MANTON CONSOLIDATED SCHOOLS

MANTON, MICHIGAN

YEAR ENDED JUNE 30, 2017

Baird, Cotter & Bishop, P.C.
SERVING YOUR PAST, PRESENT & FUTURE

CERTIFIED PUBLIC ACCOUNTANTS
134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601 PHONE: (231) 775-9789 FAX: (231) 775-9749
www.bcbcpa.com

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

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MANTON, MICHIGAN

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September 29, 2017

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Manton Consolidated Schools
Manton, 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 Manton Consolidated Schools, Manton, Michigan as of and for the year ended June 30, 2017, 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 Manton Consolidated Schools, Manton, Michigan as of June 30, 2017, and the respective changes in financial position thereof 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 and required supplementary information, as identified in the table of contents, on pages iv through xi and 37-41 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 Manton Consolidated Schools, Michigan's basic financial statements. The Combining Fund Financial Statements, Individual Fund Financial Statements, and Other Information sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Fund Financial Statements and Individual Fund Financial Statements are the responsibility of management and were derived from and relate 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 Combining Fund Financial Statements and Individual Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information section has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2017, on our consideration of Manton Consolidated 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 solely 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 the effectiveness of Manton Consolidated Schools' 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 Manton Consolidated Schools' internal control over financial reporting and compliance.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

Manton Consolidated Schools ("the District") is a K-12 school district located in Wexford, Missaukee and Grand Traverse Counties, Michigan. The Management's Discussion and Analysis, is intended to be the Manton Consolidated Schools administration's discussion and analysis of the financial results for the fiscal year ended June 30, 2017.

Generally accepted accounting principles (GAAP), require the reporting of two types of financial statements: fund financial statements and government-wide financial statements.

A. Government-Wide Financial Statements

The government-wide statements provide short-term and long-term financial information about the District's overall financial status. The district-wide financial statements are compiled using full accrual basis of accounting and more closely represent financial statements presented by business and industry. The Statement of Net Position includes all of the District's assets and liabilities. All of the year's revenue 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 it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

Over time, increases and decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.

To assess the overall health of the District requires consideration of additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are all shown in one category titled "Governmental Activities". These activities, including regular and special education, transportation, administration, food services, community services, interest, and depreciation, are primarily financed with state and federal aid and property taxes.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, rather than the District as a whole. Funds that do not meet the threshold to be classified as major funds are called "non-major" funds. Detailed financial information for non-major funds can be found in the combining and individual fund statements section.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District may establish other funds to control and manage money for particular purposes.

The District maintains the following kinds of funds:

Governmental Funds – The District’s basic services are included in governmental funds, which generally focus on 1) how cash and other financial assets that can be readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information (reconciliation schedules) immediately following the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.

Fiduciary Funds – The District is a trustee, or fiduciary, for assets that belong to other organizations. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

C. Summary of Net Position

The following schedule summarizes the net position at fiscal year ended June 30.

	2017	2016
Assets		
Current Assets	$ 3,081,540	$ 3,987,438
Non Current Assets		
Capital Assets	21,267,710	20,691,128
Less Accumulated Depreciation	(7,384,265)	(6,970,716)
Total Non Current Assets	13,883,445	13,720,412
Total Assets	16,964,985	17,707,850
Deferred Outflows of Resources	2,170,171	1,375,548
Liabilities		
Current Liabilities	1,972,798	2,575,745
Non Current Liabilities	21,175,727	20,874,792
Total Liabilities	23,148,525	23,450,537

	2017	2016
Deferred Inflows of Resources	430,785	352,589
Net Position		
Net Investment in Capital Assets	4,505,409	4,328,048
Restricted for Specific Purposes	190,070	202,799
Unrestricted (Deficit)	(9,139,633)	(9,250,575)
Total Net Position (Deficit)	$ (4,444,154)	$ (4,719,728)

D. Analysis of Financial Position

During the fiscal year ended June 30, 2017, the District's net position increased by $340,256. A few of the more significant factors affecting net position during the year are discussed below:

1. *Depreciation Expense*

The District is required to maintain a record of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in net position.

Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the assets. In accordance with GAAP, depreciation expense is calculated based on the original cost of the asset less an estimated salvage value, where applicable. For the fiscal year ended June 30, 2017, $413,549 was recorded for depreciation expense.

2. *Capital Outlay Acquisitions*

For the fiscal year ended June 30, 2017, $576,582 of the expenditures were capitalized and recorded as capital assets of the District. The District had some significant purchases in 2016-17 including 3 Buses at the beginning of the school year for $153,000. With the Capital Projects Fund still going the District also acquired some Construction in Progress for building, technology, and athletic field improvements totaling $271,907.

3. *Pension Expense*

GASB 68 now requires the District to account for its payments to the Michigan Public Employees' Retirement System in a manner that has a significant effect on the District's change in net position. Based on various factors, the District may report an increase or decrease in net position depending on whether the District's proportionate share of the net pension liability increases or decreases in any given year. For the year ended June 30, 2017, the District reported an increase in net position of $25,264 related to GASB 68, which indicates that the District's proportionate share of the net pension liability has increased.

4. Payment of Long-Term Debt

During the year ending June 30, 2017, the District decreased its long-term bonded debt by $357,000.

E. Change in Net Position

The following schedule summarizes the results of operations, on a district-wide basis, for the fiscal year ended June 30.

	2017	2016
General Revenues		
Property Taxes	$ 1,531,008	$ 1,494,298
Investment Earnings	3,233	269
State Sources	6,650,917	6,377,977
Other	98,193	92,495
Total General Revenues	8,283,351	7,965,039
Program Revenues		
Charges for Services	238,317	234,059
Operating Grants and Contributions	1,891,922	1,598,703
Total Program Revenues	2,130,239	1,832,762
Total Revenues	10,413,590	9,797,801
Expenses		
Instruction	5,375,876	5,205,221
Supporting Services	3,262,619	3,128,825
Food Service	584,583	578,394
Community Services	34,302	41,548
Interest on Long-Term Debt	369,229	334,701
Bond Issuance Costs	97,858	0
Unallocated Depreciation	413,549	420,396
Total Expenses	10,138,016	9,709,085
Change in Net Position	$ 275,574	$ 88,716

F. Financial Analysis of the District's Funds

The financial performance if the District as a whole is also reflected in its governmental funds. The following table shows the change in total fund balances of each of the District's governmental funds:

	2017	2016	Increase (Decrease)
Major Fund			
General Fund	$ 1,522,980	$ 1,442,275	$ 80,705
2014 Capital Projects Fund	77,123	398,509	(321,386)
2017 Debt Retirement Fund	95,356	0	95,356
Nonmajor Funds			
Food Service	60,982	46,044	14,938
2007 Debt Retirement	0	61,331	(61,331)
2014 Debt Retirement	29,809	89,927	(60,118)
QZAB Debt Retirement	117,405	105,745	11,660
Total Governmental Funds	$ 1,903,655	$ 2,143,831	$ (240,176)

In 2016, the General Fund balance increased primarily due to an increase in State and Local revenue partly due to an increase of pupils and property tax values.

The 2014 Capital Projects Fund balance decreased during 2017 due to expenditures for the ongoing bond project.

The 2017 Debt Retirement Fund is a new fund that was created this year for the refunding of the 2007 Debt Retirement Fund.

The Food Service Fund balance increased in part due to revenues increasing at a greater rate than expenditures. The revenue increase in part is due to an increase in Federal meal claims.

The 2007 Debt Retirement Fund decreased because the funds were transferred over to the 2017 Debt Retirement Fund.

The 2014 Debt Retirement Fund decrease in fund balance was due to debt payments exceeding property taxes during the year.

The QZAB Debt Retirement Fund balance increase is attributed to a transfer from the general fund.

G. General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to its starting on July 1. Any amendments made to the operating budget must be approved by the Board prior to the close of the fiscal year on June 30.

