

MONKTON TOWN SCHOOL DISTRICT  
FINANCIAL & COMPLIANCE REPORTS  
JUNE 30, 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of Addison Northeast Supervisory Union and its Superintendent  
Monkton Town 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 the Monkton Town School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Monkton Town School District's basic financial statements as listed in the table of contents.

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

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

#### *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 Monkton Town School District, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 21-24 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 Monkton Town School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, on our consideration of the Monkton Town School 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 Monkton Town School District's internal control over financial reporting and compliance.



Jeffrey R. Bradley CPA, P.C.  
Essex Junction, Vermont  
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December 20, 2017

## MONKTON TOWN SCHOOL DISTRICT

### Management's Discussion and Analysis

The following discussion and analysis of the Monkton Town School District, Vermont's (the School Board) financial performance provides an overview of the School Board's financial activities as of and for the fiscal year ended June 30, 2017. The analysis focuses on the School Board's financial performance as a whole. Please read it in conjunction with the transmittal letter at the front of this report and the School Board's financial statements, which follow this section.

#### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The School Board's financial statements consist of two kinds of statements that present different views of the School Board's financial activities.

- The Statement of Net Position and Statement of Activities provide information on a government-wide basis. The statements present an aggregate view of the School Board's finances. The government-wide financial statements provide both long-term and short-term information about the School Board's overall financial status.
- The fund financial statements focus on the individual parts of the School Board, reporting School Board operations with more information and detail than the government-wide statements.
- Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year to year, or government to government) and enhance the School Board's accountability. The notes to the financial statements explain some of the information in the statements and provide additional disclosures so that statement users have a complete picture of the School Board's financial activities and position. The required supplementary information further explains and supports the financial statements.

#### Governmental Fund Financial Statements

Traditional users of government financial statements will find the fund financial presentation more familiar. The focus is on the School Board's only significant fund, the General Fund. The All of the School Board's other funds are considered non-major funds. They are summarized into one total, but the details of each fund are also shown.

#### Financial Analysis of the School Board as a Whole

The School Board presents its financial statements under the reporting model required by Governmental Accounting Standards Board (GASB).

The government-wide financial statements report information about the School Board as a whole using accounting methods similar to those used by private-sector companies. An important question one could ask about the School Board's finances is, "Is the School Board as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about the School Board as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting

used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The School District adopts an annual appropriated budget for its general fund, a budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 9-13 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-19 of this report. Other information - The combining statements referred to earlier in connection with non-major governmental funds can be found immediately following the footnotes. Combining and individual fund statements can be found on pages 21 and 25, respectively.

## FINANCIAL HIGHLIGHTS

- The School District's net position (assets minus liabilities and deferred items) from governmental activities decreased by (\$11,043) as a result of this year's operations.
- Capital assets increased \$22,967 or 0.6% of the total of capital assets the District has purchased over time.
- The School District's long-term liabilities decreased \$60,000 (33%) during the fiscal year ending June 30, 2017 through anticipated debt retirement.
- At the close of the current fiscal year, the School District's governmental funds reported total ending fund balances of \$201,284, an increase of \$8,803 (4.5%). The District budgeted to use \$67,081 of its operating carryforward for General fund operations. The District saved on instructional costs, and received additional special education and investment income. Therefore, the District exceeded its anticipated financial position by \$80,343.
- By the far the largest portion of the School District's net position (\$1,112,727) reflect investments in capital assets (e.g., land, buildings, structures, systems, machinery, equipment, infrastructure, and intangible assets), net of any related debt used to acquire those assets that is still outstanding. The School District uses assets to provide services to citizens; consequently, these assets are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. A portion of the School District's net assets (\$43,780) represents resources that are subject to internal and external restrictions on how they can be used. Overall Government-wide total unrestricted net position increased \$59,746.

Governmental Activities - The most significant revenues of the governmental activities are tax revenue from the State of Vermont (84%). Grants and contributions and fees for service account for the remaining 16%. Instructional costs are the most significant (43%), expenses followed by special education (25%), plant operations, debt service, depreciation and student transportation (17%) and general administration (15%).

