ST. LOUIS PUBLIC SCHOOL DISTRICT
St. Louis, Michigan

Financial Statements
With Supplementary Information
June 30, 2017

Roslund Prestage & Company
CERTIFIED PUBLIC ACCOUNTANTS

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Roslund Prestage & Company
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
St. Louis Public School District

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Louis Public School District (the District), 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 the District as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and prospective 10-year information for the pension plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical

context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sincerely,

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
September 14, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL INFORMATION

St. Louis Public Schools currently operates two elementary schools, one middle school, one high school, one alternative education program, and a Community Education Program. The school district's 2016-17 October enrollment was 1,054.38. St. Louis Public Schools employs a staff of 61 teachers, 8 administrators, and 53 support personnel.

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

USING THIS ANNUAL REPORT

The discussion and analysis of St. Louis Public Schools' financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2017. The intent of this report is to provide a look at the performance of the district as a whole, and includes financial statements, notes to the financial statements, and budgetary information. In addition, this analysis will show comparative data from the prior 2015-16 school year.

OVERVIEW OF THE FINANCIAL STATEMENTS

District-wide Financial Statements

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

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

Fund Financial Statements

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The net position of the district at June 30, 2017 was ($7,092,231) and is shown in the following *Statement of Net Position.* The reason for this large decrease was due to the restatement of our beginning net position. Legislation came out on June 25, 2012 effective for our fiscal year ending 6/30/2015 known as GASB 68. GASB 68 is an accounting standard that requires us to recognize and report a proportionate share of the state's pension plan liability (MPSERS) and pension expense within the restatement of our net position as of July 1, 2014. This was done and this is the second year in which we have restated our beginning net position.

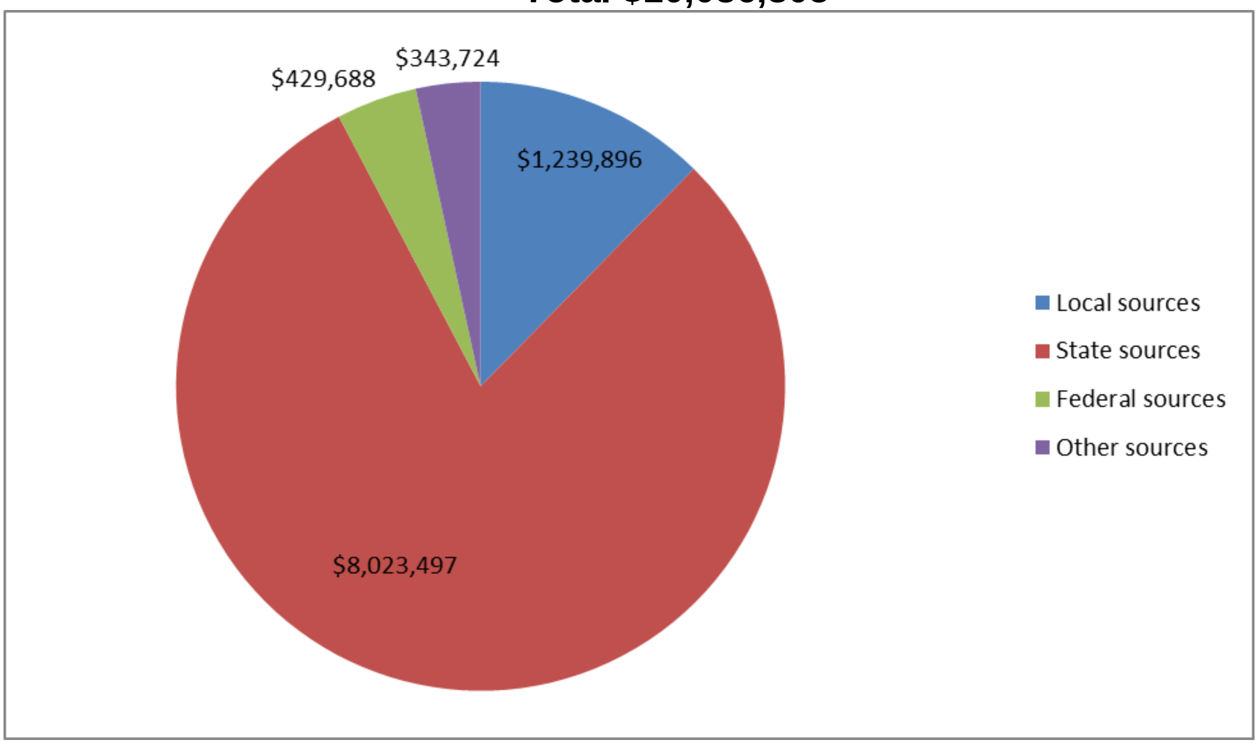
The results of this year's operations for the District as a whole are reported in the following *Statement of Activities,* which shows the changes in net position for fiscal year 2017. The district experienced an improvement in net position, going from ($7,774,698) to ($7,092,231) for a increase of $682,467 or 8.77%.

A substantial portion of the district's revenues is received from State sources, $8,023,497 or 80%. This number proportionately stayed consistent year over year comparing to our previous fiscal year. This means that the financial stability of the district rests primarily with the economic health of the State of Michigan. However, Federal resources *increased* by 6.2% and Other resources *decreased* by 10% and while overall dollars in these categories are not significant overall, it does show a trend in districts having to utilize other avenues of resources to create revenues on a local level. For our district we were able to rent out room space in an existing building, not otherwise occupied by the district, to the local ISD.

Figure 1 depicts the breakdown of the sources of revenue for the district for fiscal year 2016-17.

