



# **JENISON PUBLIC SCHOOLS**

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Annual Financial Report  
Year Ended June 30, 2019



# Jenison Public Schools

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Annual Financial Report  
Year Ended June 30, 2019

# Jenison Public Schools

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## 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, 2019, 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.

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## *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, 2019, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 11 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.

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.

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated October 8, 2019 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 8, 2019

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## Management's Discussion and Analysis

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# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2019

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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, 2019. 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.

### 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.

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.

# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2019

### Summary of Net Position

The following schedule summarizes the net position at June 30, 2019 and 2018:

	2019	2018
<b>Assets</b>		
Current assets	\$ 20,964,320	\$ 26,970,167
Capital assets, net of accumulated depreciation	64,714,984	61,008,502
<b>Total Assets</b>	<b>85,679,304</b>	<b>87,978,669</b>
<b>Deferred Outflows of Resources</b>		
Deferred interest on refunding	1,683,795	1,878,715
Related to pensions	34,516,155	18,986,790
Related to OPEB	6,299,176	1,866,344
<b>Total Deferred Outflows of Resources</b>	<b>42,499,126</b>	<b>22,731,849</b>
<b>Liabilities</b>		
Current liabilities	8,145,193	10,368,392
Long-term liabilities, including current portion of long-term obligations	192,612,511	180,631,144
<b>Total Liabilities</b>	<b>200,757,704</b>	<b>190,999,536</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	11,539,962	7,740,839
Related to OPEB	6,101,063	947,805
<b>Total Deferred Inflows of Resources</b>	<b>17,641,025</b>	<b>8,688,644</b>
<b>Net Position</b>		
Net investment in capital assets	1,397,987	(367,735)
Restricted for debt retirement	1,199,601	612,348
Restricted for food service	932,359	925,906
Unrestricted	(93,750,246)	(90,148,181)
<b>Total Net Position</b>	<b>\$ (90,220,299)</b>	<b>\$ (88,977,662)</b>

### Capital Assets and Long-Term Debt

#### *Capital Assets*

By the end of the 2018-19 fiscal year, the District had invested approximately \$64.7 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 \$1.9 million, bringing accumulated depreciation to \$60.3 million as of June 30, 2019.

**Jenison Public Schools**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2019**

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

	2019	2018
Land	\$ 553,166	\$ 553,166
Construction in process	1,173,181	16,330,555
Buildings and improvements	59,491,378	40,459,507
Machinery, equipment and furniture	2,536,312	2,557,839
Transportation equipment	960,047	1,105,635
Software	900	1,800
	\$ 64,714,984	\$ 61,008,502

***Long-Term Obligations***

At June 30, 2019, the District had approximately \$67.3 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 is the net result of bonds and retirement incentives issued and 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.

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# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2019

### Results of Operations

For the fiscal years ended June 30, 2019 and 2018, the results of operations on a District-wide basis were:

	2019	2018	Percent Change
<b>Revenues</b>			
General revenues:			
Property taxes levied for general purposes	\$ 3,048,682	\$ 2,873,541	6.1 %
Property taxes levied for debt service	7,537,045	7,169,281	5.1
Unrestricted state aid	37,469,988	35,962,694	4.2
Investment earnings	753,697	669,662	12.5
Other	-	301	(100.0)
<b>Total general revenues</b>	<b>48,809,412</b>	<b>46,675,479</b>	<b>4.6</b>
Program revenues:			
Charges for services	3,837,458	3,718,937	3.2
Operating grants and contributions	17,747,274	17,012,771	4.3
<b>Total program revenues</b>	<b>21,584,732</b>	<b>20,731,708</b>	<b>4.1</b>
<b>Total Revenues</b>	<b>70,394,144</b>	<b>67,407,187</b>	<b>4.4</b>
<b>Expenses</b>			
Instruction	40,330,959	36,500,613	10.5
Support services	20,623,783	16,443,908	25.4
Community services	2,057,171	1,648,465	24.8
Food service	3,408,846	3,146,085	8.4
Interest on long-term debt	3,229,502	3,331,414	(3.1)
Unallocated depreciation	1,940,564	1,767,809	9.8
Bond issuance costs	45,956	140,334	(67.3)
<b>Total Expenses</b>	<b>71,636,781</b>	<b>62,978,628</b>	<b>16.7</b>
<b>Change in Net Position</b>	<b>(1,242,637)</b>	<b>4,428,559</b>	
<b>Net Position, beginning of year</b>	<b>(88,977,662)</b>	<b>(64,164,916)</b>	
<b>Prior Period Restatement</b>	<b>-</b>	<b>(29,241,305)</b>	
<b>Net Position, end of year</b>	<b>\$(90,220,299)</b>	<b>\$(88,977,662)</b>	

# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2019

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### 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 5,236 and 5,169 in 2018-19 and 2017-18, respectively. The state per-pupil allocation for 2018-19 and 2017-18 was \$7,871 and \$7,631, 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)
2018-19	5,236	67
2017-18	5,169	174
2016-17	4,995	93
2015-16	4,902	59
2014-15	4,843	61

#### *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 2018-19 fiscal year, the District's non-homestead property tax collections were approximately \$3.0 million. This is a 6.1% 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 \$7.5 million. This is a 5.1% 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, 2019

For the 2018-19 fiscal year, the District amended the General Fund budget two times, with the Board of Education adopting the changes in February and June 2019. 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 Financing Source</b>	\$ 57,837,096	\$ 58,561,056	\$ 58,799,608	\$ 238,552
<b>Expenditures</b>				
Instruction	\$ 38,770,984	\$ 37,528,845	\$ 37,085,349	\$ 443,496
Support services	18,164,012	19,914,934	19,678,642	236,292
Community services	1,746,906	2,044,442	1,957,451	86,991
<b>Total Expenditures</b>	\$ 58,681,902	\$ 59,488,221	\$ 58,721,442	\$ 766,779

The variances between the actual General Fund expenditures and the original and final expenditure budgets are due primarily to conservative spending of supply and equipment budgets. 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 \$78,166.

### Factors Bearing on the District's Future

The District considered many factors when setting the 2019-20 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 84% 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 2019-20 budget, a slight increase in foundation allowance is expected; however, as of the date of this report, the State of Michigan has not finalized its 2019-20 budget.

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, 2019

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### Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, 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.

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## District-Wide Financial Statements

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

<i>June 30, 2019</i>	Governmental Activities
<b>Assets</b>	
<b>Current Assets</b>	
Cash and investments (Note 2)	\$ 11,320,368
Accounts receivable	10,563
Due from other governmental units (Note 4)	9,444,577
Inventories	99,886
Prepaid expenses	88,926
<b>Total current assets</b>	<b>20,964,320</b>
<b>Noncurrent Assets</b>	
Land and construction in process (Note 5)	1,726,347
Depreciable capital assets, net (Note 5)	62,988,637
<b>Total noncurrent assets</b>	<b>64,714,984</b>
<b>Total Assets</b>	<b>85,679,304</b>
<b>Deferred Outflows of Resources</b>	
Deferred interest on refunding	1,683,795
Related to pensions (Note 7)	34,516,155
Related to OPEB (Note 7)	6,299,176
<b>Total Deferred Outflows of Resources</b>	<b>42,499,126</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	357,247
Accrued payroll	6,020,788
Accrued interest	479,930
Due to other governmental units (Note 4)	1,032,880
Unearned revenue	254,348
Current portion of long-term obligations (Note 6)	5,481,898
<b>Total current liabilities</b>	<b>13,627,091</b>
<b>Noncurrent Liabilities</b>	
Long-term obligations (Note 6)	61,848,773
Net pension liability (Note 7)	98,459,062
Net OPEB liability (Note 7)	26,822,778
<b>Total noncurrent liabilities</b>	<b>187,130,613</b>
<b>Total Liabilities</b>	<b>200,757,704</b>
<b>Deferred Inflows of Resources</b>	
Related to pensions (Note 7)	11,539,962
Related to OPEB (Note 7)	6,101,063
<b>Total Deferred Inflows of Resources</b>	<b>17,641,025</b>
<b>Net Position</b>	
Net investment in capital assets (Note 11)	1,397,987
Restricted for debt retirement	1,199,601
Restricted for food service	932,359
Unrestricted	(93,750,246)
<b>Total Net Position</b>	<b>\$ (90,220,299)</b>

