



---

Annual Financial Report  
Year Ended June 30, 2018



# Jenison Public Schools

---

Annual Financial Report  
Year Ended June 30, 2018

# Jenison Public Schools

## Contents

---

Independent Auditor's Report	5-9
Management's Discussion and Analysis	11-17
<b>Basic Financial Statements</b>	
<i>District-Wide Financial Statements</i>	
Statement of Net Position	21
Statement of Activities	23
<i>Fund Financial Statements</i>	
Governmental Funds	
Balance Sheet	27
Reconciliation of Fund Balance of Governmental Funds to Net Position on the Statement of Net Position	28
Statement of Revenues, Expenditures and Changes in Fund Balances	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual	31
Fiduciary Fund	
Statement of Fiduciary Assets and Liabilities	32
<i>Notes to Financial Statements</i>	33-54
<b>Combining, Individual Fund Financial Statements and Schedules</b>	
<i>General Fund</i>	
Balance Sheet	57
Schedule of Revenues and Other Financing Source - Budget to Actual	59
Schedule of Expenditures and Other Financing Uses - Budget to Actual	60-63
<i>Nonmajor Governmental Funds</i>	
Combining Balance Sheet	66-67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	68-69
<i>Agency Fund</i>	
Statement of Changes in Assets and Liabilities	73

# Jenison Public Schools

## Contents

---

<i>Schedules of Bonds Issued, Redeemed and Outstanding</i>	
2010 Refunding Bonds	77
2011 General Improvement Bonds, Series A	78
2011 General Improvement Bonds, Series B	79
2016 General Improvement and Refunding Bonds	80
2017 Refunding Bonds	81
<b>Required Supplementary Information</b>	
Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability	83
Schedule of the Reporting Unit's Pension Contributions	84
Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability	85
Schedule of the Reporting Unit's OPEB Contributions	86
<b>Additional Single Audit Schedule and Reports</b>	
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 <i>Government Auditing Standards</i>	87-89
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	91-93
Schedule of Expenditures of Federal Awards	96-99
Notes to Schedule of Expenditures of Federal Awards	103
Schedule of Findings and Questioned Costs	107-108
Summary Schedule of Prior Audit Findings	109

*This page intentionally left blank.*



## Independent Auditor's Report

Board of Education  
Jenison Public Schools  
Jenison, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jenison Public Schools (the District), as of and for the year ended June 30, 2018, 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.

*This page intentionally left blank.*



### *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 Jenison Public Schools as of June 30, 2018, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As described in Note 11 to the basic financial statements, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 10 through 17, and the other required supplementary information identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining individual fund financial statements and schedules, and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

*This page intentionally left blank.*

Such 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 combining, individual fund financial statements and schedules, 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.

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated October 9, 2018 on our consideration of Jenison Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

BDO USA, LLP

October 9, 2018

*This page intentionally left blank.*

# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2018

---

As management of Jenison Public Schools (the District), we offer this narrative overview and analysis of the financial activities of Jenison Public Schools for the year ended June 30, 2018. Accounting principles generally accepted in the United States of America (U.S. GAAP) require the reporting of two types of financial statements: the District-Wide Financial Statements and the Fund Financial Statements.

For the year ended June 30, 2018, the District implemented Governmental Accounting Standards Board Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This change is significant at the district-wide level.

These new financial reporting standards require participants in a multi-employer cost sharing plan to:

- Record a proportionate share of the net OPEB liability on the statement of net position.
- Record a proportionate share of OPEB expense as defined by GASB on the statement of activities.
- Report additional note disclosures and required supplementary information.

These changes will not result in any changes at the fund level.

### District-Wide Financial Statements

The District-wide financial statements are prepared using full accrual accounting and more closely represent those presented by business and industry. All of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the bonded debt and other long-term liabilities of the District.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position can serve as a barometer of financial health and whether the District's financial position is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the year. This statement focuses on both the gross and net cost of the various activities which are supported by the District's property taxes, state aid and other revenues. This presentation is intended to summarize and simplify the user's analysis of the cost of the various services.

### Fund Financial Statements

The governmental fund financial statements are reported on a modified accrual basis in that only those assets that are measurable and currently available are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's Accounting Manual. In the State of Michigan, school districts' major instruction and instructional support activities are reported in the General Fund. Additional activities are reported in the Special Revenue Fund, Debt Retirement Funds and Capital Project Funds.

# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2018

In the fund financial statements, capital assets purchased are reported as expenditures in the year of acquisition with no asset being reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. The obligations for future years' debt obligations are not recorded in the fund financial statements.

### Summary of Net Position

The following schedule summarizes the net position at June 30, 2018 and 2017:

	2018	2017*
<b>Assets</b>		
Current assets	\$ 26,970,167	\$ 39,111,230
Capital assets, net of accumulated depreciation	61,008,502	48,370,373
<b>Total Assets</b>	<b>87,978,669</b>	<b>87,481,603</b>
<b>Deferred Outflows of Resources</b>		
Deferred interest on refunding	1,878,715	730,057
Related to pensions	18,986,790	12,025,942
Related to OPEB	1,866,344	-
<b>Total Deferred Outflows of Resources</b>	<b>22,731,849</b>	<b>12,755,999</b>
<b>Liabilities</b>		
Current liabilities	15,461,468	14,359,998
Noncurrent liabilities	175,538,068	147,195,240
<b>Total Liabilities</b>	<b>190,999,536</b>	<b>161,555,238</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	7,740,839	2,847,280
Related to OPEB	947,805	-
<b>Total Deferred Inflows of Resources</b>	<b>8,688,644</b>	<b>2,847,280</b>
<b>Net Position</b>		
Net investment in capital assets	(367,735)	(2,976,708)
Restricted for debt retirement	612,348	328,200
Restricted for food service	925,906	729,431
Unrestricted	(90,148,181)	(62,245,839)
<b>Total Net Position</b>	<b>\$ (88,977,662)</b>	<b>\$ (64,164,916)</b>

\*The 2017 figures have not been updated for the adoption of GASB 75.

# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2018

---

### Capital Assets and Long-Term Debt

#### *Capital Assets*

By the end of the 2017-18 fiscal year, the District had invested approximately \$61.0 million, net of accumulated depreciation, in a broad range of capital assets including school buildings and facilities, site improvements, school buses and other vehicles, and various types of equipment. Depreciation expense for the year amounted to approximately \$1.8 million, bringing accumulated depreciation to \$59.2 million as of June 30, 2018.

#### Capital Assets at June 30 (Net of Accumulated Depreciation)

	2018	2017
Land	\$ 553,166	\$ 553,166
Construction in process	16,330,555	3,160,554
Buildings and improvements	40,459,507	41,176,450
Machinery, equipment and furniture	2,557,839	2,335,389
Transportation equipment	1,105,635	1,142,114
Software	1,800	2,700
	<hr/>	<hr/>
	\$ 61,008,502	\$ 48,370,373

#### *Long-Term Obligations*

At June 30, 2018, the District had approximately \$70.6 million in long-term obligations outstanding. This represents a decrease of approximately \$3.2 million over the amount outstanding at the close of the prior fiscal year. The decrease resulted from scheduled bond payments during the year.

For more detailed information regarding capital assets and long-term obligations, please review the Notes to Financial Statements located in the financial section of this report.

*The remainder of this page intentionally left blank.*

# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2018

### Results of Operations

For the fiscal years ended June 30, 2018 and 2017, the results of operations on a District-wide basis were:

	2018	2017	Percent Change
<b>Revenues</b>			
General revenues:			
Property taxes levied for general purposes	\$ 2,873,541	\$ 2,842,101	1.1 %
Property taxes levied for debt service	7,169,281	6,928,920	3.5
Unrestricted state aid	35,962,694	33,999,928	5.8
Investment earnings	669,662	444,346	50.7
Other	301	10,645	(97.2)
<b>Total general revenues</b>	<b>46,675,479</b>	<b>44,225,940</b>	<b>5.5</b>
Program revenues:			
Charges for services	3,718,937	3,821,706	(2.7)
Operating grants and contributions	17,012,771	15,622,415	8.9
<b>Total program revenues</b>	<b>20,731,708</b>	<b>19,444,121</b>	<b>6.6</b>
<b>Total Revenues</b>	<b>67,407,187</b>	<b>63,670,061</b>	<b>5.9</b>
<b>Expenses</b>			
Instruction	36,500,613	33,705,458	8.3
Support services	16,443,908	15,688,014	4.8
Community services	1,648,465	1,814,740	(9.2)
Food service	3,146,085	3,166,017	(0.6)
Interest on long-term debt	3,331,414	3,536,313	(5.8)
Unallocated depreciation	1,767,809	2,226,696	(20.6)
Bond issuance costs	140,334	-	
<b>Total Expenses</b>	<b>62,978,628</b>	<b>60,137,238</b>	<b>4.7</b>
<b>Change in Net Position</b>	<b>4,428,559</b>	<b>3,532,823</b>	
Net Position, beginning of year, as previously reported	(64,164,916)	(67,697,739)	
Prior Period Restatement	(29,241,305)	-	
<b>Net Position, end of year</b>	<b>\$ (88,977,662)</b>	<b>\$ (64,164,916)</b>	



# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2018

---

### Analysis of Significant Revenues and Expenditures

Significant revenues and expenditures are discussed in the segments below.

#### *State Sources*

The District is funded predominately by state aid. The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 90% of the current year's fall count and 10% of the prior year's spring count. Blended state aid membership was 5,169 and 4,995 in 2017-18 and 2016-17, respectively. The state per-pupil allocation for 2017-18 and 2016-17 was \$7,631 and \$7,511, respectively.

#### *Student Enrollment*

The following schedule compares FTE for the blended student enrollment for the past five fiscal years:

<i>Fiscal year</i>	Actual Blended Student FTE	Increase (Decrease)
2017-18	5,169	174
2016-17	4,995	93
2015-16	4,902	59
2014-15	4,843	61
2013-14	4,782	(11)

#### *Property Taxes*

The District levies 18 mills of property taxes for operations on non-homestead properties, less the mandatory reductions required by the Headlee Amendment. According to Michigan law, the taxable levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of the prior year's Consumer Price Index increase or 5%, whichever is less. At the time property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is 50% of the property's market value.

For the 2017-18 fiscal year, the District's non-homestead property tax collections were approximately \$2.9 million. This is a 1.1% increase from the prior year.

The District levies 8.5 mills of property taxes on all classes of property located within the District for bonded debt retirement. This levy is not subject to rollback provisions and is used to pay the principal and interest on bond obligations. The total amount collected for debt retirement in the current year was approximately \$7.2 million. This is a 3.5% increase from the prior year.

#### *General Fund Budgetary Highlights*

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

# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2018

For the 2017-18 fiscal year, the District amended the General Fund budget two times, with the Board of Education adopting the changes in February and June 2018. The following schedule shows a comparison of the original General Fund budget, the final amended General Fund budget, and actual totals from operations:

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Total Revenues and Other</b>				
<b>Financing Source</b>	\$ 54,214,774	\$ 56,770,187	\$ 56,434,677	\$ (335,510)
<b>Expenditures</b>				
Instruction	\$ 35,234,911	\$ 37,066,394	\$ 36,849,667	\$ 216,727
Support services	16,438,065	17,462,044	17,134,401	327,643
Community services	1,777,177	1,636,126	1,670,330	(34,204)
<b>Total Expenditures</b>	<b>\$ 53,450,153</b>	<b>\$ 56,164,564</b>	<b>\$ 55,654,398</b>	<b>\$ 510,166</b>

The variances between the actual General Fund expenditures and the original and final expenditure budgets are due primarily to the significant changes between original and final budget. Each year the original budget is based on preliminary, unconfirmed information provided by the state as well as estimated pupil counts not confirmed until count day each fall.