Figure 1

2016-17 General Fund Revenues
Total $10,036,805

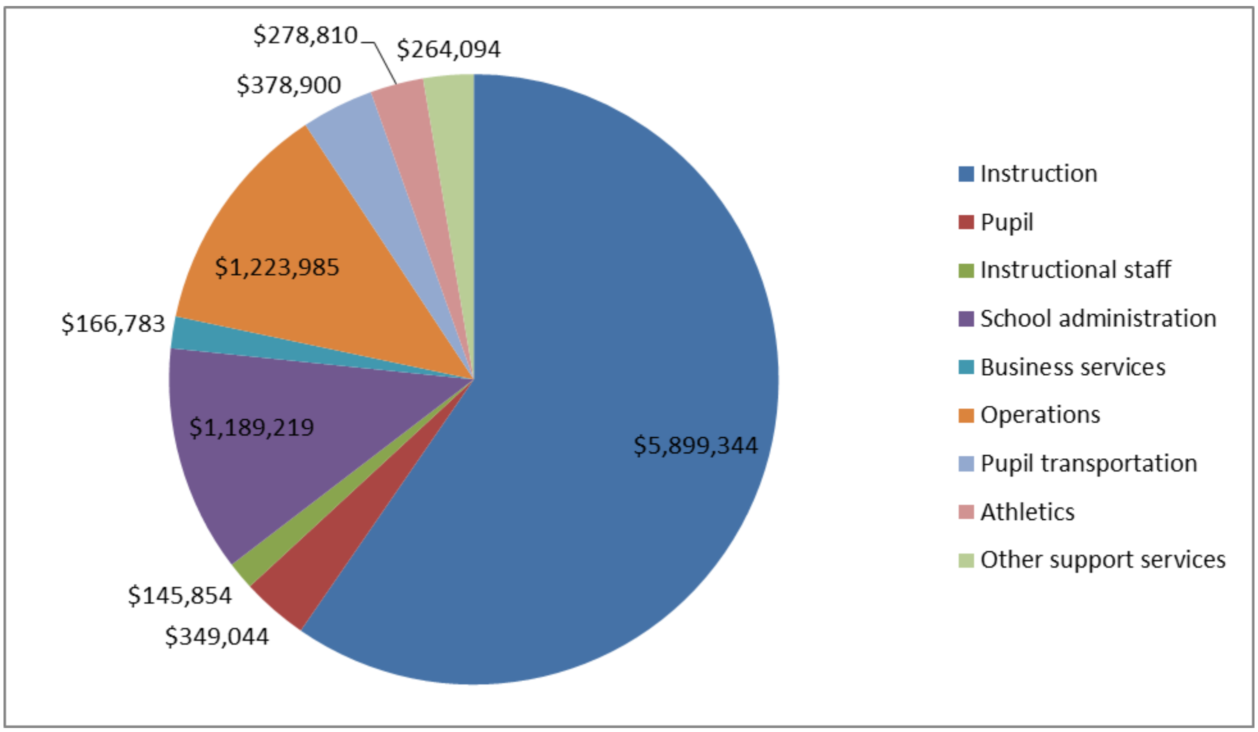


Instructional services comprised $5,899,344 or 60% of the district's expenditures which is a slight *increase* from last year. School Administration and Business Services dollars spent is $1,356,002 or 14% and is a very small *decrease* of less than 1% over last year. Operations and maintenance came in at $1,223,985 or 12%, which is an *increase* over last year by 4.8% due to the purchase of a new lawn mower. This line includes utilities and custodial services. The final $1,416,702 or 14% was spent on other support services and is a *decrease* of 2.1% over last year dollars spent.

Figure 2 depicts how the district's resources were spent in 2016-17.

Figure 2

2016-17 General Fund Expenditures
Total $9,896,033



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the district as a whole is reflected in its governmental funds as well. The combined governmental funds equity decreased during the 2016-17 school year. The primary reasons for this change are as follows:

General Fund

The General Fund increased its fund balance this year by approx. 1.5%. Our student fte's decreased by 2.66 which was better than we had expected and budgeted. Staff changes were minor, and we managed our budget closely throughout the year. As a result, we were able to add an additional amount of $140,673 to our fund balance for the General Fund which now stands at $1,461,148 or 14.8% of operational expenses.

Capital Projects

The remainder of our 2014 School Building and Site Bonds of $7,625,000 was spent in this fiscal year. Specific bond language included that funds would be used for the purpose of remodeling, furnishing and refurnishing and equipping and re-equipping school buildings, including the installing of security measures and energy conservation improvements; erecting, furnishing and equipping an addition to the high school building; acquiring and installing educational technology and educational technology equipment for school buildings; purchasing of school buses; erecting, furnishing and equipping a new bus maintenance facility and two new storage facilities; and developing and improving playgrounds, athletic fields and facilities; and sites. Some of the projects that we were able to complete in this fiscal year were: furnishings and equipment for schools buildings, completion of the new bus maintenance facility and a purchase of another bus. It was the spending of these funds that created the decrease in overall combined governmental funds by $1,133,698 or 36.8%.

Debt Service

No new debt service or refinancing was acquired in this fiscal year but we did spend down fund balance in this fund to pay principal and interest payments without having to borrow from the SBLF. Next year we will need to borrow in order to make those future payments. This was known at the time of setting up our 2014 bond fund and going out to election.

Special Revenue

Food service expanded and provides a summer food service program for our local kids. We offered our program at 3 locations and had a high participation number of kids that were able to take advantage of the program. Due to this increased participation we saw our fund balance for this program increase by $19,852 which meant that the General Fund did not have to transfer funds to this program.

GENERAL FUND BUDGETGARY HIGHLIGHTS

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

<u>Changes in Revenues</u>

In the General Fund, local revenues stayed consistent and flat year over year. State Revenues decreased $99,387 due to several factors. St. Louis Public Schools saw a decrease in student membership of 2.66 in 2016-17. The state increased the per pupil foundation amount from $7,391 to $7,511 from 2015-16 to 2016-17 but our At Risk (31a) and Special Education (51c) decreased by approximately $65,000. Federal sources saw an increase in Title dollars allocated to the district of approximately $25,000 or 6.2%. Other Sources of revenue decreased by $40,192, or 10.47% due to receiving less in local dollars from our ISD for the reimbursement of special education. In our Food Service program revenues increased by $60,000 or 12.2% due to increased participation in the program of students and staff. A secondary breakfast is offered at our Middle School and the ability for staff to purchase lunches was made more visible district wide. Debt revenues increased slightly due to higher property values.