Governmental revenues increased 5.3% in the current year, with the most significant portion of the income attributable to an increase in special educational grants. Governmental activities expenses increased (6.2%) in the current year. The most significant changes in program expenses were as follows:

- Special education and assessment costs were the primary reason for the increase.
- There were not any other programs with significant or unusual changes.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT’S FUNDS**

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

<b>Notes &amp; Bond Payable</b>	
School Improvement Bond Payable, due December 1, 2018, accrues periodic interest at 4.26 to 5.16%.	\$120,000

<i>Capital Asset Investment</i>	Balance - July 1, 2016	Net Activity	Depreciation	Beginning Accumulated Depreciation	Net Asset Value - June 30, 2017
Land, Buildings & Equipment	\$3,519,607	\$22,967	(\$102,813)	(\$2,207,037)	\$1,232,727

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

- Municipal expenditures in the General Fund are budgeted to decrease 5.7% from \$2,813,920 to \$2,653,500 as compared to fiscal year 2017. The decrease is attributable to assessments to Addison Northeast Supervisory Union to cover centralized administrative, fiscal and plant operation costs. The School District has added no major new major programs or initiatives to the fiscal year 2018 budget. If these estimates are realized, the School District’s budgetary general fund balance is expected to decrease by \$59,746 the close of fiscal year 2018.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the School District’s finances for all those interested in governmental finance. Questions concerning any information in the report or requests for additional information should be addressed to Addison Northeast Supervisory Union, 72 Munsill Avenue, Suite 601, Bristol, VT 05443.

**COMPARATIVE FINANCIAL INFORMATION:** The following schedules detail the changes in the Statement of Net Position and Statement of Activities for the fiscal years ended June 30, 2017 and 2016:

**STATEMENT OF NET POSITION**

	<u>2017</u>	<u>2016</u>
Current Assets	\$ 504,280	\$ 528,882
Capital Assets	1,232,727	1,312,573
Total Assets	<u>\$ 1,737,007</u>	<u>1,841,455</u>
Current Liabilities	362,996	396,401
Noncurrent Liabilities	60,000	120,000
Total Liabilities	<u>422,996</u>	<u>516,401</u>
Nonspendable General Fixed Assets	1,112,727	1,132,573
Other Net Position	201,284	192,481
Total Net Position	<u>1,314,011</u>	<u>1,325,054</u>
Total Liabilities & Net Position	<u>\$ 1,737,007</u>	<u>\$ 1,841,455</u>

**STATEMENT OF ACTIVITIES**

	<u>2017</u>	<u>2016</u>
<i>Program Revenues:</i>		
Operating Grants and Charges for Services	667,262	650,388
<i>General Revenues:</i>		
Education Spending & Other State Grants	2,412,679	2,357,048
Tuitions	-	-
Interest Earnings	20,926	28,056
Miscellaneous	9,085	3,720
Total General Revenues	<u>2,442,690</u>	<u>2,388,824</u>
Total Revenues	<u>3,109,952</u>	<u>3,039,212</u>
<i>Programs:</i>		
Instructional & Operating Costs	1,469,628	1,490,479
Special Education	735,294	616,361
General Administration	427,885	471,982
Food Service	20,336	20,237
Plant Operations and Transportation	339,660	301,957
Debt Service	25,379	34,365
Depreciation	102,813	104,377
Total Expenses	<u>3,120,995</u>	<u>3,039,757</u>
Change in Net Position	(11,043)	(546)
Net Position - Beginning	<u>1,325,054</u>	<u>1,325,600</u>
Net Position - Ending	<u>\$ 1,314,011</u>	<u>1,325,054</u>

