178,762)</u>
Net change in fund balance	(4,164)	(4,102)	-	4,102
Fund balance - beginning	<u>4,102</u>	<u>4,102</u>	<u>4,102</u>	<u>-</u>
Fund balance - ending	<u>\$ (62)</u>	<u>\$ -</u>	<u>\$ 4,102</u>	<u>\$ 4,102</u>

**L'Anse Creuse Public Schools  
Other Supplementary Information  
Agency Fund - Student Activities  
Changes in Assets and Liabilities  
For the Year Ended June 30, 2016**

	Due to (From) Student Groups July 1, 2015	Additions	Deductions	Due to (From) Student Groups June 30, 2016
<b>Assets</b>				
Cash and investments	\$ 2,013,803	\$ 4,834,176	\$ 5,299,788	\$ 1,548,191
Due from other funds	2,000	214,407	91,026	125,381
Interest receivable	33	-	33	-
	<u>2,015,836</u>	<u>5,048,583</u>	<u>5,390,847</u>	<u>1,673,572</u>
<b>Liabilities</b>				
Due to students and groups	1,385,091	2,746,007	2,817,143	1,313,955
Due to other funds	630,745	2,302,576	2,573,704	359,617
	<u>\$ 2,015,836</u>	<u>\$ 5,048,583</u>	<u>\$ 5,390,847</u>	<u>\$ 1,673,572</u>

**L'Anse Creuse Public Schools**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**June 30, 2016**

Year Ending June 30,	2012 Refunding	2010 Series A Issue	2008 Issue	2006 Refunding	2015 Refunding	Total
2017	\$ 2,715,000	\$ 1,975,000	\$ 2,025,000	\$ 710,000	\$ 5,545,000	\$ 12,970,000
2018	2,885,000	2,000,000	2,150,000	1,060,000	3,675,000	11,770,000
2019	3,085,000	-	2,250,000	1,045,000	5,810,000	12,190,000
2020	3,285,000	-	2,375,000	1,035,000	5,970,000	12,665,000
2021	3,480,000	-	2,500,000	1,020,000	4,070,000	11,070,000
2022	3,680,000	-	2,625,000	1,015,000	4,265,000	11,585,000
2023	3,775,000	-	2,750,000	-	4,435,000	10,960,000
2024	-	-	2,875,000	-	4,600,000	7,475,000
2025	-	-	3,000,000	-	4,695,000	7,695,000
2026	-	-	3,125,000	-	4,885,000	8,010,000
2027	-	-	3,250,000	-	5,045,000	8,295,000
2028	-	-	3,375,000	-	5,230,000	8,605,000
2029	-	-	3,500,000	-	5,395,000	8,895,000
2030	-	-	3,625,000	-	5,560,000	9,185,000
2031	-	-	3,750,000	-	5,725,000	9,475,000
2032	-	-	3,875,000	-	5,890,000	9,765,000
2033	-	-	4,000,000	-	6,055,000	10,055,000
2034	-	-	4,125,000	-	6,220,000	10,345,000
2035	-	-	4,250,000	-	6,340,000	10,590,000
2036	-	-	-	-	2,885,000	2,885,000
2037	-	-	-	-	2,870,000	2,870,000
2038	-	-	-	-	2,850,000	2,850,000
2039	-	-	-	-	2,835,000	2,835,000
2040	-	-	-	-	2,835,000	2,835,000
<b>Total</b>	<b><u>\$ 22,905,000</u></b>	<b><u>\$ 3,975,000</u></b>	<b><u>\$ 59,425,000</u></b>	<b><u>\$ 5,885,000</u></b>	<b><u>\$ 113,685,000</u></b>	<b><u>\$ 205,875,000</u></b>
Principal payments due the first day of	May	May	May	May	May	
Interest payments due the first day of	May and November	May and November	May and November	May and November	May and November	
Interest rate	4.00% - 5.00%	4.76% - 4.93%	3.64%	4.00%	3.75% - 5.00%	
Original issue	<b><u>\$ 28,960,000</u></b>	<b><u>\$ 13,990,000</u></b>	<b><u>\$ 70,130,000</u></b>	<b><u>\$ 8,665,000</u></b>	<b><u>\$ 118,685,000</u></b>	

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STATISTICAL SECTION AND OTHER INFORMATION  
(UNAUDITED)

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**L'Anse Creuse Public Schools**  
**Description of Statistical Section**  
**June 30, 2016**

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This part of the School District's Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the School District's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	<b>7 - 2</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	<b>7 - 6</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>7 - 10</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	<b>7 - 13</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>7 - 15</b>



**L'Anse Creuse Public Schools**  
**Net Position by Component - Governmental Activities**  
**Last Ten Fiscal Years (Unaudited)**

