ST. LOUIS PUBLIC SCHOOL DISTRICT
St. Louis, Michigan

Financial Statements
With Supplemental Information
June 30, 2016

RPC
Roslund Prestage & Company
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
St. Louis Public Schools

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 St. Louis Public Schools (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's 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 auditor's 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 the District as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, and prospective 10-year information for the pension plan 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 the District's basic financial statements. The other supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2016 on our consideration of the District's 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 the District's internal control over financial reporting and compliance.

Sincerely,

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
October 12, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL INFORMATION

St. Louis Public Schools currently operates two elementary schools, one middle school, one high school, one alternative education program, and a Community Education Program. The school district's 2015-16 October enrollment was 1,122.63. St. Louis Public Schools employs a staff of 65 teachers, 8 administrators, and 58 support personnel.

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

USING THIS ANNUAL REPORT

The discussion and analysis of St. Louis Public Schools' financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2016. The intent of this report is to provide a look at the performance of the district as a whole, and includes financial statements, notes to the financial statements, and budgetary information. In addition, this analysis will show comparative data from the prior 2014-15 school year.

OVERVIEW OF THE FINANCIAL STATEMENTS

District-wide Financial Statements

The district-wide financial statements are full accrual basis statements and provide information about the district's overall financial status. They are used to help determine the condition of the district as the result of the year's activities. The *Statement of Net Position* reports all of the district's assets and liabilities, both short-term and long-term, regardless of their availability. Capital assets and long-term obligations of the district are reported in this statement. All of the current year's revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or paid. The two district-wide statements report the district's net position and how they have changed. Net position (the difference between the district's assets and liabilities) are one way to measure the district's financial condition. Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively. However, it is important to note that to assess the district's overall position; you need to consider additional non-financial factors such as changes in the district's property base, the quality of education provided, and the condition of the district's buildings.

In the district-wide statements, the district's activities are classified as *governmental activities*. This includes most of the district's basic services such as regular and special education, food service, athletics, transportation, and administration. These activities are financed mostly by state aid, federal aid, and property taxes.

Fund Financial Statements

The district's fund financial statements provide detailed information about the most significant funds, and are comparable to prior year financial statements. The fund level statements are reported on a modified accrual basis, which means that only those assets that are measurable and currently available are reported. Liabilities are recognized to the extent that they are expected to be paid with current financial resources. The fund statements are formatted to meet the requirements of the Michigan Department of Education's "Accounting Manual". Major instructional and instructional support activities are reported in the General Fund. Other activities are reported in their relevant funds including; Special Revenue Funds for Food Service and Athletics, Debt Service, Capital Projects, and Fiduciary Funds.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The net position of the district at June 30, 2016 was ($7,774,698) and is shown in the following *Statement of Net Position.* The reason for this large decrease was due to the restatement of our beginning net position. Legislation came out on June 25, 2012 effective for our fiscal year ending 6/30/2015 known as GASB 68. GASB 68 is an accounting standard that requires us to recognize and report a proportionate share of the state's pension plan liability (MPSERS) and pension expense within the restatement of our net position as of July 1, 2014. This was done and this is the second year in which we have restated our beginning net position.

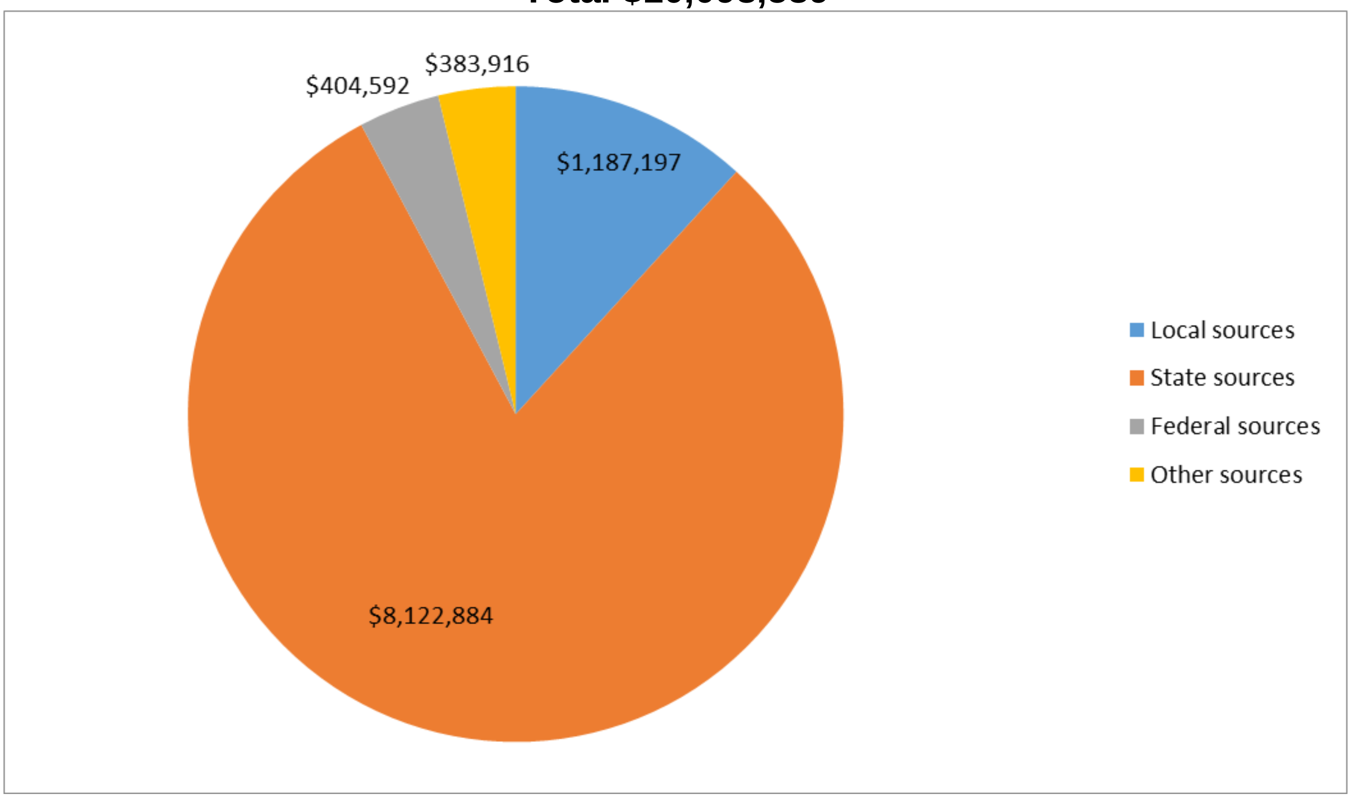
The results of this year's operations for the District as a whole are reported in the following *Statement of Activities,* which shows the changes in net position for fiscal year 2016. The district experienced a slight increase in net position, going from ($7,578,345) to ($7,774,698) for a increase of $196,353 or 2.6% due to a higher reported liability at the state level as of 9/30/15 which was approximately two billion dollars higher than what was reported at the state level as of 9/30/14, thus making our portion of that liability higher even though we've paid part of the liability in this fiscal year.