<u>Changes in Expenditures</u>

In the General Fund instructional costs increased minimally year over year by $50,193 or less than 1%. Staffing stayed consistent and no reductions were made last year. Support services increased by a minimal amount of less than 1% year over year as well.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, St. Louis Public Schools had $24,319,858 (net of depreciation) invested in a broad range of capital assets, including land, buildings and improvements, equipment, and vehicles. This is an increase of $4,717,165 over previous year. We completed many projects from the 2014 bond proposal and these were added to assets.

Debt

At June 30, 2017, St. Louis Public Schools had $15,084,581 in long-term debt. This is a decrease from previous year of $1,425,078 or 8.7%. The debt consisted of the following:

Compensated Absences	$ 119,581
2010 Bonds	$ 4,190,000
2012 Bonds	$ 1,200,000
2014 Bonds	$ 7,215,000
2015 Bonds	$ 2,360,000
Total	$15,084,581

STATE ECONOMIC AND LOCAL FACTORS

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

The budget prepared for the 2016-17 school year was based on a small increase in state funding, and a decline in student enrollment. We were fortunate not to experience the loss in students as we had seen in previous years or budgeted.

REQUEST FOR INFORMATION

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

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

St. Louis Public School District
Statement of Net Position
June 30, 2017

Assets	
Current assets	
Cash and investments	$ 2,487,968
Accounts receivable	10,078
Due from other governmental units	1,789,562
Inventory	18,697
Prepaids	48,375
Total current assets	4,354,680
Noncurrent assets	
Capital assets not being depreciated	160,785
Capital assets being depreciated, net	19,796,743
Discount on bonds sold, net of amortization	7,650
Total noncurrent assets	19,965,178
Total assets	24,319,858
Deferred outflows of resources	
Deferred charge on refunding - 2010 Refunding Bonds	107,500
Deferred outflow - related to pension	2,019,276
Total deferred outflows of resources	2,126,776
Liabilities	
Current liabilities	
Accounts payable	105,952
Accrued payroll liabilities	113,065
Accrued expenses	675,817
State aid note payable	1,500,000
Unearned revenue	12,591
Accrued interest on long-term debt	89,387
Compensated absences, due within one year	17,937
Long-term obligations, due within one year	1,460,000
Total current liabilities	3,974,749
Noncurrent liabilities	
Long-term obligations, due beyond one year	13,505,000
Compensated absences, due beyond one year	101,644
Premium on bonds sold, net of amortization	495,574
Net pension liability	14,575,080
Total noncurrent liabilities	28,677,298
Total liabilities	32,652,047
Deferred inflows of resources	
Deferred inflow - related to pension	443,377
Deferred inflow - 147c allocation	443,442
Total deferred inflows of resources	886,819
Net position	
Net investment in capital assets	4,612,104
Restricted for:	
Food service	25,669
Debt service	166,755
Unrestricted	(11,896,760)
Total net position	$ (7,092,232)

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

St. Louis Public School District
Statement of Activities
For the Year Ended June 30, 2017

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Total
Governmental activities:				
Instruction	$ 5,865,410	$ 144,852	$ 429,687	$ (5,290,871)
Support Services	3,378,063	-	-	(3,378,063)
Athletics	278,322	84,889	-	(193,433)
Community Services	3,598	-	-	(3,598)
Facilities Construction	17,975	-	-	(17,975)
Food service	531,756	90,724	441,408	376
Interest, fees and other	573,344	-	-	(573,344)
Depreciation - unallocated	1,027,426	-	-	(1,027,426)
Total governmental activities	$ 11,675,894	$ 320,465	$ 871,095	(10,484,334)
General revenues:				
Property taxes				2,742,654
State aid not restricted to specific purposes				8,070,024
Intermediate sources				333,421
Unrestricted interest and investment earnings				6,258
Restricted interest and investment earnings				4,140
Miscellaneous				10,303
Total general revenues				11,166,800
Change in net position				682,466
Net position - beginning				(7,774,698)
Net position - ending				$ (7,092,232)

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

FUND FINANCIAL STATEMENTS

St. Louis Public School District
Balance Sheet - Governmental Funds
June 30, 2017

	Major Funds			Non-Major	
	General	Debt Service	Capital Projects	Food Service	Total
Assets					
Cash and investments	$ 1,932,204	$ 166,755	$ 315,537	$ 73,472	$ 2,487,968
Accounts receivable	10,078	-	-	-	10,078
Due from other funds	62,806	-	-	-	62,806
Due from other governmental units	1,770,661	-	-	18,901	1,789,562
Inventory	-	-	-	18,697	18,697
Prepaids	48,375	-	-	-	48,375
Total assets	$ 3,824,124	$ 166,755	$ 315,537	$ 111,070	$ 4,417,486
Liabilities					
Accounts payable	$ 61,504	$ -	$ 21,853	$ 22,595	$ 105,952
Accrued payroll liabilities	113,065	-	-	-	113,065
Accrued expenses	675,817	-	-	-	675,817
Due to other funds	-	-	-	62,806	62,806
Short-term State aid note payable	1,500,000	-	-	-	1,500,000
Unearned revenue	12,591	-	-	-	12,591
Total liabilities	2,362,977	-	21,853	85,401	2,470,231
Fund balance					
Nonspendable	48,375	-	-	18,697	67,072
Restricted	-	166,755	293,684	-	460,439
Unassigned	1,412,772	-	-	6,972	1,419,744
Total fund balance	1,461,147	166,755	293,684	25,669	1,947,255
Total liabilities and fund balance	$ 3,824,124	$ 166,755	$ 315,537	$ 111,070	$ 4,417,486

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

St. Louis Public School District
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds
To Net Position of Governmental Activities on the Statement of Net Position
June 30, 2017