Overall, the General Fund increased its fund balance by \$780,279.

### Factors Bearing on the District's Future

The District considered many factors when setting the 2018-19 fiscal year budget including anticipated increases of state and federal funding, enrollment, and retirement and health care costs. The District has planned for these changes as evidenced by the cost-saving measures implemented over the past several years and the stability in fund balance.

Approximately 80% of total General Fund revenues are from the foundation allowance including property taxes. The state foundation allowance is determined by multiplying the blended student count by the foundation allowance per pupil. The student count estimate is one of the most important factors impacting the budget. Enrollment has increased over the past five years due to enhanced programming and schools of choice. In setting the 2018-19 budget, a slight increase in enrollment is assumed as well as a \$200 increase in the foundation allowance and related performance funding based on state budget documents.

Since the District's revenue is heavily dependent on state funding and the health of the state's school aid fund, the actual revenue received depends on the state's ability to collect the revenues to fund its appropriation to school districts. The uncertainty of student foundation funding levels and funding for K-12 education programs reflects the economic difficulties faced by the state, as well as the budget priorities of the state's legislators.

**Jenison Public Schools**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2018**

---

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Director of Finance & Operations, Christine Marcy, Jenison Public Schools, 8375 20<sup>th</sup> Avenue, Jenison, Michigan 49428.

*This page intentionally left blank.*

## District-Wide Financial Statements

---

*This page intentionally left blank.*

**Jenison Public Schools**  
**District-Wide Financial Statements**  
**Statement of Net Position**

<i>June 30, 2018</i>	Governmental Activities
<b>Assets</b>	
<b>Current Assets</b>	
Cash and investments (Note 2)	\$ 18,266,490
Accrued interest	4,000
Accounts receivable	6,134
Due from other governmental units (Note 4)	8,527,437
Inventories	81,564
Prepaid expenses	84,542
<b>Total current assets</b>	<b>26,970,167</b>
<b>Noncurrent Assets</b>	
Land and construction in process (Note 5)	16,883,721
Depreciable capital assets, net (Note 5)	44,124,781
<b>Total noncurrent assets</b>	<b>61,008,502</b>
<b>Total Assets</b>	<b>87,978,669</b>
<b>Deferred Outflows of Resources</b>	
Deferred interest on refunding	1,878,715
Related to pensions (Note 7)	18,986,790
Related to OPEB (Note 7)	1,866,344
<b>Total Deferred Outflows of Resources</b>	<b>22,731,849</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	1,821,869
Accrued payroll	7,168,881
Accrued interest	503,919
Due to other governmental units (Note 4)	590,197
Unearned revenue	283,526
Current portion of long-term obligations (Notes 6 and 9)	5,093,076
<b>Total current liabilities</b>	<b>15,461,468</b>
<b>Noncurrent Liabilities</b>	
Long-term obligations (Note 6)	65,472,355
Net pension liability (Note 7)	82,030,183
Net OPEB liability (Note 7)	28,035,530
<b>Total noncurrent liabilities</b>	<b>175,538,068</b>
<b>Total Liabilities</b>	<b>190,999,536</b>
<b>Deferred Inflows of Resources</b>	
Related to pensions (Note 7)	7,740,839
Related to OPEB (Note 7)	947,805
<b>Total Deferred Inflows of Resources</b>	<b>8,688,644</b>
<b>Net Position</b>	
Net investment in capital assets	(367,735)
Restricted for debt retirement	612,348
Restricted for food service	925,906
Unrestricted	(90,148,181)
<b>Total Net Position</b>	<b>\$ (88,977,662)</b>

*See accompanying notes to financial statements.*

*This page intentionally left blank.*



**Jenison Public Schools**  
**District-Wide Financial Statements**  
**Statement of Activities**

<i>Year ended June 30, 2018</i>	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total
<b>Governmental Activities</b>				
Instruction:				
Basic programs	\$ 28,749,390	\$ -	\$ 2,321,830	\$ (26,427,560)
Special education	6,233,006	258,928	9,249,775	3,275,697
Other instruction	1,518,217	-	1,468,692	(49,525)
Support services:				
Student services	2,702,013	-	314,805	(2,387,208)
Instructional staff	1,861,670	-	435,646	(1,426,024)
General administration	565,965	-	35,740	(530,225)
School administration	2,750,127	-	298,815	(2,451,312)
Business office	763,828	-	76,902	(686,926)
Operations and maintenance	3,587,807	-	76,752	(3,511,055)
Student transportation	1,692,727	-	131,571	(1,561,156)
Athletics	1,262,780	187,541	-	(1,075,239)
Other support services	1,256,991	-	159,525	(1,097,466)
Community services	1,648,465	1,517,248	124,900	(6,317)
Food service	3,146,085	1,755,220	1,643,808	252,943
Interest on long-term debt	3,331,414	-	674,010	(2,657,404)
Unallocated depreciation	1,767,809	-	-	(1,767,809)
Bond issuance costs	140,334	-	-	(140,334)
<b>Total School District</b>	<b>\$ 62,978,628</b>	<b>\$ 3,718,937</b>	<b>\$ 17,012,771</b>	<b>\$ (42,246,920)</b>
General revenues:				
Property taxes levied for general purposes				2,873,541
Property taxes levied for debt service				7,169,281
Unrestricted state aid				35,962,694
Investment earnings				669,662
Other				301
<b>Total general revenues</b>				<b>46,675,479</b>
Change in net position				4,428,559
Net Position, beginning of year				(64,164,916)
<b>GASB No. 75 Adjustment (Note 11)</b>				<b>(29,241,305)</b>
<b>Restated Net Position, beginning of year</b>				<b>(93,406,221)</b>
<b>Net Position, end of year</b>				<b>\$ (88,977,662)</b>

*See accompanying notes to financial statements.*

*This page intentionally left blank.*

## Fund Financial Statements

---

*This page intentionally left blank.*

# Jenison Public Schools

## Governmental Funds Balance Sheet

<i>June 30, 2018</i>	General	2016 Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments (Note 2)	\$ 8,386,139	\$ 7,144,057	\$ 2,736,294	\$ 18,266,490
Accounts receivable	6,134	-	-	6,134
Interest receivable	-	4,000	-	4,000
Due from other funds (Note 3)	54,740	231,281	-	286,021
Due from other governmental units (Note 4)	8,502,190	-	25,247	8,527,437
Inventories	29,773	-	51,791	81,564
Prepaid expenditures	84,542	-	-	84,542
<b>Total Assets</b>	<b>\$ 17,063,518</b>	<b>\$ 7,379,338</b>	<b>\$ 2,813,332</b>	<b>\$ 27,256,188</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 657,626	\$ 1,163,889	\$ 354	\$ 1,821,869
Accrued payroll	7,160,123	-	8,758	7,168,881
Due to other funds (Note 3)	231,281	-	54,740	286,021
Due to other governmental units (Note 4)	590,197	-	-	590,197
Unearned revenue	185,450	-	98,076	283,526
<b>Total liabilities</b>	<b>8,824,677</b>	<b>1,163,889</b>	<b>161,928</b>	<b>10,150,494</b>
<b>Fund Balances</b>				
Nonspendable:				
Inventories	29,773	-	51,791	81,564
Prepaid expenditures	84,542	-	-	84,542
Restricted:				
Capital projects	-	6,215,449	-	6,215,449
Debt retirement	-	-	1,116,267	1,116,267
Food service	-	-	874,115	874,115
Assigned:				
Subsequent year expenditures	844,806	-	-	844,806
Jenison International Academy programming	471,559	-	-	471,559
Capital projects	-	-	609,231	609,231
Unassigned in General Fund	6,808,161	-	-	6,808,161
<b>Total fund balances</b>	<b>8,238,841</b>	<b>6,215,449</b>	<b>2,651,404</b>	<b>17,105,694</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,063,518</b>	<b>\$ 7,379,338</b>	<b>\$ 2,813,332</b>	<b>\$ 27,256,188</b>

*See accompanying notes to financial statements.*

# Jenison Public Schools

## Reconciliation of Fund Balance of Governmental Funds to Net Position on the Statement of Net Position

*June 30, 2018*

Total fund balances - total governmental funds (from page 27)		\$ 17,105,694
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. These assets consist of:		
Capital assets, at cost	\$ 120,203,661	
Accumulated depreciation	<u>(59,195,159)</u>	
Net capital assets		61,008,502
Deferred outflows are not available resources and, therefore, not reported in the funds.		
Deferred interest from refunding	1,878,715	
Deferred outflows of resources - related to pensions	18,986,790	
Deferred outflows of resources - related to OPEB	1,866,344	
Deferred inflows of resources - related to pensions	(7,740,839)	
Deferred inflows of resources - related to OPEB	<u>(947,805)</u>	
		14,043,205
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Balances are as follows:		
Bonds payable	(62,095,000)	
Early retirement incentive payable	(1,183,240)	
Compensated absences	(266,129)	
Capital lease payable	(19,243)	
Bond premium, net	(7,001,819)	
Accrued interest on bonds and notes	(503,919)	
Net pension liability	(82,030,183)	
Net OPEB liability	<u>(28,035,530)</u>	
Total long-term liabilities		<u>(181,135,063)</u>
<b>Net Position of Governmental Activities</b>		<b>\$ <u>(88,977,662)</u></b>

*See accompanying notes to financial statements.*

# Jenison Public Schools

## Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year ended June 30, 2018</i>	General	2016 Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Local sources:				
Property taxes	\$ 2,873,541	\$ -	\$ 7,169,281	\$ 10,042,822
Interdistrict	5,904,152	-	-	5,904,152
Other local	2,053,809	207,544	1,804,193	4,065,546
State sources	44,387,832	-	227,286	44,615,118
Federal sources	1,146,843	-	2,090,532	3,237,375
<b>Total revenues</b>	<b>56,366,177</b>	<b>207,544</b>	<b>11,291,292</b>	<b>67,865,013</b>
<b>Expenditures</b>				
Instruction	36,849,667	-	-	36,849,667
Support services	17,134,401	-	-	17,134,401
Community services	1,670,330	-	-	1,670,330
Food service	-	-	3,135,771	3,135,771
Debt retirement:				
Redemption of principal	-	-	4,435,000	4,435,000
Bond issuance costs	-	-	140,334	140,334
Interest and fiscal charges	-	-	3,212,505	3,212,505
Capital projects	-	14,490,176	7,450	14,497,626
<b>Total expenditures</b>	<b>55,654,398</b>	<b>14,490,176</b>	<b>10,931,060</b>	<b>81,075,634</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>711,779</b>	<b>(14,282,632)</b>	<b>360,232</b>	<b>(13,210,621)</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds (Note 6)	-	-	11,970,000	11,970,000
Premium on bonds issued	-	-	2,015,992	2,015,992
Payment to escrow agent (Note 6)	-	-	(13,844,746)	(13,844,746)
Transfers in (Note 3)	68,500	-	-	68,500
Transfers out (Note 3)	-	-	(68,500)	(68,500)
<b>Total other financing sources</b>	<b>68,500</b>	<b>-</b>	<b>72,746</b>	<b>141,246</b>
<b>Net change in fund balances</b>	<b>780,279</b>	<b>(14,282,632)</b>	<b>432,978</b>	<b>(13,069,375)</b>
<b>Fund Balances, beginning of year</b>	<b>7,458,562</b>	<b>20,498,081</b>	<b>2,218,426</b>	<b>30,175,069</b>
<b>Fund Balances, end of year</b>	<b>\$ 8,238,841</b>	<b>\$ 6,215,449</b>	<b>\$ 2,651,404</b>	<b>\$ 17,105,694</b>

*See accompanying notes to financial statements.*

# Jenison Public Schools

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

*Year ended June 30, 2018*

Net change in fund balances - total governmental funds (from page 29) \$ (13,069,375)

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.