**MONKTON TOWN SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

<b>ASSETS</b>	<i>Governmental Activities</i>	
	<i>June 30, 2017</i>	<i>June 30, 2016</i>
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 437,438	\$ 445,971
Accounts Receivable	57,641	81,141
Due from Other Governments	-	-
Prepaid Expenses	9,202	1,770
<b>Total Current Assets</b>	<b>504,280</b>	<b>528,882</b>
<i>Noncurrent Assets:</i>		
Property, Plant & Equipment, net of applicable depreciation	1,232,727	1,312,573
<b>TOTAL ASSETS</b>	<b>\$ 1,737,007</b>	<b>\$ 1,841,455</b>
<b>LIABILITIES &amp; NET POSITION</b>		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 49,491	\$ 80,897
Accrued Payroll & Benefits	95,252	116,870
Due to Other Governments	158,253	138,634
Current Portion of Bond Payable	60,000	60,000
<b>Total Current Liabilities</b>	<b>362,996</b>	<b>396,401</b>
<i>Noncurrent Liabilities:</i>		
Bond Payable	60,000	120,000
<b>Total Liabilities</b>	<b>422,996</b>	<b>516,401</b>
<i>Net Position:</i>		
Nonspendable General Fixed Assets	1,112,727	1,132,573
Restricted For Special Purposes	43,780	94,723
Unrestricted	157,504	97,758
<b>Total Net Position</b>	<b>1,314,011</b>	<b>1,325,054</b>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 1,737,007</b>	<b>\$ 1,841,455</b>

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

**MONKTON TOWN SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**Fiscal Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	June 30, 2017 Total	June 30, 2016 Total
<b>Primary Government</b>						
<i>Governmental Activities:</i>						
Interest Expense - Debt Service	25,379	\$ -	\$ -	\$ (25,379)	\$ (25,379)	\$ (34,365)
Elementary Instruction & Related Support	1,258,262	-	258,728	(999,535)	(999,535)	(943,870)
School Based Clinician	9,026	600	-	(8,426)	(8,426)	(13,436)
Guidance Services	74,868	-	-	(74,868)	(74,868)	(65,449)
Health Services	68,151	-	-	(68,151)	(68,151)	(65,568)
Cocurricular	4,766	-	-	(4,766)	(4,766)	(1,350)
Educational Media Services	63,506	-	-	(63,506)	(63,506)	(61,576)
Board of Education, Treasurer & Professional Services	22,554	-	-	(22,554)	(22,554)	(20,121)
Supervisory Union Assessment	200,310	-	-	(200,310)	(200,310)	(248,667)
Principal's Office	205,021	-	-	(205,021)	(205,021)	(203,194)
Plant Operations	255,112	-	-	(255,112)	(255,112)	(228,432)
Student Transportation	75,597	-	33,550	(42,047)	(42,047)	(42,038)
Special Education	735,294	-	374,384	(360,910)	(360,910)	(336,691)
Food Service	20,336	-	-	(20,336)	(20,336)	(20,237)
Depreciation	102,813	-	-	(102,813)	(102,813)	(104,377)
<i>Total governmental activities</i>	<u>3,120,995</u>	<u>600</u>	<u>666,662</u>	<u>(2,453,733)</u>	<u>(2,453,733)</u>	<u>(2,389,371)</u>
<i>General Revenues:</i>						
Education Spending				2,412,679	2,412,679	2,357,048
Investment earnings				20,926	20,926	28,057
Miscellaneous				9,085	9,085	3,719
Total General Revenues				<u>2,442,690</u>	<u>2,442,690</u>	<u>2,388,825</u>
Change in Net Position				(11,043)	(11,043)	(546)
Net Position - Beginning				1,325,054	1,325,054	1,325,600
Net Position - Ending				<u>\$ 1,314,011</u>	<u>\$ 1,314,011</u>	<u>\$ 1,325,054</u>

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

**MONKTON TOWN SCHOOL DISTRICT  
COMBINED BALANCE SHEET -  
GOVERNMENTAL FUND TYPES  
JUNE 30, 2017 and 2016**

	<u>Governmental Fund Types</u>		Totals June 30, 2017	Totals June 30, 2016
	General Fund	Other Governmental Funds		
<b>ASSETS</b>				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 420,558	\$ 16,879	\$ 437,438	\$ 445,971
Accounts Receivable	42,208	15,433	57,641	81,141
Prepaid Expenses	9,202	-	9,202	1,770
Due from Other Funds	-	3,070	3,070	8,065
<b>TOTAL ASSETS</b>	<b>\$ 471,968</b>	<b>\$ 35,382</b>	<b>\$ 507,351</b>	<b>\$ 536,947</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts Payable	\$ 48,687	\$ 804	\$ 49,491	\$ 80,897
Accrued Payroll & Benefits	95,252	-	95,252	116,870
Due to Other Governments	158,253	-	158,253	138,634
Due to Other Funds	3,070	-	3,070	8,065
<b>Total Current Liabilities</b>	<b>305,262</b>	<b>804</b>	<b>306,066</b>	<b>344,466</b>
<i>Fund Balances:</i>				
Restricted For Special Purposes	9,202	34,578	43,780	94,723
Committed For Future Year Expenditures	59,746	-	59,746	67,081
Unassigned	97,758	-	97,758	30,677
<b>Total Fund Balances</b>	<b>166,706</b>	<b>34,578</b>	<b>201,284</b>	<b>192,481</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 471,968</b>	<b>\$ 35,382</b>	<b>\$ 507,351</b>	<b>\$ 536,947</b>