Total fund balance - governmental funds			$ 1,947,255
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Add:	Cost of capital assets	$ 39,206,521	
Deduct:	Accumulated depreciation	(19,248,993)	
			19,957,528
Long-term debt is not due and payable in the current period and, therefore, is not reported in the funds. These liabilities consist of:			
Deduct:	Bonds payable - 2010	(4,190,000)	
Deduct:	Bonds payable - 2012	(1,200,000)	
Deduct:	Bonds payable - 2014	(7,215,000)	
Deduct:	Bonds payable - 2015	(2,360,000)	
Add:	Deferred charge on 2010 refunding bonds	107,500	
Add:	Bonds payable - 2012 discount (net of amortization)	7,650	
Deduct:	Bonds payable - 2014 premium (net of amortization)	(267,026)	
Deduct:	Bonds payable - 2015 premium (net of amortization)	(228,548)	
			(15,345,424)
Long-term liabilities (and corresponding deferrals) are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:			
Add:	Deferred outflow - related to pension	2,019,276	
Deduct:	Net pension liability	(14,575,080)	
Deduct:	Deferred inflow - related to pension	(443,377)	
Deduct:	Deferred inflow - 147c allocation	(443,442)	
Deduct:	Accrued interest on long-term liabilities	(89,387)	
Deduct:	Compensated absences payable	(119,581)	
Deduct:	Retirement incentive	-	
			(13,651,591)
Total net position - governmental activities			$ (7,092,232)

St. Louis Public School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Major Funds			Non-Major	
	General	Debt Service	Capital Projects	Food Service	Total
Revenues					
Local sources	$ 1,239,895	$ 1,740,333	$ 2,359	$ 90,930	$ 3,073,517
State sources	8,023,495	67,465	-	19,171	8,110,131
Federal sources	429,687	-	-	441,408	871,095
Other sources	343,724	-	-	-	343,724
Total revenues	10,036,801	1,807,798	2,359	551,509	12,398,467
Expenditures					
Instruction					
Basic programs	4,669,999	-	-	-	4,669,999
Added needs	1,229,350	-	-	-	1,229,350
Total instruction	5,899,349	-	-	-	5,899,349
Support services					
Pupil	349,041	-	-	-	349,041
Instructional staff	145,853	-	-	-	145,853
General administration	421,224	-	-	-	421,224
School administration	767,995	-	-	-	767,995
Business services	166,782	-	275	-	167,057
Operation and maintenance	1,223,985	-	19,277	-	1,243,262
Pupil transportation	378,901	-	93,304	-	472,205
Central	237,550	-	-	-	237,550
Athletics	278,808	-	-	-	278,808
Total support services	3,970,139	-	112,856	-	4,082,995
Community Services	3,611	-	-	-	3,611
Facilities Construction and Improvements	-	-	994,230	-	994,230
Food service	-	-	-	531,756	531,756
Debt service					
Principal payments - long-term debt	-	1,420,000	-	-	1,420,000
Interest, fees and other	-	577,294	-	-	577,294
Other	22,931	-	-	-	22,931
Total expenditures	9,896,030	1,997,294	1,107,086	531,756	13,532,166
Revenues over (under) expenditures	140,771	(189,496)	(1,104,727)	19,753	(1,133,699)
Other financing sources (uses)					
Transfers in	-	-	-	99	99
Transfers out	(99)	-	-	-	(99)
Net change in fund balance	140,672	(189,496)	(1,104,727)	19,852	(1,133,699)
Fund balance - beginning	1,320,475	356,251	1,398,411	5,817	3,080,954
Fund balance - ending	$ 1,461,147	$ 166,755	$ 293,684	$ 25,669	$ 1,947,255

St. Louis Public School District
Reconciliation of the Statement of Revenues, Expenditures and Changes
In Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Net change in fund balances - total governmental funds		$	(1,133,699)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Add:	Capital outlay		1,392,461
Deduct:	Depreciation expense		(1,027,426)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.			
Add:	Payment of principal on bonds payable - 2010		550,000
Add:	Payment of principal on bonds payable - 2012		355,000
Add:	Payment of principal on bonds payable - 2014		180,000
Add:	Payment of principal on bonds payable - 2015		335,000
Deduct:	Deferred charge on 2010 refunding		(15,357)
Deduct:	Amortization of 2012 debt discount		(2,550)
Add:	Amortization of 2014 debt premium		12,138
Add:	Amortization of 2015 debt premium		32,650
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.			
Add:	Change in deferred outflow - related to pension		209,453
Add:	Change in net pension liability		217,532
Deduct:	Change in deferred inflow - related to pension		(394,380)
Add:	Change in accrued interest on long term debt		6,673
Deduct:	Change in accrual for compensated absences		(4,922)
Add:	Change in accrual for retirement incentive		10,000
Revenue in support of pension contribution made subsequent to the measurement date			
Deduct:	Change in deferred inflow - 147c allocation		(40,107)
Change in net position - governmental activities		$	682,466

St. Louis Public School District
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2017

	Agency Fund
Assets	
Cash and cash equivalents	$ 190,134
Liabilities	
Due to student and other groups	190,134
Net position	
Restricted	$ -

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
The accounting policies of the St. Louis Public School District (the District) conform to generally accepted accounting principles (GAAP) in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the District. All amounts shown are in dollars.

Reporting Entity
The District is governed by Board of Education members which have the responsibility and control over all activities related to public school education within the District. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. The 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 the accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the District's reporting entity, and which organizations are legally separate, component units of the District. Based on the application of the criteria, the District does not contain any component units.

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.

Basis of Presentation - Fund Financial Statements
The fund financial statements provide information about the District'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. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds. 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 major governmental funds:

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

- The *debt service 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 funds* account for the receipt of bond proceeds, transfers from the general fund (as applicable), and the acquisition of fixed assets or construction of capital projects.

The District reports the following non-major governmental funds:

- The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service in the special revenue funds.

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 (primarily student activities).

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 process of preparing 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 expenses. 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.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are generally 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.

The agency fund has no measurement focus but utilizes the accrual basis if accounting for reporting its assets and liabilities.

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. The capital projects fund is appropriated on a project-length basis. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The District does not utilize encumbrance accounting.

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

- The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, are noted in the required supplementary information section.
- Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
- The budget was amended during the year with supplemental appropriations, the last one approved prior to

year ended June 30. The District does not consider these amendments to be significant.

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

Cash and Cash Equivalents
The District's cash and cash equivalents are considered to be demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments
Certain investments are valued at fair value as determined by quoted market prices, or by estimated fair values when quoted market prices are not available. Standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the District intends to hold the investment until maturity.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. District or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Inventory
Inventory are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Prepaid items
Certain payments 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.