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net investment in capital assets	\$ 1,774,161	\$ 4,715,774	\$ 1,750,311	\$ (2,421,811)	\$ (9,914,390)	\$ (16,673,121)	\$ (28,629,620)	\$ (27,266,485)	\$ (32,670,011)	\$ (35,244,396)
Restricted	5,709,597	7,240,620	5,879,979	5,589,691	7,277,892	6,512,129	6,947,846	6,266,739	6,423,333	2,784,106
Unrestricted	<u>25,764,631</u>	<u>28,957,611</u>	<u>27,773,000</u>	<u>25,544,925</u>	<u>22,822,307</u>	<u>16,850,893</u>	<u>16,131,141</u>	<u>7,200,187</u>	<u>(160,959,890)</u>	<u>(173,012,748)</u>
 Total primary government net position	 <b><u>\$ 33,248,389</u></b>	 <b><u>\$ 40,914,005</u></b>	 <b><u>\$ 35,403,290</u></b>	 <b><u>\$ 28,712,805</u></b>	 <b><u>\$ 20,185,809</u></b>	 <b><u>\$ 6,689,901</u></b>	 <b><u>\$ (5,550,633)</u></b>	 <b><u>\$ (13,799,559)</u></b>	 <b><u>\$ (187,206,568)</u></b>	 <b><u>\$ (205,473,038)</u></b>

Source: L'Anse Creuse Public Schools audited financial statements

**L'Anse Creuse Public Schools**  
**Changes in Governmental Net Position**  
**Last Ten Fiscal Years (Unaudited)**

	Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses - Governmental activities</b>										
Instruction	\$ 61,954,177	\$ 60,897,095	\$ 67,336,891	\$ 70,116,868	\$ 70,307,446	\$ 67,119,269	\$ 68,532,927	\$ 68,736,723	\$ 69,740,957	\$ 71,586,409
Support services	41,207,483	38,617,557	43,600,941	40,956,094	39,925,377	40,740,472	40,821,968	35,453,725	37,776,250	37,864,068
Athletics	1,006,464	1,094,804	1,105,261	1,118,834	1,508,687	1,161,292	1,211,037	1,130,961	1,217,079	1,288,005
Food services	2,858,508	3,272,261	3,549,497	3,347,789	3,554,588	3,680,757	3,470,530	3,443,312	3,686,494	3,524,938
Community services	1,675,179	2,191,741	2,327,668	2,398,741	2,287,778	2,482,271	2,105,734	1,788,787	1,865,625	1,838,853
Payments to other public schools	-	-	-	82,000	73,800	114,366	83,600	65,000	68,166	71,990
Interest on long-term debt and other expenses	9,827,873	10,536,920	13,151,063	14,498,964	15,963,643	15,851,488	14,303,588	14,414,135	11,289,345	15,079,454
Loss on sale of capital assets (unallocated)	-	-	2,958,178	3,299,156	-	-	-	-	-	3,803,944
Depreciation (unallocated)	6,630,747	7,335,028	7,940,875	8,674,726	8,830,148	9,188,798	9,475,243	9,803,612	10,063,160	9,876,872
<b>Total expenses - Governmental activities</b>	<b>125,160,431</b>	<b>123,945,406</b>	<b>141,970,374</b>	<b>144,493,172</b>	<b>142,451,467</b>	<b>140,338,713</b>	<b>140,004,627</b>	<b>134,836,255</b>	<b>135,707,076</b>	<b>144,934,533</b>
<b>Program Revenue</b>										
Charges for services:										
Instruction	-	-	-	-	-	-	-	-	-	135,000
Athletics	46,456	49,664	80,723	72,369	74,359	87,517	300,094	324,162	316,859	313,313
Food services	1,608,334	1,741,730	1,922,403	1,712,709	1,657,442	1,652,277	1,279,396	1,329,743	1,447,268	1,400,049
Community services	2,606,737	2,479,990	2,548,376	2,574,956	2,815,725	2,866,530	2,733,310	2,701,483	2,895,541	2,563,627
Operating grants and contributions	13,575,658	13,142,603	18,346,695	18,636,642	19,675,447	19,885,887	22,567,024	22,900,529	23,744,933	25,684,089
<b>Total program revenue</b>	<b>17,837,185</b>	<b>17,413,987</b>	<b>22,898,197</b>	<b>22,996,676</b>	<b>24,222,973</b>	<b>24,492,211</b>	<b>26,879,824</b>	<b>27,255,917</b>	<b>28,404,601</b>	<b>30,096,078</b>
<b>Net Expenses</b>	<b>(107,323,246)</b>	<b>(106,531,419)</b>	<b>(119,072,177)</b>	<b>(121,496,496)</b>	<b>(118,228,494)</b>	<b>(115,846,502)</b>	<b>(113,124,803)</b>	<b>(107,580,338)</b>	<b>(107,302,475)</b>	<b>(114,838,455)</b>
<b>General Revenue</b>										
Property taxes	35,879,758	38,343,404	36,674,753	35,536,288	33,354,988	30,976,713	29,533,151	29,071,199	29,960,228	30,300,644
State aid not restricted to specific purposes	69,246,850	69,704,797	70,139,718	71,522,846	71,407,590	71,627,515	70,588,678	69,454,534	67,894,784	65,417,081
Federal revenue - Unrestricted	-	-	-	3,349,951	1,401,462	2,489,298	-	-	38,009	39,103
County special education tax	2,110,990	2,237,960	2,245,178	-	-	-	-	-	-	-
Investment earnings	4,120,474	3,238,387	3,942,663	3,916,877	3,083,957	1,761,579	319,847	134,671	101,322	121,897
Gain on the sale of capital assets	-	49,546	-	-	14,054	3,603	62,587	52,409	171,957	-
Other	339,638	622,941	559,150	480,049	439,447	586,886	380,006	618,599	878,021	693,260
Special item - Interest rate swap redemption	-	-	-	-	-	(5,095,000)	-	-	-	-
<b>Total general revenue</b>	<b>111,697,710</b>	<b>114,197,035</b>	<b>113,561,462</b>	<b>114,806,011</b>	<b>109,701,498</b>	<b>102,350,594</b>	<b>100,884,269</b>	<b>99,331,412</b>	<b>99,044,321</b>	<b>96,571,985</b>
<b>Change in Net Position</b>	<b>\$ 4,374,464</b>	<b>\$ 7,665,616</b>	<b>\$ (5,510,715)</b>	<b>\$ (6,690,485)</b>	<b>\$ (8,526,996)</b>	<b>\$ (13,495,908)</b>	<b>\$ (12,240,534)</b>	<b>\$ (8,248,926)</b>	<b>\$ (8,258,154)</b>	<b>\$ (18,266,470)</b>