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

**MONKTON TOWN SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2017**

Fund Balances - Governmental Funds Balance Sheet	\$	201,284
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different due to the following:</i>		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		1,232,727
Long Term Debt is not recorded in the governmental fund financial statements. However, the government wide financial statements require the inclusion of long term debt.		<u>(120,000)</u>
Net Position - Government-Wide Financial Statements	\$	<u><u>1,314,011</u></u>

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

**MONKTON TOWN SCHOOL DISTRICT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND -**  
**CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017 AND 2016**

	General Fund	Other Governmental Funds	TOTALS June 30, 2017	TOTALS June 30, 2016
<i>Revenues:</i>				
Education Spending	\$ 2,412,679	-	\$ 2,412,679	\$ 2,357,048
State Transportation Grant	33,550	-	33,550	31,488
Special Education	374,384	-	374,384	279,670
State & Federal Support & Subgrants	-	12,879	12,879	15,549
Early Education	20,475	-	20,475	23,268
Fee For Services	600	-	600	650
On-behalf Teachers' Retirement Contribution	225,374	-	225,374	299,763
Interest Income	20,874	52	20,926	28,056
Miscellaneous	9,085	-	9,085	3,719
<i>Total Revenues</i>	<u>3,097,022</u>	<u>12,931</u>	<u>3,109,952</u>	<u>3,039,211</u>
<i>Expenditures:</i>				
Debt Service	85,379	-	85,379	94,365
Elementary Instruction & Related Support	1,264,555	-	1,264,555	1,282,449
School Based Clinician	9,026	-	9,026	14,086
Guidance Services	66,429	8,439	74,868	65,449
Health Services	59,200	8,951	68,151	65,568
Support Services	-	-	-	-
Cocurricular	4,766	-	4,766	1,350
Educational Media Services	63,506	-	63,506	61,576
Technology	-	-	-	-
Board of Education, Treasurer & Professional Services	22,554	-	22,554	20,121
Supervisory Union Assessment	200,310	-	200,310	248,667
Principal's Office	205,021	-	205,021	203,194
Plant Operations	271,786	-	271,786	298,905

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

**MONKTON TOWN SCHOOL DISTRICT  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND -  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017 AND 2016**

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>TOTALS June 30, 2017</b>	<b>TOTALS June 30, 2016</b>
<i>Expenditures (continued):</i>				
Student Transportation	75,597	-	75,597	73,526
Special Education	735,294	-	735,294	616,361
Food Service	20,336	-	20,336	20,237
<i>Total Expenditures</i>	<u>3,083,759</u>	<u>17,391</u>	<u>3,101,150</u>	<u>3,065,854</u>
Excess (Deficiency) of Revenues Over Expenditures	13,262	(4,460)	8,803	(26,643)
<i>Other Financial Sources (Uses):</i>				
Operating Transfers	(13,166)	13,166	-	-
<i>Total Other Financial Sources (Uses)</i>	<u>(13,166)</u>	<u>13,166</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	97	8,706	8,803	(26,643)
Fund Balances - Beginning	<u>166,609</u>	<u>25,872</u>	<u>192,481</u>	<u>219,124</u>
Fund Balances - Ending	<u>\$ 166,706</u>	<u>34,578</u>	<u>\$ 201,284</u>	<u>\$ 192,481</u>

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

**MONKTON TOWN SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balances - Governmental Fund Financial Statements	\$	8,803
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 In the Statement of Activities, the cost of fixed assets is allocated over their estimated useful lives and reported as depreciation expense annually.		 (79,846)
Repayment of bond principal is not an expense in the Statement of Activities		<u>60,000</u>
 <i>Change in Net Position - Statement of Activities</i>	 \$	 <u><u>(11,043)</u></u>

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

## Monkton Town School District NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - Summary of significant accounting policies** - The Monkton Town School District (the District) provides educational services to the citizens of Monkton, Vermont, and the financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units.