The following schedule shows a comparison of the original General Fund budget, the final amended General Fund budget and actual totals from operations:

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
REVENUES	$ 8,735,528	$ 9,101,435	$ 9,019,072
EXPENDITURES			
Instruction	$ 5,381,806	$ 5,526,234	$ 5,444,724
Supporting Services	3,500,880	3,672,558	3,520,478
Community Services	39,628	45,000	39,091
Other Transactions	81,000	74,984	74,965
Total Expenditures	$ 9,003,314	$ 9,318,776	$ 9,079,258

The change from the Total Revenue Original Budget to Final Budget was an increase of $365,907. This was due to an increase in Local, State and Federal Sources in part due to an increase in property values, number of pupils, Latchkey revenues, USF funding, and MPSERS 147C funding.

The change in the Total Expenditures Original Budget to Final Budget was an increase of $315,462. The increase in the expenditures between original and final budget is in part related to staff salary/wage step increases, professional staff revenue sharing bonus, addition of staff positions in art and special education, long term substitute costs to cover staff on medical leave of absences, staff changes in health benefits, cost of electricity, and a staff separation agreement.

The difference between the final budget and the actual is mostly due to not expensing the entire budgeted amounts in high school, improvement of instruction, custodial/maintenance, technology and less revenue and expenditures for grant programs and other budget amounts by department.

H. Capital Asset and Debt Administration

1. Capital Assets

At June 30, 2017, the District has $13,883,445 in a broad range of capital assets, including school buildings and facilities, school buses and other vehicles, and various types of equipment. This represents a net increase of $163,033 compared to the prior fiscal year. Depreciation expense for the year amounted to $413,549 bringing the accumulated depreciation to $7,384,265 as of June 30, 2017.

2. Long-Term Debt

At June 30, 2017, the District had $9,075,300 in bonded debt outstanding. This represents a decrease of $357,000 from the amount outstanding at the close of the prior fiscal year. In addition, the District has $12,253,638 in net pension liabilities and $204,934 in compensated absences. This represents an increase of $813,082 and $9,965, respectively, from the amount outstanding at the close of the prior fiscal year.

MANTON CONSOLIDATED SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2017

I. Factors Bearing on the District's Future

At the time that these financial statements were prepared and audited, the District was aware of the following items that could significantly affect its financial health in the future:

- One of the primary concerns that continues to affect Manton Consolidated Schools is the State Legislative level of support for public schools in Michigan. The current foundation allowance is scheduled to increase from $7,511 to $7,631 for the 2017-2018 school year. However, uncertainty does still surround the level at which districts will be funded for the student foundation allowance in the future.

- The Manton Consolidated School District continues a cooperative agreement with Saint Ann Catholic School of Cadillac to provide physical education, art, vocal music, band and technology for the students of Saint Ann's School. Within this arrangement, Manton is allowed to claim partial Foundation Allowance for each of the students taught on a proration basis.

- Manton Consolidated Schools continues its collaborative agreement with Kingsley Area Schools for heavy bus maintenance at an hourly rate. Our Transportation Director provides light maintenance that is conducted in our bus garage.

- The District continues its collaborative agreement with Wexford-Missaukee Intermediate School District (WMISD) for accounts payable, payroll services payable and business management services. This agreement is a significant cost savings to employing staff to complete these tasks. In June 2017 an agreement was signed with the WMISD to provide technology services which will also provide a cost savings.

- Over several years of leasing buses, the fleet is updated and functional. The Board chose to purchase three of the leased buses in the 2016-2017 school year to extend the usage and to reduce leasing costs. Future budgets will need to allow for replacement of buses.

- In 2014-2015 the District continued its management services with Chartwells Food Service. At the beginning of the 2014-15 school year Manton and Forest Area Schools agreed to share the Food Service Director, with Manton contributing 60% of funding and Forest Area contributing 40%. The Board has renewed the contract as of July 1, 2015, for five years. Future new employees will be employees of Chartwells based on the Board's renewal decision.

- The General Fund ended with a fund balance of $1,522,980 as of June 30, 2017, which is 16.75% of total expenditures. The fund balance increased by $80,705.

- At Manton Consolidated Schools' Board of Education budget hearing on June 21, 2017, the Board adopted a balanced budget of $9,157,166 for the 2017-2018 fiscal year. This was accomplished by utilizing approximately $218,440 of projected fund balance.

- The Administration, Central Office, Manton Education Association and the Manton Education Support Personnel Association negotiated and settled agreements through June 30, 2019, that include step and salary/wage increases over the next 2 years. There is a revenue sharing component to the Manton Education Association and the Manton Education Support Personnel

Association contracts that could impact salary expenditures in future years depending on revenue increases due to pupil count and foundation funding versus the increased cost of retirement and insurance.

- The 2014 Capital Projects Bond will be completed during the 2017-2018 school year. Future budgets may need to allow for additional improvements to the athletic complex, buildings, mechanical upgrades, security and technology.

- Additional expenses to consider are: the needed replacement of concrete outside one of the elementary entrances, a replacement floor scrubber and elevation corrections needed to the baseball field. Also, sometime in the future, the bus garage will need to be updated to accommodate the size of newer buses that are leased and purchased.

- The audit was completed by representatives from Baird, Cotter and Bishop, P.C. of Cadillac.

J. Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact Manton Consolidated Schools, 105 5th Street, Manton, Michigan 49663.

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MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS	
CURRENT ASSETS	
Cash	$ 694,563
Cash - Restricted	90,143
Accounts Receivable	46,473
Due From Other Governmental Units	1,491,949
Due From External Parties - Fiduciary Funds	1,997
Inventory	10,457
Investments	714,326
Prepaid Expense	31,632
Total Current Assets	3,081,540
NON CURRENT ASSETS	
Capital Assets	21,267,710
Less Accumulated Depreciation	(7,384,265)
Total Non Current Assets	13,883,445
Total Assets	16,964,985
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pension	2,165,762
Deferred Charges on Refunding	4,409
Total Deferred Outflows of Resources	2,170,171
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	81,870
State Aid Loan Payable	220,367
Accrued Expenses	317,471
Accrued Interest Payable	52,500
Salaries Payable	459,724
Unearned Revenue	98,453
Current Portion of Non Current Liabilities	742,413
Total Current Liabilities	1,972,798

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

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2017

NON CURRENT LIABILITIES	
Bonds Payable - Net	9,274,940
Installment Agreement Payable	184,628
Compensated Absences	204,934
Net Pension Liability	12,253,638
Less Current Portion of Non Current Liabilities	(742,413)
Total Non Current Liabilities	21,175,727
Total Liabilities	23,148,525
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	430,785
NET POSITION	
Net Investment in Capital Assets	4,505,409
Restricted for Debt Service	190,070
Unrestricted (Deficit)	(9,139,633)
TOTAL NET POSITION (DEFICIT)	$ (4,444,154)

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

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES: NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION
GOVERNMENTAL ACTIVITIES				
Instruction	$ 5,375,876	$ 6,600	$ 675,769	$ (4,693,507)
Supporting Services	3,262,619	50,525	733,047	(2,479,047)
Food Service	584,583	148,537	462,797	26,751
Community Services	34,302	32,655	2,971	1,324
Interest on Long Term Debt	369,229	0	17,338	(351,891)
Bond Issuance Costs	97,858	0	0	(97,858)
Unallocated Depreciation	413,549	0	0	(413,549)
TOTAL GOVERNMENTAL ACTIVITIES	$10,138,016	$ 238,317	$ 1,891,922	(8,007,777)
GENERAL REVENUES				
Property Taxes - General Purposes				700,001
Property Taxes - Debt Service				831,007
Investment Earnings				3,233
State Sources				6,650,917
Other				98,193
Total General Revenues				8,283,351
Change in Net Position				275,574
NET POSITION - Beginning of Year - (Deficit)				(4,719,728)
NET POSITION - End of Year - (Deficit)				$ (4,444,154)