Source: L'Anse Creuse Public Schools audited financial statements

**L'Anse Creuse Public Schools**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years (Unaudited)**

	June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
<b>Pre GASB 54:</b>										
Reserved	\$ 3,155,211	\$ 2,869,698	\$ 3,058,071	\$ 758,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	23,448,280	24,714,307	20,887,158	18,522,946	-	-	-	-	-	-
<b>Post GASB 54:</b>										
Nonspendable	-	-	-	-	754,428	318,415	142,617	576,099	388,700	524,197
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	2,775,421	5,993,333	2,182,896	4,342,534	1,959,400	257,850
Unassigned	-	-	-	-	12,534,786	7,006,706	7,292,622	7,436,732	5,776,827	5,535,299
<b>Total General Fund</b>	<b>\$ 26,603,491</b>	<b>\$ 27,584,005</b>	<b>\$ 23,945,229</b>	<b>\$ 19,281,052</b>	<b>\$ 16,064,635</b>	<b>\$ 13,318,454</b>	<b>\$ 9,618,135</b>	<b>\$ 12,355,365</b>	<b>\$ 8,124,927</b>	<b>\$ 6,317,346</b>
All other governmental funds:										
<b>Pre GASB 54:</b>										
Reserved	\$ 34,695,428	\$ 80,465,744	\$ 50,627,823	\$ 94,416,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
General capital projects funds	1,800,000	3,937,876	6,208,332	5,801,424	-	-	-	-	-	-
Special revenue funds	30,253	15,555	53,546	255,191	-	-	-	-	-	-
<b>Post GASB 54:</b>										
Nonspendable	-	-	-	-	6,421	5,276	5,276	50,765	45,223	47,431
Restricted	-	-	-	-	72,156,210	49,432,970	29,564,126	20,332,708	16,587,757	14,067,494
Committed	-	-	-	-	5,523,772	5,376,373	5,285,104	1,222,386	1,222,386	1,022,386
Assigned	-	-	-	-	-	-	-	9,131	4,102	4,102
Unassigned	-	-	-	-	(27,425)	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 36,525,681</b>	<b>\$ 84,419,175</b>	<b>\$ 56,889,701</b>	<b>\$ 100,473,555</b>	<b>\$ 77,658,978</b>	<b>\$ 54,814,619</b>	<b>\$ 34,854,506</b>	<b>\$ 21,614,990</b>	<b>\$ 17,859,468</b>	<b>\$ 15,141,413</b>

Source: L'Anse Creuse Public Schools audited financial statements

Note: On July 1, 2010, the School District adopted GASB No. 54 which changed certain classifications for fund balance. The balances prior to June 30, 2010 have not been restated.