Due from/to other funds
During the course of operations the District 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, they are eliminated in the preparation of the government-wide financial statements.

Capital Assets
Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Group purchases are evaluated on a case by case basis. Donated capital assets are recorded at their estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Land and construction in progress if any are not depreciated. The other property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

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

Deferred Outflows
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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 the following items that qualify for reporting in this category:

- Deferred charge on refunding - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Related to pension - A deferred outflow is recognized for pension related items. These amounts are expensed in the plan year in which they apply.

Deferred Inflows
In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, 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 the following items that qualifies for reporting in this category:

- Related to pension - Future resources yet to be recognized in relation to the pension actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension liability and the actual results. The amounts are amortized over a period determined by the actuary.
- 147c allocation - Restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period.

Compensated Absences
The District’s policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary and related benefits, where applicable.

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

Long-term Obligations
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the 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. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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

Defined Benefit Plan

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 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.

Net Position and Fund Balances

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

Net Position – Restrictions

Net position in the government-wide financial statements are reported as restricted when constraints placed on net position use is either:

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

Fund Balance

The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - amounts that are in nonspendable form (such as inventory or prepaid expenditures) or are either legally or contractually required to be maintained intact.
- *Restricted fund balance* - amounts constrained to specific purposes by their providers (such as taxpayers, grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The District would typically use restricted fund balance first, followed by committed resources, and then assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these classified funds.
- *Committed fund balance* - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (Board of Education). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- *Assigned fund balance* - amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Education or by an official or body to which the Board of Education delegates the authority.
- *Unassigned fund balance* - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Property Tax Revenue

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

The District levied the following amounts per $1,000 of assessed valuation. The District levied 18.00 mills for school general operations on the non-homestead taxable value. The District also levied an additional 8.00 mills on all property in the District for the purpose of debt service.

State Aid 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 current year ended, the foundation allowance was based on pupil membership counts.

The state portion of the Foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the Foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 18 mills as well as 6 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as an intergovernmental receivable.

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 and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS
At June 30th, the carrying amount of the District's cash, cash equivalents and investments were as follows:

Description	Amount
Checking, Savings, & Money Market Accounts	2,487,724
Investments - MILAF	244
Total	2,487,968

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF is an external pooled investment fund of “qualified” investments for Michigan school districts. MILAF is not regulated 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 pool shares.

The other pooled investment fund is Michigan Class. Michigan Class is considered a local government investment pool of "qualified" investments for Michigan School Districts. Michigan Class is not regulated nor is it registered with the SEC. Michigan Class reports as of year-end, the fair value of the District's investments is the same as the value of the pooled shares.

MILAF, as defined by the GASB, are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures. Michigan Class is recorded at fair value and are subject to fair value disclosures.

Interest rate risk: In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District’s cash requirements.

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

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

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. As of June 30, 2017, $2,248,407 of the District’s bank balance of $2,498,407 was exposed to custodial credit risk because it was uninsured and uncollateralized. The above amounts include interest bearing accounts. The fiduciary fund balances are not included in the above balances.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

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

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Michigan Class investments are subject to the fair value measurement and are level 2. 1 day maturity equals 0.0027, one year equals 1.00

Investment Type	**Fair Value**	**Weighted Average Maturity**	**Standard & Poor's Rating**	**%**
MILAF External Investment pool-MIMAX	128	0.2295 yrs	AAAm	52.5%
MILAF External Investment pool-Cash Mgmt Class	116	0.2295 yrs	AAAm	47.5%
Total	244			

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivable and payable shown on the fund financial statements as of June 30th, are as follows:

Receivable fund	Amount	Payable fund	Amount
General Fund	62,806	Food Service	62,806

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS

As of June 30th, due from other governmental units is comprised of the following amounts:

Description	Amount
State aid	1,470,882
Federal grants and other pass-through agencies	155,721
Other	162,959
Total	1,789,562

No allowance for doubtful accounts is considered necessary.

NOTE 5 - CAPITAL ASSETS
A summary of changes in the District's capital assets follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated				
Land	160,785	-	-	160,785
Construction in process	5,634,268	-	(5,634,268)	-
Total capital assets not being depreciated	5,795,053	-	(5,634,268)	160,785
Capital assets being depreciated				
Buildings & additions	29,372,321	6,088,595	-	35,460,916
Furniture & equipment	1,680,558	774,125	-	2,454,683
Vehicles	966,128	164,009	-	1,130,137
Total capital assets being depreciated	32,019,007	7,026,729	-	39,045,736
Accumulated depreciation				
Buildings & additions	(16,706,672)	(739,394)	-	(17,446,066)
Furniture & equipment	(1,002,264)	(169,188)	-	(1,171,452)
Vehicles	(512,632)	(118,843)	-	(631,475)
Total accumulated depreciation	(18,221,568)	(1,027,426)	-	(19,248,993)
Net capital assets being depreciated	13,797,439	5,999,304	-	19,796,743
Net capital assets	19,592,492	5,999,304	(5,634,268)	19,957,528

Depreciation for the year ended June 30, 2017th totaled $1,027,426. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

NOTE 6 - ACCRUED EXPENSES
Accrued expenses as of year-end include amounts due for accrued wages, retirement, FICA, employee benefit insurances, and termination benefits (if any). Accrued wages represent the remaining balance on teacher contracts to be paid during the summer and other salaries and wages earned as of June 30th.

NOTE 7 - DEBT
<u>Short-term debt</u>
On August 22, 2016, the District borrowed $1,500,000 in one note from the Michigan Finance Authority in the form of a State Aid Anticipation note for the purpose of providing funds for school operations. The interest rate is stated at 0.74% and is payable on August 21, 2017.
On August 21, 2017 (after the end of the fiscal year), the District borrowed $1,100,000 in one note from the Michigan Finance Authority in the form of a State Aid Anticipation note for the purpose of providing funds for school operations. The interest rate is stated at 1.42% and is payable on August 20, 2018. This loan was acquired after the end of the fiscal year and, therefore, is not shown as a current liability.