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

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2017

	GENERAL FUND	2017 DEBT RETIREMENT FUND	2014 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	$ 433,212	$ 95,356	$ 0	$ 165,995	$ 694,563
Cash - Restricted	0	0	90,143	0	90,143
Accounts Receivable	12,437	0	0	34,036	46,473
Due from Other Funds	5,759	0	0	0	5,759
Due from Other Governmental Units	1,468,860	0	0	23,089	1,491,949
Inventory	0	0	0	10,457	10,457
Investments	714,326	0	0	0	714,326
Prepaid Expenditures	31,632	0	0	0	31,632
TOTAL ASSETS	$ 2,666,226	$ 95,356	$ 90,143	$ 233,577	$ 3,085,302
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 57,024	$ 0	$ 9,258	$ 15,588	$ 81,870
State Aid Loan Payable	220,367	0	0	0	220,367
Due to Other Funds	0	0	3,762	0	3,762
Accrued Expenses	311,194	0	0	6,277	317,471
Salaries Payable	459,724	0	0	0	459,724
Unearned Revenue	94,937	0	0	3,516	98,453
Total Liabilities	1,143,246	0	13,020	25,381	1,181,647
FUND BALANCES					
Nonspendable					
Inventory	0	0	0	10,457	10,457
Prepaid Expenditures	31,632	0	0	0	31,632
Restricted for					
Food Service	0	0	0	50,525	50,525
Debt Service	0	95,356	0	147,214	242,570
Capital Improvements	0	0	77,123	0	77,123
Assigned for					
Houghton Mifflin Iowa Testing Funds	40,740	0	0	0	40,740
Subsequent Year's Budget	218,440	0	0	0	218,440
Unassigned	1,232,168	0	0	0	1,232,168
Total Fund Balances	1,522,980	95,356	77,123	208,196	1,903,655
TOTAL LIABILITIES AND FUND BALANCES	$ 2,666,226	$ 95,356	$ 90,143	$ 233,577	$ 3,085,302

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

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

JUNE 30, 2017

Total Governmental Fund Balances		$ 1,903,655
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 are not reported in the funds.		
The cost of the capital assets is	$ 21,267,710	
Accumulated depreciation is	(7,384,265)	13,883,445
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. These assets consist of:		
Bond Deferred (Gain) Loss on Refunding		4,409
Bond Discount (Premium)		(199,640)
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Bonds Payable		(9,075,300)
Installment Agreement Payable		(184,628)
Compensated Absences		(204,934)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability		(12,253,638)
Deferred outflows and (inflows) of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows of Resources Related to Pensions		2,165,762
Deferred Inflows of Resources Related to Pensions		(430,785)
Accrued interest is not included as a liability in government funds, it is recorded when paid.		(52,500)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ (4,444,154)

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

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2017

	GENERAL FUND	2017 DEBT RETIREMENT FUND	2014 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Local Sources	$ 888,932	$ 0	$ 0	$ 979,866	$ 1,868,798
State Sources	7,696,773	3,628	0	29,446	7,729,847
Federal Sources	333,457	0	0	454,115	787,572
Other Transactions	99,910	1,048	0	0	100,958
Total Revenues	9,019,072	4,676	0	1,463,427	10,487,175
EXPENDITURES					
Instruction					
Basic Programs	4,346,739	0	0	0	4,346,739
Added Needs	1,097,985	0	0	0	1,097,985
Supporting Services					
Pupil	257,143	0	0	0	257,143
Instructional Staff	242,588	0	0	0	242,588
General Administration	278,061	0	0	0	278,061
School Administration	636,893	0	0	0	636,893
Business	174,637	0	0	0	174,637
Operation and Maintenance	729,754	0	0	0	729,754
Security Services	23,206	0	0	0	23,206
Pupil Transportation Services	573,098	0	0	0	573,098
Staff and Personnel Services	3,435	0	0	0	3,435
Central Services	287,694	0	0	0	287,694
Athletics	313,969	0	0	0	313,969
Food Service	0	0	0	597,167	597,167
Community Services	39,091	0	0	0	39,091
Capital Projects	0	0	321,386	0	321,386
Debt Service					
Principal	0	0	0	290,000	290,000
Interest	0	0	0	335,013	335,013
Paying Agent Fees	0	0	0	1,052	1,052
Bond Issuance Costs	0	91,337	0	0	91,337
Other Transactions	74,965	0	0	0	74,965
Total Expenditures	9,079,258	91,337	321,386	1,223,232	10,715,213
Excess (Deficiency) of Revenues Over Expenditures	(60,186)	(86,661)	(321,386)	240,195	(228,038)

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

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2017

	GENERAL FUND	2017 DEBT RETIREMENT FUND	2014 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
OTHER FINANCING SOURCES (USES)					
Transfers In	0	347,155	0	12,109	359,264
Transfers Out	(12,109)	0	0	(347,155)	(359,264)
Face Value of Debt	153,000	3,325,000	0	0	3,478,000
Premium on Bonds Issued	0	150,331	0	0	150,331
Payment to Escrow Agent	0	(3,640,469)	0	0	(3,640,469)
Total Other Financing Sources (Uses)	140,891	182,017	0	(335,046)	(12,138)
Net Change in Fund Balance	80,705	95,356	(321,386)	(94,851)	(240,176)
FUND BALANCE - Beginning of Year	1,442,275	0	398,509	303,047	2,143,831
FUND BALANCE - End of Year	$ 1,522,980	$ 95,356	$ 77,123	$ 208,196	$ 1,903,655

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

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances Total Governmental Funds	$	(240,176)
Amounts reported for governmental activities are different because:		
Governmental funds report capital outlay as expenditures. In the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation.		
Capital Outlay		576,582
Depreciation Expense		(413,549)
Accrued interest on bonds is recorded in the Statement of Activities when incurred; it is not recorded in governmental funds until it is paid:		
Accrued Interest Payable - Beginning of Year		54,204
Accrued Interest Payable - End of Year		(52,500)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available.		
Issuance of Debt		(3,325,000)
Defeasance of Debt		3,635,000
Proceeds from Installment Agreement		(153,000)
Repayment of Bond Principal		357,000
Repayment of Installment Agreements		5,933
Bond Premium		(150,331)
Amortization of Bond Premium		88,031
Amortization of Bond Deferred Loss on Refunding		(121,919)
Employees Retirement Incentive and Accumulated Sick Pay are reported on the accrual method in the Statement of Activities, and recorded as an expenditure when financial resources are used in the governmental funds:		
Accumulated Sick Pay - Beginning of Year		194,969
Accumulated Sick Pay - End of Year		(204,934)
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.		
Change in Pension Related Items		98,849
Change in Restricted Revenue Reported in the Governmental Funds that is deferred to offset the deferred outflows related to Section 147c pension contributions subsequent to the measurement period:		
State Aid Funding for Pension		(73,585)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	275,574

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

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2017

	PRIVATE PURPOSE TRUST FUND	AGENCY FUND
ASSETS		
Cash	$ 0	$ 138,100
Investments	0	0
Total Assets	0	138,100
LIABILITIES		
Due to Groups and Organizations	0	136,038
Accounts Payable	0	65
Due to General Fund	0	1,997
Total Liabilities	0	138,100
NET POSITION		
Restricted for Endowments	$ 0	$ 0

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

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

JUNE 30, 2017

	PRIVATE PURPOSE TRUST FUND
ADDITIONS	
Earnings on Investments and Deposits	$ 2,209
DEDUCTIONS	
Transfer of Funds to Other Organization	161,827
Change in Net Position	(159,618)
NET POSITION - Beginning of Year	159,618
NET POSITION - End of Year	$ 0

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Manton Consolidated Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The School District ("the District") is located in Wexford, Missaukee and Grand Traverse Counties with its administrative offices located in Manton, Michigan. The District operates under an elected 7-member board of education and provides services to its 990 students in elementary, middle school, high school, special education instruction, guidance, health, transportation, food service, and athletic activities. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. 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.

B. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report the information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The District does not have any business-type activities or component units.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 *2014 Capital Projects Fund* accounts for the acquisition of fixed assets or construction of major capital projects.

The *2017 Debt Retirement Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Other non-major funds:

The *Special Revenue (School Service) Fund* accounts for revenue sources that are legally restricted to expenditures for specific purposes. The District accounts for its food service activities in a special revenue fund.

The *2007, 2014, and QZAB Debt Retirement Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for the acquisition of fixed assets or construction of major capital projects.

Additionally, the District reports the following fund type:

Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. Fiduciary funds are not included in the government-wide statements.

The District reports the following fiduciary funds:

The *Agency Fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for assets that the District holds for others in an agency capacity.