*See accompanying notes to financial statements.*

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

<i>Year ended June 30, 2019</i>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total
<b>Governmental Activities</b>				
Instruction:				
Basic programs	\$ 33,212,198	-	\$ 2,727,863	\$ (30,484,335)
Special education	5,714,123	174,215	8,905,584	3,365,676
Other instruction	1,404,638	-	1,152,113	(252,525)
Support services:				
Student services	5,021,863	-	728,976	(4,292,887)
Instructional staff	2,236,499	-	707,940	(1,528,559)
General administration	638,253	-	38,763	(599,490)
School administration	3,376,123	-	351,147	(3,024,976)
Business office	845,628	-	69,280	(776,348)
Operations and maintenance	3,893,325	-	83,542	(3,809,783)
Student transportation	1,916,990	-	122,747	(1,794,243)
Athletics	1,267,708	202,209	-	(1,065,499)
Other support services	1,427,394	-	186,983	(1,240,411)
Community services	2,057,171	1,693,363	407,765	43,957
Food service	3,408,846	1,767,671	1,659,855	18,680
Interest on long-term debt	3,229,502	-	-	(3,229,502)
Unallocated depreciation	1,940,564	-	-	(1,940,564)
Bond issuance costs	45,956	-	604,716	558,760
<b>Total School District</b>	<b>\$ 71,636,781</b>	<b>\$ 3,837,458</b>	<b>\$ 17,747,274</b>	<b>\$ (50,052,049)</b>

General revenues:	
Property taxes levied for general purposes	\$ 3,048,682
Property taxes levied for debt service	7,537,045
Unrestricted state aid	37,469,988
Investment earnings	753,697
<b>Total general revenues</b>	<b>48,809,412</b>
Change in net position	(1,242,637)
<b>Net Position, beginning of year</b>	<b>(88,977,662)</b>
<b>Net Position, end of year</b>	<b>\$ (90,220,299)</b>

*See accompanying notes to financial statements.*

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## Fund Financial Statements

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# Jenison Public Schools

## Governmental Funds Balance Sheet

<i>June 30, 2019</i>	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments (Note 2)	\$ 6,366,142	\$ 4,954,226	\$ 11,320,368
Accounts receivable	10,423	140	10,563
Due from other funds (Note 3)	-	25,835	25,835
Due from other governmental units (Note 4)	9,387,896	56,681	9,444,577
Inventories	34,772	65,114	99,886
Prepaid expenditures	88,926	-	88,926
<b>Total Assets</b>	<b>\$ 15,888,159</b>	<b>\$ 5,101,996</b>	<b>\$ 20,990,155</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 353,025	\$ 4,222	\$ 357,247
Accrued payroll	6,016,979	3,809	6,020,788
Due to other funds (Note 3)	25,835	-	25,835
Due to other governmental units (Note 4)	1,032,880	-	1,032,880
Unearned revenue	142,433	111,915	254,348
<b>Total liabilities</b>	<b>7,571,152</b>	<b>119,946</b>	<b>7,691,098</b>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	34,772	65,114	99,886
Prepaid expenditures	88,926	-	88,926
Restricted:			
Capital projects	-	1,760,929	1,760,929
Debt retirement	-	1,679,531	1,679,531
Food service	-	867,245	867,245
Assigned:			
Subsequent year expenditures	558,210	-	558,210
Jenison International Academy programming	503,786	-	503,786
Capital projects	-	609,231	609,231
Unassigned in General Fund	7,131,313	-	7,131,313
<b>Total fund balances</b>	<b>8,317,007</b>	<b>4,982,050</b>	<b>13,299,057</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,888,159</b>	<b>\$ 5,101,996</b>	<b>\$ 20,990,155</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, 2019*

Total fund balances - total governmental funds (from page 27) \$ 13,299,057

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	\$ 125,021,537	
Accumulated depreciation	(60,306,553)	
Net capital assets		64,714,984

Deferred outflows are not available resources and, therefore, not reported in the funds.

Deferred interest from refunding	1,683,795	
Deferred outflows of resources - related to pensions	34,516,155	
Deferred outflows of resources - related to OPEB	6,299,176	
Deferred inflows of resources - related to pensions	(11,539,962)	
Deferred inflows of resources - related to OPEB	(6,101,063)	
		24,858,101

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	(59,135,000)	
Early retirement incentive payable	(1,189,578)	
Compensated absences	(360,633)	
Bond premium, net	(6,645,460)	
Accrued interest on bonds and notes	(479,930)	
Net pension liability	(98,459,062)	
Net OPEB liability	(26,822,778)	
Total long-term liabilities		(193,092,441)

**Net Position of Governmental Activities** **\$ (90,220,299)**

*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, 2019</i>	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Local sources:			
Property taxes	\$ 3,048,682	\$ 7,537,045	\$ 10,585,727
Interdistrict	5,675,838	-	5,675,838
Other local	2,197,359	2,015,536	4,212,895
State sources	46,531,916	244,000	46,775,916
Federal sources	1,277,313	2,020,571	3,297,884
<b>Total revenues</b>	<b>58,731,108</b>	<b>11,817,152</b>	<b>70,548,260</b>
<b>Expenditures</b>			
Instruction	37,085,349	-	37,085,349
Support services	19,678,642	-	19,678,642
Community services	1,957,451	-	1,957,451
Food service	-	3,362,561	3,362,561
Debt retirement:			
Redemption of principal	-	4,660,000	4,660,000
Bond issuance costs	-	45,956	45,956
Interest and fiscal charges	-	3,058,481	3,058,481
Capital projects	-	6,235,380	6,235,380
<b>Total expenditures</b>	<b>58,721,442</b>	<b>17,362,378</b>	<b>76,083,820</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>9,666</b>	<b>(5,545,226)</b>	<b>(5,535,560)</b>
<b>Other Financing Sources (Uses)</b>			
Issuance of bonds (Note 6)	-	1,700,000	1,700,000
Premium on bonds issued	-	28,923	28,923
Transfers in (Note 3)	68,500	23,658	92,158
Transfers out (Note 3)	-	(92,158)	(92,158)
<b>Total other financing sources</b>	<b>68,500</b>	<b>1,660,423</b>	<b>1,728,923</b>
<b>Net change in fund balances</b>	<b>78,166</b>	<b>(3,884,803)</b>	<b>(3,806,637)</b>
<b>Fund Balances, beginning of year</b>	<b>8,238,841</b>	<b>8,866,853</b>	<b>17,105,694</b>
<b>Fund Balances, end of year</b>	<b>\$ 8,317,007</b>	<b>\$ 4,982,050</b>	<b>\$ 13,299,057</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, 2019*

Net change in fund balances - total governmental funds (from page 29)		\$ (3,806,637)
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	\$ (11,720)	
Capital asset additions	5,658,766	
Depreciation expense	<u>(1,940,564)</u>	
Net effect of capital outlays		3,706,482
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	(1,700,000)	
Bond premium	(28,923)	
Principal payments	<u>4,660,000</u>	
		2,931,077
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	190,362	
Accrued interest	23,989	
Early retirement incentive payable	(6,338)	
Compensated absences	(94,504)	
Capital lease principal	19,243	
Pension related items	(4,166,261)	
OPEB related items	<u>492,326</u>	
Net effect of long-term liabilities		(3,541,183)
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		<u>(532,376)</u>
<b>Change in Net Position of Governmental Activities</b>		<b>\$ (1,242,637)</b>

*See accompanying notes to financial statements.*

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

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<i>June 30, 2019</i>	Agency Balance
<hr/>	
<b>Assets</b>	
Cash and investments (Note 2)	\$ 584,464
<hr/>	
<b>Liabilities</b>	
Due to student groups	\$ 584,464
<hr/>	

*See accompanying notes to financial statements.*

# Jenison Public Schools

## Notes to Financial Statements

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### 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

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*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.

### *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

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### *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, 2019, the foundation allowance was based on the blended average of pupil membership counts taken in October 2018 and February 2018.

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**

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*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

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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 they apply.

### *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. Eligible bus drivers receive half their accumulated sick time upon retirement. Unused sick leave is not paid to any other 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 compensated absences 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.

# Jenison Public Schools

## Notes to Financial Statements

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### *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:

*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 Food Service Fund, Debt Funds, 2016 Capital Projects Fund and Energy Capital Projects 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 8, 2019, 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.

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

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## 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.

### *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, 2019, approximately \$2,430,000 of the District's bank balances of \$2,680,000 was uninsured and uncollateralized.

### *Investments*

At June 30, 2019, the District had the following investments:

<i>Investment type</i>	<i>Fair Value</i>	<i>Maturity Less Than 1 Year</i>	<i>Standard &amp; Poor's Ratings</i>
Michigan Liquid Asset Fund (MILAF)	\$ 9,290,653	\$ 9,290,653	AAAm

### *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, 2019.

### *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

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

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District follows state statutes and has no investment policy that would further limit its investment choices.