*Reporting entity* - The District is a primary unit of government under reporting criteria established by the Governmental Accounting Standards Board (GASB). Those criteria include a separately elected governing body, separate legal standing, and fiscal independence from other state and local governmental entities. Based on these criteria, there are no other entities which are component units of the District.

*Government-wide and fund financial statements* - The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. The effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues.

In the Government-wide Statement of Net Position, the financial position of the District is consolidated and incorporates capital assets as well as all long-term debt and obligations. The Government-wide Statement of Activities reflects both the gross and net costs by category. Direct expenses that are clearly identifiable with the category are offset by program revenues of the category. Program revenues include charges for services provided by a particular function or program and grants that are restricted to meeting the operational or capital requirements of the particular segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds, if any, are summarized in a single column.

*Basis of presentation* - The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund balances or net position, revenues, and expenditures or expenses, as appropriate.

The District reports the following major governmental funds: *General Fund* is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund. *Other Governmental Funds* used to account for the assets and activity of monies left to the District through trust and grant agreements, or capital project expenditures incurred for specific District infrastructure projects.

*Measurement focus and basis of accounting* - Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures generally are recorded when the fund liability is incurred, if measurable, as under accrual accounting. However, debt service expenditures are recorded only when payment is made.

**Monkton Town School District**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Summary of significant accounting policies (continued)**

*Budgets and budgetary accounting* - The District approves a budget for the General Fund at an annual District Meeting. The accounting method used for budgetary presentation is the same method used for the financial presentation of operations under U.S. GAAP. Formal budgetary integration is employed as a management control during the year for the General Fund. The District does legally adopt budgets for other governmental funds. All budgeted amounts lapse at year end.

*Estimates* - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

*Risk management* - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; environmental liability; and natural disasters. The District manages these risks of loss through participation in public entity risk pools (Vermont School Boards' Insurance Trust). Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There were no settlements in excess of the insurance coverage in any of the past three fiscal years.

*Cash, cash equivalents and investments* - The District considers all cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition to be cash equivalents. Investments and unrealized gains and losses are reflected in the individual fund and government-wide financial statements. Investments of the District are reported at fair market value.

*Capital assets* - Capital assets, which include land, buildings, equipment, vehicles and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide and in the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial useful life of one year or greater and an initial individual cost equal to or greater than \$3,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest costs are capitalized on projects during the construction period. Normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized.

Equipment and furniture	5 - 20 years
Vehicles	3 - 15 years
Buildings and improvements	25 - 50 years

*Compensated absences* - Employees are entitled to certain compensated absences based on their length of employment. Sick leave accumulates and is paid upon illness during employment and the cumulative liability is not included in these financial statements. Vacation accrues for annual use.

*Fund Balances/Net Position* - In the fund financial statements, governmental funds may report five categories of fund balances: non-spendable, restricted, committed, assigned and unassigned. *Non-spendable* fund balance includes amounts associated with inventory, long-term loans or notes receivable, and trust fund principal to be held in perpetuity. *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, enabling legislation.

**Monkton Town School District  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Summary of significant accounting policies (continued)**

*Committed* fund balance includes amounts that can be used only for specific purposes determined by the District's highest level of decision making authority, the voters, as a result of articles passed at Annual or Special Meetings. *Assigned* fund balance includes amounts that are intended to be used by the District for specific purposes, as authorized by the School Board. *Unassigned* fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in another classification. Deficits are also classified as unassigned. The District's policy is to apply expenditures to fund balance in the order of restricted, committed, assigned and unassigned. The District maintains separate governmental funds to account for donor specified amounts (restricted), voter approved amounts (committed), and amounts set aside by management. Any residual fund balance amounts are reported as unassigned fund balance in the General Fund.