The *Private Purpose Trust Funds* are accounted for using the accrual method of accounting. Private purpose trust funds account for contributions earmarked for scholarships available to qualifying students of the District.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 government considers revenues to be available if they are 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, state and federal aid and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary Information

1. Budgetary Basis of Accounting

Budgets are adopted 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.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

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

a) In June, the superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on July 1.

b) A public hearing is conducted during June to obtain taxpayer comments.

c) Prior to June 30, the budget is legally adopted by the Board of Education resolution pursuant to the Uniform Budgeting and Accounting Act. 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 financial 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.

d) The superintendent is charged with general supervision of the budgets and shall hold the department heads responsible for performance of their responsibilities.

e) For purposes of meeting emergency needs of the District, transfer of appropriations may be made by the authorization of the superintendent. Such transfers of appropriations must be approved by the Board of Education at its next regularly scheduled meeting.

f) During the year the budgets are monitored and amendments to the budget resolution are made when it is deemed necessary.

g) Budgeted amounts are as originally adopted on June 22, 2016, or as amended by the Board of Education throughout the year.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Investments

Cash includes amounts in demand deposits.

Investments are carried at market value.

The District complies with State statutes regarding investment of funds.

The Board policy on investment of funds authorizes the the District to invest as follows:

a) Bonds, bills, or notes of the United States, or obligations, the principal and interest of which are fully guaranteed by the United States.

b) Certificates of deposit issued by any state or national bank organized and authorized to operate in this state.

c) Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.

d) Securities issued or guaranteed by agencies or instrumentalities of the United States.

The District’s deposits and investments are held separately by several of the the District's funds.

2. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables.”

3. Inventory and Prepaid Items

Inventory is valued at cost using the first-in/first-out method. Inventory consists of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased.

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

The nonspendable fund balance at the governmental fund level is equal to the amount of inventories and prepaid items at year-end to indicate the portion of the governmental fund balances that are nonspendable.

4. *Capital Assets*

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are measured at acquisition value on the date received.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Land Improvements	20 years
Buildings and Additions	20-50 years
Furniture, Equipment, and Textbooks	5-20 years
Transportation Equipment	5-8 years

The District's capitalization policy is to capitalize individual amounts exceeding $5,000 and aggregate purchases of similar items purchased at the same time, such as textbooks for a classroom.

5. *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 five items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide *Statement of Net Position*. 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 funding debt. The other four items are related to the pension plan for its employees. Details can be found in footnote 3.F.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The 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, which are related to the pension plan for its employees. Details can be found in footnote 3.F.

6. *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 (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.

7. *Net Position Flow Assumption*

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. *Fund Balance Flow Assumption*

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of an resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The governing board has by resolution authorized the superintendent to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

10. Use of Estimates

The process of preparing basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

11. Restricted Assets

Certain cash resources are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants and they are maintained in separate bank accounts.

12. Unearned Revenue

Unearned revenue arises when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenues are recognized. The District has unearned revenue in the General Fund and Food Service Fund that is related to state and local grants/donations, with restrictions on how they can be spent, being recovered but as of the year-end have not been spent.

H. Revenues and Expenditures/Expenses

1. State Revenue

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2017, the foundation allowance was based on pupil membership counts taken in October of 2016 and February of 2016. For fiscal year ended June 30, 2017, the per pupil foundation allowance was $7,511 for Manton Consolidated Schools.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes, which may be levied at a rate of up to 18 mills. The State revenue is recognized during the foundation period and is funded through payments from October 2015 to August 2016. Thus, the unpaid portion at June 30th is reported as due from other governmental units.

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 governmental 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.

2. *Program Revenues*

Amounts reported as program revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, state foundation aid, certain revenue from the intermediate school district and other unrestricted items are not included as program revenue but instead as *general revenues*.

3. *Property Taxes*

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are billed and due December 1. Unpaid taxes become delinquent as of February 14 and are subject to penalties and interest after that date.

For the year ended June 30, 2017, the District levied the following amounts per $1,000 of taxable valuation:

Fund	Mills
General Fund - Non-Principal Residence Exemption (PRE)	17.8632
General Fund – Commercial Personal Property	5.8632
Debt Service Funds – PRE, Non-PRE, Commercial Personal Property	7.0

4. *Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused sick pay and vacation time benefits. The amount allowable to be compensated for depends on the position and the longevity of the individual employee. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The District has opted to apply the provisions of GASB 34 paragraph 146 which allows the amortization of premiums and discounts to be applied prospectively for all bonds issued after July 1, 2003.

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

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. As of June 30, 2017, the District's bank balance was $1,674,997 and $1,092,348 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. The risk is spread amongst the District's funds. Although the District's investment policy does not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments or by controlling who holds the deposits.

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 (NRSOs).

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.

Foreign currency risk. The District is not authorized to invest in investments which have this type of risk; therefore, it is not addressed in the investment policy.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although the District's investment policy does not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments or by controlling who holds the investments.

As of June 30, 2017, the District had the following investments:

	Fair Value	Weighted Average Maturity (Years)	Standard & Poor's Rating	%
MILAF+ External Investment Pool - MAX Class	$ 713,621	0.0027	AAAm	99.90%
MILAF+ External Investment Pool - Cash Mgmt Class	705	0.0027	AAAm	0.10%
	$ 714,326			100.00%
Portfolio Weighted Average Maturity		0.0027		

1 Day Maturity Equals 0.0027, One Year Equals 1.000

The District invests certain excess funds in external pooled investment funds which include money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund Plus (MILAF+). MILAF+ is a local government investment pool of "qualified" investments for Michigan school districts. MILAF+ is not regulated nor is it registered with the SEC. MILAF+ reports as of June 30, 2017, the fair value of the District's investments is the same as the value of the pooled shares. MILAF, as defined by GASB, is recorded at amortized cost which approximates fair value. The MILAF+ portfolio offers three share classes which are: Cash Management Class, MAX Class, and GovMIC Class. The only class that has limitations or restrictions on withdrawals is MAX Class, which requires notification of redemptions prior to 14 days to avoid penalties. The MILAF+ portfolio is not subject to fair value disclosures.

Fair Market Value Disclosure - 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 reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices from similar activities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S. government agency securities, corporate securities, and commercial paper.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

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. There are two types of valuation techniques most commonly used and vary depending on the level of investment. These two techniques are the market approach and income approach. The market approach uses prices and other relevant information generated by the market transactions involving identical or similar assets and liabilities. The income approach discounts future amounts to a single current amount and the discount rate used in the process should reflect current market expectations about risks associated with those future cash flows.

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

The carrying amount of deposits and investments is as follows:

	Total
Deposits – including Fiduciary Funds of $138,100	$ 832,663
Restricted Deposits	90,143
Investments	714,326
	$ 1,637,132

The above amounts are reported in the financial statements as follows:

	Total
Cash - Fiduciary Funds	$ 138,100
Cash - District-Wide	694,563
Restricted Cash - District-Wide	90,143
Investments	714,326
	$ 1,637,132

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor are as follows:

	General	Nonmajor and Other Funds	Total
Receivables			
Accounts	$ 12,437	$ 34,036	$ 46,473
Due from Other Governmental Units	1,468,860	23,089	1,491,949
Total Receivables	$ 1,481,297	$ 57,125	$ 1,538,422

Amounts due from other governmental units include amounts due from federal, state, and local sources for various projects and programs.

C. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated - Land	$ 126,413	$ 0	$ 0	$ 126,413
Capital assets being depreciated				
Land improvements	869,024	0	0	869,024
Buildings and additions	12,623,024	94,097	0	12,717,121
Furniture, equipment, and textbooks	3,123,281	57,578	0	3,180,859
Transportation equipment	293,981	153,000	0	446,981
Construction in Progress	3,655,405	271,907	0	3,927,312
Subtotal	20,564,715	576,582	0	21,141,297
Less accumulated depreciation for:				
Land improvements	204,327	9,567	0	213,894
Buildings and additions	4,200,003	245,682	0	4,445,685
Furniture, equipment, and textbooks	2,368,079	105,314	0	2,473,393
Transportation equipment	198,307	52,986	0	251,293
Accumulated depreciation	6,970,716	413,549	0	7,384,265
Net capital assets being depreciated	13,593,999	163,033	0	13,757,032
Net capital assets	$ 13,720,412	$ 163,033	$ 0	$ 13,883,445

Depreciation for the fiscal year ended June 30, 2017, amounted to $413,549. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

D. Short-Term Debt

On August 22, 2016, the District issued two State Aid Notes totaling $675,000 for the purpose of managing the District's cash flow needs during the year. The Note in the amount of $269,834 carries an interest rate of 1.00% and matures on July 20, 2017. The Note in the amount of $405,166 carries an interest rate of 0.76% and matures on July 20, 2017. The District has pledged its future State Aid revenue for payment of this liability at maturity. In July and August 2016, the District repaid the prior year state aid borrowings of $1,400,000 plus interest.