*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. Other than 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.

Investments of \$9,290,653 in pooled accounts are not subject to fair value measurement.

**3. Interfund Activity**

Interfund receivable and payable balances at June 30, 2019 are as follows:

<i>Fund</i>	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 25,835
Nonmajor Governmental Funds	25,835	-
	<b>\$ 25,835</b>	<b>\$ 25,835</b>

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

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

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

Due from other governmental units at June 30, 2019 consists of the following:

<i>Fund</i>	Local	State	Federal	Total
General Fund	\$ 159,000	\$ 8,794,356	\$ 434,540	\$ 9,387,896
Nonmajor Governmental Funds	-	23,597	33,084	56,681
	<b>\$ 159,000</b>	<b>\$ 8,817,953</b>	<b>\$ 467,624</b>	<b>\$ 9,444,577</b>

Due to other governmental units at June 30, 2019 consists of the following:

<i>Fund</i>	State	Total
General Fund	\$ 1,032,880	\$ 1,032,880

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

**5. Capital Assets**

The following summarizes capital asset activity for the year ended June 30, 2019:

	Balance, July 1, 2018	Additions	Deletions	Balance, June 30, 2019
<b>Governmental Activities</b>				
Capital assets not depreciated:				
Land	\$ 553,166	\$ -	\$ -	\$ 553,166
Construction in process	16,330,555	1,173,181	16,330,555	1,173,181
Capital assets being depreciated:				
Buildings and improvements	91,680,927	20,340,524	-	112,021,451
Furniture and fixtures	1,924,587	70,909	-	1,995,496
Machinery and equipment	2,028,317	166,093	587,825	1,606,585
Outside equipment	4,076,340	121,336	-	4,197,676
Transportation equipment	3,590,932	117,278	253,065	3,455,145
Software	18,837	-	-	18,837
<b>Total at historical cost</b>	<b>120,203,661</b>	<b>21,989,321</b>	<b>17,171,445</b>	<b>125,021,537</b>
Less accumulated depreciation for:				
Buildings and improvements	51,221,420	1,308,653	-	52,530,073
Furniture and fixtures	1,644,573	24,899	-	1,669,472
Machinery and equipment	1,445,688	108,392	583,605	970,475
Outside equipment	2,381,144	242,354	-	2,623,498
Transportation equipment	2,485,297	255,366	245,565	2,495,098
Software	17,037	900	-	17,937
<b>Total accumulated depreciation</b>	<b>59,195,159</b>	<b>1,940,564</b>	<b>829,170</b>	<b>60,306,553</b>
<b>Net Capital Assets</b>	<b>\$ 61,008,502</b>	<b>\$ 20,048,757</b>	<b>\$ 16,342,275</b>	<b>\$ 64,714,984</b>

# Jenison Public Schools

## Notes to Financial Statements

Depreciation for the year ended June 30, 2019 was \$1,940,564. 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, 2019:

	Balance, July 1, 2018	Additions	Deductions	Balance, June 30, 2019	Due Within One Year
Bonds payable	\$ 62,095,000	\$ 1,700,000	\$ 4,660,000	\$ 59,135,000	\$ 4,995,000
Premium on bonds	7,001,819	28,923	385,282	6,645,460	-
Retirement incentive	1,183,240	472,012	465,674	1,189,578	469,615
Compensated absences	266,129	94,504	-	360,633	17,283
Capital lease payable	19,243	-	19,243	-	-
	<b>\$ 70,565,431</b>	<b>\$ 2,295,439</b>	<b>\$ 5,530,199</b>	<b>\$ 67,330,671</b>	<b>\$ 5,481,898</b>

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, 2019 are comprised of the following individual issues:

2018 serial bonds due in annual installments of \$110,000 to \$220,000 through May 2028; interest at 3.00%.	\$ 1,700,000
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 \$535,000 to \$2,350,000 through May 2041; interest at 4.00% to 5.00%.	26,085,000
2011 Series B serial bonds due in annual installments of \$1,210,000 to \$1,250,000 through May 2021; interest at 4.00% to 5.00%.	2,460,000
2011 Series A serial bonds due in annual installments of \$1,490,000 through May 2026; interest at 5.55% to 6.25%.	10,430,000
2010 serial bonds due in annual installments of \$1,590,000 to \$1,650,000 through May 2023; interest at 3.48% to 4.00%.	6,490,000
	<b>\$ 59,135,000</b>

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.

# Jenison Public Schools

## Notes to Financial Statements

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### *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
2020	\$ 4,995,000	\$ 2,879,588	\$ 7,874,588
2021	5,320,000	2,657,792	7,977,792
2022	5,080,000	2,409,156	7,489,156
2023	5,340,000	2,175,860	7,515,860
2024	5,280,000	1,928,786	7,208,786
2025 - 2029	19,010,000	5,930,276	24,940,276
2030 - 2034	7,355,000	2,602,250	9,957,250
2035 - 2039	4,825,000	1,206,250	6,031,250
2040 - 2041	1,930,000	144,750	2,074,750
	<b>\$ 59,135,000</b>	<b>\$ 21,934,708</b>	<b>\$ 81,069,708</b>

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### *Early Retirement Incentive*

The District offers some employees an early retirement incentive program as part of their contractual agreement. 45 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, 2019, the District's liability for the early retirement program was \$1,250,303. The total present value of the future payments, using a discount rate of 2.34%, is \$1,189,578.

## 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 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.

# Jenison Public Schools

## Notes to Financial Statements

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### *Pension Reform 2010*

On May 9, 2010, the governor signed Public Act 75 of 2010 into law. As a result, any member of MPSERS who became a member after June 30, 2010 is a Pension Plus member. The Pension Plus 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 MPSERS 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 closed the current hybrid plan (Pension Plus) to newly hired employees as of February 1, 2018 and created 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**

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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% to 7% for pension and 0% to 3% for other post-employment 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's contributions to MPSERS for the current and two preceding years were as follows:

<i>Year ended June 30,</i>	<i>Employer Contribution</i>
2019	\$ 11,643,750
2018	11,129,928
2017	10,010,164

During the year ended June 30, 2019, the District recorded \$3,776,994 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, 2019, the District reported a liability of \$98,459,062 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2018, 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, 2018, the District's proportion was 0.32752%.

# 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, 2019, the District recognized pension expense of approximately \$11,970,000. At June 30, 2019, 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	\$ 22,803,038	\$ -
Differences between expected and actual experience	456,868	(715,485)
Net difference between projected and actual earnings on pension plan investments	-	(6,732,097)
Changes in proportion and differences between reporting unit contributions and proportionate share of contributions	3,525,068	(315,386)
Reporting unit contributions subsequent to the measurement date	7,731,181	(3,776,994)
<b>Total</b>	<b>\$ 34,516,155</b>	<b>\$ (11,539,962)</b>

Deferred outflows of resources resulting from District employer contributions of \$7,731,181 made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. 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,*

2020	\$ 7,711,791
2021	5,802,322
2022	3,894,735
2023	1,613,158

*Other Post-Employment Benefits*

*Introduction*

Benefit provisions of the post-employment 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. MPERS 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 MPERS 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 post-employment benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a

# Jenison Public Schools

## Notes to Financial Statements

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graded premium subsidy based on career length where they accrue credit toward 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 ended 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 began 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% to 7% for pension and 0% to 3% for other post-employment 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

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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, 2019 were equal to the statutorily required contribution amount of approximately \$3,720,000.

### *OPEB Liabilities*

At June 30, 2019, the District reported a liability of \$26,822,778 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2018 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, 2018, the District's proportion was 0.33744%.

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

For the year ended June 30, 2019, the District recognized OPEB expense of approximately \$5,120,000. At June 30, 2019, 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
Changes in assumptions	\$ 2,840,546	\$ -
Differences between expected and actual experience	-	(4,992,408)
Net difference between projected and actual earnings on pension plan investments	-	(1,030,863)
Changes in proportion and differences between reporting unit contributions and proportionate share of contributions	1,571,835	(77,792)
Reporting unit contributions subsequent to the measurement date	1,886,795	-
<b>Total</b>	<b>\$ 6,299,176</b>	<b>\$ (6,101,063)</b>

\$1,886,795, 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**

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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,*

2020	\$ (461,060)
2021	(461,060)
2022	(461,060)
2023	(251,269)
2024	(54,233)

***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* - 8.0% a year, compounded annually net of investment and administrative expenses.