<u>Long-term debt</u>
2010 Refunding Bonds
During the fiscal year ended June 30, 2011, the District issued $6,940,000 of general obligation tax-exempt bonds for the purpose of an advance refunding of $6,725,000 of the 2001 bonds outstanding.

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

2012 Refunding Bonds
During the fiscal year ended June 30, 2013, the District issued $2,550,000 of general obligation tax-exempt bonds for the purpose of a current refunding of $2,481,302 of the School Bond Loan Fund outstanding.

2014 Bonds
During the fiscal year ended June 30, 2015, the District issued $7,625,000 for the following purposes:

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

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

Retirement Incentive Payable
One individual is currently participating in the early retirement incentive program offered by the District. Under this program, the individual will receive annual payments of $10,000 through fiscal year 2017. The retirement incentive payable was paid off during the fiscal year.

Summary of Debt Transactions
The changes in debt during the fiscal year are as follows:

	Beginning Balance	Additions	(Deletions)	Ending Balance	Due within one year
Short-term debt	1,600,000	1,500,000	(1,600,000)	1,500,000	1,500,000
Long-term debt					
Compensated abs	114,659	22,121	(17,199)	119,581	17,937
Retirement incentive	10,000	-	(10,000)	-	-
2010 Refunding Bonds	4,740,000	-	(550,000)	4,190,000	590,000
2012 Refunding Bonds	1,555,000	-	(355,000)	1,200,000	360,000
2014 Bonds	7,395,000	-	(180,000)	7,215,000	185,000
2015 Refunding Bonds	2,695,000	-	(335,000)	2,360,000	325,000
Total long-term debt	16,509,659	22,121	(1,447,199)	15,084,581	1,477,937

The annual requirements to pay principal and interest on the obligations outstanding at June 30, 2017, are shown in the *Schedule of Long-term Debt*.

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS
As of June 30th, the composition of net investment in capital assets was comprised of the following:

Net investment in capital assets	Amount
Capital assets not being depreciated	160,785
Capital asset being depreciated, net	19,796,743
Capital related general obligation bonds	(14,965,000)
Unamortized premium on bond refunding	(495,574)
Unamortized discount on bond refunding	7,650
Unamortized deferred charge on bond refunding	107,500
Net investment in capital assets	4,612,104

NOTE 9 - OPERATING LEASES
The District has entered into an operating lease for the copy machines. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the financial statements. Lease expense for the fiscal year was approximately $15,241. The future minimum lease obligations as of:

Year Ending June 30	Amount
2018	3,519

NOTE 10 - RISK MANAGEMENT
The District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees. The District participates in the SET/SEG risk pool for claims relating to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The District has purchased commercial insurance for medical claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. There was no reduction in coverage obtained through commercial insurance during the past year.

NOTE 11 - RETIREMENT AND POST RETIREMENT BENEFITS

Plan Description
The Michigan Public School Employees' Retirement System (MPSERS) (System) 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. MPSERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at http://michigan.gov/mpsers-cafr.

Benefits Provided
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. Retirement benefits for DB plan members are determined by final average compensation and years of service. 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. In addition, the

System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 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% -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
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 (no reduction factor for age)
Eligibility - 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 60th birthday and has credited service in each of the last 5 years. For Pension Plus (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 described below.

Option 1 - Credited Service after the Transition Date times 1.5% times FAC.

Option 2 - Credited Service after the Transition Date (until total service reaches 30 years) times 1.5% times FAC, PLUS Credited Service after the Transition Date and over 30 years times 1.25% times FAC.

Option 3 - Credited Service after the Transition Date times 1.25% times FAC.

Option 4 - None (Member will receive benefit through a Defined Contribution plan). As a DC 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 a Defined Contribution 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.

Member Contributions
Depending on the plan selected, member contributions range from 0% - 7%. Plan members electing the defined

contribution plan are not required to make additional contributions.

Employer Contributions
Districts 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.

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

October 1, 2015 - September 30, 2016	14.56% - 18.95%
October 1, 2016 - September 30, 2017	15.27% - 19.03%

The District's pension contributions for the year ended June 30, 2017 were equal to the required contribution total. Required and actual contributions to the plan for the years ended June 30, 2017 and 2016 were $1,341,851 and $1,363,264 respectively. These amounts include contributions funded from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (72.88% for pension and 27.12% for OPEB). The District UAAL/147c contributions for the years ended June 30, 2017 and 2016 were $443,442 and $403,335 respectively.

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 $14,575,080 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 districts, actuarially determined. At September 30, 2016 and 2015, the District's proportion is shown in the table below.

MPSERS (Plan) Non-university employers	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	24,949,181,763	24,425,026,755
Proportionate share	0.05841907%	0.06056334%
Net Pension Liability for the District	14,575,080	14,792,612

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended June 30, 2017 and 2016, the District recognized pension expense of approximately $1,357,008 and $1,330,809 respectively. This amount excludes contributions funded from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate, these amounts have been recorded as a deferred outflow as of June 30, 2017.

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	181,644	(34,543)
Changes of assumptions	227,870	-
Net difference between projected and actual plan investments earnings	242,238	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	218,657	(408,834)
District's contributions subsequent to the measurement date	1,148,867	-
Total	2,019,276	(443,377)

$1,148,867, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Description	Amount
June 30, 2018	82,599
June 30, 2019	63,549
June 30, 2020	295,495
June 30, 2021	(14,611)

Actuarial Assumptions

Investment rate of return - 8.0% a year, compounded annually net of investment and administrative expenses for the Non-Hybrid groups and 7.0% a year, compounded annually net of investment and administrative expenses for the Hybrid group (Pension Plus plan).

Salary increases - The rate of pay increase used for individual members is 3.5%.

Inflation - 2.5%

Mortality assumptions – RP2000 Combined Healthy Life Mortality table, adjusted for mortality improvements to 2020 using projection scale AA for men and women were used.