*Accrued Liabilities, Long-Term Obligations and Deferred Outflows* - In addition to assets and liabilities, deferred outflows of resources (previously reported as assets) and deferred inflows of resources (previously reported as liabilities), if applicable, will be reported as separate sections in the statement of net position and the governmental funds balance sheet. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources in the current period. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources in the current period. The District does not currently report any deferred outflows of resources. The District reports deferred revenue as deferred inflows of resources.

The General Fund does not include on-behalf payments as a revenue or expenditure amounts to assess budgetary compliance, therefore they are not included in budgetary comparison schedules.

**NOTE 2 - Deposits and Investments**

As of June 30, 2017, the District's deposit accounts were fully insured or collateralized. Custodial credit risk deposits and investments - Custodial credit risk is the risk that in the event of a financial institution failure, the District will not be able to recover its deposits or investments or will not be able to recover collateral securities that are in the possession of an outside party. The District addresses this risk by requiring each institution to provide deposit insurance and/or proof of collateralization. The Treasurer is required to determine the types of collateralization after consultation with the Board.

*Credit risk* is the risk that an issuer of or counterparty to an investment will not fulfill its obligations. The District addresses credit risk by limiting the types of investments the Treasurer can make to bank deposit accounts, collateralized repurchase agreements and U.S. Treasury obligations. *Concentration of credit risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2017, the District does not hold more than 5% of its investments in any one issuer.

**NOTE 3 - Inter-fund receivable and payable balances**

Inter-fund receivable and payables, due to the pooling of cash for cash receipts and disbursements, as it shall not necessarily be bound solely and constitutes the transfer of resources from the fund that receives the resources to the fund that utilizes them. Transfers from Other Governmental Funds to the General Fund were to cover expenses that had been incurred on their behalf.

Due (To) From	General Fund	Other Governmental/Trust Funds
Capital Sinking Funds	(\$3,070)	\$3,070

**Monkton Town School District**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - Long Term Debt**

Notes & Bond Payable	
School Improvement Bond Payable, due December 1, 2018, accrues periodic interest at 4.26 to 5.16%.	\$120,000

<i>School Bond</i>			<i>Debt Service</i>
Fiscal Year Ending	Interest	Principal	Total
2018	\$4,640		\$60,000
2019	1,547		60,000
<b>TOTAL</b>	<b>\$6,187</b>		<b>\$120,000</b>

**NOTE 5 - Fixed Assets and Depreciation**

<i>Capital Asset Investment</i>	Balance - July 1, 2016	Net Activity	Depreciation	Beginning Accumulated Depreciation	Net Asset Value - June 30, 2017
Land, Buildings & Equipment	\$3,519,607	\$22,967	(\$102,813)	(\$2,207,037)	\$1,232,727

**NOTE 6 - Defined Contribution Pension plan**

*Vermont Teachers' Retirement System* - The District contributes to the Vermont Teachers' Employees' Retirement System (VSTRS), a cost-sharing multiple-employer public employee retirement system (PERS) with defined contribution plans administered by the State of Vermont. VMERS provides retirement, disability and death benefits to plan members and beneficiaries. Teachers become members of VSTRS upon employment, and vest in the system after 10 years of service. Group A - for public school teachers employed within the State of Vermont prior to July 1, 1981 and who elected to remain in Group A. Group C is for public school teachers employed within the State of Vermont on or after July 1, 1990, or hired before July 1, 1990 and were a member of Group B at that time. Group C members contribute 5% of salary (6% if a member 5 years or less as of July 1, 2014).

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC). Total wages paid for the District during current the fiscal year was \$1,017,969 with a covered payroll of \$899,093.

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the VSTRS or its participating employers. VSTRS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report (CAFR).

The CAFR can be viewed on the State's Department of Finance & Management website at: <http://www.finance.vermont.gov/reportsandpublications/cafr>

**Monkton Town School District**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - Defined Contribution Pension plan (continued)**

*Support Staff Retirement Plan*

The District provides for certain support staff employees working at least 1,000 hours annually a retirement benefit of 5% of gross wages in matching defined contribution plan contributions. The District paid \$4,332 for this benefit, vesting occurs upon reaching 2 years of creditable service for defined contribution plans.