**L'Anse Creuse Public Schools**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years (Unaudited)**

	Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenue</b>										
Local revenue	\$ 44,669,137	\$ 46,476,116	\$ 45,728,068	\$ 41,347,239	\$ 40,053,778	\$ 36,768,312	\$ 34,545,804	\$ 34,788,367	\$ 35,433,857	\$35,777,717
State revenue	76,515,491	76,356,734	76,797,109	78,640,445	78,237,918	80,404,303	81,919,468	82,155,709	82,380,390	82,575,542
Federal revenue	5,864,762	6,333,757	11,370,323	12,263,090	12,081,113	11,608,304	8,577,897	8,383,197	7,457,640	6,716,623
Interdistrict revenue	2,553,245	2,394,869	2,564,159	2,605,904	2,165,468	1,990,093	1,891,130	1,816,157	1,839,696	1,922,260
<b>Total revenue</b>	<b>129,602,635</b>	<b>131,561,476</b>	<b>136,459,659</b>	<b>134,856,678</b>	<b>132,538,277</b>	<b>130,771,012</b>	<b>126,934,299</b>	<b>127,143,430</b>	<b>127,111,583</b>	<b>126,992,142</b>
<b>Expenditures</b>										
Instruction	58,220,929	60,882,777	64,979,870	71,559,339	68,838,867	68,086,008	68,532,927	67,736,723	69,846,745	69,471,311
Support services	38,923,715	38,901,900	41,370,173	40,474,415	38,665,485	39,332,486	37,824,304	37,355,569	37,968,530	36,825,408
Athletics	1,006,464	1,094,804	1,105,261	1,430,233	1,508,687	1,161,292	1,211,037	1,130,961	1,245,132	1,252,674
Food services	1,675,179	3,272,261	3,549,497	3,347,789	3,554,588	3,687,746	3,470,530	3,443,312	3,686,494	3,428,244
Community services	2,858,508	2,191,741	2,327,668	2,398,741	2,287,778	2,482,271	2,105,734	1,788,787	1,873,423	1,788,411
Debt service:										
Principal	10,150,000	11,745,000	10,955,000	12,645,000	14,390,000	14,955,000	15,635,000	13,750,000	15,565,000	12,100,000
Interest	9,901,726	9,708,350	12,713,458	12,381,222	14,974,642	14,025,861	12,926,718	12,321,183	7,973,618	11,260,035
Other	97,540	638,753	139,611	898,503	923,632	1,245,497	751,644	567,615	1,178,010	501,097
Capital outlay	36,164,361	25,710,461	35,408,756	25,297,672	24,052,079	23,853,943	20,207,616	9,097,334	5,625,405	4,445,277
Payments to other public schools	-	-	-	82,000	73,800	114,366	83,600	65,000	68,166	71,990
<b>Total expenditures</b>	<b>158,998,422</b>	<b>154,146,047</b>	<b>172,549,294</b>	<b>170,514,914</b>	<b>169,269,558</b>	<b>168,944,470</b>	<b>162,749,110</b>	<b>147,256,484</b>	<b>145,030,523</b>	<b>141,144,447</b>
<b>Excess of Expenditures Over Revenue</b>	<b>(29,395,787)</b>	<b>(22,584,571)</b>	<b>(36,089,635)</b>	<b>(35,658,236)</b>	<b>(36,731,281)</b>	<b>(38,173,458)</b>	<b>(35,814,811)</b>	<b>(20,113,054)</b>	<b>(17,918,940)</b>	<b>(14,152,305)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from sale of capital assets	-	110,461	177,039	42,584	43,535	44,980	148,350	122,215	171,957	3,278,240
Transfers in	1,846,511	2,425,228	2,961,445	407,714	862,919	785,011	430,558	4,279,132	335,788	674,838
Transfers out	(1,846,511)	(2,425,228)	(2,961,445)	(407,714)	(862,919)	(785,011)	(430,558)	(4,279,132)	(335,788)	(674,838)
Debt issuance	1,298,779	71,348,118	4,744,346	74,535,329	10,656,752	41,202,313	12,006,029	9,488,553	127,830,000	6,348,429
Debt premium or discount	-	-	-	-	-	4,525,255	-	-	15,300,918	-
Debt defeasance	-	-	-	-	-	(33,189,630)	-	-	(133,369,895)	-
<b>Total other financing sources</b>	<b>1,298,779</b>	<b>71,458,579</b>	<b>4,921,385</b>	<b>74,577,913</b>	<b>10,700,287</b>	<b>12,582,918</b>	<b>12,154,379</b>	<b>9,610,768</b>	<b>9,932,980</b>	<b>9,626,669</b>
<b>Net Change in Fund Balances</b>	<b>(28,097,008)</b>	<b>48,874,008</b>	<b>(31,168,250)</b>	<b>38,919,677</b>	<b>(26,030,994)</b>	<b>(25,590,540)</b>	<b>(23,660,432)</b>	<b>(10,502,286)</b>	<b>(7,985,960)</b>	<b>(4,525,636)</b>
<b>Fund Balances - Beginning of year</b>	<b>91,226,180</b>	<b>63,129,172</b>	<b>112,003,180</b>	<b>80,834,930</b>	<b>119,754,607</b>	<b>93,723,613</b>	<b>68,133,073</b>	<b>44,472,641</b>	<b>33,970,355</b>	<b>25,984,395</b>
<b>Fund Balances - End of year</b>	<b>\$ 63,129,172</b>	<b>\$ 112,003,180</b>	<b>\$ 80,834,930</b>	<b>\$ 119,754,607</b>	<b>\$ 93,723,613</b>	<b>\$ 68,133,073</b>	<b>\$ 44,472,641</b>	<b>\$ 33,970,355</b>	<b>\$ 25,984,395</b>	<b>\$21,458,759</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>19.2%</b>	<b>20.8%</b>	<b>21.0%</b>	<b>21.7%</b>	<b>26.4%</b>	<b>26.3%</b>	<b>25.9%</b>	<b>23.9%</b>	<b>21.6%</b>	<b>21.2%</b>