Experience study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2015. 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 long-term expected rate of return on pension plan investments - The rate was **8%** (**7%** Pension Plus Plan) net of investment and administrative expenses was determined using a 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Discount rate - The discount rate used to measure the total pension liability was **8%** (**7%** for Pension Plus Plan). The discount rate did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from school districts will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 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% for 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 than the current rate:

	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	18,769,034	14,575,080	11,039,173

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.

Payable to the Pension Plan - At year end the School District is current on all required pension plan payments. At June 30, 2017, the District reported a payable of $169,632 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017, consisting of pension contribution payable plus any other amounts owed to the pension plan including the UAAL payments for July and August 2017.

Benefit Provisions - Other Postemployment

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 subsidy 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, 2.2% to 2.71% of covered payroll for the period from March 10, 2015 to September 30, 2015, and from 6.4% to 6.83% of covered payroll for the period from October 1, 2015 through September 30, 2016 5.69% to 5.91% of covered payroll for the period from October 1, 2016 through September 30, 2017 dependent upon the employee's date of hire and plan election.

The District's contributions to the plan for retiree healthcare benefits for the years ended June 30, 2017, 2016, and 2015 were $282,598, $264,034, and $258,100, respectively.

NOTE 12 - TRANSFERS
During the year the following transfers were made between funds:

- The transfer of $99 from the general fund to the food service fund for the purpose of covering indirect costs.

NOTE 13 - JOINT VENTURE
The District is a member of the Middle Michigan Network for Educational Telecommunications (MMNET). As a member of MMNET, the District was required to purchase an interest in various communication equipment and services as well as pay for annual administrative cost incurred by Gratiot-Isabella RESD, the administrative agent. Information regarding the purchase of equipment and services is shown in the above notes.

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

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

NOTE 14 - 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, Brownfield Redevelopment Agreements, and Payments in Lieu of Taxes (PILOT) granted by cities, villages and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for all funds by municipality under these programs are as follows:

Municipality	Amount
City of St. Louis	46,914
Bethany Township	12,144
Total	59,058

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's section 22 funding of the State School Aid Act.

There are no significant abatements made by the District.

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS
GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, establishes requirements for governments that provide their employees with OPEB through a trust and replaces *GASB Statement No. 45* for those government employers. The most significant change is that governments will now be required to recognize their net OPEB liability, which is the difference between the total OPEB liability (the portion of the present value of projected benefit payments that is attributed to past periods) and the value of OPEB assets available to pay pension benefits. Additional note disclosure and the first two RSI schedules from *GASB 74* will be required. This requirement also applies to cost sharing, multiple-employer plans and plans that are not administered through a trust. Unlike pension plans, which most governments have been funding for quite a while, many OPEB plans are severely underfunded, and the liability to be recorded will be significant.

The statement mirrors the pension requirements of *GASB 68*. Most changes in the net OPEB liability will be included in current period expense. Other components, such as changes in economic assumptions, will be recognized over a closed period equal to the expected remaining service lives of all employees that are provided benefits. Differences between expected and actual investment rate of return will be recognized in expense over a closed five-year period. The pronouncement will be effective for years ending June 30, 2018.

GASB Statement No. 84, Fiduciary Activities, was issued by the GASB in January 2017 and will be effective for the District's 2020 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.

REQUIRED SUPPLEMENTARY INFORMATION

St. Louis Public School District
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Revenues				
Local sources	$ 1,165,841	$ 1,231,336	$ 1,239,895	$ 8,559
State sources	7,854,655	8,018,289	8,023,495	5,206
Federal sources	414,987	437,285	429,687	(7,598)
Other sources	377,680	333,421	343,724	10,303
Total revenues	9,813,163	10,020,331	10,036,801	16,470
Expenditures				
Instruction				
Basic programs	4,650,799	4,697,775	4,669,999	27,776
Added needs	1,241,517	1,247,878	1,229,350	18,528
Total instruction	5,892,316	5,945,653	5,899,349	46,304
Support services				
Pupil	426,430	349,976	349,041	935
Instructional staff	206,780	168,629	145,853	22,776
General administration	422,080	429,283	421,224	8,059
School administration	768,492	774,393	767,995	6,398
Business services	161,014	175,490	166,782	8,708
Operation and maintenance	1,172,051	1,250,739	1,223,985	26,754
Pupil transportation	426,120	405,380	378,901	26,479
Central	199,106	246,660	237,550	9,110
Athletics	268,135	279,484	278,808	676
Total support services	4,050,208	4,080,034	3,970,139	109,895
Community Services	500	3,943	3,611	332
Other	30,500	22,100	22,931	(831)
Total expenditures	9,973,524	10,051,730	9,896,030	155,700
Revenues over (under) expenditures	(160,361)	(31,399)	140,771	172,170
Other financing sources (uses)				
Transfers out	-	-	(99)	99
Net change in fund balance	(160,361)	(31,399)	140,672	172,269
Fund balance - beginning	1,320,475	1,320,475	1,320,475	-
Fund balance - ending	$ 1,160,114	$ 1,289,076	$ 1,461,147	$ 172,269

St. Louis Public School District
Budgetary Comparison Schedule for the Food Service Fund
For the Year Ended June 30, 2017

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Local sources	$ 101,200	$ 103,817	$ 90,930	$ (12,887)
State sources	30,800	39,118	19,171	(19,947)
Federal sources	371,500	385,427	441,408	55,981
Total revenues	503,500	528,362	551,509	23,147
Expenditures				
Food service	503,584	485,790	531,756	(45,966)
Revenues over (under) expenditures	(84)	42,572	19,753	(22,819)
Other financing sources (uses)				
Transfers in	5,500	-	99	(99)
Net change in fund balance	5,416	42,572	19,852	(22,918)
Fund balance - beginning	5,817	5,817	5,817	-
Fund balance - ending	$ 11,233	$ 48,389	$ 25,669	$ (22,918)

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

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

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

Description	Plan year Sept 30, 2016	Plan year Sept 30, 2015	Plan year Sept 30, 2014
Reporting unit's proportion of net pension liability (%)	0.05841907%	0.06056334%	0.05896609%
Reporting unit's proportionate share of net pension liability	$ 14,575,080	$ 14,792,612	$ 12,988,168
Reporting unit's covered employee payroll	$ 4,693,926	$ 5,073,372	$ 4,942,341
Reporting unit's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	310.51%	291.57%	262.79%
Plan fiduciary net position as a percentage of total pension liability	63.01%	62.92%	66.20%