A substantial portion of the district's revenues is received from State sources, $8,122,884 or 80%. This number proportionately stayed consistent year over year comparing to our previous fiscal year. This means that the financial stability of the district rests primarily with the economic health of the State of Michigan. However, Federal resources *increased* by 3.86% and Other resources *decreased* by approximately 10% and while overall dollars in these categories are not significant overall, it does show a trend in districts having to utilize other avenues of resources to create revenues on a local level. For our district we were able to rent out room space in an existing building, not otherwise occupied by the district, to the local ISD.

Figure 1 depicts the breakdown of the sources of revenue for the district for fiscal year 2015-16.

Figure 1

2015-16 General Fund Revenues
Total $10,098,589

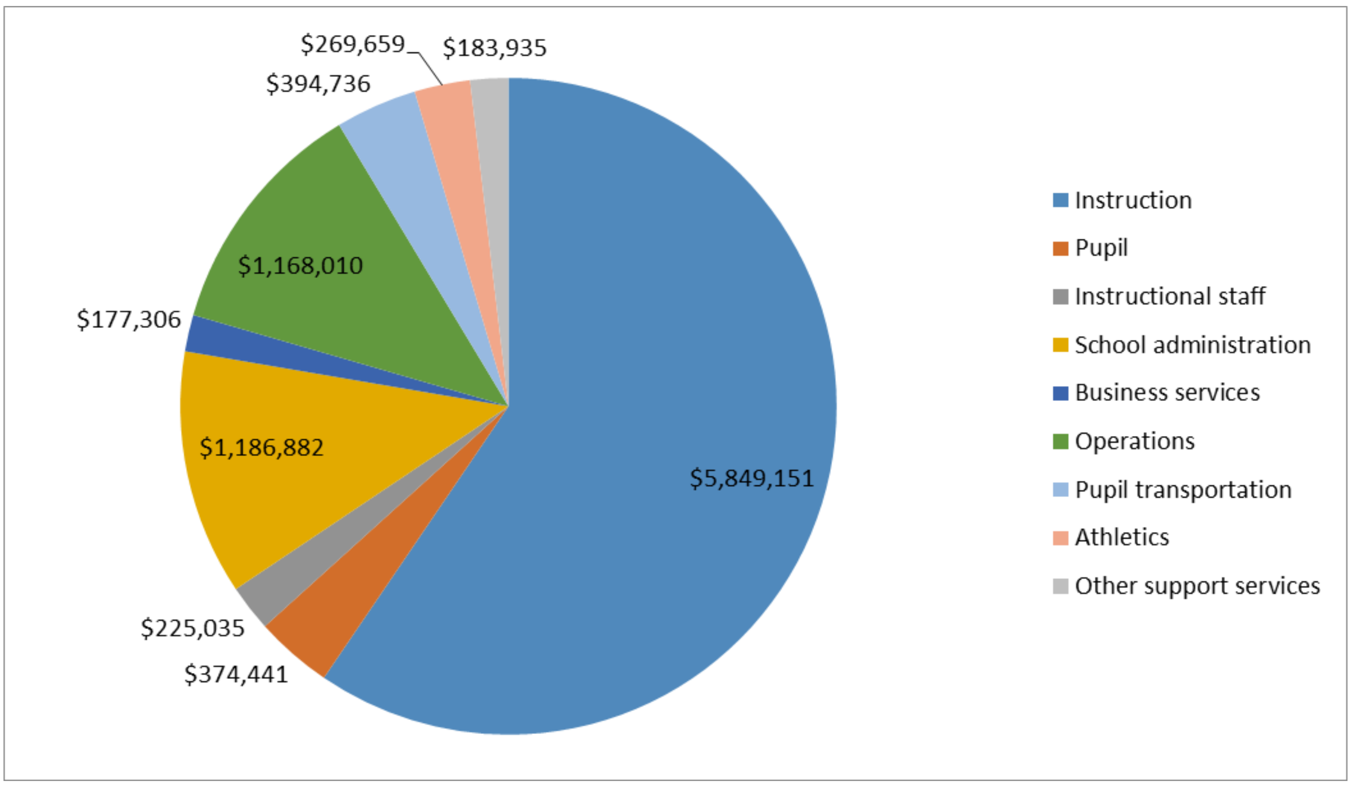


Instructional services comprised $5,849,151 or 59.5% of the district's expenditures which is a *decrease* from last year of 1.5%. School Administration and Business Services dollars spent is $1,364,188 or 14% and is a *increase* of 8% over last year due to a payout of retirement incentive and sick/vacation leave to an administrator who left this year. Operations and maintenance came in at $1,168,010 or 11%, saw no *increase* over last year and includes utilities and custodial services. The final $1,447,806 or 14.7% was spent on other support services and is a *decrease* of less than 1% over last year dollars spent.

Figure 2 depicts how the district's resources were spent in 2015-16.

Figure 2

2015-16 General Fund Expenditures
Total $9,829,155



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the district as a whole is reflected in its governmental funds as well. The combined governmental funds equity decreased during the 2015-16 school year. The primary reasons for this change are as follows:

General Fund

The biggest factor impacting our General Fund this year was our decreasing student count. In the beginning of the fiscal year, October 2015 our State Aid Membership count was 1,112.3 and at year end our Membership count showed 1,059.13 for a decrease of 53.17. This overall impact to our budget was a decrease in revenues of approximately $392,979. We experienced a large part of this decrease during our initial student count in the Fall of 2015. In turn we made staff changes, did not spend all of the technology dollars budgeted and managed our budget closely throughout the year. As a result, we were able to add an additional amount of $263,934 to our fund balance for the General Fund which now stands at $1,320,475 or 13.43% of operational expenses.

Capital Projects

Projects were finished up from our 2014 School Building and Site Bonds of $7,625,000 that was passed by the voters in this fiscal year. Specific bond language included that funds would be used for the purpose of remodeling, furnishing and refurnishing and equipping and re-equipping school buildings, including the installing of security measures and energy conservation improvements; erecting, furnishing and equipping an addition to the high school building; acquiring and installing educational technology and educational technology equipment for school buildings; purchasing of school buses; erecting, furnishing and equipping a new bus maintenance facility and two new storage facilities; and developing and improving playgrounds, athletic fields and facilities; and sites. We've spent $6,533,327 of our bond proceeds, or approximately 86% as of 6/30. Some of the projects that we were able to complete in this fiscal year were: furnishings and equipment for schools buildings, completion of the foot bridge behind the high school and leading to our football athletic field, completion of the new bus maintenance facility and two storage facilities, and improvements to our athletic complex and facilities.

Debt Service

No new debt service or refinancing was acquired in this fiscal year.

Special Revenue

Food service expanded and provides a summer food service program for our local kids. We offered our program at more than 4 locations and had a high participation number of kids that were able to take advantage of the program. Due to this increased service we saw our fund balance for this program go down. We experienced a loss of ($19,678) which meant that the General Fund had to transfer funds to ensure we would not be in deficit at year end. We will continue to work on continued management of the program so that ultimately there is no loss seen from year to year.