Loss on disposal of capital assets	(16,861)	
Capital asset additions	\$14,422,799	
Depreciation expense	<u>(1,767,809)</u>	
Net effect of capital outlays		12,638,129

Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds issued	(11,970,000)	
Bond premium	(2,015,992)	
Payment to escrow agent	13,844,746	
Principal payments	<u>4,435,000</u>	
		4,293,754

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 governmental funds.

Amortization	167,266	
Accrued interest	40,195	
Early retirement incentive payable	(220,634)	
Compensated absences	(19,237)	
Capital lease principal	112,984	
Pension related items	(857,657)	
OPEB related items	<u>2,124,314</u>	
Net effect of long-term liabilities		<u>1,347,231</u>

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period:

State aid funding for pension		(781,180)
-------------------------------	--	-----------

Change in Net Position of Governmental Activities		<u>\$ 4,428,559</u>
---	--	---------------------

*See accompanying notes to financial statements.*



# Jenison Public Schools

## General Fund Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual

<i>Year ended June 30, 2018</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Local sources:				
Property taxes	\$ 2,979,325	\$ 2,867,000	\$ 2,873,541	\$ 6,541
Interdistrict	5,783,291	5,954,195	5,904,152	(50,043)
Other local	2,140,041	1,954,470	2,053,809	99,339
State sources	42,106,041	44,759,639	44,387,832	(371,807)
Federal sources	1,137,576	1,166,383	1,146,843	(19,540)
<b>Total revenues</b>	<b>54,146,274</b>	<b>56,701,687</b>	<b>56,366,177</b>	<b>(335,510)</b>
<b>Expenditures</b>				
Instruction:				
Regular	27,591,152	28,744,814	28,698,655	46,159
Special education	6,851,137	6,612,006	6,504,333	107,673
Compensatory education	203,243	1,173,464	1,144,739	28,725
Vocational education	589,379	536,110	501,940	34,170
<b>Total instruction</b>	<b>35,234,911</b>	<b>37,066,394</b>	<b>36,849,667</b>	<b>216,727</b>
Support services:				
Student services	2,801,980	2,682,704	2,633,444	49,260
Instructional staff	1,676,306	1,964,538	1,915,778	48,760
General administration	655,984	607,492	585,908	21,584
School administration	2,885,428	2,988,093	2,884,946	103,147
Business office	625,868	832,699	817,295	15,404
Operations and maintenance	3,345,286	3,791,188	3,752,538	38,650
Student transportation	1,753,328	1,964,597	1,947,961	16,636
Athletics	1,264,171	1,303,187	1,262,780	40,407
Other support services	1,429,714	1,327,546	1,333,751	(6,205)
<b>Total support services</b>	<b>16,438,065</b>	<b>17,462,044</b>	<b>17,134,401</b>	<b>327,643</b>
Community services	1,777,177	1,636,126	1,670,330	(34,204)
<b>Total expenditures</b>	<b>53,450,153</b>	<b>56,164,564</b>	<b>55,654,398</b>	<b>510,166</b>
<b>Excess of revenues over expenditures</b>	<b>696,121</b>	<b>537,123</b>	<b>711,779</b>	<b>174,656</b>
<b>Other Financing Source</b>				
Transfers in	68,500	68,500	68,500	-
<b>Change in fund balance</b>	<b>764,621</b>	<b>605,623</b>	<b>780,279</b>	<b>174,656</b>
<b>Fund Balance, beginning of year</b>	<b>7,458,562</b>	<b>7,458,562</b>	<b>7,458,562</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 8,223,183</b>	<b>\$ 8,064,185</b>	<b>\$ 8,238,841</b>	<b>\$ 174,656</b>

*See accompanying notes to financial statements.*

**Jenison Public Schools**  
**Fiduciary Fund**  
**Statement of Fiduciary Assets and Liabilities**

---

<i>June 30, 2018</i>	Agency Balance
<hr/>	
<b>Assets</b>	
Cash and investments (Note 2)	\$ 546,331
<hr/>	
<b>Liabilities</b>	
Due to student groups	\$ 546,331
<hr/>	

*See accompanying notes to financial statements.*

# Jenison Public Schools

## Notes to Financial Statements

---

### 1. Summary of Significant Accounting Policies

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

#### *Reporting Entity*

The District is an independent entity with an elected Board of Education. The Board of Education consists of seven members elected to six-year terms. The Board of Education has responsibility and control over all matters affecting the District, including the authority to levy taxes and determine its budget, the power to designate management and primary accountability for fiscal matters. The basic financial statements of the District contain all funds and account groups for which the District is financially accountable.

#### *Basis of Presentation*

*District-wide financial statements:* The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The District-wide financial statements categorize activities as either governmental or business-type. All of the District's activities are classified as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to recipients who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Property taxes, state aid foundation and certain other items are reported as general revenues.

*Fund financial statements:* The fund financial statements provide information about the District's funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the District-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

#### *Governmental Funds*

Governmental funds are used to account for the District's general activity. The focus is on determination of the financial position and changes in financial position. The following is a description of the governmental funds of the District:

*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. It is considered a major fund. The main funding sources are property taxes and state and federal grants.

# Jenison Public Schools

## Notes to Financial Statements

---

*Special Revenue Funds* are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District operates one special revenue fund: Food Service. Revenues are derived from food sales and state and federal grants.

*Debt Retirement Funds* are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. Revenues are derived from property taxes and investment income.

*Capital Projects Funds* are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital projects. The District's 2017 Capital Projects Fund was funded with bond proceeds and is considered a major fund.

### *Fiduciary Fund*

The *Student Activities Agency Fund* is used to account for assets held by the District in a trustee capacity for individuals or school-related organizations. The Agency Fund is custodial in nature and does not involve measurement of results of operations.

### *Measurement Focus and Basis of Accounting*

Measurement focus refers to what is being measured, and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

*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 if they are collected within the current period or soon enough after to pay liabilities for the current period. The District considers most revenues available if collected within 60 days after year-end, including property taxes, state aid and interest; a 90-day window is used for entitlement funds and grants.

When both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first.

Expenditures 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.

# Jenison Public Schools

## Notes to Financial Statements

---

### *State Foundation Revenue*

The State of Michigan provides funds through a foundation grant approach, which provides for a specific annual amount of revenue per student based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are governed primarily by the School Aid Act and the School Code of Michigan. For the year ended June 30, 2018, the foundation allowance was based on the blended average of pupil membership counts taken in October 2017 and February 2017.

The state portion of the foundation is provided primarily by a state education property tax millage of six mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes, which may be levied at a rate of up to 18 mills.

### *State Categorical Revenue*

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be expended for its specific purpose. Categorical funds received which are not expended by the close of the fiscal year are recorded as unearned revenue.

### *Federal Revenue*

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

### *Budgets and Budgetary Accounting*

The budgetary data reflected in the financial statements is established by the District using the procedures outlined below:

Prior to May, the various principals, directors and supervisors review operating budgets by program or building for the fiscal year commencing the following July 1, and submit them to the Director of Finance and Operations.

This information is used to develop a budget and resolution for the General Fund, Special Revenue Fund and Debt Retirement Funds. This includes proposed expenditures and the means of financing them, and is compiled on the same basis of accounting used to reflect actual revenues and expenditures recognized on a generally accepted accounting principles basis.

In June, the budget resolution is subjected to a public hearing before the full Board of Education and is adopted after this hearing and before July 1, the first day of the budgeted fiscal year.

Various administrators are authorized to transfer budgeted amounts within their departmental budget; however, any revisions that alter the total expenditures of a fund, the legal level of budgetary control, must be approved by the Board of Education. The final budget reflects all revisions approved by the Board of Education during the year.

The budget is integrated with the accounting system of the District and is used as a management control device during the year.

**Jenison Public Schools**  
**Notes to Financial Statements**

---

***Investments***

Investments are reported at fair value based on quoted market prices.

***Inventories***

Inventories are stated at cost except USDA donated commodities, which are recorded at fair market value. Inventories consist primarily of food, cafeteria supplies, and teaching and maintenance supplies and are reported as assets until consumed, at which time an expenditure is recorded.

***Capital Assets***

Capital assets, which include property, buildings and equipment, are reported in the District-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at their market value as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' useful lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

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

	Years
Buildings and improvements	50
Furniture, fixtures and equipment	5 - 25
Transportation equipment	8
Software	10

***Defined Benefit Plan***

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

***Deferred Outflows/Inflows of Resources***

***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

# Jenison Public Schools

## Notes to Financial Statements

---

three items that qualify for reporting in this category. They are the deferred interest on refunding and pension and OPEB related items reported in the government-wide statement of net position. A deferred interest 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. Deferred outflows are also recognized for pension and OPEB related items. These amounts are expensed in the plan years in which it applies.

### *Deferred Inflows*

These items are future resources yet to be recognized in relation to the pension and OPEB actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and OPEB liability and the actual results. The amounts are amortized over a period determined by the actuary.

### *Compensated Absences*

District employees are granted vacation and sick leave in varying amounts based on length of service. Sick leave is accumulated at different rates for various categories of employees. Unused sick leave accumulates from year to year to a maximum, which varies for different categories of employees. Unused sick leave is not paid to employees upon termination. Vacation days are paid to employees for unused days up to twice their yearly allowance at the time of severance from employment. In the fund financial statements, only the matured liability for compensated absences is reported. The total liability for vacation pay is reported in the District-wide financial statements.

### *Long-Term Obligations*

In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds issued are deferred and amortized over the life of the related bonds. Bond issue costs are expensed.

In the fund financial statements, the face amount of debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized during the current period. Premiums and discounts are reported as other financing sources (uses); issuance costs are reported as expenditures.

### *Net Position*

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows on the District-wide financial statements. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

### *Fund Balance*

Fund balance represents the difference between assets and liabilities in the governmental fund financial statements. The District's fund balance is classified in the following categories:

# Jenison Public Schools

## Notes to Financial Statements

---

*Nonspendable fund balance* - represents amounts that cannot be spent due to legal requirements or because it is not in spendable form. The District reports nonspendable fund balance for inventories and prepaid expenditures.

*Restricted fund balance* - amounts restricted for specific purposes imposed by grantors, bondholders, constitutional provisions or enabling legislation. The District reports restricted fund balance in the Debt Funds, 2016 Capital Projects Fund and the Food Service Fund.

*Assigned fund balance* - intended to be used for specific purposes but doesn't meet the criteria for restricted or committed fund balance. The District reports assigned fund balance in the General Capital Projects Fund and also in the General Fund to report specific projects. The Board of Education has delegated the authority to the Director of Finance and Operations to assign amounts to be used for specific purposes.