The notes are secured by the full faith and credit of the District as well as pledged state aid. The required payments of $454,633 are in an irrevocable set-aside account with the Bank of New York Mellon. At year-end, the balances of these payments are considered defeased debt and are not included in the year-end balance. The District has approved a note payable in the amount of $500,000 for the fiscal year ending June 30, 2018.

The following is a summary of the short-term debt transactions for the District for the year ended June 30, 2017:

	STATE AID NOTE
Balance - July 1, 2016	$ 969,062
Additions	675,000
Deletions	(1,423,695)
Balance - June 30, 2017	$ 220,367

E. Defined Benefit Plan and Post-Retirement Benefits

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 separately issued financial statements are available at www.michigan.gov/mpsers-cafr.

Benefit Provisions- Pension

Introduction

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the pension plans offered by MPSERS is as follows:

Plan Name	Plan Type	Plan Status
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Open
Defined Contribution	Defined Contribution	Open

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 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 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.

Prior to pension reform of 2010 there were two plans commonly referred to as Basic and Member Investment Plan (MIP). Basic plan member's contributions range from 0% to 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990 contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990 or later, including Pension Plus plan members, contribute at various graduated permanently fixed contribution rates from 3.0% to 7.0%.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPSERS) who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013. Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund. Members who elected under option 1 to increase their level of contribution contribute 4% (Basic Plan) or 7% (MIP).

Regular Retirement

<u>Eligibility</u> – Age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through 60^{th} birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount – Total credited service as of the transition date times 1.5% of final average compensation.

Pension Plus

An amount determined by the member's election of Option 1, 2, 3, or 4 as described below.

Option 1: Credited service after the transition date times 1.5% times final average compensation.

Option 2: Credited service after the transition date (until total service reaches 30 years) times 1.5% times final average compensation, plus credited service after the transition date and over 30 years times 1.25% times final average compensation.

Option 3: Credited service after the transition date times 1.25% times final average compensation.

Option 4: None (Member will receive benefit through a defined contribution plan). As a Defined Contribution participant they receive a 4% employer contribution to a tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS.

Employees who first work on or after September 4, 2012 choose between two retirement plans: the Pension Plus Plan and the Defined Contribution Plan that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) – Average of highest 60 consecutive months (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected option 4, in which case the FAC is calculated at the transition date.

Members Contributions

Depending on the plan selected, member contributions range from 0% to 7%. Plan members electing the defined contribution plan are not required to make additional contributions.

Employers Contributions

Reporting units are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of members and retiree other post-employment benefits (OPEB). 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, 2016 valuation will be amortized over a 20 year period for the 2016 fiscal year. The schedule below summarizes pension contribution rates in effect for fiscal year 2016.

Pension Contribution Rates

Benefit Structure	Member	Employer
Basic	0.0-4.0%	18.95%
Member Investment Plan	3.0-7.0%	18.95%
Pension Plus	3.0-6.4%	17.73%
Defined Contribution	0.0%	14.56%

The District's pension contributions for the year ended June 30, 2017 were equal to the required contribution total. Pension contributions were approximately $1,196,013. These amounts include contributions funded from state revenue Section 147c restricted to fund MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (72.88% for pension and 27.12% for OPEB).

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

Pension Liabilities

At June 30, 2017, the District reported a liability of $12,253,638 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2015 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2016 and 2015, the District's proportion was 0.0491144% and 0.0468395%.

MPSERS (Plan) Net Pension Liability – As of September 30, 2016 and September 30, 2015

	September 30, 2016	September 30, 2015
Total Pension Liability	$ 67,917,445,078	$ 66,312,041,902
Plan Fiduciary Net Position	42,968,263,308	41,887,015,147
Net Pension Liability	$ 24,949,181,770	$ 24,425,026,755
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.27%	63.17%
Net Pension Liability as a Percentage of Covered-Employee Payroll	295.81%	292.61%

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

For the year ended June 30, 2017, the District recognized total pension expense of $1,196,013. This amount excludes contributions funded from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate.

At June 30, 2017, the 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
Differences between expected and actual experience	$ 152,713	$ 29,041
Changes of assumptions	191,576	0
Net difference between projected and actual earnings on pension plan investments	203,655	0
Changes in proportion and differences between District contributions and proportionate share of contributions	526,564	13,464
District section 147c revenue related to pension contributions subsequent to the measurement date	0	388,280
District contributions subsequent to the measurement date	1,091,254	0
Total	$ 2,165,762	$ 430,785

$1,091,254 reported as deferred outflows of resources and $388,230 reported as deferred inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a net reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources (+) and deferred inflows of resources (-) related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	**Amount**
2017	$ 246,870
2018	230,852
2019	435,030
2020	119,251
	$ 1,032,003

G. Actuarial Valuations and Assumptions of the Pension Plan

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, 2015
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	3.50%
Investment Rate of Return	
-MIP and Basic Plans (Non-Hybrid):	8.00%
-Pension Plus Plan (Hybrid):	7.00%
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 Combine 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 periods 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, 2016, is based on the results of an actuarial valuation date of September 30, 2015, 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: 4.6273.

- Recognition period for assets in years is 5.0000.

- Full actuarial assumptions are available in the 2016 MPSERS Comprehensive Annual Financial Report.

Long-Term Expected Rate of Return on Investments

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, 2016, are summarized in the following table:

Investment Category	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Pools	28.00%	5.90%
Alternative Investment Pools	18.00%	9.20%
International Equity	16.00%	7.20%
Fixed Income Pools	10.50%	0.90%
Real Estate & Infrastructure Pools	10.00%	4.30%
Absolute Return Pools	15.50%	6.00%
Short-Term Investment Pools	2.00%	0.00%
	100%	

*Long-term rate 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 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 percent (7.0% for the Pension Plus 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 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%
$ 15,779,602	$ 12,253,638	$ 9,280,912

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2016 Comprehensive Annual Financial Report.

I. Payables to the Pension Plan

As of June 30, 2017, the District is current on all required pension plan payments. As of June 30, 2017, the District reported payables in the amount of $156,384 to the pension plan. These amounts represent current payments for June wages paid in July, accruals for summer pay primarily for teachers and also the contributions due funded from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate.

J. Benefit Provisions – Other Post-Employment

Introduction

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. Beginning fiscal year 2013, it is 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.

Retiree Healthcare Reform of 2012

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subside benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions will be deposited into their 401(k) accounts.

Employer Contributions

The employer contribution rate ranged from 5.52% - 6.45% of covered payroll for the period October 1, 2013 to March 9, 2015; from 2.20% - 2.71% of covered payroll for the period from March 10, 2015 to September 30, 2015; and from 6.40% - 6.83% of covered payroll for the period from October 1, 2015 through September 30, 2016; and 5.69%-5.91% of covered payroll for the period October 1, 2016 through September 30, 2017 dependent upon the employee's date of hire and plan election.

The District's contributions to MPSERS for post-employment healthcare contributions for the years ended June 30, 2017, 2016 and 2015 were approximately $406,000, $368,000, and $82,000.

K. Risk Management

Manton Consolidated Schools are exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation).

The Schools participate in a distinct pool within educational institutions within the State of Michigan for self-insuring workers' disability compensation as well as liability insurance. The pools are considered public entity risk pools. The Schools pay annual premiums to each pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Schools have not been informed of any special assessments being required.

L. Lease Information

The rental expense for the year ended June 30, 2017, was $61,839.