GENERAL FUND BUDGETGARY HIGHLIGHTS

The Uniform Budget Act of the State of Michigan requires that the local Board of Education adopt an original budget for the upcoming fiscal year by July 1st. As a matter of practice, the district amends its budget at least twice during the fiscal year. These revisions are made in order to deal with unexpected changes in revenues and expenditures. The following analysis describes the significant changes in the budget during the year.

Changes in Revenues

In the General Fund, local revenues stayed consistent and flat year over year. State Revenues decreased $135,000 due to several factors. St. Louis Public Schools saw a decrease in student membership of 53.18 in 2015-16. The state increased the per pupil foundation amount from $7,251 to $7,391 from 2014-15 to 2015-16 by $140. Of this amount $125 was the previous year equity payment that we were already receiving as a categorical amount, so the true increase to districts was only $15. On top of these two changes the state also increases our 147c MPSERS UAAL Rate Stabilization categorical amount by a substantial amount, thus resulting in only a 1.64% decrease year over year in state aid. Federal sources saw a small increase in Title dollars allocated to the district of approximately $15,033 or 3.85%. Other Sources of revenue decreased by $42,196, or 9.9% due to receiving less in local dollars from our ISD for the reimbursement of special education. In our Food Service program revenues increased by $28,828 or 6% due to increased participation in the program of students and staff. A secondary breakfast is offered at our Middle School and the ability for staff to purchase lunches was made more visible district wide. Debt revenues decreased slightly due to lower property values.

Changes in Expenditures

In the General Fund instructional costs decreased year over year by $457,167 or 7.25%. We reduced our staffing across the district as our needs were less with less students. Support services increased by $313,864 or 8.5% year over year. Over all, Support Service categories including Pupil, Instructional Staff, General and School Administration, Operations and Maintenance, Central and Athletics had a small decrease in costs by $36,953 or less than 1%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, St. Louis Public Schools had $19,602,693 (net of depreciation) invested in a broad range of capital assets, including land, buildings and improvements, equipment, and vehicles. An increase of $3,244,503 over previous year, or 29.83%. As mentioned above we completed many projects due to the bond proposal that had passed in 2014.

Debt

At June 30, 2016, St. Louis Public Schools had $16,509,659 in long-term debt. This is a decrease from previous year of $1,291,321 or 7%. The debt consisted of the following:

Compensated Absences	$ 114,659
Retirement Incentive	$ 10,000
2010 Bonds	$ 4,740,000
2012 Bonds	$ 1,555,000
2014 Bonds	$ 7,395,000
2015 Bonds	$ 2,695,000
Total	$16,509,659

STATE ECONOMIC AND LOCAL FACTORS

One of the most significant factors facing St. Louis Public Schools continues to be, the economic condition of the State of Michigan. With state funding the primary source of revenue, the district monitors the state's periodic revenue-estimating conference in order to project revenue for the upcoming fiscal year's budget. In addition, local student enrollment is another revenue producing factor that the district monitors. The state foundation is based on a blended student count. This count is taken in October and February of each fiscal year. The blended count consists of 90% of October's count in the current fiscal year and 10% of the February count from the previous fiscal year. In addition to the state required count days, the district conducts monthly enrollment updates in order to monitor this important revenue source. For budgeting purposes, an estimated student count is used, based on the district's enrollment history.

The budget prepared for the 2015-16 school year was based on a small increase in state funding, and a decline in student enrollment.

REQUEST FOR INFORMATION

This financial report is designed to provide our stakeholders with a general overview of the district's finances and to show the district's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to St. Louis Public Schools, Central Office, 113 E. Saginaw St., St. Louis, MI 48880

DISTRICT-WIDE
FINANCIAL STATEMENTS

St. Louis Public School District
Statement of Net Position
June 30, 2016

Assets	
Current assets	
Cash and investments	$ 3,988,116
Accounts receivable	1,749
Due from other governmental units	1,607,562
Inventory	23,276
Prepaids	50,275
Total current assets	5,670,978
Noncurrent assets	
Land	160,785
Capital assets less accumulated depreciation	19,431,708
Discount on bonds sold, net of amortization	10,200
Total noncurrent assets	19,602,693
Total assets	25,273,671
Deferred outflows of resources	
Deferred charge on refunding - 2010 Refunding Bonds	122,857
Deferred outflow - related to pension	1,809,823
Total deferred outflows of resources	1,932,680
Liabilities	
Current liabilities	
Accounts payable	210,250
Accrued payroll liabilities	111,764
Accrued expenses	661,375
State aid note payable	1,600,000
Unearned revenue	6,635
Accrued interest on long-term debt	96,060
Compensated absences, due within one year	17,199
Retirement incentive, due within one year	10,000
Long-term obligations, due within one year	1,420,000
Total current liabilities	4,133,283
Noncurrent liabilities	
Long-term obligations, due beyond one year	14,965,000
Compensated absences, due beyond one year	97,460
Premium on bonds sold, net of amortization	540,362
Net pension liability	14,792,612
Total noncurrent liabilities	30,395,434
Deferred inflows of resources	
Deferred inflow - related to pension	48,997
Deferred inflow - 147c allocation	403,335
Total deferred inflows of resources	452,332
Net position	
Net investment in capital assets	4,445,119
Restricted for:	
Food service	5,817
Debt service	356,251
Unrestricted	(12,581,885)
Total net position	$ (7,774,698)

The notes to the financial statements are an integral part of this statement.

St. Louis Public School District
Statement of Activities
For the Year Ended June 30, 2016

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Total
Governmental activities:				
Instruction	$ 6,140,562	$ 151,011	$ 404,592	$ (5,584,959)
Support Services	3,751,047	-	-	(3,751,047)
Athletics	276,586	78,419	-	(198,167)
Community Services	694	-	-	(694)
Facilities Construction	45,402	-	-	(45,402)
Food service	515,099	91,673	385,608	(37,818)
Interest, fees and other	602,024	-	-	(602,024)
Depreciation - unallocated	808,608	-	-	(808,608)
Total governmental activities	$ 12,140,022	$ 321,103	$ 790,200	(11,028,719)
General revenues:				
Property taxes				2,656,652
State aid not restricted to specific purposes				7,784,951
Intermediate sources				383,765
Unrestricted interest and investment earnings				2,912
Restricted interest and investment earnings				2,427
Miscellaneous				1,658
Total general revenues				10,832,365
Change in net position				(196,354)
Net position - beginning				(7,578,344)
Net position - ending				$ (7,774,698)

FUND FINANCIAL STATEMENTS

St. Louis Public School District
Balance Sheet - Governmental Funds
June 30, 2016