*Salary increases* - 3.5% - 12.3%, including wage inflation at 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 Life Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB. 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, 2017. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the system for use in the annual pension valuations beginning with the September 30, 2017 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 12.

# Jenison Public Schools

## Notes to Financial Statements

*Additional assumptions for other post-employment 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 one 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 %	5.7 %
Private equity pools	18.0	9.2
International equity pools	16.0	7.2
Fixed income pools	10.5	0.5
Real estate and infrastructure pools	10.0	3.9
Absolute return pools	15.5	5.2
Short-term investment pools	2.0	0.0
<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 7.1% (7.0% for Pension Plus Plan and 6.0 % for Pension Plus 2 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 7.2% 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

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### *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 7.1% (7.0% for Pension Plus Plan and 6.0 % for Pension Plus 2 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 one percentage point lower or one percentage point higher than the current rate:

	1% Lower (6.1%)	Discount Rate (7.1%)	1% Higher (8.1%)
Reporting unit's proportionate share of the net pension liability	\$ 129,269,144	\$ 98,459,062	\$ 72,860,892

### *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 7.2%, 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 one percentage point lower or one percentage point higher than the current rate:

	1% Lower (6.2%)	Discount Rate (7.2%)	1% Higher (8.2%)
Reporting unit's proportionate share of the net OPEB liability	\$ 32,200,199	\$ 26,822,778	\$ 22,299,709

### *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 2018 Comprehensive Annual Financial Report.

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

At year-end, the 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*

The District's post-employment healthcare contributions to MPSERS for the year ended June 30, 2019 were approximately \$2,372,000.

# Jenison Public Schools

## Notes to Financial Statements

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### 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, 2019</i>	Cumulative Revenues	Cumulative Expenditures
2016 Bonds	\$ 480,380	\$ 24,632,322

### 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 \$6,600 for the year ended June 30, 2019.

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.

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

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**11. Net Investment in Capital Assets**

The composition of the District's net investment in capital assets as of June 30, 2019 is as follows:

*June 30, 2019*

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**Capital Assets**

Land and construction in process	\$ 1,726,347
Depreciable capital assets, net	62,988,637

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Total capital assets 64,714,984

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**Related Debt**

Bonds payable	(59,135,000)
Bond premium	(6,645,460)
Unspent proceeds	779,668
Deferred interest on refunding	1,683,795

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Total related debt (63,316,997)

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**Net Investment in Capital Assets** **\$ 1,397,987**

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## General Fund

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# Jenison Public Schools

## General Fund Balance Sheet

June 30, 2019

General

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### Assets

Cash and investments	\$ 6,366,142
Accounts receivable	10,423
Due from other governmental units	9,387,896
Inventories	34,772
Prepaid expenditures	88,926

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<b>Total Assets</b>	<b>\$ 15,888,159</b>
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### Liabilities and Fund Balances

#### Liabilities

Accounts payable	\$ 353,025
Accrued payroll	6,016,979
Due to other funds	25,835
Due to other governmental units	1,032,880
Unearned revenue	142,433

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<b>Total liabilities</b>	<b>7,571,152</b>
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#### Fund Balances

Nonspendable:	
Inventories	34,772
Prepaid expenditures	88,926
Assigned for subsequent year expenditures	558,210
Assigned for Jenison International Academy programming	503,786
Unassigned	7,131,313

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<b>Total fund balances</b>	<b>8,317,007</b>
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<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,888,159</b>
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# Jenison Public Schools

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

<i>Year ended June 30, 2019</i>	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>Local Sources</b>			
Property tax, other taxes and interest	\$ 3,105,240	\$ 3,048,682	\$ (56,558)
Tuition	172,500	174,215	1,715
Investment income	100,000	120,550	20,550
Athletics	177,400	202,209	24,809
Interdistrict	5,592,702	5,675,838	83,136
Other	1,500,600	1,700,385	199,785
<b>Total revenues from local sources</b>	<b>10,648,442</b>	<b>10,921,879</b>	<b>273,437</b>
<b>State Sources</b>			
Unrestricted grants	37,556,260	37,469,988	(86,272)
Restricted grants	9,009,637	9,061,928	52,291
<b>Total revenues from state sources</b>	<b>46,565,897</b>	<b>46,531,916</b>	<b>(33,981)</b>
<b>Federal Sources</b>	<b>1,278,217</b>	<b>1,277,313</b>	<b>(904)</b>
<b>Other Financing Source</b>			
Transfers in	68,500	68,500	-
<b>Total Revenues and Other Financing Source</b>	<b>\$ 58,561,056</b>	<b>\$ 58,799,608</b>	<b>\$ 238,552</b>

# Jenison Public Schools

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

<i>Year ended June 30, 2019</i>	Salaries	Employee Benefits	Purchased Services
<b>Expenditures</b>			
<b>Instruction</b>			
Basic programs:			
Elementary	\$ 8,540,258	\$ 6,169,563	\$ 624,761
Junior high	2,226,832	1,658,730	129,362
High school	4,435,272	3,170,397	356,984
Preschool	754,488	541,621	372,432
Total basic programs	15,956,850	11,540,311	1,483,539
Added needs:			
Special education	3,147,882	2,139,446	489,213
Compensatory education	481,635	328,768	25,000
Vocational education	245,580	163,935	27,712
Total added needs	3,875,097	2,632,149	541,925
Total instruction	19,831,947	14,172,460	2,025,464
<b>Support Services</b>			
Student services:			
Guidance	402,041	289,557	12,656
Health	180,195	138,130	2,772
Psychological	351,403	217,665	581
Speech	474,252	323,992	680
Social work	388,918	281,058	16,403
Teacher consultant	282,266	200,736	3,703
Other	216,287	133,961	70,806
Total student services	2,295,362	1,585,099	107,601
Instructional staff:			
Improvement of instruction	273,543	183,978	107,913
Library	210,713	120,393	13,139
Technology	253,354	161,952	31,775
Supervision and direction	428,576	260,253	3,734
Student assessment	-	-	34,148
Total instructional staff	1,166,186	726,576	190,709

# 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)
\$ 491,907	\$ 33,265	\$ 15,859,754	\$ 15,893,734	\$ 33,980
53,986	4,846	4,073,756	4,127,115	53,359
154,390	34,928	8,151,971	8,360,875	208,904
102,094	10,046	1,780,681	1,787,932	7,251
802,377	83,085	29,866,162	30,169,656	303,494
17,173	1,968	5,795,682	5,840,544	44,862
1,134	-	836,537	929,077	92,540
55,721	94,020	586,968	589,568	2,600
74,028	95,988	7,219,187	7,359,189	140,002
876,405	179,073	37,085,349	37,528,845	443,496
1,447	-	705,701	682,700	(23,001)
3,639	-	324,736	367,413	42,677
2,927	-	572,576	574,028	1,452
613	-	799,537	827,201	27,664
758	25	687,162	682,677	(4,485)
73	299	487,077	502,484	15,407
797	-	421,851	436,837	14,986
10,254	324	3,998,640	4,073,340	74,700
10,764	-	576,198	647,153	70,955
12,289	-	356,534	411,977	55,443
48,674	45	495,800	489,128	(6,672)
62,349	-	754,912	738,669	(16,243)
-	-	34,148	35,332	1,184
134,076	45	2,217,592	2,322,259	104,667

# Jenison Public Schools

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

<i>Year ended June 30, 2019</i>	Salaries	Employee Benefits	Purchased Services
<b>Support Services (continued)</b>			
General administration	\$ 290,837	\$ 176,202	\$ 100,148
School administration	1,900,266	1,346,522	43,553
Business office:			
Fiscal	345,279	257,599	6,031
Internal services	75,282	50,295	23,629
Other	-	-	-
Total business office	420,561	307,894	29,660
Operations and maintenance	426,577	318,676	2,254,510
Student transportation	909,023	622,464	109,430
Athletics	531,164	281,777	294,078
Other support services:			
Personnel services	283,968	190,417	93,240
Other	174,766	100,644	468,938
Total other support services	458,734	291,061	562,178
Total support services	8,398,710	5,656,271	3,691,867
Community Services	676,653	422,018	749,918
<b>Total Expenditures</b>	<b>\$ 28,907,310</b>	<b>\$ 20,250,749</b>	<b>\$ 6,467,249</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)
\$ 63,903	\$ -	\$ 631,090	\$ 640,540	\$ 9,450
42,444	30,590	3,363,375	3,431,993	68,618
7,642	-	616,551	624,115	7,564
1,335	-	150,541	155,802	5,261
15,469	-	15,469	25,000	9,531
24,446	-	782,561	804,917	22,356
928,217	15,129	3,943,109	3,949,322	6,213
273,915	117,278	2,032,110	2,003,900	(28,210)
54,921	105,768	1,267,708	1,306,657	38,949
14,411	2,777	584,813	585,339	526
100,050	13,246	857,644	796,667	(60,977)
114,461	16,023	1,442,457	1,382,006	(60,451)
1,646,637	285,157	19,678,642	19,914,934	236,292
105,025	3,837	1,957,451	2,044,442	86,991
\$ 2,628,067	\$ 468,067	\$ 58,721,442	\$ 59,488,221	\$ 766,779