**NOTE 7 - Concentration of Support**

The District's General Fund receives approximately 87% of its revenue from the Education Spending grant. The amount of Education Spending received by the School District is equal to the budgeted expenditures, approved by the voters less expected other revenues for the year. Education Spending is funded with statewide property taxes. The State determines a different education property tax rate for homestead and non-homestead properties based on statewide information. The tax rate for non-homestead property in the member district Districts are not impacted by the amount of Education Spending received. The State uses a common level of appraisal to equalize property values between communities.

**NOTE 8 - Commitments & Contingencies**

The District is exposed to various risks of loss related to torts; theft, damage and destruction of its assets; injuries. Any claims under these policies have not exceeded coverage in any of the immediately preceding three fiscal years. If the insurance funds noted above should ever become insolvent, the District could be liable for a proportionate share of the Fund's liabilities. The District receives grant support from various State, Local and Federal sources. These programs are subject to financial and compliance audits by these grantors. Management believes that any possible disallowed costs, if any, would be immaterial to these financial statements.

**NOTE 9 - Subsequent Events**

On July 1, 2017, the District entered into an \$854,570 tax anticipation line of credit with a 2.75% interest rate due to be paid in full on June 30, 2018.

On September 20, 2016, the Vermont Agency of Education approved the formation of a Regional Education District (RED) that will effectively replace the operations of Addison Northeast Supervisory Union effective July 1, 2018.

Therefore, the Monkton Town School District will then merge with the other member town school districts of Bristol, Lincoln, New Haven, Starksboro and the Supervisory Union to form the new District and will cease operations as an independent entity.

Jeffrey R. Bradley CPA, P.C.

~ Member ~

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Executive Committee of Addison Northeast Supervisory Union and its Superintendent

Monkton Town School District

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monkton Town School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Monkton Town School District's basic financial statements, and have issued our report thereon dated December 20, 2017.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Monkton Town School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monkton Town School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Monkton Town School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Monkton Town School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in red ink that reads "Jeffrey R. Bradley CPA, P.C.".

Jeffrey R. Bradley CPA, P.C.

Essex Junction, Vermont

December 20, 2017

**MONKTON TOWN SCHOOL DISTRICT  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND -  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<i>Original &amp; Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<i>Revenues:</i>			
Education Spending	\$ 2,412,678	\$ 2,412,679	\$ 1
State Transportation Grant	34,087	33,550	(537)
Special Education	262,977	374,384	111,407
Early Education	20,475	20,475	-
Fee for Services	500	600	100
Interest Income	13,473	20,874	7,401
Miscellaneous	2,650	9,085	6,435
<i>Total Revenues</i>	<u>2,746,840</u>	<u>2,871,648</u>	<u>124,808</u>
<i>Expenditures:</i>			
Debt Service	83,122	85,379	(2,257)
Elementary Instruction	1,164,873	1,039,181	125,692
School Based Clinician	15,000	9,026	5,974
Guidance Services	61,071	66,429	(5,357)
Health Services	84,593	59,200	25,394
Cocurricular	13,328	4,766	8,562
Educational Media Services	59,552	63,506	(3,954)
Board of Education, Treasurer & Professional Services	17,329	22,554	(5,225)
Supervisory Union Assessment	200,310	200,310	-
Principal's Office	199,093	205,021	(5,928)
Plant Operations	239,104	271,786	(32,682)
Student Transportation	77,361	75,597	1,763
Special Education	578,849	735,294	(156,445)
Food Service	20,336	20,336	-
<i>Total Expenditures</i>	<u>2,813,920</u>	<u>2,858,385</u>	<u>(44,465)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (67,081)</u>	<u>\$ 13,262</u>	<u>\$ 80,343</u>

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

MONKTON TOWN SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE A - Employers' Allocation of Pension Amounts as of June 30, 2015**

	Employer Contributions	Employer Proportion	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.95% Discount Rate)	Net Pension Liability 1%Increase (8.95% Discount Rate)
6/30/2015	\$ 121,588	0.16677%	\$ 4,735,554	\$ 2,756,854	\$ 1,978,700	\$ 465,454	\$ -	\$ 2,512,592	\$ 1,530,812