	Major Funds			Non-Major	
	General	Debt Service	Capital Projects	Food Service	Total
Assets					
Cash and investments	$ 2,128,896	$ 356,251	$ 1,495,735	$ 7,234	$ 3,988,116
Accounts receivable	1,749	-	-	-	1,749
Due from other funds	19,935	-	-	-	19,935
Due from other governmental units	1,586,185	-	-	21,377	1,607,562
Inventory	-	-	-	23,276	23,276
Prepaids	50,275	-	-	-	50,275
Total assets	$ 3,787,040	$ 356,251	$ 1,495,735	$ 51,887	$ 5,690,913
Liabilities					
Accounts payable	$ 86,791	$ -	$ 97,324	$ 26,135	$ 210,250
Accrued payroll liabilities	111,764	-	-	-	111,764
Accrued expenses	661,375	-	-	-	661,375
Due to other funds	-	-	-	19,935	19,935
Short-term State aid note payable	1,600,000	-	-	-	1,600,000
Unearned revenue	6,635	-	-	-	6,635
Total liabilities	2,466,565	-	97,324	46,070	2,609,959
Fund balance					
Nonspendable	50,275	-	-	23,276	73,551
Restricted	-	356,251	1,398,411	-	1,754,662
Unassigned	1,270,200	-	-	(17,459)	1,252,741
Total fund balance	1,320,475	356,251	1,398,411	5,817	3,080,954
Total liabilities and fund balance	$ 3,787,040	$ 356,251	$ 1,495,735	$ 51,887	$ 5,690,913

The notes to the financial statements are an integral part of this statement.

St. Louis Public School District
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds
To Net Position of Governmental Activities on the Statement of Net Position
June 30, 2016

Total fund balance - governmental funds			$ 3,080,954
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Add:	Cost of capital assets	$ 37,814,060	
Deduct:	Accumulated depreciation	(18,221,567)	
			19,592,493
Long-term debt is not due and payable in the current period and, therefore, is not reported in the funds. These liabilities consist of:			
Deduct:	Bonds payable - 2010	(4,740,000)	
Deduct:	Bonds payable - 2012	(1,555,000)	
Deduct:	Bonds payable - 2014	(7,395,000)	
Deduct:	Bonds payable - 2015	(2,695,000)	
Deduct:	2015 Bus loan payable #1	-	
Add:	Deferred charge on 2010 refunding bonds	122,857	
Add:	Bonds payable - 2012 discount (net of amortization)	10,200	
Deduct:	Bonds payable - 2014 premium (net of amortization)	(279,164)	
Deduct:	Bonds payable - 2015 premium (net of amortization)	(261,198)	
			(16,792,305)
Long-term liabilities (and corresponding deferrals) are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:			
Add:	Deferred outflow - related to pension	1,809,823	
Deduct:	Net pension liability	(14,792,612)	
Deduct:	Deferred inflow - related to pension	(48,997)	
Deduct:	Deferred inflow - 147c allocation	(403,335)	
Deduct:	Accrued interest on long-term liabilities	(96,060)	
Deduct:	Compensated absences payable	(114,659)	
Deduct:	Retirement incentive	(10,000)	
			(13,655,840)
Total net position - governmental activities			$ (7,774,698)

St. Louis Public School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	Major Funds			Non-Major	
	General	Debt Service	Capital Projects	Food Service	Total
Revenues					
Local sources	$ 1,187,197	$ 1,703,349	$ 1,980	$ 92,075	$ 2,984,601
State sources	8,122,884	47,664	-	17,738	8,188,286
Federal sources	404,592	-	-	385,608	790,200
Other sources	383,916	-	-	-	383,916
Total revenues	10,098,589	1,751,013	1,980	495,421	12,347,003
Expenditures					
Instruction					
Basic programs	4,585,306	-	-	-	4,585,306
Added needs	1,263,845	-	-	-	1,263,845
Total instruction	5,849,151	-	-	-	5,849,151
Support services					
Pupil	374,441	-	-	-	374,441
Instructional staff	225,035	-	-	-	225,035
General administration	394,275	-	-	-	394,275
School administration	792,607	-	-	-	792,607
Business services	177,306	-	3,773	-	181,079
Operation and maintenance	1,168,010	-	317,535	-	1,485,545
Pupil transportation	394,736	-	113,454	-	508,190
Central	158,001	-	137,434	-	295,435
Athletics	269,659	-	-	-	269,659
Total support services	3,954,070	-	572,196	-	4,526,266
Community Services	694	-	-	-	694
Facilities Construction and Improvements	-	-	3,437,181	-	3,437,181
Food service	-	-	-	515,099	515,099
Debt service					
Principal payments - long-term debt	-	1,230,000	-	-	1,230,000
Interest, fees and other	-	630,158	-	-	630,158
Other	25,240	-	-	-	25,240
Total expenditures	9,829,155	1,860,158	4,009,377	515,099	16,213,789
Revenues over (under) expenditures	269,434	(109,145)	(4,007,397)	(19,678)	(3,866,786)
Other financing sources (uses)					
Transfers in	-	-	-	5,500	5,500
Transfers out	(5,500)	-	-	-	(5,500)
Revenues and other sources over (under) expenditures and other uses	263,934	(109,145)	(4,007,397)	(14,178)	(3,866,786)
Fund balance - beginning	1,056,541	465,396	5,405,808	19,995	6,947,740
Fund balance - ending	$ 1,320,475	$ 356,251	$ 1,398,411	$ 5,817	$ 3,080,954

St. Louis Public School District
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

Net change in fund balances - total governmental funds		$ (3,866,786)
Amounts reported for governmental activities in the statement of activities are different because:		
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 as depreciation expense.		
Add:	Capital outlay	4,042,910
Deduct:	Depreciation expense	(808,608)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		
Add:	Payment of principal on bonds payable - 2010	510,000
Add:	Payment of principal on bonds payable - 2012	345,000
Add:	Payment of principal on bonds payable - 2014	175,000
Add:	Payment of principal on bonds payable - 2015	200,000
Add:	Payment of principal on 2015 bus loan payable #1	26,495
Deduct:	Deferred charge on 2010 refunding	(15,357)
Deduct:	Amortization of 2012 debt discount	(2,550)
Add:	Amortization of 2014 debt premium	12,137
Add:	Amortization of 2015 debt premium	32,649
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.		
Add:	Change in deferred outflow - related to pension	425,611
Deduct:	Change in net pension liability	(1,804,444)
Add:	Change in deferred inflow - related to pension	907,578
Add:	Decrease in accrued interest on long term debt	12,520
Add:	Decrease in accrual for compensated absences	24,826
Deduct:	Increase in accrual for retirement incentive	(10,000)
Revenue in support of pension contribution made subsequent to the measurement date		
Deduct:	Change in deferred inflow - 147c allocation	(403,335)
Change in net position - governmental activities		$ (196,354)

St. Louis Public School District
Statement of Net Position
Fiduciary Fund
For the Year Ended June 30, 2016

	Agency Fund
Assets	
Cash and investments	$ 201,704
Liabilities	
Due to student and other groups	201,704
Net position	
Restricted	$ -

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the St. Louis Public School District (the District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the District.

Reporting Entity

The District is governed by a seven member Board of Education which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state and federal government sources and must comply with all of the requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

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 District's reporting entity, and which organizations are legally separate, component units of the District. Based on the application of the criteria, the District does not contain any component units.