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## Nonmajor Governmental Funds

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

<i>June 30, 2019</i>	<u>Special Revenue</u>	<u>Debt</u>		
	Food Service	2017 Debt	2016 Debt	2011B Debt
<b>Assets</b>				
Cash and investments	\$ 924,432	\$ 109,397	\$ 338,198	\$ 242,295
Accounts receivable	140	-	-	-
Due from other funds	2,827	-	-	-
Due from other governmental units	56,681	-	-	-
Inventories	65,114	-	-	-
<b>Total Assets</b>	<b>\$ 1,049,194</b>	<b>\$ 109,397</b>	<b>\$ 338,198</b>	<b>\$ 242,295</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,111	\$ -	\$ -	\$ -
Accrued payroll	3,809	-	-	-
Unearned revenue	111,915	-	-	-
<b>Total liabilities</b>	<b>116,835</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable - inventories	65,114	-	-	-
Restricted for capital projects	-	-	-	-
Restricted for debt retirement	-	109,397	338,198	242,295
Restricted for food service	867,245	-	-	-
Assigned for capital projects	-	-	-	-
<b>Total fund balances</b>	<b>932,359</b>	<b>109,397</b>	<b>338,198</b>	<b>242,295</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,049,194</b>	<b>\$ 109,397</b>	<b>\$ 338,198</b>	<b>\$ 242,295</b>

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

Retirement		Capital Projects			Total
2011A Debt	2010 Debt	2016 Capital Projects	Energy Capital Projects	General Capital Projects	
\$ 603,901	\$ 385,740	\$ 1,240,151	\$ 500,881	\$ 609,231	\$ 4,954,226
-	-	-	-	-	140
-	-	23,008	-	-	25,835
-	-	-	-	-	56,681
-	-	-	-	-	65,114
<b>\$ 603,901</b>	<b>\$ 385,740</b>	<b>\$ 1,263,159</b>	<b>\$ 500,881</b>	<b>\$ 609,231</b>	<b>\$ 5,101,996</b>
\$ -	\$ -	\$ 3,111	\$ -	\$ -	\$ 4,222
-	-	-	-	-	3,809
-	-	-	-	-	111,915
-	-	3,111	-	-	119,946
-	-	-	-	-	65,114
-	-	1,260,048	500,881	-	1,760,929
603,901	385,740	-	-	-	1,679,531
-	-	-	-	-	867,245
-	-	-	-	609,231	609,231
<b>603,901</b>	<b>385,740</b>	<b>1,260,048</b>	<b>500,881</b>	<b>609,231</b>	<b>4,982,050</b>
<b>\$ 603,901</b>	<b>\$ 385,740</b>	<b>\$ 1,263,159</b>	<b>\$ 500,881</b>	<b>\$ 609,231</b>	<b>\$ 5,101,996</b>

# Jenison Public Schools

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

<i>Year ended June 30, 2019</i>	Special Revenue		Debt		
	Food Service	Energy	2017 Debt	2016 Debt	2011B Debt
<b>Revenues</b>					
Local sources:					
Property taxes	\$ -	\$ -	\$ 602,964	\$ 1,862,093	\$ 1,347,801
Other local	1,777,659	-	7,301	24,473	17,336
State sources	244,000	-	-	-	-
Federal sources	1,415,855	-	-	-	-
<b>Total revenues</b>	<b>3,437,514</b>	<b>-</b>	<b>610,265</b>	<b>1,886,566</b>	<b>1,365,137</b>
<b>Expenditures</b>					
Salaries	843,948	-	-	-	-
Employee benefits	454,379	-	-	-	-
Food and milk costs	1,151,234	-	-	-	-
Purchased services	309,914	-	-	-	-
Supplies, materials, other	378,439	-	-	-	-
Capital outlay	224,647	-	-	-	-
Redemption of principal	-	-	-	405,000	1,085,000
Bond issuance costs	-	-	-	-	-
Interest	-	23,658	553,850	1,315,100	150,875
Fiscal charges	-	-	1,041	2,531	2,080
<b>Total expenditures</b>	<b>3,362,561</b>	<b>23,658</b>	<b>554,891</b>	<b>1,722,631</b>	<b>1,237,955</b>
Excess (deficiency) of revenues over expenditures	74,953	(23,658)	55,374	163,935	127,182
<b>Other Financing Sources (Uses)</b>					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	-	23,658	-	-	-
Transfers out	(68,500)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(68,500)</b>	<b>23,658</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	6,453	-	55,374	163,935	127,182
Fund Balances, beginning of year	925,906	-	54,023	174,263	115,113
<b>Fund Balances, end of year</b>	<b>\$ 932,359</b>	<b>\$ -</b>	<b>\$ 109,397</b>	<b>\$ 338,198</b>	<b>\$ 242,295</b>

# Jenison Public Schools

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

Retirement		Capital Projects			
2011A Debt	2010 Debt	2016 Capital Projects	Energy Capital Projects	General Capital Projects	Total
\$ 1,596,080	\$ 2,128,107	\$ -	\$ -	\$ -	\$ 7,537,045
39,596	27,620	106,798	14,753	-	2,015,536
-	-	-	-	-	244,000
604,716	-	-	-	-	2,020,571
2,240,392	2,155,727	106,798	14,753	-	11,817,152
-	-	-	-	-	843,948
-	-	-	-	-	454,379
-	-	-	-	-	1,151,234
-	-	-	-	-	309,914
-	-	-	-	-	378,439
-	-	5,062,199	1,173,181	-	6,460,027
1,490,000	1,680,000	-	-	-	4,660,000
-	-	-	45,956	-	45,956
706,260	297,433	-	-	-	3,047,176
2,828	2,825	-	-	-	11,305
2,199,088	1,980,258	5,062,199	1,219,137	-	17,362,378
41,304	175,469	(4,955,401)	(1,204,384)	-	(5,545,226)
-	-	-	1,700,000	-	1,700,000
-	-	-	28,923	-	28,923
-	-	-	-	-	23,658
-	-	-	(23,658)	-	(92,158)
-	-	-	1,705,265	-	1,660,423
41,304	175,469	(4,955,401)	500,881	-	(3,884,803)
562,597	210,271	6,215,449	-	609,231	8,866,853
\$ 603,901	\$ 385,740	\$ 1,260,048	\$ 500,881	\$ 609,231	\$ 4,982,050

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## Agency Fund

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# Jenison Public Schools

## Agency Fund Statement of Changes in Assets and Liabilities

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<i>Year ended June 30, 2019</i>	Balance, July 1, 2018	Additions	Deletions	Balance, June 30, 2019
<b>Assets</b>				
Cash and investments	\$ 546,331	\$ 1,472,782	\$ 1,434,649	\$ 584,464
<b>Liabilities</b>				
Due to student groups	\$ 546,331	\$ 1,675,936	\$ 1,637,803	\$ 584,464

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## Schedules of Bonds Issued, Redeemed and Outstanding

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# Jenison Public Schools

## 2010 Refunding Bonds Schedules of Bonds Issued, Redeemed and Outstanding June 30, 2019

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2019	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	-	-	-
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	\$ 7,110,000	\$ 6,490,000	\$ 294,782	\$ 294,782

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, 2019

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2019	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	-	-	-
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	\$ 4,570,000	\$ 10,430,000	\$ 1,274,697	\$ 1,274,697

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, 2019

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2019	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	-	-	-
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	\$ 15,525,000	\$ 2,460,000	\$ 86,700	\$ 86,700

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, 2019

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2019	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	-	-	-
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	\$ 770,000	\$ 26,085,000	\$ 6,975,450	\$ 6,975,450

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, 2019**

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2019	November 1	May 1
2018	5/1/2018		\$ -	\$ -	\$ -	\$ -	\$ -
2019	5/1/2019		-	-	-	-	-
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	\$ 2,199,750	\$ 2,199,750

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.