Source: L'Anse Creuse Public Schools audited financial statements

**L'Anse Creuse Public Schools**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years (Unaudited)**

Tax Year	Taxable Value by Property Type						Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a Percentage of Actual
	Real Property				Agricultural and Other	Personal Property				
	Residential	Commercial	Industrial							
2006	\$ 1,830,925,932	\$ 341,665,246	\$ 247,827,298	\$ 1,576,862	\$ 192,591,907	\$ 2,614,587,245	25.00	\$ 6,346,797,781	41	
2007	1,941,153,997	371,784,511	259,916,480	1,412,622	207,839,299	2,782,106,909	25.00	6,686,201,322	42	
2008	1,951,994,014	401,113,652	260,028,803	1,743,788	210,141,277	2,825,021,534	25.00	6,483,278,142	44	
2009	1,829,225,934	403,944,583	258,683,983	2,050,745	213,538,573	2,707,443,818	25.00	5,876,851,254	46	
2010	1,667,052,639	417,259,195	234,644,626	2,221,948	205,935,127	2,527,113,535	25.00	5,369,036,012	47	
2011	1,575,115,486	391,326,388	205,403,140	283,105	192,301,809	2,364,429,928	25.00	4,858,059,956	49	
2012	1,503,679,964	364,340,632	191,429,165	3,553,473	209,452,451	2,272,455,685	25.00	4,655,989,248	49	
2013	1,497,036,943	352,284,963	185,033,954	3,337,292	206,260,581	2,243,953,733	25.00	4,602,953,300	49	
2014	1,535,697,788	359,316,396	186,202,079	3,128,065	191,393,107	2,275,737,435	25.00	4,767,111,686	48	
2015	1,587,444,131	360,791,635	190,003,837	3,145,241	200,575,186	2,341,960,030	25.00	5,219,009,096	45	

Note: Under Michigan law, the revenue base is taxable value.  
Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

Source: Macomb County Equalization Department

**L'Anse Creuse Public Schools**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years (Unaudited)**

		Millage Rates - Direct School District Taxes						Overlapping Taxes										
		Operating			Total Direct Taxes			City of										
								Township of										
								Huron - Clinton										
								Metro										
								Authority										
								Mount										
								St. Clair										
								Clinton										
								Chesterfield										
								Harrison										
								Macomb										
								Other**										
Tax Year	Fiscal Year Ended June 30	Homestead	Non-homestead	Debt*	Homestead	Non-homestead	Macomb County	Macomb Community College	Intermediate School District	State Education	Huron - Clinton Metro Authority	Mount Clemens	St. Clair Shores	Clinton	Chesterfield	Harrison	Macomb	Other**
2006	2007	-	18.00	7.00	7.00	25.00	4.2055	1.4212	2.9430	6.0000	0.2146	18.2755	21.2434	13.3689	8.3270	6.7911	4.5718	0.6973
2007	2008	-	18.00	7.00	7.00	25.00	4.2055	1.4212	2.9430	6.0000	0.2146	18.2159	18.3316	13.2648	8.3001	6.7735	4.5570	0.6973
2008	2009	-	18.00	7.00	7.00	25.00	4.2455	1.4212	2.9430	6.0000	0.2146	18.2159	18.8982	13.2748	8.3001	6.7780	4.5587	0.6900
2009	2010	-	18.00	7.00	7.00	25.00	4.6135	1.4212	2.9430	6.0000	0.2146	18.2159	18.2280	13.2748	8.8001	6.7801	4.5814	0.6900
2010	2011	-	18.00	7.00	7.00	25.00	4.6135	1.4212	2.9430	6.0000	0.2146	18.2159	18.0406	13.5689	8.8001	6.7827	4.5886	0.6900
2011	2012	-	18.00	7.00	7.00	25.00	4.6135	1.5712	2.9430	6.0000	0.2146	18.3511	19.3562	13.5989	8.8001	6.7844	4.5886	0.6900
2012	2013	-	18.00	7.00	7.00	25.00	4.6135	1.5712	2.9430	6.0000	0.2146	18.6629	19.4518	13.6489	8.8001	6.7847	4.5886	0.6900
2013	2014	-	18.00	7.00	7.00	25.00	4.6135	1.5312	2.9430	6.0000	0.2146	18.6639	20.5388	15.9289	8.8001	7.2916	4.5886	0.8900
2014	2015	-	18.00	7.00	7.00	25.00	4.6135	1.5262	2.9430	6.0000	0.2000	18.6639	20.9950	16.2889	9.7026	7.7916	4.9786	1.1000
2015	2016	-	18.00	7.00	7.00	25.00	4.6135	1.5302	2.9430	6.0000	0.2146	24.8062	21.2602	16.2952	9.6867	7.7522	4.9660	1.1000

\* Debt millages apply to homestead and non-homestead property.  
 \*\* Suburban Mobility Authority Regional Transportation (SMART) and Zoo Authority