District-wide and Fund 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 District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. All of the District-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to consumers who purchase, use or directly benefit from services provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items, including taxes and intergovernmental payments, not properly included among program revenues, are reported instead as general revenues.

Net position is restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-wide Financial Statements **–** The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

Fund Financial Statements **-** The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. 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 severance pay, are recorded only when payment is due.

The fiduciary fund statement is also reported using the economic resources measurement focus and the accrual basis of accounting.

The District reports the following major governmental funds:

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

- The debt service fund is used to record tax revenue, interest revenue, other revenue for payment of principal and other expenditures on the bond issues.

- The capital projects fund accounts for financial resources used for the acquisition, construction, and improvement of major capital facilities other than those financed by proprietary funds. These resources are derived from contributions from bond proceeds and the general fund.

The District reports the following non-major governmental funds:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The school service funds are special revenue funds that segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. The District maintains full control of these funds. The school service fund maintained by the District is the food service fund.

Additionally, the District reports the following fund types:

- Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent. Fiduciary fund net position and results of operations are not included in the District-wide statements. Agency funds are custodial in nature (i.e. assets equal liabilities) and do not involve measurement of results of operations. The District presently maintains a student activity fund to record the transactions of student groups for school and school-related purposes. The funds are segregated and held in trust for the students.

Budgetary Data

Budgets are adopted by the District for the general and special revenue funds. The budgets are adopted and prepared on the modified accrual basis of accounting. The budget is adopted at the function level and control is exercised at the activity level. The budgeted revenues and expenditures for governmental fund types, as presented in this report, include any authorized amendments to the original budget as adopted.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, money market funds, demand deposits and certificates of deposit.

Michigan Compiled Laws, Section 129.91, authorizes the District to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The District's deposits are in accordance with statutory authority.

Receivables
Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectible amounts.

Due from other governmental entities consist primarily of amounts due from the State of Michigan.

Property Tax Revenue
Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied as of July 1 and December 1, are due upon receipt of the billing by the taxpayer, and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and interest and penalties may be assessed by the collecting entity.

The District levied 18.0 mills for school general operations. The District also levied an additional 8.0 mills on all property in the District for the purpose of debt service.

State Aid Revenue
The State of Michigan utilized a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the state's School Aid Fund and is recognized as revenue in accordance with state law and accounting principles generally accepted in the United States of America.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain categorical funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received, which are not expended by the close of the fiscal year are recorded as unearned revenue. Other categorical funding is recognized when the appropriation is received.

Inventory
Inventories are valued at cost, on a first in, first out (FIFO) basis. Fund balance is reserved for the amount of inventories on hand as of June 30.

USDA donated commodities are recorded as a unearned revenue and inventory when received based on their fair market value as determined by the U.S. Department of Agriculture. Revenues and expenditures are then recognized when the commodities are used.

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

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

The District does not have infrastructure-type assets. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction of capital assets is not capitalized.

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements. Depreciation expense is recorded in the District-wide financial statements.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land	Not Depreciated
Buildings and Additions	20 – 50
Equipment	5 – 20
Vehicles	5 – 10
Construction in Progress	Not Depreciated

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 at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Compensated Absences
The school board's policy does not allow teachers or support staff to accumulate vacation days and carry the accumulation forward to future years.

Sick days can be accumulated up to seventy days (70) days for teachers and one hundred (120) days for other employees. Amounts accumulated are to be paid to employees and recognized as an expense when sick leave is taken.

After 15 years of continuous service to the District, a teacher, retirement, resignation, or termination, shall be paid for accumulated sick leave at a rate of $70 per day to a maximum of $3,150. Upon retirement, resignation, or death, sick leave is paid to support staff at a rate of $35 per day. The sick leave liability as of June 30th is $114,659.

Unearned Revenue
Unearned revenues arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when the revenue recognition criterion is met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the fund financial statements and District-wide financial statements, and revenue is recognized.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category: deferred charge on refunding - 2010 Refunding Bonds and deferred outflow - related to pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note 13 for additional information for regarding the deferred outflow – related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category: deferred inflow – related to pensions and deferred inflow – 147c allocation. See Note 14 for additional information for regarding the deferred inflow – related to pensions. The deferred inflow – 147c allocation pertains to 147c revenue in support of pension contributions made subsequent to the measurement date.

Long-Term Obligations
In the District-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in

the statement of net position.

Net Position and Fund Balances
Restricted net position shown in the District-wide financial statements will generally be different from amounts reported as reserved/designated fund balances in the governmental funds financial statements. This occurs because of differences in the measurement focus and basis of accounting used in the District-wide and fund financial statements and because of the use of funds to imply that restrictions exist.

<u>Fund Balances - Reserves and Designations</u>
Beginning with fiscal year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are in nonspendable form (such as inventory or prepaid expenditures) or are either legally or contractually required to be maintained intact.

- Restricted fund balance—amounts constrained to specific purposes by their providers (such as taxpayers, grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The District's Capital Projects and Debt Service fund balances are considered restricted.

- The District would typically use restricted fund balance first, followed by committed resources, and then assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these classified funds.

- Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (Board of Education). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

- Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Education or by an official or body to which the Board of Education delegates the authority.

- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

<u>Net Position – Restrictions</u>
Net position in the District-wide financial statements are reported as restricted when constraints placed on net position use is either:

- Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or
- Imposed by law through constitutional provisions or enabling legislation.

Unemployment Compensation
The District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method the District must reimburse the Employment Commission for all benefits charged against the District for the year. No provision has been made for possible future claims.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY
Excess Of Expenditures Over Appropriations
Budgets are adopted at the functional level and on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. Encumbrance accounting is not employed in governmental funds.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.

- Public hearings are conducted to obtain taxpayer comments.
- Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.

- Management is authorized to transfer budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.

- Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds.

- The budget was amended during the year with supplemental appropriations, the last one approved prior to June 30, 2016. The District does not consider these amendments to be significant.

During the current year the District incurred expenditures in excess of the amounts budgeted as indicated in the budget comparison schedules as unfavorable variances.

NOTE 3 - CASH AND INVESTMENTS
At June 30th, the carrying amount of the District's cash, deposits and investments was as follows:

Cash and Investments	Amount
Petty Cash	1,094
Checking, Savings, and Money Market Accounts	3,986,780
Investments - Michigan School District Liquid Asset Fund (Investment Pool)	242
Total	3,988,116

At year-end, the bank balance was $4,032,161. Of the bank balance, $250,000 was covered by federal depository insurance and the remaining balance was uninsured and uncollateralized. Deposits which exceed FDIC insurance coverage limits are held at local banks.

The District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the 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.

Investments
The District had $242 invested in the MILAF External Investment Pool. Additional investment information regarding the investment pool is as follows:

Investment Type	Fair Value	Weighted Average Maturity (years)	Standard & Poor's Rating	%
MILAF External Investment pool-MIMAX	127	0.1269	AAAm	52.5%
MILAF External Investment pool-Cash Mgmt Class	115	0.1269	AAAm	47.5%

Total	242			
Portfolio weighted average maturity		0.1269		
1 day maturity equals 0.0027, one year equals 1.00				

The District voluntarily invests certain excess funds in external pooled investment funds which includes money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF is an external pooled investment fund of "qualified" investments for Michigan school districts. MILAF is not regulated or is it registered with the SEC. MILAF reports as of June 30, 2016, the fair value of the District's investments is the same as the value of the pool shares.