# Jenison Public Schools

## 2018 Energy Conservation Improvement Bonds Schedules of Bonds Issued, Redeemed and Outstanding June 30, 2019

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2019	November 1	May 1
2019	5/1/2019		\$ -	\$ -	\$ -	\$ -	\$ -
2020	5/1/2020	3.00	110,000	-	110,000	25,500	25,500
2021	5/1/2021	3.00	185,000	-	185,000	23,850	23,850
2022	5/1/2022	3.00	185,000	-	185,000	21,075	21,075
2023	5/1/2023	3.00	190,000	-	190,000	18,300	18,300
2024	5/1/2024	3.00	195,000	-	195,000	15,450	15,450
2025	5/1/2025	3.00	200,000	-	200,000	12,525	12,525
2026	5/1/2026	3.00	205,000	-	205,000	9,525	9,525
2027	5/1/2027	3.00	210,000	-	210,000	6,450	6,450
2028	5/1/2028	3.00	220,000	-	220,000	3,300	3,300
			\$ 1,700,000	\$ -	\$ 1,700,000	\$ 135,975	\$ 135,975

Date of Issue: 10/30/18

**Purpose:**

Financing energy conservation improvements to school buildings.

**Redemption Prior to Maturity:**

The bonds or portions of bonds in multiples of \$5,000 due on or after 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.

## Required Supplementary Information

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# Jenison Public Schools

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

<i>Year ended June 30, 2019</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Local sources:				
Property taxes	\$ 3,137,484	\$ 3,105,240	\$ 3,048,682	\$ (56,558)
Interdistrict	5,619,751	5,592,702	5,675,838	83,136
Other local	2,125,020	1,950,500	2,197,359	246,859
State sources	45,719,958	46,565,897	46,531,916	(33,981)
Federal sources	1,166,383	1,278,217	1,277,313	(904)
<b>Total revenues</b>	<b>57,768,596</b>	<b>58,492,556</b>	<b>58,731,108</b>	<b>238,552</b>
<b>Expenditures</b>				
Instruction:				
Regular	30,225,138	30,169,656	29,866,162	303,494
Special education	6,786,941	5,840,544	5,795,682	44,862
Compensatory education	1,215,290	929,077	836,537	92,540
Vocational education	543,615	589,568	586,968	2,600
<b>Total instruction</b>	<b>38,770,984</b>	<b>37,528,845</b>	<b>37,085,349</b>	<b>443,496</b>
Support services:				
Student services	2,919,491	4,073,340	3,998,640	74,700
Instructional staff	1,997,841	2,322,259	2,217,592	104,667
General administration	674,298	640,540	631,090	9,450
School administration	3,219,917	3,431,993	3,363,375	68,618
Business office	786,014	804,917	782,561	22,356
Operations and maintenance	3,855,908	3,949,322	3,943,109	6,213
Student transportation	1,976,604	2,003,900	2,032,110	(28,210)
Athletics	1,302,757	1,306,657	1,267,708	38,949
Other support services	1,431,182	1,382,006	1,442,457	(60,451)
<b>Total support services</b>	<b>18,164,012</b>	<b>19,914,934</b>	<b>19,678,642</b>	<b>236,292</b>
Community services	1,746,906	2,044,442	1,957,451	86,991
<b>Total expenditures</b>	<b>58,681,902</b>	<b>59,488,221</b>	<b>58,721,442</b>	<b>766,779</b>
Excess of revenues over expenditures	(913,306)	(995,665)	9,666	1,005,331
<b>Other Financing Source</b>				
Transfers in	68,500	68,500	68,500	-
Change in fund balance	(844,806)	(927,165)	78,166	1,005,331
<b>Fund Balance, beginning of year</b>	<b>8,238,841</b>	<b>8,238,841</b>	<b>8,238,841</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 7,394,035</b>	<b>\$ 7,311,676</b>	<b>\$ 8,317,007</b>	<b>\$ 1,005,331</b>

*See accompanying notes to financial statements.*

## 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>	2018	2017	2016	2015
Reporting unit's proportion of net pension liability	0.32752%	0.31654%	0.31393%	0.30111%
Reporting unit's proportionate share of net pension liability	\$ 98,459,062	\$ 82,030,183	\$ 78,324,057	\$ 73,545,177
Reporting unit's covered-employee payroll	\$ 28,585,558	\$ 25,658,662	\$ 26,118,766	\$ 24,902,281
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	344.44%	319.70%	299.88%	295.34%
Plan fiduciary net position as a percentage of total pension liability	62.36%	64.21%	63.27%	63.17%

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>	2019	2018	2017	2016
Statutorily required contributions	\$ 7,731,181	\$ 6,989,687	\$ 6,006,443	\$ 5,406,933
Contributions in relation to statutorily required contributions	7,731,181	6,989,687	6,006,443	5,406,933
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Reporting unit's covered-employee payroll	\$ 29,924,346	\$ 27,346,131	\$ 25,303,880	\$ 24,919,683
Contributions as a percentage of covered-employee payroll	25.84%	25.56%	23.74%	21.70%

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)

<i>September 30,</i>	2018	2017
Reporting unit's proportion of net OPEB liability	0.33744%	0.31659%
Reporting unit's proportionate share of net OPEB liability	\$ 26,822,778	\$ 28,035,530
Reporting unit's covered-employee payroll	\$ 28,585,558	\$ 25,658,662
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	93.83%	109.26%
Plan fiduciary net position as a percentage of total OPEB liability	42.95%	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)

<i>June 30,</i>	2019	2018
Statutorily required contributions	\$ 3,723,579	\$ 3,502,837
Contributions in relation to statutorily required contributions	3,723,579	3,502,837
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>
Reporting unit's covered-employee payroll	\$ 29,924,346	\$ 27,346,131
Contributions as a percentage of covered-employee payroll	12.44%	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.

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## **Additional Single Audit Schedule and Reports**

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## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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, 2019, 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 8, 2019.

### 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.

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## 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

Grand Rapids, Michigan  
October 8, 2019

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## 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, 2019. 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 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, 2019.

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## 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

Grand Rapids, Michigan  
October 8, 2019

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## Schedule of Expenditures of Federal Awards

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# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2019</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 2017-18	181970	10.553	\$ 70,402
National School Breakfast Program 2018-19	191970	10.553	56,380
National School Breakfast Program Subtotal		10.553	126,782
Noncash Assistance (Commodities):			
National School Lunch Program Entitlement Commodities 2018-2019	N/A	10.555	253,746
Cash Assistance:			
National School Lunch Program 2017-18	181960	10.555	1,153,902
National School Lunch Program 2018-19	191960	10.555	971,188
National School Lunch Program (including commodities) Subtotal		10.555	2,378,836
Cash Assistance:			
Summer Food Service Program 2017-18	180900	10.559	9,444
Summer Food Service Program 2018-19	190900	10.559	16,501
Summer Food Service Program Subtotal		10.559	25,945
<b>Total Child Nutrition Cluster - U.S. Department of Agriculture</b>			<b>2,531,563</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 1718	181530	84.010	227,018
Title I Part A 1819	191530	84.010	253,754
Total Title I, Part A		84.010	480,772
<b>Special Education Cluster</b>			
Passed through Ottawa Area Intermediate School District:			
IDEA - Flow Through			
IDEA Flow Through 1718	180450	84.027	800,367
IDEA Flow Through 1819	190450	84.027	863,219
IDEA - Flow Through Subtotal		84.027	1,663,586
IDEA - Preschool Incentive			
IDEA Preschool 1718	180460	84.173	25,445
IDEA Preschool 1819	190460	84.173	27,119
IDEA - Preschool Incentive Subtotal		84.173	52,564
<b>Total Special Education Cluster</b>			<b>1,716,150</b>

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

Prior Year Expenditures (memorandum only)	Accrued (Deferred) Revenue at July 1, 2018	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2019	Current Year Passed-Through to Subrecipients
\$ 63,994	\$ -	\$ 6,408	\$ 6,408	\$ -	\$ -
-	-	54,407	56,380	1,973	-
63,994	-	60,815	62,788	1,973	-
-	(4,346)	235,743	229,882	(10,207)	-
1,016,201	-	137,701	137,701	-	-
-	-	944,350	971,188	26,838	-
1,016,201	(4,346)	1,317,794	1,338,771	16,631	-
9,444	2,204	2,204	-	-	-
-	-	10,022	14,296	4,274	-
9,444	2,204	12,226	14,296	4,274	-
1,089,639	(2,142)	1,390,835	1,415,855	22,878	-
216,331	50,784	50,784	-	-	-
-	-	199,981	250,000	50,019	-
216,331	50,784	250,765	250,000	50,019	-
800,367	349,154	349,154	-	-	-
-	-	526,995	863,219	336,224	-
800,367	349,154	876,149	863,219	336,224	-
25,445	10,938	10,938	-	-	-
-	-	-	27,119	27,119	-
25,445	10,938	10,938	27,119	27,119	-
825,812	360,092	887,087	890,338	363,343	-