Source: Macomb County Apportionment Report and Municipal Finance

**L'Anse Creuse Public Schools**  
**Principal Property Taxpayers**  
**Year Ended June 30, 2016 (Unaudited)**

Taxpayer	2015 Taxable Value	Rank	Percentage of Total	2006 Taxable Value	Rank	Percentage of Total
Tower Automotive	\$ 24,165,936	1	1.03%	\$ 19,497,602	3	0.75%
DTE Energy	23,668,427	2	1.01%	31,005,291	2	1.19%
Chesterfield Association / Waterside Marketplace LLC	13,122,050	3	0.56%			0.00%
Harbours Apartments	11,685,718	4	0.50%			0.00%
Axalta Coating Systems LLC (Mt. Clemens Coating)	10,760,268	5	0.46%	31,849,800	1	1.22%
USM/Emhart Corporation (Emhart Teknologies)	9,429,756	6	0.40%	10,479,867	5	0.40%
Viking Partners / Paragon Properties	8,628,620	7	0.37%	9,018,970	7	0.34%
Aspen Creek Apartments / Chesterfield Farms Apt.	8,234,781	8	0.35%	11,432,389	4	0.44%
Schaller Corporation	7,907,958	9	0.34%	9,418,780	6	0.36%
Beachwood Apartments	6,218,630	10	0.27%			0.00%
Venture Industries Corp.			0.00%	8,170,306	8	0.31%
Rays Properties				7,956,690	9	0.30%
AMP Industries				6,992,750	10	0.27%

Source: Municipalities within the school district boundaries

**L'Anse Creuse Public Schools  
Property Tax Levies and Collections  
Last Ten Fiscal Years (Unaudited)**

Tax Year	Fiscal Year Ended June 30	Unadjusted Total Levy	Current Collections	Percent Collected	Delinquent Collections (Refunds)	Total Tax Collections	Percent of Initial Levy Collected
2006	2007	\$ 35,603,424	\$ 35,325,619	99.2%	\$ 288,798	\$ 35,614,417	100.0%
2007	2008	38,301,580	37,658,050	98.3%	262,808	37,920,858	99.0%
2008	2009	36,207,672	36,058,117	99.6%	1,013,717	37,071,834	102.4%
2009	2010	35,430,627	34,196,999	96.5%	(369,166)	33,827,833	95.5%
2010	2011	33,657,452	33,725,582	100.2%	(434,540)	33,291,042	98.9%
2011	2012	31,679,744	30,976,713	97.8%	86,264	31,062,977	98.1%
2012	2013	30,527,773	29,596,490	96.9%	(290,854)	29,305,636	96.0%
2013	2014	29,176,635	29,134,357	99.9%	107,312	29,241,669	100.2%
2014	2015	29,669,115	29,537,742	99.6%	154,824	29,692,566	100.1%
2015	2016	30,178,031	30,203,870	100.1%	(63,412)	30,140,458	99.9%

Source: Macomb County Equalization Department and State of Michigan (State Aid Status Report)



**L'Anse Creuse Public Schools**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	General	Less Pledged	Total General				Net General	Total Debt as a	Net General		Per Capita	Ratio of	
	Obligation Bonds	Debt Service Funds	Net General Bonded Debt	Other General Obligation Debt	Total General Obligation Debt	Taxable Value	Bonded Debt as a Percentage of Taxable Value	Total Debt as a Percentage of Taxable Value	Population	Bonded Debt per Capita	Total Debt per Capita	Personal Income (C)	Total Debt to Personal Income
2007	\$ 200,110,000	-	\$ 200,110,000	\$ 2,749,151	\$ 202,859,151	\$ 2,614,587,245	7.65%	7.76%	67,538 (B)	\$ 2,963	\$ 3,004	\$ 35,602	8.44%
2008	258,495,000	-	258,495,000	3,967,269	262,462,269	2,782,106,909	9.29%	9.43%	67,504 (B)	3,829	3,888	33,427	11.63%
2009	247,540,000	-	247,540,000	8,711,615	256,251,615	2,825,021,534	8.76%	9.07%	67,504 (A)	3,667	3,796	31,085	12.21%
2010	305,015,000	-	305,015,000	13,126,944	318,141,944	2,707,443,818	11.27%	11.75%	69,435 (A)	4,393	4,582	26,790	17.10%
2011	290,625,000	-	290,625,000	23,783,696	314,408,696	2,527,113,535	11.50%	12.44%	68,985 (A)	4,213	4,558	27,037	16.86%
2012	272,970,000	-	272,970,000	38,449,343	311,419,343	2,364,429,928	11.54%	13.17%	68,725 (A)	3,972	4,531	26,524	17.08%
2013	257,335,000	-	257,335,000	51,743,339	309,078,339	2,272,455,685	11.32%	13.60%	68,000 (B)	3,784	4,545	27,972	16.25%
2014	243,585,000	-	243,585,000	63,117,915	306,702,915	2,243,953,733	10.86%	13.67%	69,512 (B)	3,504	4,412	26,618	16.58%
2015	217,975,000	-	217,975,000	74,493,777	292,468,777	2,275,737,435	9.58%	12.85%	70,120 (B)	3,109	4,171	26,748	15.59%
2016	205,875,000	-	205,875,000	83,429,317	289,304,317	2,341,960,030	8.79%	12.35%	70,558 (B)	2,918	4,100	27,145	15.10%

Population estimates derived from Southeast Michigan Council of Governments (A) and U.S. Census Bureau (B). Personal income from Bureau of Economic Statistics (C)