Fair value measurement. The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District does not have any investments subject to the fair value measurement.

Interest rate risk. In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; 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 District's cash requirements.

Credit risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs).

Concentration of credit risk. The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. See above for amount of deposits held by the District that are exposed to custodial credit risk because it is uninsured and uncollateralized.

Custodial credit risk – investments. For an investment, it is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and prequalifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

Foreign currency risk. The District is not authorized to invest in investments which have this type of risk.

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS
As of June 30th, due from other governmental units is comprised of the following amounts:

Due From	Amount
General Fund:	
State of Michigan – State Aid	1,469,804
State of Michigan – Title I	72,370
State of Michigan – Title II	14,856
State of Michigan – Title VI	21,132
Vocational Education Transportation	6,085
Other government units	1,938
Food Service Fund:	
State of Michigan – State Aid	2,572
National School Breakfast & Lunch Program	18,805
Total	1,607,562

NOTE 5 - PREPAIDS
Prepaid expenses represent payments for the following expenses that will benefit future periods:

Prepaid	Amount
Chartwells – Food Services	43,000
RefPay	5,000
Other prepaids	2,275
Total	50,275

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES
As of June 30th, interfund receivables and payables are comprised of the following amounts:

Due from	Amount	Due to	Amount
General Fund	19,935	Food Service Fund	19,935

NOTE 7 - CAPITAL ASSETS
A summary of changes in the District's capital assets follows:

Capital Assets	Beginning Balance	Additions	Disposals	Ending Balance
Land	160,785	-	-	160,785
Buildings and Additions	29,372,321	-	-	29,372,321
Equipment	1,085,694	594,864	-	1,680,558
Vehicles	909,861	56,267	-	966,128
Construction in Progress	2,242,489	3,391,779	-	5,634,268
Total Capital Assets	33,771,150	4,042,910	-	37,814,060
Accumulated Depreciation				
Buildings and Additions	(16,091,049)	(615,623)	-	(16,706,672)
Equipment	(922,679)	(79,585)	-	(1,002,264)
Vehicles	(399,232)	(113,400)	-	(512,632)
Total Accumulated Depreciation	(17,412,960)	(808,608)	-	(18,221,567)
Net Capital Assets	16,358,190	3,234,302	-	19,592,493

Depreciation for the year ended June 30, 2016 totaled $808,608. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

NOTE 8 - DUE TO OTHER GOVERNMENTAL UNITS
As of June 30th, the District was not indebted to other governmental units.

NOTE 9 - ACCRUED PAYROLL AND EXPENSES
Wages payable as of June 30th represents the remaining balance owed on teacher contracts to be paid during the summer months and wages earned for non-teacher employees but unpaid as of the end of the fiscal year. Also included are other accrued expenses as of June 30th.

Accrued Payroll and Expenses	Amount
Salaries payable	453,352
Retirement	117,717
FICA	34,808
Health insurance	45,258
Accrued interest on State Aid Note	10,239
UAAL stabilization payable	105,640
Other accrued payroll liabilities	6,125
Total	773,139

NOTE 10 - SHORT-TERM NOTE PAYABLE
On August 20, 2015, the District borrowed $1,600,000 in the form of a State Aid Note for the purpose of providing funds for school operations. The interest rate is stated at 0.74% and the maturity date is August 22, 2016.

On August 22, 2016 (after the end of the current fiscal year), the District borrowed $1,500,000 in the form of a State Aid Note for the purpose of providing funds for school operations. The interest rate is stated at 0.88% and the maturity date is August 21, 2017.

NOTE 11 – UNEARNED REVENUES

The amount reported as unearned revenue represents revenues received in advance of the period earned. During the fiscal year, the District received $6,635 from SET SEG to repair damage to the District's property. The repair work was not completed at year end so the funds received were recorded as an unearned revenue.

NOTE 12 - LONG-TERM DEBT

The 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 obligations bonds and refunding bonds are direct obligations and pledge the full faith and credit of the District. Other long-term obligations include compensated absences.

2010 Refunding Bonds

During the fiscal year ended June 30, 2011, the District issued $6,940,000 of general obligation tax-exempt bonds for the purpose of an advance refunding of $6,725,000 of the 2001 bonds outstanding.

As a result, the 2001 bonds have been advance refunded and the liability has been removed from the governmental activities column of the statement of net position. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by $766,267 and resulted in an economic gain of approximately $644,837.

2012 Refunding Bonds

During the fiscal year ended June 30, 2013, the District issued $2,550,000 of general obligation tax-exempt bonds for the purpose of a current refunding of $2,481,302 of the School Bond Loan Fund outstanding.

2014 Bonds

During the fiscal year ended June 30, 2015, the District issued $7,625,000 for the following purposes:

- remodeling, furnishing and equipping school buildings
- building and equipping an addition to the high school building
- acquiring and installing educational technology
- purchasing school busses
- building and equipping a new bus maintenance facility and two storage facilities
- developing and improving playgrounds, athletic fields and facilities
- paying the costs of issuing the bonds

2015 Refunding Bonds

In February 2015, the School District issued $2,895,000 in 2015 refunding bonds with an interest rate of 4.0 percent. The 2015 refunding bonds were used to pay $3,295,000 in 2005 refunding bonds with an average interest rate of 4.52 percent. $400,000 of existing funds in the 2005 debt fund were used to make up the difference between the 2005 principal and 2015 proceeds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the School District's long-term obligations. The escrow agent paid the 2005 refunding bonds in May 2015. The refunding reduced total debt service payments by approximately $495,748, which represents an economic gain of approximately $410,660.

Bus Loan Payable

The District currently has one loan which was used to finance the purchase of one new bus. The loan was paid off during the fiscal year.

Retirement Incentive Payable

One individual is currently participating in the early retirement incentive program offered by the District. Under this program, the individual will receive annual payments of $10,000 through fiscal year 2017.

Changes to Long-Term Debt
The changes in long-term debt during the year ended June 30, 2016 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Less: Current Portion	Total due after one year
Compensated abs	139,485	-	(24,826)	114,659	17,199	97,460
Retirement incentive	-	20,000	(10,000)	10,000	10,000	-
2010 Refunding Bonds	5,250,000	-	(510,000)	4,740,000	550,000	4,190,000
2012 Refunding Bonds	1,900,000	-	(345,000)	1,555,000	355,000	1,200,000
2014 Bonds	7,570,000	-	(175,000)	7,395,000	180,000	7,215,000
2015 Refunding Bonds	2,895,000	-	(200,000)	2,695,000	335,000	2,360,000
2015 Bus Loan	26,495		(26,495)	-	-	-
Total	17,780,980	20,000	(1,291,321)	16,509,659	1,447,199	15,062,460

The annual requirements to pay principal and interest on the outstanding obligations on June 30, 2016 are shown in the *Schedule of Long-Term Debt* at the back of this report.