The rental expense consists of lease agreements on copiers and buses. The future minimum lease payments for these leases are as follows:

YEAR ENDING	PAYABLES
2018	$ 54,861
2019	125,454
2020	27,306
2021	18,814
2022	13,658
	$ 240,093

M. Long-Term Liabilities

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The following is a summary of the governmental long-term liability transactions for the District for the year ended June 30, 2017:

	COMPENSATED ABSENCES	BONDS	INSTALLMENT NOTES	NET PENSION LIABILITY	TOTAL
Balance July 1, 2016	$ 194,969	$ 9,742,300	$ 37,561	$ 11,440,556	$ 21,415,386
Additions	9,965	3,325,000	153,000	813,082	4,301,047
Deletions	0	(3,992,000)	(5,933)	0	(3,997,933)
Balance June 30, 2017	204,934	9,075,300	184,628	12,253,638	21,718,500
Less current portion	0	(707,000)	(35,413)	0	(742,413)
Total due after one year	$ 204,934	$ 8,368,300	$ 149,215	$ 12,253,638	$ 20,976,087

The District's debt obligations at June 30, 2017, are comprised of the following issues:

Sick Pay & Retirement Incentive and Net Pension Liability	
Compensated Absences of Employee Vested Sick Pay	$ 204,934
Net Pension Liability	12,253,638
Installment Notes	
Plow Truck	31,628
3 Buses	153,000
Bonds	
2007 Refunding Bonds due in annual installments of $315,000 to $365,000 through May 1, 2027, with interest at 3.00%.	3,325,000
2014 Refunding Bonds due in annual installments of $195,000 to $395,000 through May 1, 2034, with interest from 3.00% to 3.625%.	5,245,000
2007 Limited Tax Qualified Zone Academy Bond (QZAB loan) due in one installment of $174,300 on October 17, 2022, with interest at 0%.	174,300
2006 Limited Tax Qualified Zone Academy Energy Conservation Bond (QZAB loan) due in annual installments of $5,000 through May 1, 2021, with interest at 0%.	20,000
2010 Limited Tax Qualified Zone Academy Energy Conservation Bond (QZAB loan) due in annual installments of $62,000 to $63,000 through May 1, 2022, with interest at 0%.	311,000
	$ 21,718,500

The annual requirements to amortize all long-term liability outstanding as of June 30, 2017, including interest payments of $2,201,092 are as follows:

YEAR ENDING JUNE 30,	BONDS PAYABLE PRINCIPAL	BONDS PAYABLE INTEREST	INSTALLMENT NOTES PRINCIPAL	INSTALLMENT NOTES INTEREST	TOTAL
2018	$ 707,000	$ 282,458	$ 35,413	$ 3,789	$ 1,028,660
2019	737,000	248,850	36,194	3,008	1,025,052
2020	757,000	228,750	36,924	2,279	1,024,953
2021	762,000	208,050	37,668	1,534	1,009,252
2022	603,000	187,200	38,429	774	829,403
2023-2027	3,109,300	684,000	0	0	3,793,300
2028-2032	1,650,000	309,900	0	0	1,959,900
2033-2034	750,000	40,500	0	0	790,500
	$ 9,075,300	$ 2,189,708	$ 184,628	$ 11,384	11,461,020
Net Pension Liability					12,253,638
Compensated Absences of Employee Vested Sick Pay					204,934
					$ 23,919,592

The annual requirements to amortize the compensated absences and net pension liability are uncertain because it is unknown when the repayments will be made.

Compensated absences and pension expense will be paid by the fund in which the employee worked, including the general fund and other governmental funds.

N. Interfund Receivables and Payables

FUND	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund	$ 5,759	$ 0
2014 Capital Projects Fund	0	3,762
2007 Debt Retirement Fund	0	3,554
2014 Debt Retirement Fund	3,554	0
Agency Fund	0	1,997
	$ 9,313	$ 9,313

The outstanding balances between funds result mainly from the time lag between the dates that (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All Interfund balances outstanding at June 30, 2017, are expected to be repaid within one year.

O. Interfund Transfers

FUND	TRANSFERS IN	TRANSFERS OUT
General Fund	$ 0	$ 12,109
Food Service Fund	489	0
2017 Debt Retirement Fund	406,447	0
2007 Debt Retirement Fund	0	406,447
QZAB Debt Fund	11,620	0
	$ 418,556	$ 418,556

Transfers are used to (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

P. Commitments and Contingencies

Under the terms of various federal and state grants and regulatory requirements, periodic audits are required and certain cost may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the District.

Q. Capital Projects Fund

The 2014 Capital Projects Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of §1351a of the Revised School Code.

R. Subsequent Events

The District is in the process of borrowing short-term debt for cash flow purposes in the amount of $500,000.

No adjustment was made to the financial statements for the year ending June 30, 2017 related to these subsequent events.

S. Tax Abatements

Effective for the year ended June 30, 2017, the District is required to disclose significant tax abatements as required by GASB statement 77 (tax abatements). The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by Townships within the District. Industrial facility exemptions are intended to promote construction of new industrial facilities, acquisition of personal property or to rehabilitate historical facilities.

For the fiscal year ended June 30, 2017, (tax year 2016) the District's property tax revenues were reduced insignificantly under these programs.

T. 2017 Refunding Bonds

On March 9, 2017, the District issued $3,325,000 in General Obligation Bonds with interest rates of 3% to advance refund $3,635,000 of outstanding 2007 Refunding Bonds with interest rates of 4%. As a result, $3,635,000 of the 2007 Refunding Bonds are considered to be defeased and the liability for those bonds has been removed from the non-current liabilities of the District. On May 1, 2017, the bond refunding escrow agent called the entire $3,635,000 of outstanding 2007 Refunding Bonds and retired them.

The District advance refunded a portion of the 2007 refunding bond issue to reduce its total future debt service payments by $310,000 and resulted in an economic gain of $5,469.

U. Upcoming Accounting Pronouncements

The District is currently evaluating the impact these standards will have on the financial statements when adopted.

Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued by the GASB in June 2015 and will be effective for the District's 2018 fiscal year-end. The Statement requires governments that participate in defined postemployment benefit plans to report in their statement of net position a net postemployment benefit liability. The net postemployment benefit liability is the difference between the total postemployment benefit liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. Statement 75 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net postemployment benefit liability and expense for the cost-sharing plan. The Statement also will improve the comparability and consistency of how governments calculate the postemployment benefit liabilities and expense.

Governmental Accounting Standards Board (GASB) Statement No. 84 – *Fiduciary Activities*

GASB Statement No. 84, *Fiduciary Activities*, was issued by the GASB in January 2017 and will be effective for the District's 2020 fiscal year-end. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Districts with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
REVENUES			
Local Sources	$ 871,074	$ 874,906	$ 888,932
State Sources	7,451,704	7,744,506	7,696,773
Federal Sources	317,945	377,892	333,457
Other Transactions	94,804	104,131	99,910
Total Revenues	8,735,527	9,101,435	9,019,072
EXPENDITURES			
Instruction			
Basic Programs			
Elementary	1,836,355	1,909,170	1,895,480
Middle School	1,134,347	1,181,981	1,170,093
High School	1,254,086	1,302,472	1,281,166
Added Needs			
Special Education	658,170	683,997	677,197
Compensatory Education	498,848	448,614	420,788
Supporting Services			
Pupil			
Guidance Services	112,210	119,056	117,771
Social Work Services	69,218	73,863	72,850
Other Pupil Services	69,934	74,506	66,522
Instructional Staff			
Improvement of Instruction	126,435	200,666	166,303
Educational Media Services (Library)	54,372	64,058	55,362
Instruction Related Technology	6,028	13,975	13,240
Supervision and Direction	8,612	8,612	7,683
General Administration			
Board of Education	53,950	53,495	52,242
Executive Administration	231,071	228,132	225,819
School Administration			
Office of the Principal	599,662	616,161	605,681
Other School Administration	28,813	32,768	31,212