**L'Anse Creuse Public Schools**  
**Direct and Overlapping Governmental Activities Debt**  
**Year Ended June 30, 2016 (Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
City of Mount Clemens	\$ 11,380,000	6.77%	\$ 770,426
City of St. Clair Shores	40,179,467	0.11%	44,197
Chesterfield Township	32,430,470	53.23%	17,262,739
Clinton Township	73,829,672	15.38%	11,355,004
Harrison Township	11,058,253	100.00%	11,058,253
Macomb Township	68,554,546	7.99%	5,477,508
Macomb County	48,459,771	9.22%	4,467,991
Macomb Community College	15,625,000	9.22%	1,440,625
Clinton-Macomb Public Library	18,730,000	11.71%	<u>2,193,283</u>
Total overlapping debt			54,070,026
Direct School District Debt:			
General obligation bonds			205,875,000
School Bond Loan/School Loan Revolving Fund			<u>83,415,897</u>
Total direct and overlapping debt			<b><u>\$ 343,360,923</u></b>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses within the School District. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is not within other districts.

**L'Anse Creuse Public Schools  
Legal Debt Margin  
Last Ten Fiscal Years (Unaudited)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Calculation of Debt Limit:</b>										
State equalized valuation (SEV)	\$ 3,173,398,892	\$ 3,343,100,661	\$ 3,241,639,071	\$ 2,938,425,627	\$ 2,684,518,006	\$ 2,457,711,092	\$ 2,327,994,624	\$ 2,301,476,650	\$ 2,383,555,843	\$ 2,609,504,548
15% of SEV	476,009,834	501,465,099	486,245,861	440,763,844	402,677,701	368,656,664	349,199,194	345,221,498	357,533,376	391,425,682
<b>Calculation of Debt Subject to Limit:</b>										
Total debt	202,859,151	262,462,269	256,251,615	305,015,000	290,625,000	257,335,000	257,335,000	243,585,000	217,975,000	205,875,000
Less debt not subject to limit - State qualified debt issuance	<u>(202,859,151)</u>	<u>(262,462,269)</u>	<u>(256,251,615)</u>	<u>(305,015,000)</u>	<u>(290,625,000)</u>	<u>(257,335,000)</u>	<u>(257,335,000)</u>	<u>(243,585,000)</u>	<u>(217,975,000)</u>	<u>(205,875,000)</u>
Net debt subject to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<b><u>\$ 476,009,834</u></b>	<b><u>\$ 501,465,099</u></b>	<b><u>\$ 486,245,861</u></b>	<b><u>\$ 440,763,844</u></b>	<b><u>\$ 402,677,701</u></b>	<b><u>\$ 368,656,664</u></b>	<b><u>\$ 349,199,194</u></b>	<b><u>\$ 345,221,498</u></b>	<b><u>\$ 357,533,376</u></b>	<b><u>\$ 391,425,682</u></b>
Net debt subject to limit as % of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: All bonds qualified under Article IX, Section 16 of the Michigan Constitution of 1963 are exempt from computation of the legal debt margin.

Source: Municipal Advisory Council of Michigan

**L'Anse Creuse Public Schools  
Demographic and Economic Statistics  
Last Ten Fiscal Years (Unaudited)**

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Fiscal Year	Population	Median Household Income	Median Age	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2007	828,875	\$ 55,935	37.0	\$29,509,607,750	\$ 35,602	7.6
2008	830,037	64,485	38.2	27,745,646,799	33,427	8.0
2009	831,427	65,292	39.0	25,844,908,295	31,085	18.4
2010	840,978	55,327	38.7	22,529,800,620	26,790	17.4
2011	841,184	55,466	38.5	22,743,091,808	27,037	11.6
2012	842,887	53,996	39.9	22,356,734,788	26,524	10.7
2013	847,710	53,184	39.8	22,281,465,381	24,878	9.5
2014	854,769	53,628	40.0	22,752,241,242	26,618	9.1
2015	860,112	53,451	41.0	23,006,275,776	26,748	6.3
2016	864,840	54,059	41.1	23,476,081,800	27,145	5.6

Note: The statistics shown above are for the County of Macomb, which encompasses the entire School District and surrounding communities.

Sources: U.S. Census Bureau, American Community Survey, St Louis Fed

**L'Anse Creuse Public Schools  
Principal Employers  
June 30, 2016 (Unaudited)**

Taxpayer	Estimated 2016 Employees	Rank	Percentage of Total Employment	Estimated 2007 Employees	Rank	Percentage of Total Employment
Ascension Michigan / St. John Providence Health System	3,067	1	0.8%	2,250	4	0.6%
McLaren Health Care Corp. / Mt. Clemens Hospital	2,492	2	0.6%	2,400	3	0.6%
L'Anse Creuse Public Schools	1,249	3	0.3%	1,503	6	0.4%
Art Van Furniture Inc.	1,111	4	0.3%	-		0.0%
Tower International Inc.	410	5	0.1%	-		0.0%
Meijer	300	6	0.1%	-		0.0%
DTE Energy Co.	299	7	0.1%	-		0.0%
Kroger	100	8	0.0%	900	7	0.2%
Bell Fork Lift, Inc.	100	9	0.0%	-		0.0%
Drake Enterprises, Inc.	100	10	0.0%	2,000	5	0.5%
Ford Motor Company	-		0.0%	9,300	1	2.4%
Orbis Management Group, LLC	-		0.0%	4,000	2	1.0%
Clintondale Community School District	-		0.0%	750	8	0.2%
Motor City Stamping, Inc.	-		0.0%	500	9	0.1%
Norgren, Inc	-		0.0%	500	10	0.1%
<b>Total principal employers</b>	<b><u>9,228</u></b>			<b><u>24,103</u></b>		
<b>Total employment Macomb County</b>	<b><u>390,546</u></b>			<b><u>390,791</u></b>		

Source: Crains Detroit Business, Michigan Manufacturers Directory, Macomb County Department of Planning and Economic Development.