**SCHEDULE B - Employers' Allocation of Pension Amounts as of June 30, 2016**

	Employer Contributions	Employer Proportion	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.95% Discount Rate)	Net Pension Liability 1%Increase (8.95% Discount Rate)
6/30/2016	\$ 99,471	0.13584%	\$ 3,980,755	\$ 2,201,868	\$ 1,778,887	\$ 398,569	\$ (258,832)	\$ 2,225,977	\$ 1,403,661

**SCHEDULE C - Employer's Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2016**

	Employer Proportion	Net Pension Liability	Difference between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions
6/30/2016	0.13584%	\$ 1,778,887	\$ 17,267	\$ 39,047	\$ -	\$ 171,952	\$ 170,303

MONKTON TOWN SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION

Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportionate Share and Difference between Employer Contribution and Proportionate Share of Contribution	Total Deferred Inflows	Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportionate Share and Difference Between Employer Contributions and Proportionate Share of Contribution	Total
\$ (7,360)	\$ -	\$ -	\$ (251,472)	\$ (258,832)	\$ 184,607	\$ 40,767	\$ 225,374

**SCHEDULE D - Employer's Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2016**

2017	\$	102,654
2018	\$	23,775
2019	\$	(16,445)
2020	\$	29,753
Thereafter	\$	-

For the measurement period ended June 30,

	<u>2016</u>	<u>2015</u>
Proportionate share of the net pension liability	0.1358%	0.16677%
Proportionate share of the net pension liability	\$ 1,778,887	\$ 1,978,700
Covered-employee payroll	\$ 879,984	\$ 930,074
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	202.15%	212.75%
Plan fiduciary net position as a percentage of the total pension liability	123.78%	139.33%

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### Significant Actuarial Assumptions and Methods:

The total pension liability as of June 30, 2017 was determined by rolling forward the total pension liability as of June 30, 2015 to June 30, 2016 using the actuarial assumptions outlined below.

Except for the expected rate of return on assets, these assumptions were selected on the basis of the experience study that was performed for the five-year period ending June 30, 2014. The 7.95% expected rate of return on assets was adopted by the Board at a meeting on July 27, 2015.

Interest Rate: 7.95% per annum. Through June 30, 2016, a select-and-ultimate interest rate set was used.

Salary Increases: Representative values of the assumed annual rates of future salary increases were projected to the estimate.

Deaths After Retirement: the RP-2000 Disabled Life Table with projection to 2029 using Scale AA for disabled retirees. The tables used contain a margin to reflect anticipated mortality improvement after the valuation date.

Inflation: The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% to 3.25% per year.

Spouse's Age: Husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 3% per annum for Group A members and 1.5% per annum for Group C members (beginning at age 62 for Group C members who elect reduced early retirement).

Inactive Members: A liability equal to 350% of accumulated contributions of inactive members is included in the valuation liabilities.

Actuarial Cost Method: The individual entry age normal actuarial cost method was used. For actuarial valuations prior to June 30, 2006, the entry age normal method with frozen initial liability was used.

### Long-term expected rate of return:

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Real Rate of Return</u>
Equity	32.00%	8.61%
Fixed Income	35.00%	1.91%
Alternatives	17.00%	6.93%
Multi-strategy	16.00%	4.88%

**MONKTON TOWN SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	<i>Agency Fund</i>	<i>Private Purpose</i>
	<b>Student Activities</b>	<b>Marshall Funds</b>
<b>ASSETS</b>		
Cash and Investments	\$ 1,069	\$ 39,562
<b>TOTAL ASSETS</b>	<b>\$ 1,069</b>	<b>\$ 39,562</b>
<b>LIABILITIES AND NET POSITION</b>		
<i>Liabilities:</i>		
Due to Other Funds	\$ -	\$ -
Due to Student Groups/Deferred Revenue	1,069	-
<i>Net Position:</i>		
Restricted for Trust Purposes	-	\$ 39,562
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 1,069</b>	<b>\$ 39,562</b>

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Student Activities</b>	<b>Marshall Funds</b>
<i>Revenues:</i>		
Net Investment Income	\$ -	\$ 2,717
Net Position - Beginning	-	36,845
Net Position - Ending	\$ -	\$ 39,562

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