*Unassigned fund balance* - the residual fund balance of the General Fund.

The District typically uses restricted fund balance first, then assigned and unassigned fund balance.

### *Property Taxes*

Properties are assessed as of December 31, and are levied and become a lien on July 1. These taxes are due on September 14 with the final collection date of February 28 before they are added to the county delinquent tax rolls.

### *Interfund Activity*

During the course of its operations, the District has certain transactions between funds. Outstanding balances between funds at year-end are reported as due from/to other funds. Balances typically are liquidated in the subsequent year.

### *Use of Estimates*

The preparation of financial statements requires estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### *Subsequent Events*

Management has evaluated subsequent events through October 9, 2018, the date the financial statements were available to be issued. Based on that evaluation, there were no matters identified that had a significant impact on the financial statements as presented.

## 2. Cash and Investments

### *Deposits*

State statutes require that certificates of deposit, savings accounts, deposit accounts and depository receipts are made with banks doing and having a place of business in the State of Michigan that are also members of a federal or national insurance corporation.



# Jenison Public Schools

## Notes to Financial Statements

---

### *Custodial Credit Risk Related to Deposits*

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District minimizes custodial credit risk by pre-qualifying financial institutions. At June 30, 2018, approximately \$2,910,000 of the District's bank balances of \$3,160,000 was uninsured and uncollateralized.

### *Investments*

At June 30, 2018, the District had the following investments:

<i>Investment Type</i>	Fair Value	Maturity Less Than 1 Year	Standard & Poor's Ratings
Michigan Liquid Asset Fund (MILAF)	\$ 14,004,016	\$ 14,004,016	AAAm
MILAF Term Portfolio	303,041	-	AAAkf
U.S. Government Agencies	1,597,885	1,597,885	AA+

### *Interest Rate Risk*

The District does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the investment policy states the District may assess and control such risks using the following methods: segmented time distribution, specific identification, weighted average maturity, duration and simulation model.

### *Custodial Credit Risk Related to Investments*

Custodial credit risk 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 that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments and pre-qualifying financial institutions. The District had no investments that were subject to custodial credit risk at June 30, 2018.

### *Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

State statutes authorize the District to invest in obligations and certain repurchase agreements of the U.S. Treasury and related governmental agencies, commercial paper rated prime at the time of purchase and maturing not more than 270 days from the date of purchase, bankers' acceptance and certificates of deposit issued or created by a state or national bank insured with the applicable federal agency, and investment pools authorized by the Surplus Funds Investment Pool Act. The District follows state statutes and has no investment policy that would further limit its investment choices.

**Jenison Public Schools**  
**Notes to Financial Statements**

---

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Although the District places no limit on the amount that may be invested in any one issuer, the District minimizes concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimal. Besides the investment in MILAF, the District had no investments that exceeded 5%.

*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 as follows:

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

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

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

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

The following tables set forth by level within the fair value hierarchy shows the investment assets and investment liabilities at fair value, as of June 30, 2018. There have been no significant transfers into or out of Levels 1, 2 or 3.

	Fair Value Measurements			
<i>June 30, 2018</i>	Level 1	Level 2	Level 3	Total
U.S. Government Agency Bonds	\$ 1,597,885	\$ -	\$ -	\$ 1,597,885

Investments of \$14,307,057 in pooled accounts are not subject to fair value measurement.

**Jenison Public Schools**  
**Notes to Financial Statements**

---

**3. Interfund Activity**

Interfund receivable and payable balances at June 30, 2018 are as follows:

<i>Fund</i>	Interfund Receivable	Interfund Payable
General Fund	\$ 54,740	\$ 231,281
2016 Capital Projects	231,281	-
Nonmajor Governmental Funds	-	54,740
	<b>\$ 286,021</b>	<b>\$ 286,021</b>

The Food Service Fund transferred \$68,500 to the General Fund for indirect costs.

**4. Due From/To Other Governmental Units**

Due from other governmental units at June 30, 2018 consists of the following:

<i>Fund</i>	Local	State	Federal	Total
General Fund	\$ 39,364	\$ 8,032,044	\$ 430,782	\$ 8,502,190
Nonmajor Governmental Funds	-	23,043	2,204	25,247
	<b>\$ 39,364</b>	<b>\$ 8,055,087</b>	<b>\$ 432,986</b>	<b>\$ 8,527,437</b>

Due to other governmental units at June 30, 2018 consists of the following:

<i>Fund</i>	State	Total
General Fund	\$ 590,197	\$ 590,197

All balances are expected to be collected or paid within one year.

*The remainder of this page intentionally left blank.*

# Jenison Public Schools

## Notes to Financial Statements

### 5. Capital Assets

The following summarizes capital asset activity for the year ended June 30, 2018:

	Balance, July 1, 2017	Additions	Deletions	Balance, June 30, 2018
<b>Governmental Activities</b>				
Capital assets not depreciated:				
Land	\$ 553,166	\$ -	\$ -	\$ 553,166
Construction in process	3,160,554	13,186,862	16,861	16,330,555
Capital assets being depreciated:				
Buildings and improvements	91,290,872	390,055	-	91,680,927
Furniture and fixtures	1,935,887	-	11,300	1,924,587
Machinery and equipment	1,738,037	290,280	-	2,028,317
Outside equipment	3,718,852	357,488	-	4,076,340
Transportation equipment	3,411,475	198,114	18,657	3,590,932
Software	18,837	-	-	18,837
<b>Total at historical cost</b>	<b>105,827,680</b>	<b>14,422,799</b>	<b>46,818</b>	<b>120,203,661</b>
Less accumulated depreciation for:				
Buildings and improvements	50,114,422	1,106,998	-	51,221,420
Furniture and fixtures	1,633,435	22,438	11,300	1,644,573
Machinery and equipment	1,271,206	174,482	-	1,445,688
Outside equipment	2,152,746	228,398	-	2,381,144
Transportation equipment	2,269,361	234,593	18,657	2,485,297
Software	16,137	900	-	17,037
<b>Total accumulated depreciation</b>	<b>57,457,307</b>	<b>1,767,809</b>	<b>29,957</b>	<b>59,195,159</b>
<b>Net Capital Assets</b>	<b>\$ 48,370,373</b>	<b>\$ 12,654,990</b>	<b>\$ 16,861</b>	<b>\$ 61,008,502</b>

Depreciation for the year ended June 30, 2018 was \$1,767,809. The District determined that it was impractical to allocate depreciation to various governmental activities, as the assets serve multiple functions.

### 6. Long-Term Obligations

The following is a summary of changes in long-term obligations for the District for the year ended June 30, 2018:

	Balance, July 1, 2017	Additions	Deductions	Balance, June 30, 2018	Due Within One Year
Bonds payable	\$ 67,100,000	\$ 11,970,000	\$ 16,975,000	\$ 62,095,000	\$ 4,660,000
Premium on bonds	5,309,181	2,015,992	323,354	7,001,819	-
Retirement incentive	962,606	552,373	331,739	1,183,240	413,833
Compensated absences	246,892	19,237	-	266,129	-
Capital lease payable	132,227	-	112,984	19,243	19,243
	<b>\$ 73,750,906</b>	<b>\$ 14,557,602</b>	<b>\$ 17,743,077</b>	<b>\$ 70,565,431</b>	<b>\$ 5,093,076</b>

# Jenison Public Schools

## Notes to Financial Statements

Early retirement incentives and compensated absences are normally liquidated by the General Fund and Food Service Fund. The lease payable is paid out of the General Fund.

Bonds payable at June 30, 2018 are comprised of the following individual issues:

2017 serial bonds due in annual installments of \$855,000 to \$1,265,000 through May 2031; interest at 4.00% to 5.00%.	\$ 11,970,000
2016 serial bonds due in annual installments of \$405,000 to \$2,350,000 through May 2041; interest at 4.00% to 5.00%.	26,490,000
2011 Series B serial bonds due in annual installments of \$1,085,000 to \$1,250,000 through May 2021; interest at 3.68% to 5.00%.	3,545,000
2011 Series A serial bonds due in annual installments of \$1,490,000 through May 2026; interest at 5.45% to 6.25%.	11,920,000
2010 serial bonds due in annual installments of \$1,590,000 to \$1,680,000 through May 2023; interest at 3.43% to 4.00%.	8,170,000
	\$ 62,095,000

The 2011 School Building and Site Bonds, Series A are designated as "Qualified School Construction Bonds" (QSCBs) under Section 54F of the Internal Revenue Code of 1986. Under IRS Section 54A, the District has elected to receive a direct credit (interest rate subsidy) from the U.S. Department of Treasury for a portion of the payment of interest on the bonds.

### *Debt Service Requirements*

The annual requirements to service the bonds to maturity, including both principal and interest, are as follows:

<i>Year ending June 30,</i>	Principal	Interest	Total
2019	\$ 4,660,000	\$ 3,023,518	\$ 7,683,518
2020	4,885,000	2,828,588	7,713,588
2021	5,135,000	2,610,092	7,745,092
2022	4,895,000	2,367,006	7,262,006
2023	5,150,000	2,139,260	7,289,260
2024 - 2028	21,050,000	6,948,562	27,998,562
2029 - 2033	8,600,000	3,032,250	11,632,250
2034 - 2038	4,825,000	1,447,500	6,272,500
2039 - 2041	2,895,000	289,500	3,184,500
	\$ 62,095,000	\$ 24,686,276	\$ 86,781,276

# Jenison Public Schools

## Notes to Financial Statements

---

### *Early Retirement Incentive*

The District offers some employees an early retirement incentive program as part of their contractual agreement. 42 employees participate in the early retirement program. The program provides up to 72% of each employee's annual salary at the time of retirement, payable over five years. At June 30, 2018, the District's liability for the early retirement program was \$1,236,330. The total present value of the future payments, using a discount rate of 1.98%, is \$1,183,240.

### *Advance Refunding*

On November 28, 2017, the District issued \$11,970,000 of General Obligation Bonds with an average interest rate of 4.75% to advance refund \$12,540,000 of outstanding 2011 General Improvement Bonds, Series B that are due from 2022 through 2031. The net proceeds from the issuance of the General Obligation Bonds were used to purchase U.S. government securities, and those securities were deposited in an irrevocable trust with an escrow agent. The trust will provide for all future debt service payments on the 2011B bonds. Accordingly, the 2011B bonds are considered defeased and the trust account assets and the liability for the defeased bonds are not included in the financial statements. The District has \$12,540,000 of bonds outstanding at June 30, 2018 that are considered defeased. The bonds will be called for payment in May of 2021.

As a result of the advance refunding, the District reduced its total debt service requirements by \$890,576 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$807,937.

## **7. Defined Benefit Plan and Other Post-Retirement Benefits (OPEB)**

### *Plan Description*

MPERS 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 of Education's authority to promulgate or amend the provisions of the System. MPERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at <http://www.michigan.gov/orsschools/0,4653,7-206-36585---,00.html>.

### *Benefits Provided*

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. 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. MPERS also provides disability and survivor benefits to DB plan members.

### *Pension Reform 2010*

On May 9, 2010, the governor signed Public Act 75 of 2010 into law. As a result, any member of MPERS who became a member after June 30, 2010 is a Pension Plus member. The Pension Plus

# Jenison Public Schools

## Notes to Financial Statements

---

plan pairs a guaranteed retirement income (defined benefit) with a flexible and transferable retirement savings (defined contribution) account.