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

Schedule of the Reporting Unit's Contributions

Description	Fiscal year June 30, 2017	Fiscal year June 30, 2016	Fiscal year June 30, 2015
Statutorily required contributions	$ 1,331,905	$ 1,340,072	$ 959,807
Contributions in relation to statutorily required contributions	$ 1,331,905	$ 1,340,072	$ 959,807
Contribution deficiency (excess)	$ -	$ -	$ -
Reporting unit's covered-employee payroll	$ 4,707,028	$ 4,735,490	$ 5,279,232
Contributions as a percentage of covered-employee payroll	28.30%	28.30%	18.18%

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

Notes to Required Supplementary Information

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

OTHER SUPPLEMENTARY INFORMATION

St. Louis Public School District
Schedule of Long-Term Debt
For the Year Ended June 30, 2017

Fiscal Year Ending	Interest Rate (%)	Annual Principal Due	Interest Due 1st Payment	Interest Due 2nd Payment	Total
2010 Refunding Bonds - $6,940,000					
Interest due November 1 and May 1; Principal due May 1					
2018	4.60	$ 590,000	$ 63,918	$ 63,918	$ 717,836
2019	4.60	605,000	55,953	55,953	716,906
2020	4.60	595,000	47,180	47,180	689,360
2021	4.60	590,000	38,106	38,106	666,212
2022	4.60	605,000	28,961	28,961	662,922
2023	4.70	595,000	19,433	19,433	633,866
2024	4.70	610,000	9,913	9,913	629,826
Total		4,190,000	263,464	263,464	4,716,928
2012 Refunding Bonds - $2,550,000					
Interest due November 1 and May 1; Principal due May 1					
2018	1.90	360,000	12,690	12,690	385,380
2019	2.10	390,000	9,270	9,270	408,540
2020	2.30	450,000	5,175	5,175	460,350
Total		1,200,000	27,135	27,135	1,254,270
2014 Bond Issue - $7,625,000					
Interest due November 1 and May 1; Principal due May 1					
2018	4.00	185,000	144,300	144,300	473,600
2019	4.00	195,000	140,600	140,600	476,200
2020	4.00	200,000	136,700	136,700	473,400
2021	4.00	205,000	132,700	132,700	470,400
2022	4.00	220,000	128,600	128,600	477,200
2023	4.00	230,000	124,200	124,200	478,400
2024	4.00	245,000	119,600	119,600	484,200
2025	4.00	285,000	114,700	114,700	514,400
2026	4.00	295,000	109,000	109,000	513,000
2027	4.00	310,000	103,100	103,100	516,200
2028	4.00	320,000	96,900	96,900	513,800
2029	4.00	335,000	90,500	90,500	516,000
2030	4.00	350,000	83,800	83,800	517,600
2031	4.00	360,000	76,800	76,800	513,600
2032	4.00	375,000	69,600	69,600	514,200
2033	4.00	390,000	62,100	62,100	514,200
2034	4.00	410,000	54,300	54,300	518,600
2035	4.00	425,000	46,100	46,100	517,200
2036	4.00	440,000	37,600	37,600	515,200
2037	4.00	460,000	28,800	28,800	517,600
2038	4.00	480,000	19,600	19,600	519,200
2039	4.00	500,000	10,000	10,000	520,000
Total		7,215,000	1,929,600	1,929,600	11,074,200

St. Louis Public School District
Schedule of Long-Term Debt
For the Year Ended June 30, 2017

Fiscal Year Ending	Interest Rate (%)	Annual Principal Due	Interest Due		Total
			1st Payment	2nd Payment	
2015 Refunding Bonds - $2,895,000					
Interest due November 1 and May 1; Principal due May 1					
2018	4.00	$ 325,000	$ 47,200	$ 47,200	$ 419,400
2019	4.00	315,000	40,700	40,700	396,400
2020	4.00	310,000	34,400	34,400	378,800
2021	4.00	360,000	28,200	28,200	416,400
2022	4.00	350,000	21,000	21,000	392,000
2023	4.00	350,000	14,000	14,000	378,000
2024	4.00	350,000	7,000	7,000	364,000
Total		2,360,000	192,500	192,500	2,745,000

St. Louis Public School District
Schedule of Long-Term Debt
For the Year Ended June 30, 2017

Fiscal Year Ending	Annual Principal Due	Annual Interest Due	Total
Summary by Year			
2018	$ 1,460,000	$ 536,216	$ 1,996,216
2019	1,505,000	493,046	1,998,046
2020	1,555,000	446,910	2,001,910
2021	1,155,000	398,012	1,553,012
2022	1,175,000	357,122	1,532,122
2023	1,175,000	315,266	1,490,266
2024	1,205,000	273,026	1,478,026
2025	285,000	229,400	514,400
2026	295,000	218,000	513,000
2027	310,000	206,200	516,200
2028	320,000	193,800	513,800
2029	335,000	181,000	516,000
2030	350,000	167,600	517,600
2031	360,000	153,600	513,600
2032	375,000	139,200	514,200
2033	390,000	124,200	514,200
2034	410,000	108,600	518,600
2035	425,000	92,200	517,200
2036	440,000	75,200	515,200
2037	460,000	57,600	517,600
2038	480,000	39,200	519,200
2039	500,000	20,000	520,000
Totals	14,965,000	4,825,398	19,790,398

Year 1	1,460,000	536,216	1,996,216
Year 2	1,505,000	493,046	1,998,046
Year 3	1,555,000	446,910	2,001,910
Year 4	1,155,000	398,012	1,553,012
Year 5	1,175,000	357,122	1,532,122
Year 6 - 10	3,270,000	1,241,892	4,511,892
Year 11 - 15	1,740,000	835,200	2,575,200
Year 16 - 20	2,125,000	457,800	2,582,800
Year 21 - 25	980,000	59,200	1,039,200
	14,965,000	4,825,398	19,790,398