NOTE 13 - OPERATING LEASES

The District has entered into an operating leases for the use of copy machines. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the financial statements. Lease expense for the fiscal year was approximately $15,241

The terms of these agreements are as follows:

Year Ending June 30	Amount
2017	6,429
2018	582

NOTE 14 - EMPLOYEE RETIREMENT SYSTEM

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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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.

Plan Description

The Michigan Public School Employees' Retirement System (System or 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.
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 are determined by final average compensation, 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 plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. 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 Funded 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 2015 fiscal year.

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 District were 1,168,345 for the year ended September 30, 2015.

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

At June 30, 2016, the District reported a liability of $14,792,612 for its proportionate share of the MPSERS 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 2014. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2015, the District's proportion was 0.06056334 percent, which was an increase of 0.00159725 percent from its proportion measured as of September 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of $1,330,809. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of	**Deferred Inflows of Resources**	**Resources**
Differences between expected and actual experience	-	48,997
Changes of assumptions	364,225	-
Net difference between projected and actual earnings on pension plan investments	75,504	-
Changes in proportion and differences between Reporting Unit contributions and proportionate share of contributions	299,173	-
Reporting Unit contributions subsequent to the measurement date	1,070,921	-
Total	1,809,823	48,997

$1,070,921 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. Other amounts as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred (Inflows) and Deferred Outflows of Resources by Year (to Be Recognized in Future Pension Expenses)

Plan Year Ended September 30	Amount:
2016	122,026
2017	122,026
2018	102,277
2019	343,576

<u>Actuarial Assumptions</u>
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 Return:	
- 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
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.

Notes:

- *Assumption changes as a result of an experience study for the period 2007 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation. The total pension liability as of September 30, 2015, is based on the results of an actuarial valuation date of September 30, 2014, and rolled forward using generally accepted actuarial procedures,* *including the experience study.*

- *Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.7158 for non-university employers 1.3923 for university employers]*
- *Recognition period for assets in years is 5.0000*
- *Full actuarial assumptions are available in the 2015 MPSERS Comprehensive Annual Financial Report (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. 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
Total	100.0	

*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 provided through non-university employers only). 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 District's* proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.0% (7.0% for the Hybrid Plan), as well as what the 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 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%**
19,071,469	14,792,612	11,185,360

Michigan Public School Employees' Retirement System (MPSERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued 2015 MPSERS CAFR (www.michigan.gov/documents/orsschools/MPSERS_CAFR_2015_Final_510211_7.pdf)

Payables to the Michigan Public School Employees' Retirement System (MPSERS)
At June 30, 2016, the District reported a payable of $223,357 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016, consisting of pension contribution payable plus any other amounts owed to the pension plan including the UAAL payments for July and August 2016.

Other Postemployment Benefits
Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, is currently funded on a cash disbursement basis. Beginning fiscal year 2013, it will be funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, hearing, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

Public Act 75 of 2010 requires each actively employed member of MPSERS after June 30, 2010 to annually contribute 3% of their compensation to offset employer contributions for health care benefits of current retirees. Dependents are eligible for health care coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Upon retirement, pension and other post-retirement benefits are paid by the State of Michigan from funding provided by the District.

NOTE 15 - RISK MANAGEMENT
The 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 District participates in the SET/SEG risk pool for employee injuries (worker's compensation) and has purchased commercial insurance for claims relating to property loss, torts, errors and omissions, and for medical claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years. There was no reduction in coverage obtained through commercial insurance during the past year.

NOTE 16 - JOINT VENTURE
During the year ended June 30, 2001 the District elected to join the Middle Michigan Network for Educational Telecommunications (MMNET). As a member of MMNET, the District was required to purchase an interest in various communication equipment and services as well as pay for annual administrative cost incurred by Gratiot-Isabella RESD, the administrative agent. Information regarding the purchase of equipment and services is shown in the above notes.

The MMNET Consortium was established by a previously approved inter local Consortium Agreement. The purpose of MMNET is to provide for interactive voice/video/data interconnections and services required for, or useful in, the instruction and training of students and other persons utilizing the participants services, the conducting of research, or the administrative operations of the participants; and to enable the participants to cooperatively share their resources for the ownership, financing, installation, administration and operation of MMNET. The District does not have an explicit, measurable equity interest in MMNET therefore an asset has not been reported in connection with the District's participation in this joint venture

Additional information on MMNET, including separate financial statements, is available by contacting the fiscal agent at Gratiot-Isabella Regional Education Service District, 1131 East Center Street, Ithaca, Michigan 48847
Phone: 989-875-5101

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

PROSPECTIVE 10-YEAR TREND INFORMATION

St. Louis Public School District
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues				
Local sources	$ 1,135,486	$ 1,192,817	$ 1,187,197	$ (5,620)
State sources	8,158,772	8,111,380	8,122,884	11,504
Federal sources	322,547	404,193	404,592	399
Other sources	374,466	377,680	383,916	6,236
Total revenues	9,991,271	10,086,070	10,098,589	12,519
Expenditures				
Instruction				
Basic programs	4,703,405	4,659,411	4,585,306	74,105
Added needs	1,306,054	1,296,769	1,263,845	32,924
Total instruction	6,009,459	5,956,180	5,849,151	107,029
Support services				
Pupil	387,387	378,984	374,441	4,543
Instructional staff	211,535	229,676	225,035	4,641
General administration	367,231	401,042	394,275	6,767
School administration	814,037	802,426	792,607	9,819
Business services	153,553	192,844	177,306	15,538
Operation and maintenance	1,152,140	1,187,606	1,168,010	19,596
Pupil transportation	457,357	420,774	394,736	26,038
Central	219,159	210,746	158,001	52,745
Athletics	256,179	269,831	269,659	172
Total support services	4,018,578	4,093,929	3,954,070	139,859
Community Services	1,000	1,000	694	306
Other	19,955	25,000	25,240	(240)
Total expenditures	10,048,992	10,076,109	9,829,155	246,954
Revenues over (under) expenditures	(57,721)	9,961	269,434	259,473
Other financing sources (uses)				
Transfers out	(5,500)	(5,500)	(5,500)	-
Revenues and other sources over (under) expenditures and other uses	(63,221)	4,461	263,934	259,473
Fund balance - beginning	1,056,541	1,056,541	1,056,541	-
Fund balance - ending	$ 993,320	$ 1,061,002	$ 1,320,475	$ 259,473

St. Louis Public School District
Budgetary Comparison Schedule for the Food Service Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Local sources	$ 77,500	$ 99,895	$ 92,075	$ (7,820)
State sources	27,300	30,827	17,738	(13,089)
Federal sources	337,700	371,500	385,608	14,108
Total revenues	442,500	502,222	495,421	(6,801)
Expenditures				
Food service	438,000	523,791	515,099	8,692
Revenues over (under) expenditures	4,500	(21,569)	(19,678)	1,891
Other financing sources (uses)				
Transfers in	5,500	5,500	5,500	-
Revenues and other sources over (under) expenditures and other uses	10,000	(16,069)	(14,178)	1,891
Fund balance - beginning	19,995	19,995	19,995	-
Fund balance - ending	$ 29,995	$ 3,926	$ 5,817	$ 1,891

The notes to the financial statements are an integral part of this statement.