### *Pension Reform 2012*

On September 4, 2012, the governor signed Public Act 300 of 2012 into law. As a result, members of MPERS who first worked before July 1, 2010 and earned service credit in the 12 months ended September 3, 2012 can voluntarily choose to increase, maintain or stop their contributions to the pension fund by electing from four plan options. Members who first work on or after September 4, 2012 are able to elect the Pension Plus plan or a defined contribution plan.

### *Pension Reform 2017*

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closes the current hybrid plan (Pension Plus) to newly hired employees as of February 1, 2018 and creates a new optional revised hybrid plan with similar plan benefit calculations but containing a 50/50 cost share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the new hybrid plan is 6%. Further, the law provides that, under certain conditions, the new hybrid plan would close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law includes other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

### *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, any age 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 Final Average Compensation (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).

**Jenison Public Schools**  
**Notes to Financial Statements**

---

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% for pension and 0% - 3% for other postemployment benefits. Plan members electing the defined contribution plan are not required to make additional contributions.

***Employer Contributions***

Employer contributions to MPSERS are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

The District contributions to MPSERS for the current and two preceding years were as follows:

<i>Year ended June 30,</i>	<i>Employer Contribution</i>
2018	\$ 11,129,928
2017	10,010,164
2016	9,620,295

In 2018, the District recorded \$3,244,618 of employer contributions for the MPSERS unfunded liabilities obligations in excess of the statutory cap. Funds were received from the State of Michigan through state aid payments to offset the employer contribution.

***Pension***

***Pension Liabilities***

At June 30, 2018, the District reported a liability of \$82,030,183 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2017, the District's proportion was 0.31654%.

*The remainder of this page intentionally left blank.*



# Jenison Public Schools

## Notes to Financial Statements

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

For the year ended June 30, 2018, the District recognized pension expense of approximately \$8,690,000. At June 30, 2018, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 8,987,058	\$ -
Differences between expected and actual experience	712,898	(402,505)
Net difference between projected and actual earnings on pension plan investments	-	(3,921,582)
Changes in proportion and differences between reporting unit contributions and proportionate share of contributions	2,297,147	(172,134)
Reporting unit contributions subsequent to the measurement date	6,989,687	(3,244,618)
<b>Total</b>	<b>\$ 18,986,790</b>	<b>\$ (7,740,839)</b>

Deferred outflows of resources resulting from District employer contributions of \$6,989,687 made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. A portion of these deferred outflows are offset by section 147c pension contributions received from the State of Michigan subsequent to the measurement date.

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

*Year ending June 30,*

2019	\$ 2,241,202
2020	3,608,801
2021	1,754,669
2022	(103,790)

*Other Post-Employment Benefits*

*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. MPSERS 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 MPSERS 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

# Jenison Public Schools

## Notes to Financial Statements

---

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 MPSERS, 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 December 1, 2012.

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.

### *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* - The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

### *Member Contributions*

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the defined contribution plan are not required to make additional contributions.

### *Employer Contributions*

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

# Jenison Public Schools

## Notes to Financial Statements

---

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

The District's OPEB contributions for the year ended June 30, 2018, were equal to the statutorily required contribution amount of approximately \$3,500,000.

### *OPEB Liabilities*

At June 30, 2018, the District reported a liability of \$28,035,530 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2016 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating Districts, actuarially determined. At September 30, 2017, the District's proportion was 0.31659 percent.

### *OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2018, the District recognized OPEB expense of approximately \$1,380,000. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (298,496)
Net difference between projected and actual earnings on pension plan investments	-	(649,309)
Changes in proportion and differences between reporting unit contributions and proportionate share of contributions	5,082	-
Reporting unit contributions subsequent to the measurement date	1,861,262	-
<b>Total</b>	<b>\$ 1,866,344</b>	<b>\$ (947,805)</b>

\$1,861,262, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

**Jenison Public Schools**  
**Notes to Financial Statements**

---

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

*Year ending June 30,*

2019	\$	227,903
2020		227,903
2021		227,903
2022		227,903
2023		31,111

***Actuarial Assumptions***

*Investment rate of return for pension* - 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).

*Investment rate of return for OPEB* - 7.5% a year, compounded annually net of investment and administrative expenses

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

*Inflation* - 2.5%

*Mortality assumptions* - The healthy life post-retirement mortality table used in this valuation of the System was the RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. The final rates used include no margin for future mortality improvement. This assumption is used to measure the probabilities of each benefit payment being made after retirement.

*Experience study* - The annual actuarial valuation report of the System used for these statements is dated September 30, 2016. 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 8.0% (7.0% 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.

*Cost of living pension adjustments* - 3.0% annual non-compounded for MIP members

*Healthcare cost trend rate for other postemployment benefit* - 7.5% for year one and graded to 3.5% to year twelve.

# Jenison Public Schools

## Notes to Financial Statements

*Additional assumptions for other postemployment benefit only - Applies to individuals hired before September 4, 2012:*

*Opt out assumption* - 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.

*Survivor coverage* - 80% of male retirees and 67% of female retirees are assumed to have coverage continuing after the retiree's death

*Coverage election at retirement* - 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents

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

<i>Investment Category</i>	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity pools	28.0 %	5.6 %
Alternative investment pools	18.0	8.7
International equity	16.0	7.2
Fixed income pools	10.5	(0.1)
Real estate and infrastructure pools	10.0	4.2
Absolute return pools	15.5	5.0
Short-term investment pools	2.0	(0.9)
<b>Total</b>	<b>100.0 %</b>	

\* Long-term rate of return does not include 2.3% inflation.

*Pension Discount rate* - The discount rate used to measure the total pension liability was 7.5% (7.0% for Pension Plus Plan). 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.

*OPEB Discount rate* - The discount rate of 7.5% was used to measure the total OPEB liability. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that school districts contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# Jenison Public Schools

## Notes to Financial Statements

---

### *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 7.5% (7.0% 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% Lower (6.5%)	Discount Rate (7.5%)	1% Higher (8.5%)
Reporting unit's proportionate share of the net pension liability	\$ 106,858,045	\$ 82,030,183	\$ 61,126,705

### *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 7.5%, as well as what the District's proportionate share of the net OPEB 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% Lower (6.5%)	Discount Rate (7.5%)	1% Higher (8.5%)
Reporting unit's proportionate share of the net OPEB liability	\$ 32,837,709	\$ 28,035,530	\$ 23,959,984

### *Pension and OPEB Plan Fiduciary Net Position*

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2017 Comprehensive Annual Financial Report.

### *Payable to the Pension and OPEB Plan*

At year end the School District was current on all required pension and other post-employment benefit plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers and the contributions due funded from state revenue section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate.

### *Other Information*

On December 20, 2017, the Michigan Supreme Court affirmed that Public Act 75 of 2010 is unconstitutional as it substantially impaired the employee's employment contracts by involuntarily reducing the employee's wages by 3%. As a result, the funds collected pursuant to Public Act 75 before the effective date of Public Act 300 of 2012, must be refunded to the employees in accordance with the Michigan Court of Claims judgment on the aforementioned court case. Effective September 30, 2017, the 3% contribution collected under Public Act 75,

# Jenison Public Schools

## Notes to Financial Statements

---

which amounted to approximately \$554 million (including interest), was posted as a liability on the plan's CAFR report.

The District's postemployment healthcare contributions to MPSERS for the year ended June 30, 2018 were approximately \$2,097,000.

### 8. Risk Management and Benefits

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees and natural disasters. The District is a member of the West Michigan Risk Management Trust (Trust), a self-insurance program with 27 districts pooling together to insure property, liability and auto exposures. Premiums from members of the Trust are arrived at through standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to \$250,000 and \$1,214,378, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. A \$1,000 per occurrence deductible for property losses is maintained to place the responsibility for small charges with the members of the Trust.

The District is a member of the West Michigan Workers' Compensation Fund, a self-insurance program with 16 districts pooling together to insure workers' compensation and employers' liability exposures. The fund pays the first \$450,000 of any workers' compensation or employers' liability loss out of a \$1,528,055 loss fund collected from members. Excess insurance has been purchased to cover claims exceeding those amounts.

The District carries commercial insurance for all other risks of loss, including employee life, health and accident insurance. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

### 9. Bond Compliance and Commitments

The Capital Projects Funds include activities funded by bonds that were issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351(a) of the Revised School Code. Beginning with the year of bond issuance, the District has reported the annual construction activity in the Capital Projects Funds as follows:

<i>June 30, 2018</i>	Cumulative Revenues	Cumulative Expenditures
2016 Bonds	\$ 373,582	\$ 19,570,123

### 10. Tax Abatements

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by Georgetown Charter Township. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities. The property taxes abated for all funds by Georgetown Charter Township under these programs were approximately \$9,300 for the year ended June 30, 2018.

# Jenison Public Schools

## Notes to Financial Statements

---

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.

### 11. New Accounting Standards

For the year ended June 30, 2018, the District implemented the following new pronouncement:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

#### *Summary*

GASB Statement No. 75 requires governments that participate in defined benefit other post-employment benefit (OPEB) plans to report in the statement of net position a net OPEB liability. The net OPEB liability is the difference between the total OPEB liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. The Statement requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net OPEB liability and expense for the cost-sharing plan. The Statement also will improve the comparability and consistency of how governments calculate the OPEB liabilities and expense.

The restatement of the beginning of the year net position is as follows:

	Governmental Activities
Net position as previously stated, July 1, 2017	\$ (64,164,916)
Adoption of GASB Statement 75:	
Net OPEB liability	(29,571,274)
Deferred outflows related to OPEB	1,246,660
Deferred inflows related to OPEB	(916,691)
<b>Net Position as Restated, July 1, 2017</b>	<b>\$ (93,406,221)</b>



## General Fund

---

*This page intentionally left blank.*

# Jenison Public Schools

## General Fund Balance Sheet

June 30, 2018

General

---

### Assets

Cash and investments	\$ 8,386,139
Accounts receivable	6,134
Due from other funds	54,740
Due from other governmental units	8,502,190
Inventories	29,773
Prepaid expenditures	84,542

---

<b>Total Assets</b>	<b>\$ 17,063,518</b>
---------------------	----------------------

---

### Liabilities and Fund Balances

#### Liabilities

Accounts payable	\$ 657,626
Accrued payroll	7,160,123
Due to other funds	231,281
Due to other governmental units	590,197
Unearned revenue	185,450

---

<b>Total liabilities</b>	<b>8,824,677</b>
--------------------------	------------------

---

#### Fund Balances

##### Nonspendable:

Inventories	29,773
Prepaid expenditures	84,542
Assigned for subsequent year expenditures	844,806
Assigned for Jenison International Academy programming	471,559
Unassigned	6,808,161

---

<b>Total fund balances</b>	<b>8,238,841</b>
----------------------------	------------------

---

---

<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,063,518</b>
--	----------------------