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2019</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
Mckinney Vento 1819	192320	84.196	997
Total Mckinney Vento Homeless		84.196	2,578
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
Title III Part A 1819	190570	84.365	4,189
Total Title III, Part A		84.365	16,920
Passed through Michigan Department of Education:			
Title II, Part A - Improving Teacher Quality			
Title II Part A 1718	180520	84.367	90,823
Title II Part A 1819	190520	84.367	113,111
Total Title II Part A		84.367	203,934
Passed through Michigan Department of Education:			
Title IV, Part A - Student Support			
Title IV Part A 1819	190750	84.424	15,828
Total U.S. Department of Education			2,436,182
U.S. Department of Health and Human Services			
Passed through Ottawa Area Intermediate School District:			
Medicaid Outreach			
Medicaid Outreach 1819	N/A	93.778	8,275
Total U.S. Department of Health and Human Services			8,275
<b>Total Federal Awards</b>			<b>\$ 4,976,020</b>

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

Prior Year Expenditures (memorandum only)	Accrued (Deferred) Revenue at July 1, 2018	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2019	Current Year Passed-Through to Subrecipients
\$ 1,300	\$ 38	\$ 38	\$ -	\$ -	\$ -
-	-	997	997	-	-
1,300	38	1,035	997	-	-
999	989	989	-	-	-
-	-	-	-	-	-
999	989	989	-	-	-
87,750	18,879	19,591	712	-	-
-	-	89,985	111,163	21,178	-
87,750	18,879	109,576	111,875	21,178	-
-	-	15,828	15,828	-	-
1,132,192	430,782	1,265,280	1,269,038	434,540	-
-	-	8,275	8,275	-	-
-	-	8,275	8,275	-	-
\$ 2,221,831	\$ 428,640	\$ 2,664,390	\$ 2,693,168	\$ 457,418	\$ -

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## Notes to Schedule of Expenditures of Federal Awards

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# Jenison Public Schools

## Notes to Schedule of Expenditures of Federal Awards

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### 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, 2019. 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 not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### 3. Reconciliation to Financial Statements

*Year ended June 30, 2019*

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Federal revenue per financial statements	\$ 3,297,884
Less federal interest rate subsidy	(604,716)
<b>Expenditures of Federal Awards</b>	<b>\$ 2,693,168</b>

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## Schedule of Findings and Questioned Costs

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# Jenison Public Schools

## Schedule of Findings and Questioned Costs Year Ended June 30, 2019

### 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>
--------------------	---

84.027 & 84.173	Special Education
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Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	yes

### 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.

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**JENISON PUBLIC SCHOOLS**

# AUDIT WRAP-UP

June 30, 2019



The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Education) and, if appropriate, management of the District, and is not intended and should not be used by anyone other than these specified parties.

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200 Ottawa Avenue NW, Suite 300  
Grand Rapids, MI 49503

October 9, 2019

Members of the Board of Education  
Jenison Public Schools  
Jenison, Michigan

Professional standards require us to communicate with you regarding matters related to the audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On May 9, 2019, we presented an overview of our plan for the audit of the financial statements of Jenison Public Schools (the District) as of and for the year ended June 30, 2019, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the District's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the District and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

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# Discussion Outline

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Other Required Communications .....	6
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Significant Accounting and Reporting Matters.....	8
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# Status of Our Audit

We have completed our audit of the financial statements and federal awards as of and for the year ended June 30, 2019. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements whether due to error or fraud.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We have issued an unmodified opinion on the financial statements and released our report on October 8, 2019.
- ▶ We have issued an unmodified opinion on compliance requirements that could have a direct and material effect on each major federal program.
- ▶ Our responsibility for other information in documents containing the District's audited financial statements (e.g. management's discussion and analysis, budgetary comparisons, schedules of pension and OPEB amounts) does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the District and considered whether such information, or the manner of its presentation, is materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of District personnel throughout the course of our work.

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# Results of Our Audit

## ACCOUNTING PRACTICES, POLICIES AND ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the District's accounting practices, policies and estimates:

The District's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

There were no changes in significant accounting policies and practices during the year ended June 30, 2019.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The District's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in the notes to the financial statements.

Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates during the year ended June 30, 2019.

## CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements related to accounts and/or disclosures that we brought to the attention of management.

There was one uncorrected misstatement related to accounts and/or disclosures that we presented to management. Please refer to the schedule of uncorrected misstatements included in the attached management representation letter. We concur with management's assessment that the effects of not recording such adjustment are, both individually and in the aggregate, immaterial to the financial statements taken as a whole, considering both qualitative and quantitative factors. The proposed adjustment could not potentially cause future-period financial statements to be materially misstated.

## QUALITY OF THE GOVERNMENT'S FINANCIAL REPORTING

A discussion was held regarding the quality of the District's financial reporting, which included the following:

- ▶ Qualitative aspects of significant accounting policies and practices
- ▶ Our conclusions regarding significant accounting estimates
- ▶ Financial statement presentation
- ▶ New accounting pronouncements

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# Internal Control Over Financial Reporting

In planning and performing our audit of the District’s financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing and in a timely manner, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the District’s internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Deficiency in 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.
Significant Deficiency	A deficiency or 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.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Government’s financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses.

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# Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the District:

Requirement	Discussion Points
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the District's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
Consultations with other accountants	We are not aware of any consultations about significant accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent accountants on the application of generally accepted accounting principles.
Our evaluation of the District's relationships and transactions with related parties and their impact on the financial statements	We have evaluated the District's process to identify, authorize and approve, account for, and disclose its relationships and transactions with related parties and noted no significant issues.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the District's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Other matters significant to the oversight of the District's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the Government's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.

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# Independence Communication

Our engagement letter to you dated May 9, 2019 describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standard* with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the District with respect to independence as agreed to by the District. Please refer to that letter for further information.

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# Significant Accounting and Reporting Matters

## **GASB STATEMENT NO. 83, CERTAIN ASSET RETIREMENT OBLIGATIONS**

- ▶ Establishes measurement criteria for recording a liability for the retirement or removal of certain assets such as:
  - ✓ Nuclear power plants
  - ✓ Sewage treatment facilities
  - ✓ Coal-fired power plant
  - ✓ Wind turbines
  - ✓ X-ray machines
- ▶ Governments with legal obligations to perform future asset retirement activities related to its tangible capital assets would be required to recognize a liability.
- ▶ Must be both an external obligating event, such as a court judgment or federal, state or local law; and an internal obligating event, such as contamination or retirement.
- ▶ A liability and corresponding deferred outflow are recorded when the liability is both incurred and reasonably estimable.
- ▶ The liability is based on the best estimate of the current value of outlays expected to be incurred.
- ▶ Deferred outflows should be amortized over the estimated useful life of the tangible capital asset.
- ▶ Annual remeasurement required, adjusting for effects of inflation or deflation.
- ▶ Exception for minority owner (<50%).

## **GASB STATEMENT NO. 88, CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS**

- ▶ Defines debt for purposes of disclosure as a liability that arises from a contractual obligation to pay cash or other assets in one or more payments to settle an amount that is fixed as of the date the obligation is established.
- ▶ Excludes pension and OPEB liabilities, leases (except for contracts reported as a financed purchase of the underlying assets) and accounts payable as those should be disclosed in separate notes.
- ▶ Includes capital appreciation bonds and variable rate debt.
- ▶ Additional note disclosures required for unused lines of credit, assets pledged as collateral, specific debt agreement terms.
- ▶ Debt disclosures should separate information for direct borrowings and direct placements of debt from other debt.

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# Significant Accounting and Reporting Matters

## **GASB STATEMENT NO. 84, *FIDUCIARY ACTIVITIES***

- ▶ Establishes criteria for reporting fiduciary activities that focuses on whether the government controls the assets and the fiduciary relationship with the beneficiaries.
- ▶ The statement describes four fiduciary funds:
  1. Pension and OPEB trust funds
  2. Investment trust funds
  3. Private-purpose trust funds
  4. Custodial funds
- ▶ Custodial funds replace agency funds for activities that are not held in trust.
- ▶ For activities for which a trust agreement exists, an investment trust fund or private purpose trust fund will be used.
- ▶ Pension funds not held in trust would be classified as custodial funds.