St. Louis Public School District
Required Supplemental Information
Michigan Public School Employees Retirement Plan
Prospective 10-year trend information

Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability

Description	Plan year Sept 30, 2015	Plan year Sept 30, 2014
Reporting unit's proportion of net pension liability (%)	0.06056334%	0.05896609%
Reporting unit's proportionate share of net pension liability	$ 14,792,612	$ 12,988,168
Reporting unit's covered employee payroll	$ 5,073,372	$ 4,942,341
Reporting unit's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	291.6%	262.8%
Plan fiduciary net position as a percentage of total pension liability	63.17%	66.20%

Note: Amounts were determined as of 9/30 of each fiscal year.

Schedule of the Reporting Unit's Contributions

Description	Fiscal year June 30, 2016	Fiscal year June 30, 2015
Statutorily required contributions	$ 1,340,072	$ 959,807
Contributions in relation to statutorily required contributions	$ 1,340,072	$ 959,807
Contribution deficiency (excess)	$ -	$ -
Reporting unit's covered-employee payroll	$ 4,735,490	$ 5,279,232
Contributions as a percentage of covered-employee payroll	28.3%	18.2%

Note: Amounts were determined as of 6/30 of each year.

Notes to Required Supplementary Information

Changes of benefit terms: There were no changes of benefit terms
Changes of assumptions: There were no changes of benefit assumptions

OTHER SUPPLEMENTAL INFORMATION

SCHEDULE OF LONG-TERM DEBT

Fiscal Year Ending	Interest Rate (%)	Annual Principal Due	Interest Due 1st Payment	Interest Due 2nd Payment	Total
2010 Refunding Bonds - $6,940,000					
Interest due November 1 and May 1; Principal due May 1					
2017	4.50	$ 550,000	$ 70,793	$ 70,793	$ 691,586
2018	4.60	590,000	63,918	63,918	717,836
2019	4.60	605,000	55,953	55,953	716,906
2020	4.60	595,000	47,180	47,180	689,360
2021	4.60	590,000	38,106	38,106	666,212
2022	4.60	605,000	28,961	28,961	662,922
2023	4.70	595,000	19,433	19,433	633,866
2024	4.70	610,000	9,913	9,913	629,826
Total		4,740,000	334,257	334,257	5,408,514
2012 Refunding Bonds - $2,550,000					
Interest due November 1 and May 1; Principal due May 1					
2017	1.60	355,000	15,530	15,530	386,060
2018	1.90	360,000	12,690	12,690	385,380
2019	2.10	390,000	9,270	9,270	408,540
2020	2.30	450,000	5,175	5,175	460,350
Total		1,555,000	42,665	42,665	1,640,330
2014 Bond Issue - $7,625,000					
Interest due November 1 and May 1; Principal due May 1					
2017	4.00	180,000	147,900	147,900	475,800
2018	4.00	185,000	144,300	144,300	473,600
2019	4.00	195,000	140,600	140,600	476,200
2020	4.00	200,000	136,700	136,700	473,400
2021	4.00	205,000	132,700	132,700	470,400
2022	4.00	220,000	128,600	128,600	477,200
2023	4.00	230,000	124,200	124,200	478,400
2024	4.00	245,000	119,600	119,600	484,200
2025	4.00	285,000	114,700	114,700	514,400
2026	4.00	295,000	109,000	109,000	513,000
2027	4.00	310,000	103,100	103,100	516,200
2028	4.00	320,000	96,900	96,900	513,800
2029	4.00	335,000	90,500	90,500	516,000
2030	4.00	350,000	83,800	83,800	517,600
2031	4.00	360,000	76,800	76,800	513,600
2032	4.00	375,000	69,600	69,600	514,200
2033	4.00	390,000	62,100	62,100	514,200
2034	4.00	410,000	54,300	54,300	518,600
2035	4.00	425,000	46,100	46,100	517,200
2036	4.00	440,000	37,600	37,600	515,200
2037	4.00	460,000	28,800	28,800	517,600
2038	4.00	480,000	19,600	19,600	519,200
2039	4.00	500,000	10,000	10,000	520,000
Total		7,395,000	2,077,500	2,077,500	11,550,000

St. Louis Public School District
Schedule of Long-Term Debt
For the Year Ended June 30, 2016

Fiscal Year Ending	Interest Rate (%)	Annual Principal Due	Interest Due 1st Payment	Interest Due 2nd Payment	Total
2015 Refunding Bonds - $2,895,000					
Interest due November 1 and May 1; Principal due May 1					
2017	4.00	$ 335,000	$ 53,900	$ 53,900	$ 442,800
2018	4.00	325,000	47,200	47,200	419,400
2019	4.00	315,000	40,700	40,700	396,400
2020	4.00	310,000	34,400	34,400	378,800
2021	4.00	360,000	28,200	28,200	416,400
2022	4.00	350,000	21,000	21,000	392,000
2023	4.00	350,000	14,000	14,000	378,000
2024	4.00	350,000	7,000	7,000	364,000
Total		2,695,000	246,400	246,400	3,187,800

St. Louis Public School District
Schedule of Long-Term Debt
For the Year Ended June 30, 2016

Fiscal Year Ending	Annual Principal Due	Annual Interest Due	Total
Summary by Year			
2017	$ 1,420,000	$ 576,246	$ 1,996,246
2018	1,460,000	536,216	1,996,216
2019	1,505,000	493,046	1,998,046
2020	1,555,000	446,910	2,001,910
2021	1,155,000	398,012	1,553,012
2022	1,175,000	357,122	1,532,122
2023	1,175,000	315,266	1,490,266
2024	1,205,000	273,026	1,478,026
2025	285,000	229,400	514,400
2026	295,000	218,000	513,000
2027	310,000	206,200	516,200
2028	320,000	193,800	513,800
2029	335,000	181,000	516,000
2030	350,000	167,600	517,600
2031	360,000	153,600	513,600
2032	375,000	139,200	514,200
2033	390,000	124,200	514,200
2034	410,000	108,600	518,600
2035	425,000	92,200	517,200
2036	440,000	75,200	515,200
2037	460,000	57,600	517,600
2038	480,000	39,200	519,200
2039	500,000	20,000	520,000
Totals	16,385,000	5,401,644	21,786,644

Year 1	1,420,000	576,246	1,996,246
Year 2	1,460,000	536,216	1,996,216
Year 3	1,505,000	493,046	1,998,046
Year 4	1,555,000	446,910	2,001,910
Year 5	1,155,000	398,012	1,553,012
Year 6 - 10	4,135,000	1,392,814	5,527,814
Year 11 - 15	1,675,000	902,200	2,577,200
Year 16 - 20	2,040,000	539,400	2,579,400
Year 21 - 25	1,440,000	116,800	1,556,800
	16,385,000	5,401,644	21,786,644