---

*This page intentionally left blank.*

# Jenison Public Schools

## General Fund Schedule of Revenues and Other Financing Source Budget to Actual

<i>Year ended June 30, 2018</i>	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>Local Sources</b>			
Property tax, other taxes and interest	\$ 2,867,000	\$ 2,873,541	\$ 6,541
Tuition	272,500	258,928	(13,572)
Investment income	60,000	89,791	29,791
Athletics	173,950	187,541	13,591
Interdistrict	5,954,195	5,904,152	(50,043)
Other	1,448,020	1,517,549	69,529
<b>Total revenues from local sources</b>	<b>10,775,665</b>	<b>10,831,502</b>	<b>55,837</b>
<b>State Sources</b>			
Unrestricted grants	35,966,926	35,962,694	(4,232)
Restricted grants	8,792,713	8,425,138	(367,575)
<b>Total revenues from state sources</b>	<b>44,759,639</b>	<b>44,387,832</b>	<b>(371,807)</b>
<b>Federal Sources</b>	<b>1,166,383</b>	<b>1,146,843</b>	<b>(19,540)</b>
<b>Other Financing Source</b>			
Transfers in	68,500	68,500	-
<b>Total Revenues and Other Financing Source</b>	<b>\$ 56,770,187</b>	<b>\$ 56,434,677</b>	<b>\$ (335,510)</b>

# Jenison Public Schools

## General Fund Schedule of Expenditures and Other Financing Uses Budget to Actual

<i>Year ended June 30, 2018</i>	Salaries	Employee Benefits	Purchased Services
<b>Expenditures</b>			
<b>Instruction</b>			
Basic programs:			
Elementary	\$ 8,143,929	\$ 5,964,646	\$ 491,535
Junior high	2,226,648	1,656,228	91,448
High school	4,436,254	3,091,810	345,385
Preschool	757,507	518,601	294,882
Total basic programs	15,564,338	11,231,285	1,223,250
Added needs:			
Special education	3,550,116	2,471,921	465,165
Compensatory education	669,768	449,797	24,250
Vocational education	203,863	145,134	29,303
Total added needs	4,423,747	3,066,852	518,718
Total instruction	19,988,085	14,298,137	1,741,968
<b>Support Services</b>			
Student services:			
Guidance	287,200	221,046	588
Health	163,678	125,000	53,352
Psychological	132,968	80,724	298
Speech	229,678	160,536	546
Social work	264,632	200,704	19,325
Teacher consultant	275,696	197,450	1,707
Other	117,916	58,495	29,833
Total student services	1,471,768	1,043,955	105,649
Instructional staff:			
Improvement of instruction	127,344	86,704	90,065
Library	123,757	68,854	9,992
Technology	201,514	116,981	1,760
Supervision and direction	318,252	183,212	11,901
Student assessment	-	-	2,498
Total instructional staff	770,867	455,751	116,216

# Jenison Public Schools

## General Fund Schedule of Expenditures and Other Financing Uses Budget to Actual

Supplies, Materials and Other Expenses	Capital Outlay	Total Actual Expenditures	Final Budget	Variance Positive (Negative)
\$ 226,292	\$ 161,063	\$ 14,987,465	\$ 14,665,067	\$ (322,398)
88,942	50,548	4,113,814	4,087,924	(25,890)
102,044	20,283	7,995,776	8,160,501	164,725
30,610	-	1,601,600	1,831,322	229,722
447,888	231,894	28,698,655	28,744,814	46,159
13,792	3,339	6,504,333	6,612,006	107,673
924	-	1,144,739	1,173,464	28,725
51,765	71,875	501,940	536,110	34,170
66,481	75,214	8,151,012	8,321,580	170,568
514,369	307,108	36,849,667	37,066,394	216,727
2,642	-	511,476	509,360	(2,116)
2,151	-	344,181	358,917	14,736
1,513	42	215,545	226,913	11,368
1,961	-	392,721	392,897	176
594	124	485,379	465,515	(19,864)
425	-	475,278	477,792	2,514
2,620	-	208,864	251,310	42,446
11,906	166	2,633,444	2,682,704	49,260
20,524	-	324,637	316,646	(7,991)
51,365	4,451	258,419	292,149	33,730
-	-	320,255	303,153	(17,102)
496,604	-	1,009,969	1,037,693	27,724
-	-	2,498	14,897	12,399
568,493	4,451	1,915,778	1,964,538	48,760

# Jenison Public Schools

## General Fund Schedule of Expenditures and Other Financing Uses Budget to Actual

<i>Year ended June 30, 2018</i>	Salaries	Employee Benefits	Purchased Services
<b>Support Services (continued)</b>			
General administration	\$ 275,490	\$ 158,241	\$ 80,172
School administration	1,692,750	1,136,479	24,283
Business office:			
Fiscal	404,651	232,775	8,856
Internal services	70,943	46,207	11,646
Other	-	-	-
Total business office	475,594	278,982	20,502
Operations and maintenance	406,828	296,888	2,144,711
Student transportation	808,035	572,014	111,201
Athletics	519,027	277,326	314,391
Other support services:			
Personnel services	275,339	179,808	78,092
Other	166,862	95,598	457,664
Total other support services	442,201	275,406	535,756
Total support services	6,862,560	4,495,042	3,452,881
Community Services	497,377	295,222	813,116
<b>Total Expenditures</b>	<b>\$ 27,348,022</b>	<b>\$ 19,088,401</b>	<b>\$ 6,007,965</b>



# Jenison Public Schools

## General Fund Schedule of Expenditures and Other Financing Uses Budget to Actual

Supplies, Materials and Other Expenses	Capital Outlay	Total Actual Expenditures	Final Budget	Variance Positive (Negative)
\$ 72,005	\$ -	\$ 585,908	\$ 607,492	\$ 21,584
31,434	-	2,884,946	2,988,093	103,147
9,813	-	656,095	662,439	6,344
5,000	-	133,796	145,260	11,464
27,404	-	27,404	25,000	(2,404)
42,217	-	817,295	832,699	15,404
899,201	4,910	3,752,538	3,791,188	38,650
258,347	198,364	1,947,961	1,964,597	16,636
53,996	98,040	1,262,780	1,303,187	40,407
6,790	-	540,029	573,191	33,162
63,332	10,266	793,722	754,355	(39,367)
70,122	10,266	1,333,751	1,327,546	(6,205)
2,007,721	316,197	17,134,401	17,462,044	327,643
64,615	-	1,670,330	1,636,126	(34,204)
\$ 2,586,705	\$ 623,305	\$ 55,654,398	\$ 56,164,564	\$ 510,166

*This page intentionally left blank.*

## Nonmajor Governmental Funds

---

**Jenison Public Schools**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**

<i>June 30, 2018</i>	Special Revenue		Debt	
	Food Service	2017 Debt	2016 Debt	2011B Debt
<b>Assets</b>				
Cash and investments	\$ 1,010,796	\$ 54,023	\$ 174,263	\$ 115,113
Due from other governmental units	25,247	-	-	-
Inventories	51,791	-	-	-
<b>Total Assets</b>	<b>\$ 1,087,834</b>	<b>\$ 54,023</b>	<b>\$ 174,263</b>	<b>\$ 115,113</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 354	\$ -	\$ -	\$ -
Accrued payroll	8,758	-	-	-
Due to other funds	54,740	-	-	-
Unearned revenue	98,076	-	-	-
<b>Total liabilities</b>	<b>161,928</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable - inventories	51,791	-	-	-
Restricted for food service	874,115	-	-	-
Restricted for debt retirement	-	54,023	174,263	115,113
Assigned for capital projects	-	-	-	-
<b>Total fund balances</b>	<b>925,906</b>	<b>54,023</b>	<b>174,263</b>	<b>115,113</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,087,834</b>	<b>\$ 54,023</b>	<b>\$ 174,263</b>	<b>\$ 115,113</b>

**Jenison Public Schools**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**

---

Retirement				General Capital Projects	Total
2011A Debt	2010 Debt				
\$ 562,597	\$ 210,271	\$ 609,231			\$ 2,736,294
-	-	-			25,247
-	-	-			51,791
<hr/>					
\$ 562,597	\$ 210,271	\$ 609,231			\$ 2,813,332
<hr/>					
\$ -	\$ -	\$ -			\$ 354
-	-	-			8,758
-	-	-			54,740
-	-	-			98,076
<hr/>					
-	-	-			161,928
<hr/>					
-	-	-			51,791
-	-	-			874,115
562,597	210,271	-			1,116,267
-	-	609,231			609,231
<hr/>					
562,597	210,271	609,231			2,651,404
<hr/>					
\$ 562,597	\$ 210,271	\$ 609,231			\$ 2,813,332
<hr/>					

# Jenison Public Schools

## Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	<u>Special Revenue</u>	<u>Debt</u>		
<i>Year ended June 30, 2018</i>	Food Service	2017 Debt	2016 Debt	2011B Debt
<b>Revenues</b>				
Local sources:				
Property taxes	\$ -	\$ 286,771	\$ 1,610,980	\$ 1,442,291
Other local	1,756,938	2,244	7,404	5,423
State sources	227,286	-	-	-
Federal sources	1,416,522	-	-	-
<b>Total revenues</b>	<b>3,400,746</b>	<b>289,015</b>	<b>1,618,384</b>	<b>1,447,714</b>
<b>Expenditures</b>				
Salaries	823,460	-	-	-
Employee benefits	430,986	-	-	-
Food and milk costs	1,121,208	-	-	-
Purchased services	315,261	-	-	-
Supplies, materials, other	371,661	-	-	-
Capital outlay	73,195	-	-	-
Redemption of principal	-	-	240,000	1,005,000
Bond issuance costs	-	140,334	-	-
Interest	-	235,386	1,324,700	487,550
Fiscal charges	-	518	3,658	3,353
<b>Total expenditures</b>	<b>3,135,771</b>	<b>376,238</b>	<b>1,568,358</b>	<b>1,495,903</b>
Excess (deficiency) of revenues over expenditures	264,975	(87,223)	50,026	(48,189)
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds	-	11,970,000	-	-
Premium on bonds issued	-	2,015,992	-	-
Payment to escrow agent	-	(13,844,746)	-	-
Transfers out	(68,500)	-	-	-
<b>Total other financing (sources) uses</b>	<b>(68,500)</b>	<b>141,246</b>	<b>-</b>	<b>-</b>
Net change in fund balances	196,475	54,023	50,026	(48,189)
<b>Fund Balances, beginning of year</b>	<b>729,431</b>	<b>-</b>	<b>124,237</b>	<b>163,302</b>
<b>Fund Balances, end of year</b>	<b>\$ 925,906</b>	<b>\$ 54,023</b>	<b>\$ 174,263</b>	<b>\$ 115,113</b>

# Jenison Public Schools

## Nonmajor Governmental Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Retirement			
2011A Debt	2010 Debt	General Capital Projects	Total
\$ 1,720,627	\$ 2,108,612	\$ -	\$ 7,169,281
22,395	9,789	-	1,804,193
-	-	-	227,286
674,010	-	-	2,090,532
2,417,032	2,118,401	-	11,291,292
-	-	-	823,460
-	-	-	430,986
-	-	-	1,121,208
-	-	-	315,261
-	-	-	371,661
-	-	7,450	80,645
1,490,000	1,700,000	-	4,435,000
-	-	-	140,334
782,995	365,433	-	3,196,064
4,356	4,556	-	16,441
2,277,351	2,069,989	7,450	10,931,060
139,681	48,412	(7,450)	360,232
-	-	-	11,970,000
-	-	-	2,015,992
-	-	-	(13,844,746)
-	-	-	(68,500)
-	-	-	72,746
139,681	48,412	(7,450)	432,978
422,916	161,859	616,681	2,218,426
\$ 562,597	\$ 210,271	\$ 609,231	\$ 2,651,404