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Business			
Fiscal Services	162,499	146,631	139,737
Other Business Services	45,553	35,733	34,900
Operation and Maintenance	677,715	755,771	729,754
Security Services	19,234	26,343	23,206
Pupil Transportation Services	671,491	579,626	573,098
Staff and Personnel Services	2,089	6,885	3,435
Central Services			
Technology Services	280,708	311,989	287,694
Athletics	281,286	324,288	313,969
Community Services			
Community Activities	151	5,276	2,971
Care and Custody of Children	32,977	34,224	32,560
Other Community Services	6,500	5,500	3,560
Other Transactions	81,000	74,984	74,965
Total Expenditures	9,003,314	9,318,776	9,079,258
Excess (Deficiency) of Revenues Over Expenditures	(267,787)	(217,341)	(60,186)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	0	0	0
Transfers Out	(11,620)	(16,620)	(12,109)
Face Value of Debt	0	153,000	153,000
Total Other Financing Sources (Uses)	(11,620)	136,380	140,891
Net Change in Fund Balance	(279,407)	(80,961)	80,705
FUND BALANCE - Beginning of Year	1,192,063	1,442,275	1,442,275
FUND BALANCE - End of Year	$ 912,656	$ 1,361,314	$ 1,522,980

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)
JUNE 30, 2017

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability (%)								0.04911%	0.04684%	0.04609%
District's proportionate share of net pension liability								$ 12,253,638	$ 11,440,556	$ 10,151,321
District's covered-employee payroll								4,095,086	4,096,859	3,940,146
District's proportionate share of net pension liability as a percentage of its covered-employee payroll								299.23%	279.25%	257.64%
Plan fiduciary net position as a percentage of total pension liability								63.27%	63.17%	66.20%

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)
JUNE 30, 2017

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions								$ 1,196,013	$ 1,097,648	$ 894,445
Contributions in relation to statutorily required contributions *								1,196,013	1,097,648	894,445
Contribution deficiency (excess)								$ 0	$ 0	$ 0
Covered-Employee Payroll								$ 4,303,022	$ 4,000,068	$ 3,946,602
Contributions as a percentage of covered-employee payroll								27.79%	27.44%	22.66%

* Contributions in relation to statutorily contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 2017

A. Changes of Benefit Terms:

There were no changes of benefit terms for the plan year ended September 30, 2016.

B. Changes of Assumptions:

There were no changes of benefit assumptions for the plan year ended September 30, 2016.

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MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

NONMAJOR GOVERNMENTAL FUND TYPES
COMBINING BALANCE SHEET

JUNE 30, 2017

	SPECIAL REVENUE FUND	DEBT RETIREMENT FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FOOD SERVICE	2007	2014	QZAB	
ASSETS					
Cash	$ 18,870	$ 0	$ 29,720	$ 117,405	$ 165,995
Accounts Receivable	33,947	0	89	0	34,036
Due from Other Governmental Units	23,089	0	0	0	23,089
Inventory	10,457	0	0	0	10,457
TOTAL ASSETS	$ 86,363	$ 0	$ 29,809	$ 117,405	$ 233,577
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 15,588	$ 0	$ 0	$ 0	$ 15,588
Accrued Expenses	6,277	0	0	0	6,277
Unearned Revenue	3,516	0	0	0	3,516
Total Liabilities	25,381	0	0	0	25,381
FUND BALANCES					
Nonspendable for Inventory	10,457	0	0	0	10,457
Restricted for Food Service	50,525	0	0	0	50,525
Restricted for Debt Service	0	0	29,809	117,405	147,214
Total Fund Balances	60,982	0	29,809	117,405	208,196
TOTAL LIABILITIES AND FUND BALANCES	$ 86,363	$ 0	$ 29,809	$ 117,405	$ 233,577

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

NONMAJOR GOVERNMENTAL FUND TYPES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUND	DEBT RETIREMENT FUNDS			TOTAL NONMAJOR GOVERNMENTAL
	FOOD SERVICE	2007	2014	QZAB	FUNDS
REVENUES					
Local Sources	$ 148,819	$ 427,301	$ 403,706	$ 40	$ 979,866
State Sources	26,020	0	3,426	0	29,446
Federal Sources	436,777	0	0	17,338	454,115
Total Revenues	611,616	427,301	407,132	17,378	1,463,427
EXPENDITURES					
Food Service Activities	597,167	0	0	0	597,167
Debt Service					
Principal	0	0	290,000	0	290,000
Interest	0	140,675	177,000	17,338	335,013
Paying Agent Fees	0	802	250	0	1,052
Total Expenditures	597,167	141,477	467,250	17,338	1,223,232
Excess (Deficiency) of Revenues Over Expenditures	14,449	285,824	(60,118)	40	240,195
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	489	(347,155)	0	11,620	(335,046)
Net Change in Fund Balances	14,938	(61,331)	(60,118)	11,660	(94,851)
FUND BALANCES - Beginning of Year	46,044	61,331	89,927	105,745	303,047
FUND BALANCES - End of Year	$ 60,982	$ 0	$ 29,809	$ 117,405	$ 208,196

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

FIDUCIARY FUND TYPES
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017
WITH COMPARATIVE TOTALS FOR JUNE 30, 2016

	PRIVATE PURPOSE TRUST FUND	AGENCY FUND	TOTALS 2017	TOTALS 2016
ASSETS				
Cash	$ 0	$ 138,100	$ 138,100	$ 117,624
Accounts Receivable	0	0	0	0
Investments	0	0	159,618	159,618
Total Assets	0	138,100	297,718	277,242
LIABILITIES				
Due to Groups and Organizations	0	136,038	136,038	114,726
Accounts Payable	0	65	65	2,898
Due to General Fund	0	1,997	1,997	0
Total Liabilities	0	138,100	138,100	117,624
NET POSITION				
Restricted for Endowments	$ 0	$ 0	$ 0	$ 159,618

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

PRIVATE PURPOSE TRUST FUND
COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2017

	2017	2016
ADDITIONS		
Earnings on Investments and Deposits	$ 2,209	$ 2,032
DEDUCTIONS		
Transfer of Funds to Other Organization	161,827	0
Change in Net Position	(159,618)	2,032
NET POSITION - Beginning of Year	159,618	157,586
NET POSITION - End of Year	$ 0	$ 159,618

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

AGENCY FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE
YEAR ENDED JUNE 30, 2017

	BALANCE 7/01/16	RECEIPTS	DISBURSEMENTS	BALANCE 6/30/17
		(Including Transfers)		
Art Club	$ 2,016	$ 0	$ 0	$ 2,016
Athletic Activity	2,554	22,501	19,742	5,313
Band Accessory	904	2,088	2,530	462
Band Accessories - St. Anns	0	287	365	(78)
Baseball	1,121	4,026	2,829	2,318
Boy's Basketball	1,685	26,158	24,224	3,619
Girl's Basketball	977	15,458	15,806	629
Cheerleading - High School	686	8,706	5,957	3,435
Checking Account Interest	3,166	100	845	2,421
Class of 2009	431	0	0	431
Class of 2010	113	0	0	113
Class of 2011	196	0	0	196
Class of 2012	34	0	0	34
Class of 2013	149	0	0	149
Class of 2014	641	0	0	641
Class of 2015	1,217	90	90	1,217
Class of 2016	(51)	98	0	47
Class of 2017	13,387	15,298	27,588	1,097
Class of 2018	2,353	27,281	12,251	17,383
Class of 2019	649	2,503	1,316	1,836
Class of 2020	0	334	0	334
Cross Country	1,237	4,452	5,661	28
Eighth Grade	694	3,496	3,291	899
Elementary Activity	10,578	17,942	15,900	12,620
Fifth Grade	600	604	837	367
Football	463	13,194	12,382	1,275
Golf	86	651	152	585
Girls On The Run	536	0	0	536
High School Activity	4,451	6,283	7,205	3,529
Junior Running Races	79	0	0	79
Latchkey	585	125	417	293
Library - High School	3,631	4,106	4,401	3,336
Manton PTO	3,518	9,861	6,765	6,614
Middle School - Chicago	1,052	13,464	13,275	1,241
Middle School Activity	3,562	10,296	11,338	2,520
National Honor Society	1,319	2,871	3,082	1,108

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

AGENCY FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE
YEAR ENDED JUNE 30, 2017