**L'Anse Creuse Public Schools  
Full-Time Equivalent School District Employees  
Last Ten Fiscal Years (Unaudited)**

Fiscal Year Ended June 30	General Government Function/Program				Total
	Instruction	Support Services	Community Services	Food Services	
2007	783	374	19	66	1,242
2008	897	394	20	64	1,375
2009	919	396	20	66	1,401
2010	927	390	20	66	1,403
2011	933	357	20	66	1,376
2012	899	357	20	72	1,348
2013	891	343	20	72	1,326
2014	884	321	20	72	1,297
2015	887	316	20	65	1,288
2016	833	242	20	75	1,170

Source: L'Anse Creuse Public Schools report to Michigan Education Information System - Registry of Educational Personnel.

**L'Anse Creuse Public Schools  
Operating Indicators  
Last Ten Fiscal Years (Unaudited)**

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Year	Enrollment	Operating Expenditures	Cost per Pupil	Operating Revenue	Revenue per Pupil	Total Teaching Staff	Percentage of Students Qualifying for Free/Reduced Meals
2007	11,695	\$ 102,684,795	\$ 8,780	\$ 107,851,352	\$ 9,222	610	22
2008	11,764	106,346,483	9,040	109,458,549	9,305	630	25
2009	12,008	113,332,469	9,438	112,660,132	9,382	652	32
2010	12,323	119,292,517	9,680	114,812,142	9,317	652	34
2011	12,094	114,929,205	9,503	111,773,051	9,242	648	35
2012	11,768	114,749,803	9,751	112,548,102	9,564	635	36
2013	11,526	109,688,879	9,517	105,409,997	9,145	632	37
2014	11,244	108,003,027	9,605	106,338,910	9,457	619	35
2015	11,034	111,094,673	10,068	106,329,278	9,637	613	34
2016	10,808	109,366,054	10,119	106,524,203	9,856.05	581	36

Source: L'Anse Creuse Public Schools reports to State of Michigan

**L'Anse Creuse Public Schools**  
**Capital Asset Information**  
**Last Ten Fiscal Years (Unaudited)**

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instructional buildings:										
Elementary:										
Number of buildings	10	10	10	10	10	10	10	10	10	9
Square footage	499,650	518,350	561,143	614,018	614,018	614,018	614,018	614,018	614,018	559,778
Capacity	4,445	4,560	4,560	4,560	4,560	4,560	4,560	4,560	4,560	3,595
Enrollment	5,033	4,867	4,888	5,018	4,967	4,836	4,724	4,573	4,472	4,293
Middle:										
Number of buildings	4	4	4	4	4	4	4	4	4	4
Square footage	385,509	385,509	396,819	396,819	396,819	396,819	396,819	396,819	396,819	396,819
Capacity	3,128	3,128	3,128	3,128	3,128	3,128	3,128	3,128	3,128	3,128
Enrollment	2,636	2,661	2,739	2,789	2,767	2,709	2,770	2,719	2,617	2,583
High:										
Number of buildings	2	2	2	2	2	2	2	2	2	2
Square footage	391,325	391,325	414,767	475,944	475,944	475,944	475,944	475,944	475,944	475,944
Capacity	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975
Enrollment	3,553	3,555	3,694	3,740	3,676	3,572	3,367	3,281	3,446	3,434
Other:										
Number of buildings	7	7	7	8	8	8	8	8	8	8
Square footage	264,588	263,188	263,188	300,328	300,328	300,328	300,328	300,328	300,328	300,328
Capacity	722	722	722	722	722	722	722	722	722	722
Enrollment	473	681	687	679	684	651	665	671	499	362
Administrative:										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Square footage	15,040	15,040	15,040	15,040	15,040	15,040	53,140	53,140	53,140	53,140
Transportation:										
Number of garages	1	1	1	1	1	1	1	1	1	1
Buses	99	99	101	101	101	104	101	101	101	99
Athletics:										
Football fields	4	4	4	4	4	4	4	4	4	4
Soccer fields	8	8	8	8	8	8	8	8	8	8
Running tracks	4	4	4	4	4	4	4	4	4	4
Baseball/Softball	13	13	13	13	13	13	13	13	13	13
Swimming pools	2	2	2	2	2	2	2	2	2	2
Playgrounds	10	10	10	10	10	10	10	10	10	10
Playgrounds - Vacant (Admin)	-	-	-	-	-	-	1	1	1	1

Sources: L'Anse Creuse Public Schools business office and CEPI (mischooldata.org)