*This page intentionally left blank.*



## Agency Fund

---

*This page intentionally left blank.*

# Jenison Public Schools

## Agency Fund Statement of Changes in Assets and Liabilities

---

<i>Year ended June 30, 2018</i>	Balance, July 1, 2017	Additions	Deletions	Balance, June 30, 2018
<b>Assets</b>				
Cash and investments	\$ 606,275	\$ 1,321,929	\$ 1,381,873	\$ 546,331
<b>Liabilities</b>				
Due to student groups	\$ 606,275	\$ 1,512,583	\$ 1,572,527	\$ 546,331

*This page intentionally left blank.*

## Schedules of Bonds Issued, Redeemed and Outstanding

*This page intentionally left blank.*

**Jenison Public Schools**  
**2010 Refunding Bonds**  
**Schedules of Bonds Issued, Redeemed and Outstanding**  
**June 30, 2018**

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2018	November 1	May 1
2012	5/1/2012	-	\$ -	\$ -	\$ -	\$ -	\$ -
2013	5/1/2013	2.00	390,000	390,000	-	-	-
2014	5/1/2014	2.00	385,000	385,000	-	-	-
2015	5/1/2015	2.00	470,000	470,000	-	-	-
2016	5/1/2016	2.50	770,000	770,000	-	-	-
2017	5/1/2017	4.00	1,715,000	1,715,000	-	-	-
2018	5/1/2018	4.00	1,700,000	1,700,000	-	-	-
2019	5/1/2019	3.43	1,680,000	-	1,680,000	148,716	148,716
2020	5/1/2020	4.00	1,650,000	-	1,650,000	119,941	119,941
2021	5/1/2021	3.48	1,635,000	-	1,635,000	86,941	86,941
2022	5/1/2022	3.60	1,615,000	-	1,615,000	58,485	58,485
2023	5/1/2023	3.70	1,590,000	-	1,590,000	29,415	29,415
			\$ 13,600,000	\$ 5,430,000	\$ 8,170,000	\$ 443,498	\$ 443,498

Date of Issue: 12/15/10

**Purpose:**

Refunding of portions of 2002 Bond.

**Redemption Prior to Maturity:**

The bonds or portions of bonds in multiples of \$5,000 due on or after May 1, 2021 are subject to redemption prior to maturity at the option of the District, in such order as the District may determine and by lot within any maturity, on any date occurring on or after May 1, 2020, at par and accrued interest to the date fixed for redemption.

# Jenison Public Schools

## 2011 General Improvement Bonds, Series A Schedules of Bonds Issued, Redeemed and Outstanding June 30, 2018

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2018	November 1	May 1
2012	5/1/2012	-	\$ -	\$ -	\$ -	\$ -	\$ -
2013	5/1/2013	-	-	-	-	-	-
2014	5/1/2014	-	-	-	-	-	-
2015	5/1/2015	3.75	50,000	50,000	-	-	-
2016	5/1/2016	4.30	50,000	50,000	-	-	-
2017	5/1/2017	4.75	1,490,000	1,490,000	-	-	-
2018	5/1/2018	5.15	1,490,000	1,490,000	-	-	-
2019	5/1/2019	5.45	1,490,000	-	1,490,000	353,130	353,130
2020	5/1/2020	5.55	1,490,000	-	1,490,000	312,528	312,528
2021	5/1/2021	5.75	1,490,000	-	1,490,000	271,180	271,180
2022	5/1/2022	5.95	1,490,000	-	1,490,000	228,343	228,343
2023	5/1/2023	6.05	1,490,000	-	1,490,000	184,015	184,015
2024	5/1/2024	6.15	1,490,000	-	1,490,000	138,943	138,943
2025	5/1/2025	6.25	1,490,000	-	1,490,000	93,125	93,125
2026	5/1/2026	6.25	1,490,000	-	1,490,000	46,563	46,563
			\$ 15,000,000	\$ 3,080,000	\$ 11,920,000	\$ 1,627,827	\$ 1,627,827

Date of Issue: 4/20/11

**Purpose:**

Erecting, furnishing and equipping a performing arts center on the high school/middle school campus; partially remodeling, furnishing and refurbishing, equipping and re-equipping school facilities, in part to expand a physical education classroom at the high school; acquiring, installing and equipping educational technology for school facilities; purchasing school buses; developing and improving sites.

**Redemption Prior to Maturity:**

The bonds or portions of bonds in multiples of \$5,000 due on or after May 1, 2022 are subject to redemption prior to maturity at the option of the District, in such order as the District may determine and by lot within any maturity, on any date occurring on or after May 1, 2021, at par and accrued interest to the date fixed for redemption.



# Jenison Public Schools

## 2011 General Improvement Bonds, Series B Schedules of Bonds Issued, Redeemed and Outstanding June 30, 2018

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2018	November 1	May 1
2012	5/1/2012	-	\$ -	\$ -	\$ -	\$ -	\$ -
2013	5/1/2013	-	-	-	-	-	-
2014	5/1/2014	-	-	-	-	-	-
2015	5/1/2015	-	-	-	-	-	-
2016	5/1/2016	-	-	-	-	-	-
2017	5/1/2017	3.28	895,000	895,000	-	-	-
2018	5/1/2018	3.25	1,005,000	1,005,000	-	-	-
2019	5/1/2019	3.68	1,085,000	-	1,085,000	75,438	75,438
2020	5/1/2020	4.00	1,210,000	-	1,210,000	55,450	55,450
2021	5/1/2021	5.00	1,250,000	-	1,250,000	31,250	31,250
2022	5/1/2022	5.00	1,250,000	1,250,000	-	-	-
2023	5/1/2023	4.85	1,250,000	1,250,000	-	-	-
2024	5/1/2024	4.50	1,250,000	1,250,000	-	-	-
2025	5/1/2025	4.63	1,250,000	1,250,000	-	-	-
2026	5/1/2026	4.75	1,250,000	1,250,000	-	-	-
2027	5/1/2027	4.75	1,250,000	1,250,000	-	-	-
2028	5/1/2028	5.00	1,250,000	1,250,000	-	-	-
2029	5/1/2029	5.00	1,250,000	1,250,000	-	-	-
2030	5/1/2030	5.00	1,270,000	1,270,000	-	-	-
2031	5/1/2031	5.00	1,270,000	1,270,000	-	-	-
			\$ 17,985,000	\$ 14,440,000	\$ 3,545,000	\$ 162,138	\$ 162,138

Date of Issue: 5/10/11

**Purpose:**

Erecting, furnishing and equipping a performing arts center on the high school/middle school campus; partially remodeling, furnishing and refurbishing, equipping and re-equipping school facilities, in part to expand a physical education classroom at the high school; acquiring, installing and equipping educational technology for school facilities; purchasing school buses; developing and improving sites.

**Redemption Prior to Maturity:**

The bonds or portions of bonds in multiples of \$5,000 due on or after May 1, 2022 are subject to redemption prior to maturity at the option of the District, in such order as the District may determine and by lot within any maturity, on any date occurring on or after May 1, 2021, at par and accrued interest to the date fixed for redemption.

# Jenison Public Schools

## 2016 General Improvement and Refunding Bonds Schedules of Bonds Issued, Redeemed and Outstanding June 30, 2018

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2018	November 1	May 1
2017	5/1/2017	4.00	\$ 125,000	\$ 125,000	\$ -	\$ -	\$ -
2018	5/1/2018	4.00	240,000	240,000	-	-	-
2019	5/1/2019	4.00	405,000	-	405,000	657,550	657,550
2020	5/1/2020	4.00	535,000	-	535,000	649,450	649,450
2021	5/1/2021	5.00	760,000	-	760,000	638,750	638,750
2022	5/1/2022	5.00	935,000	-	935,000	619,750	619,750
2023	5/1/2023	5.00	960,000	-	960,000	596,375	596,375
2024	5/1/2024	5.00	2,340,000	-	2,340,000	572,375	572,375
2025	5/1/2025	5.00	2,345,000	-	2,345,000	513,875	513,875
2026	5/1/2026	5.00	2,350,000	-	2,350,000	455,250	455,250
2027	5/1/2027	5.00	2,350,000	-	2,350,000	396,500	396,500
2028	5/1/2028	5.00	965,000	-	965,000	337,750	337,750
2029	5/1/2029	5.00	965,000	-	965,000	313,625	313,625
2030	5/1/2030	5.00	965,000	-	965,000	289,500	289,500
2031	5/1/2031	5.00	965,000	-	965,000	265,375	265,375
2032	5/1/2032	5.00	965,000	-	965,000	241,250	241,250
2033	5/1/2033	5.00	965,000	-	965,000	217,125	217,125
2034	5/1/2034	5.00	965,000	-	965,000	193,000	193,000
2035	5/1/2035	5.00	965,000	-	965,000	168,875	168,875
2036	5/1/2036	5.00	965,000	-	965,000	144,750	144,750
2037	5/1/2037	5.00	965,000	-	965,000	120,625	120,625
2038	5/1/2038	5.00	965,000	-	965,000	96,500	96,500
2039	5/1/2039	5.00	965,000	-	965,000	72,375	72,375
2040	5/1/2040	5.00	965,000	-	965,000	48,250	48,250
2041	5/1/2041	5.00	965,000	-	965,000	24,125	24,125
			\$ 26,855,000	\$ 365,000	\$ 26,490,000	\$ 7,633,000	\$ 7,633,000

Date of Issue: 6/1/16

**Purpose:**

A portion of the bonds were used for the purpose of refunding all outstanding 2006B Bonds in July of 2016. The remaining portion of the bonds will be used for remodeling, equipping and re-equipping and furnishing and refurbishing school buildings; purchasing and equipping school buses; acquiring, installing, equipping and re-equipping school buildings for instructional technology; erecting, furnishing and equipping a new early childhood center/elementary building; erecting an athletic storage building; and acquiring, preparing, developing, improving and equipping playgrounds and sites.

**Redemption Prior to Maturity:**

The bonds or portions of bonds in multiples of \$5,000 maturing on May 1, 2027 shall be subject to redemption prior to maturity at the option of the District in such order as the District may determine and by lot within any maturity, on any interest payment date occurring on or after May 1, 2026, at par and accrued interest to the date fixed for redemption.

**Jenison Public Schools**  
**2017 Refunding Bonds**  
**Schedules of Bonds Issued, Redeemed and Outstanding**  
**June 30, 2018**

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2018	November 1	May 1
2018	5/1/2018		\$ -	\$ -	\$ -	\$ -	\$ -
2019	5/1/2019		-	-	-	276,925	276,925
2020	5/1/2020		-	-	-	276,925	276,925
2021	5/1/2021		-	-	-	276,925	276,925
2022	5/1/2022	4.00	855,000	-	855,000	276,925	276,925
2023	5/1/2023	4.00	1,110,000	-	1,110,000	259,825	259,825
2024	5/1/2024	4.00	1,255,000	-	1,255,000	237,625	237,625
2025	5/1/2025	4.00	1,245,000	-	1,245,000	212,525	212,525
2026	5/1/2026	5.00	1,240,000	-	1,240,000	187,625	187,625
2027	5/1/2027	5.00	1,245,000	-	1,245,000	156,625	156,625
2028	5/1/2028	5.00	1,245,000	-	1,245,000	125,500	125,500
2029	5/1/2029	5.00	1,245,000	-	1,245,000	94,375	94,375
2030	5/1/2030	5.00	1,265,000	-	1,265,000	63,250	63,250
2031	5/1/2031	5.00	1,265,000	-	1,265,000	31,625	31,625
			\$ 11,970,000	\$ -	\$ 11,970,000	\$ 2,476,675	\$ 2,476,675

Date of Issue: 11/28/17

**Purpose:**

Refunding of portions of 2011 Series B Bond.