	BALANCE 7/01/16	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/17
Natural Helpers	375	0	0	375
Odyssey of the Mind	2,805	0	0	2,805
O'Brien - Quy Scholarship	20,000	0	0	20,000
Outdoor Education	4,329	31,640	31,362	4,607
Seventh Grade	1,715	833	349	2,199
Sixth Grade	287	292	295	284
Slam Team	110	0	0	110
Ski Club	0	962	962	0
Softball - Girl's	1,385	4,539	3,786	2,138
Student Council - Jr. High	1,147	1,141	1,769	519
Student Council - High School	2,948	3,405	3,475	2,878
Tech Deposits & Repairs	490	7,066	7,556	0
Tech Deposits & Repairs (HS)	0	4,915	72	4,843
Tech Deposits & Repairs (MS)	0	5,990	65	5,925
Track and Field	193	4,107	3,964	336
Weight Room	389	0	0	389
Wrestling Club	5,835	235	399	5,671
Volleyball	476	3,431	3,413	494
Yearbook	7,623	12,856	16,657	3,822
	$ 114,726	$ 293,685	$ 272,373	$ 136,038
Represented by				
Assets				
Cash on Deposit	$ 117,624			$ 138,100
Liabilities				
Due to Groups and Organizations	$ 114,726			$ 136,038
Accounts Payable	2,898			65
Due to General Fund	0			1,997
Total Liabilities	$ 117,624			$ 138,100

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

2017 REFUNDING BONDS PAYABLE SCHEDULE
JUNE 30, 2017

TITLE OF ISSUE	2017 Refunding Bonds		
PURPOSE	The Bonds were issued for the purpose of refunding a portion of the District's outstanding 2007 School Building and Site Bonds, dated April 3, 2007.		
DATE OF ISSUE	March 9, 2017		
INTEREST PAYABLE	May 1, and November 1, of each year		
AMOUNT OF ISSUE			$ 3,325,000
AMOUNT REDEEMED			
Prior to Current Year		$ 0	
Current Year		0	0
BALANCE OUTSTANDING - June 30, 2017			$ 3,325,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
November 1, 2017			$ 64,283	$ 64,283
May 1, 2018	3.00%	$ 315,000	49,875	364,875
November 1, 2018			45,150	45,150
May 1, 2019	3.00%	305,000	45,150	350,150
November 1, 2019			40,575	40,575
May 1, 2020	3.00%	305,000	40,575	345,575
November 1, 2020			36,000	36,000
May 1, 2021	3.00%	300,000	36,000	336,000
November 1, 2021			31,500	31,500
May 1, 2022	3.00%	345,000	31,500	376,500
November 1, 2022			26,325	26,325
May 1, 2023	3.00%	365,000	26,325	391,325
November 1, 2023			20,850	20,850
May 1, 2024	3.00%	355,000	20,850	375,850
November 1, 2024			15,525	15,525
May 1, 2025	3.00%	350,000	15,525	365,525
November 1, 2025			10,275	10,275
May 1, 2026	3.00%	345,000	10,275	355,275
November 1, 2026			5,100	5,100
May 1, 2027	3.00%	340,000	5,100	345,100
		$ 3,325,000	$ 576,758	$ 3,901,758

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

2014 REFUNDING BONDS PAYABLE SCHEDULE
JUNE 30, 2017

TITLE OF ISSUE	2014 Refunding Bonds (General Obligation-Unlimited Tax)		
PURPOSE	The Bonds were issued for the purpose of refunding a portion of the District's outstanding 2003 School Building and Site Bonds, dated May 22, 2003.		
DATE OF ISSUE	May 6, 2014		
INTEREST PAYABLE	May 1, and November 1, of each year		
AMOUNT OF ISSUE			$ 5,935,000
AMOUNT REDEEMED			
Prior to Current Year		$ 400,000	
Current Year		290,000	690,000
BALANCE OUTSTANDING - June 30, 2017			$ 5,245,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
November 1, 2017			$ 84,150	84,150
May 1, 2018	3.000%	$ 325,000	84,150	409,150
November 1, 2018			79,275	79,275
May 1, 2019	3.000%	365,000	79,275	444,275
November 1, 2019			73,800	73,800
May 1, 2020	3.000%	385,000	73,800	458,800
November 1, 2020			68,025	68,025
May 1, 2021	3.000%	395,000	68,025	463,025
November 1, 2021			62,100	62,100
May 1, 2022	3.000%	195,000	62,100	257,100
November 1, 2022			59,175	59,175
May 1, 2023	3.000%	195,000	59,175	254,175
November 1, 2023			56,250	56,250
May 1, 2024	3.000%	210,000	56,250	266,250
November 1, 2024			53,100	53,100
May 1, 2025	3.000%	230,000	53,100	283,100
November 1, 2025			49,650	49,650
May 1, 2026	3.000%	260,000	49,650	309,650
November 1, 2026			45,750	45,750

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

2014 REFUNDING BONDS PAYABLE SCHEDULE
JUNE 30, 2017

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
May 1, 2027	3.000%	285,000	45,750	330,750
November 1, 2027			41,475	41,475
May 1, 2028	3.000%	305,000	41,475	346,475
November 1, 2028			36,900	36,900
May 1, 2029	3.500%	315,000	36,900	351,900
November 1, 2029			31,388	31,388
May 1, 2030	3.500%	330,000	31,387	361,387
November 1, 2030			25,613	25,613
May 1, 2031	3.500%	345,000	25,612	370,612
November 1, 2031			19,575	19,575
May 1, 2032	3.500%	355,000	19,575	374,575
November 1, 2032			13,363	13,363
May 1, 2033	3.500%	370,000	13,362	383,362
November 1, 2033			6,888	6,888
May 1, 2034	3.625%	380,000	6,887	386,887
		$ 5,245,000	$ 1,612,950	$ 6,857,950

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

2007 QUALIFIED ZONE ACADEMY BONDS
JUNE 30, 2017

TITLE OF ISSUE	2007 School Building and Site Bonds (Qualified Zone Academy Bonds)	
PURPOSE	The Bonds were issued for the purpose of acquiring and installing gym bleacher expansions, acquiring lawn equipment, and developing and improving the athletic complex, athletic parking lot and bus parking lot.	
DATE OF ISSUE	October 17, 2007	
INTEREST RATE	0.00%	
AMOUNT OF ISSUE		$ 174,300
AMOUNT REDEEMED		0
BALANCE OUTSTANDING - June 30, 2017		$ 174,300

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
October 17, 2022	0.00%	$ 174,300	$ 0	$ 174,300

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

2006 QUALIFIED ZONE ACADEMY BONDS
JUNE 30, 2017

TITLE OF ISSUE	2006 Energy Conservation Improvement Bonds (Qualified Zone Academy Bonds)		
PURPOSE	The Bonds were issued for the purpose of financing the costs of energy conservation improvements to school facilities.		
DATE OF ISSUE	August 9, 2006		
INTEREST RATE	0.00%		
AMOUNT OF ISSUE			$ 75,000
AMOUNT REDEEMED			
Prior to Current Year		$ 50,000	
Current Year		5,000	55,000
BALANCE OUTSTANDING - June 30, 2017			$ 20,000

	INTEREST	REQUIREMENTS		
DUE DATES	RATES	PRINCIPAL	INTEREST	TOTAL
May 1, 2018	0.00%	$ 5,000	$ 0	$ 5,000
May 1, 2019	0.00%	5,000	0	5,000
May 1, 2020	0.00%	5,000	0	5,000
May 1, 2021	0.00%	5,000	0	5,000
		$ 20,000	$ 0	$ 20,000

MANTON CONSOLIDATED SCHOOLS
MANTON, MICHIGAN

2010 QUALIFIED ZONE ACADEMY BONDS
JUNE 30, 2017

TITLE OF ISSUE	2010 Energy Conservation Improvement Bonds (Qualified Zone Academy Bonds)
PURPOSE	The Bonds were issued for the purpose of financing the costs of energy conservation improvements to school facilities.
DATE OF ISSUE	December 15, 2010
INTEREST RATE	0.00%

AMOUNT OF ISSUE		$ 745,000
AMOUNT REDEEMED		
Prior to Current Year	$ 372,000	
Current Year	62,000	434,000
BALANCE OUTSTANDING - June 30, 2017		$ 311,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
May 1, 2018	0.00%	$ 62,000	$ 0	$ 62,000
May 1, 2019	0.00%	62,000	0	62,000
May 1, 2020	0.00%	62,000	0	62,000
May 1, 2021	0.00%	62,000	0	62,000
May 1, 2022	0.00%	63,000	0	63,000
		$ 311,000	$ 0	$ 311,000