**Redemption Prior to Maturity:**

The bonds or portions of bonds in multiples of \$5,000 due on or after May 1, 2028 shall be subject to redemption prior to maturity at the option of the District in such order as the District may determine and by lot within any maturity, on any interest payment date occurring on or after May 1, 2027, at par and accrued interest to the date fixed for redemption.

*This page intentionally left blank.*

## Jenison Public Schools

### Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability Michigan Public School Employees Retirement Plan, Last 10 Fiscal Years (amounts were determined as of September 30 of each fiscal year)

<i>September 30,</i>	2017	2016	2015	2014
Reporting unit's proportion of net pension liability	0.31654%	0.31393%	0.30111%	30.01900%
Reporting unit's proportionate share of net pension liability	\$ 82,030,183	\$ 78,324,057	\$ 73,545,177	\$ 66,121,159
Reporting unit's covered-employee payroll	\$ 25,658,662	\$ 26,118,766	\$ 24,902,281	\$ 25,511,495
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	319.70%	299.88%	295.34%	259.18%
Plan fiduciary net position as a percentage of total pension liability	64.21%	63.27%	63.17%	66.20%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District presents information for those years for which information is available.

## Jenison Public Schools

### Schedule of the Reporting Unit's Pension Contributions Michigan Public School Employees Retirement Plan, Last 10 Fiscal Years (amounts were determined as of June 30 of each fiscal year)

<i>June 30,</i>	2018	2017	2016	2015
Statutorily required contributions	\$ 6,989,687	\$ 6,006,443	\$ 5,406,933	\$ 4,400,652
Contributions in relation to statutorily required contribution	6,989,687	6,006,443	5,406,933	4,400,652
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Reporting unit's covered-employee payroll	\$ 27,346,131	\$ 25,303,880	\$ 24,919,683	\$24,870,534
Contributions as a percentage of covered-employee payroll	25.56%	23.74%	21.70%	17.69%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District presents information for those years for which information is available.

## Jenison Public Schools

### Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability Michigan Public School Employees Retirement Plan, Last 10 Fiscal Years (amounts were determined as of September 30 of each fiscal year)

---

*September 30, 2017*

---

Reporting unit's proportion of net OPEB liability	0.31659%
Reporting unit's proportionate share of net OPEB liability	\$ 28,035,530
Reporting unit's covered-employee payroll	\$ 25,658,662
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	109.26%
Plan fiduciary net position as a percentage of total OPEB liability	36.39%

---

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District presents information for those years for which information is available.

# Jenison Public Schools

## Schedule of the Reporting Unit's OPEB Contributions Michigan Public School Employees Retirement Plan, Last 10 Fiscal Years (amounts were determined as of June 30 of each fiscal year)

---

*June 30, 2018*

---

Statutorily required contributions	\$ 3,502,837
Contributions in relation to statutorily required contributions	3,502,837
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>
Reporting unit's covered-employee payroll	\$ 27,346,131
Contributions as a percentage of covered-employee payroll	12.81%

---

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District presents information for those years for which information is available.





## 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*

Board of Education  
Jenison Public Schools  
Jenison, Michigan

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 Jenison Public Schools (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Jenison Public School's basic financial statements, and have issued our report thereon dated October 9, 2018.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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.

*This page intentionally left blank.*

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

October 9, 2018

*This page intentionally left blank.*



## Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education  
Jenison Public Schools  
Jenison, Michigan

### Report on Compliance for Each Major Federal Program

We have audited Jenison Public Schools' (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. Jenison Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirement of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, Jenison Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

*This page intentionally left blank.*

## Report on Internal Control Over Compliance

Management of Jenison Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

October 9, 2018

*This page intentionally left blank.*



## Schedule of Expenditures of Federal Awards

---

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2018</i>	Grant/Project Number	Federal CFDA Number	Approved Awards Amount
<b>Federal Grantor Pass-Through Grantor Program/Project Number</b>			
<b>Child Nutrition Cluster - U.S. Department of Agriculture</b>			
Passed through Michigan Department of Education:			
Cash Assistance:			
National School Breakfast Program 2016-17	171970	10.553	\$ 69,869
National School Breakfast Program 2017-18	181970	10.553	63,994
National School Breakfast Program Subtotal		10.553	133,863
Noncash Assistance (Commodities):			
National School Lunch Program Entitlement Commodities 2017-2018	N/A	10.555	243,726
Cash Assistance:			
National School Lunch Program 2016-17	171960	10.555	1,034,119
National School Lunch Program 2017-18	181960	10.555	1,016,201
National School Lunch Program (including commodities) Subtotal		10.555	2,294,046
Summer Food Service Program		170900	9,444
<b>Total Child Nutrition Cluster - U.S. Department of Agriculture</b>			<b>2,437,353</b>
<b>U.S. Department of Education</b>			
Passed through Michigan Department of Education:			
Title I, Part A - U.S. Department of Education			
Title I Part A 1617	171530	84.010	218,042
Title I Part A 1718	181530	84.010	227,018
Total Title I Part A		84.010	445,060
<b>Special Education Cluster</b>			
Passed through Ottawa Area Intermediate School District:			
IDEA - Flow Through			
IDEA Flow Through 1617	170450	84.027	779,013
IDEA Flow Through 1718	180450	84.027	800,367
IDEA - Flow Through Subtotal		84.027	1,579,380
IDEA - Preschool Incentive			
IDEA Preschool 1617	170460	84.173	24,986
IDEA Preschool 1718	180460	84.173	25,445
IDEA - Preschool Incentive Subtotal		84.173	50,431
<b>Total Special Education Cluster</b>			<b>1,629,811</b>

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

Prior Year Expenditures (memorandum only)	Accrued (Deferred) Revenue at July 1, 2017	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2018	Current Year Passed-Through to Subrecipients
\$ 64,126	\$ -	\$ 5,743	\$ 5,743	\$ -	\$ -
-	-	63,994	63,994	-	-
64,126	-	69,737	69,737	-	-
-	(5,597)	201,516	202,767	(4,346)	-
915,746	-	118,373	118,373	-	-
-	-	1,016,201	1,016,201	-	-
915,746	(5,597)	1,336,090	1,337,341	(4,346)	-
-	-	7,240	9,444	2,204	-
979,872	(5,597)	1,413,067	1,416,522	(2,142)	-
215,732	48,775	49,073	298	-	-
-	-	165,547	216,331	50,784	-
215,732	48,775	214,620	216,629	50,784	-
779,013	340,657	340,657	-	-	-
-	-	451,213	800,367	349,154	-
779,013	340,657	791,870	800,367	349,154	-
24,986	11,072	11,072	-	-	-
-	-	14,507	25,445	10,938	-
24,986	11,072	25,579	25,445	10,938	-
803,999	351,729	817,449	825,812	360,092	-

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2018</i>	Grant/Project Number	Federal CFDA Number	Approved Awards Amount
Passed through Ottawa Area Intermediate School District:			
Mckinney Vento Homeless Grant			
Mckinney Vento 1718	182320	84.196	\$ 1,581
Passed through Michigan Department of Education:			
Title III, Part A - Language Instruction for Immigrant Students			
Title III Part A 1718	180570	84.365	12,731
Passed through Michigan Department of Education:			
Title II, Part A - Improving Teacher Quality			
Title II Part A 1617	170520	84.367	105,487
Title II Part A 1718	180520	84.367	90,823
Total Title II Part A		84.367	196,310
Passed through Michigan Department of Education:			
Title IV, Part A - Student Support			
Title IV Part A 1718	180570	84.424	10,000
<b>Total U.S. Department of Education</b>			<b>2,295,493</b>
<b>U.S. Department of Health and Human Services</b>			
Passed through Ottawa Area Intermediate School District:			
Medicaid Outreach			
Medicaid Outreach 1718	N/A	93.778	4,886
<b>Total U.S. Department of Health and Human Services</b>			<b>4,886</b>
<b>Total Federal Awards</b>			<b>\$ 4,737,732</b>

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

Prior Year Expenditures (memorandum only)	Accrued (Deferred) Revenue at July 1, 2017	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2018	Current Year Passed-Through to Subrecipients
\$ -	\$ -	\$ 1,262	\$ 1,300	\$ 38	\$ -
-	-	10	999	989	-
99,957	20,181	20,181	-	-	-
-	-	68,871	87,750	18,879	-
99,957	20,181	89,052	87,750	18,879	-
-	-	9,467	9,467	-	-
1,119,688	420,685	1,131,860	1,141,957	430,782	-
-	-	4,886	4,886	-	-
-	-	4,886	4,886	-	-
\$ 2,099,560	\$ 415,088	\$ 2,549,813	\$ 2,563,365	\$ 428,640	\$ -

*This page intentionally left blank.*

## Notes to Schedule of Expenditures of Federal Awards

*This page intentionally left blank.*



# Jenison Public Schools

## Notes to Schedule of Expenditures of Federal Awards

---

### 1. Basis for Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Jenison Public Schools under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Jenison Public Schools, it is not intended to and does not present the financial position or changes in net position of Jenison Public Schools.

### 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting.

Revenues are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met, based on the cost principles contained in the Uniform Guidance.

Amounts reported in the Grant Section Auditor's Report reconcile with this schedule.

Inventory values are based on the USDA value for donated food commodities, and include spoilage.

Pass-through entity identifying numbers are presented where available. Jenison Public Schools has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### 3. Reconciliation to Financial Statements

*Year ended June 30, 2018*

---

Federal revenue per financial statements	\$ 3,237,375
Less federal interest rate subsidy	(674,010)
<hr/>	
<b>Expenditures of Federal Awards</b>	<b>\$ 2,563,365</b>

---

*This page intentionally left blank.*

## Schedule of Findings and Questioned Costs

---

*This page intentionally left blank.*

# Jenison Public Schools

## Schedule of Findings and Questioned Costs Year Ended June 30, 2018

### Section I - Summary of Auditor's Results

#### *Financial Statements*

Type of auditor's report issued:	unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	no
Significant deficiency(ies) identified?	none reported
Noncompliance material to financial statements noted?	no

#### *Federal Awards*

Internal control over major programs:	
Material weakness(es) identified?	no
Significant deficiency(ies) identified?	none reported
Type of auditor's report issued on compliance for major programs:	unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200, 516(a)?	no

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	no

# Jenison Public Schools

## Schedule of Findings and Questioned Costs Year Ended June 30, 2018

---

### Section II - Findings Related to the Financial Statements

No matters were reported.

### Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs.

# Jenison Public Schools

## Summary Schedule of Prior Audit Findings Year Ended June 30, 2018

---

### 2017-001 Accounts Payable Cut-off

#### Prior Year Finding:

During the course of our audit, we identified a significant unrecorded liability in one of the capital project funds for two construction invoices that the District received in July of 2017 for goods and services received during May and June of 2017. The District is responsible for ensuring that invoices are recorded in the appropriate accounting period and that proper cut-off procedures are performed. Additionally, the District should record expenditures for goods and services received in the accounting period during which the District receives the goods and services, regardless of when the invoices are actually received and paid.

#### Current Year Status:

This finding has been corrected in the current year.

*This page intentionally left blank.*