## **GASB STATEMENT NO. 90, *MAJORITY EQUITY INTERESTS, AN AMENDMENT OF GASB STATEMENTS NO. 14 AND NO. 61***

- ▶ Will report a majority equity interest in a legally separate organization as an investment if it meets the definition.
- ▶ Measured using the equity method, unless held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment/permanent fund. These funds would utilize fair value to measure the majority equity interest.
- ▶ For all other majority equity interests in a legally separate organization, report the legally separate organization as component unit and the fund that holds the equity interest should report an asset using the equity method.
- ▶ Acquisition of a component unit in which the government holds 100% interest would be measured using acquisition value.

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# Significant Accounting and Reporting Matters

## **GASB STATEMENT NO. 87, LEASES**

- ▶ This standard will require recognition of certain lease assets and liabilities for leases that are currently classified as operating leases.
- ▶ New definition of a lease - a contract that conveys the right to use another entity's nonfinancial asset for a period in an exchange or exchange-like transaction.
- ▶ Eliminates the distinction between operating and capital leases.
- ▶ Excludes short-term leases.
- ▶ Excludes leases that transfer ownership and service concession arrangements that are covered by GASB Statement No. 60.
- ▶ Lessees would recognize a lease liability and an intangible right-to-use lease asset which would be amortized in a systematic and reasonable manner over the shorter of the lease term or the useful life of the underlying asset.
- ▶ Lessors would recognize lease receivable and deferred inflow of resources which would be recognized as revenue in a systematic and rational manner over the term of the lease.

## **GASB STATEMENT NO. 89, ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD**

- ▶ Upon implementation, in financial statements using the economic resources measurement focus (business-type activities and enterprise funds) interest incurred during construction should be recognized as an expense of the period.
- ▶ Interest costs on construction-in-progress will be capitalized only to the implementation date of this Statement. The provisions of this Statement are to be applied prospectively and will therefore not require a restatement of any balances.
- ▶ In financial statements using the current financial resources measurement focus, interest incurred during construction should be recognized as an expenditure (no change).
- ▶ If a government has regulated operations as defined by paragraph 476 of GASB Statement No. 62, this Statement does not eliminate or remove the requirement to capitalize qualifying interest costs as a regulatory asset.

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# Cybersecurity

The board’s role in the oversight of organizational risk is increasingly complicated by cybersecurity concerns. Trustees need to maintain continual knowledge about evolving cyber issues and management’s plans for allocating resources and otherwise responding to cyber risks. Such knowledge helps boards assess the priorities and investment decisions made by management in critical areas. Often, particularly in smaller organizations, those charged with governance oversee and monitor management’s strategy for protecting its digital assets.

In April 2017, the AICPA published the new [Cybersecurity Risk Management Reporting Framework](#) to its website –also known as “SOC (System and Organization Controls) for Cybersecurity”—that provides entities with a proactive approach for designing a risk management program and communicating about its effectiveness to their senior management teams, boards, and external stakeholders. The District is urged to refer to BDO’s [SOC for Cyber](#) resources to learn more about attestation serves with respect to management programs.

Here are recent tools/materials for use by those charged with governance in this area:

Recommended Resources	Release Date
BDO Webinar: <a href="#">Cybersecurity - Resources Boards Want to Know About</a>	August 22, 2018 September 27, 2018
CAQ’s <a href="#">Cybersecurity Risk Management Oversight : A Tool for Board Members</a>	April 2018
<a href="#">BDO Archived Webinar: What’s on the Minds of Boards?</a>	November 2017
<a href="#">Are You Cyber Aware?: 10 Cybersecurity Questions for Senior Executives?</a>	October 2017
<a href="#">Cyber Risk Management: What You Need to Know Now</a>	October 2017
<a href="#">2017 BDO Cyber Governance Survey</a>	September 2017
<a href="#">Breaking Down the Equifax Data Breach</a>	September 2017
<a href="#">BDO Knows Cybersecurity: Petya Cyber Attack</a>	June 2017
<a href="#">BDO Highlights Important DHS - FBI Cyber Alert on North Korea - Hidden Cobra</a>	June 2017
<a href="#">Introducing SOC for Cybersecurity: Translating Cyber Risk For Every Stakeholder</a>	June 2017



October 8, 2019

BDO USA, LLP  
200 Ottawa Avenue NW, Suite 300  
Grand Rapids, MI 49503

Ladies and gentlemen:

We are providing this letter in connection with your audit of the financial statements of Jenison Public Schools (the District), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2019, and the respective changes in financial position for the year then ended and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position and changes in net position in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this representation letter, as entered on the first page, the following representations made to you during your audit:

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 9, 2019, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, for 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.
- (3) The financial statements include all properly classified funds and other financial information of the primary government and all component units required to be included in the financial reporting entity by accounting principles generally accepted in the United States of America. All funds required to be presented as major funds are identified and presented as such.
- (4) We have made available to you:

- (a) All financial records, and related data and federal awards (including amendments, if any, and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities), as agreed upon in the terms of the aforementioned audit engagement letter.
  - (b) All additional information that you have requested from us for the purpose of the audit.
  - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - (d) Minutes of the meetings of the Board of Education that were held from July 1, 2018 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or schedule of expenditures of federal awards (SEFA). In our opinion, the effects of not correcting such identified financial statement misstatements (listed below under “uncorrected misstatements”) are, both individually and in the aggregate, immaterial to the financial statements of the District, taken as a whole.

**Uncorrected Misstatements**

Item #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position
1	Capital Lease Asset	\$ 632,046		
	Capital Lease Liability		\$ 546,929	
	Capital Lease Expense		85,117	\$ 85,117
	Depreciation Expense	105,341		(105,341)
	Accumulated Depreciation		105,341	
	<i>To record capital lease transaction</i>			
Current year cumulative uncorrected misstatements				\$ (20,224)

- (7) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud or noncompliance. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud or noncompliance. We have no knowledge of any:
- (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.

- (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
  - (c) Allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or others.
  - (d) Instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, whose effects should be considered when preparing the financial statements.
- (8) We have no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflow of resources, liabilities, deferred inflow of resources or net position/fund balance.
- (9) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
- (a) The identity of related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
  - (c) Guarantees, whether written or oral, under which the District is contingently liable.
  - (d) Significant estimates and material concentrations known to management that are required to be disclosed in accordance with accounting principles generally accepted in the United States of America. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances.
  - (e) The effects of all known actual or possible litigation, claims, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America, including:
    - Pending or anticipated tax refunds, other potential or pending claims, lawsuits by or against any branch of government or others;
    - Written or oral guarantees, endorsements, or unused letters of credit;
    - Unusual guarantees; or
    - Labor claims or negotiations.

Accounting principles generally accepted in the United States of America require loss contingencies to be accrued if it is probable an asset has been impaired or a liability incurred at the statement of financial position date and the amount of loss can be reasonably estimated. Such contingencies must be disclosed, but may not be accrued, if the loss is reasonably possible (but not probable) or the loss is probable but the amount of loss cannot be reasonably estimated.

- (f) Commitments, such as:
- Major capital asset purchase agreements;
  - More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
  - Deferred compensation, bonuses, pensions plans, or severance pay; or
  - Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;
- (g) Joint ventures or other participations, the detailed transactions of which are not carried on our books.
- (10) There are no:
- (a) Violations or possible violations of budget ordinances, laws or regulations and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects could be material to the financial statements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
  - (c) Restrictions of net position that were not properly authorized and approved, or reclassifications of net position that have not been properly reflected in the financial statements.
- (11) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- (12) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (13) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which

both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.

- (14) We have complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance.
- (15) No discussions have taken place with your firm's personnel regarding employment with the District.
- (16) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
- (17) Components of net position (net investment in capital assets, restricted and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- (18) Revenues are appropriately classified in the statement of activities within program revenues, contributions, and general revenues. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- (19) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United State of America and we believe it is fairly presented. The methods of measurement and presentation of the supplementary information have not changed from the prior period and we have disclosed to you any significant assumptions underlying the measurement and presentation of the supplementary information.
- (20) Required supplementary information is measured and presented in accordance with prescribed guidelines.
- (21) We believe that the actuarial assumptions and methods used to measure pension and/or other postretirement liabilities and costs for financial accounting and disclosure purposes are appropriate in the circumstances.
- (22) We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.
- (23) We do not plan to make frequent amendments to the District's pension or other postretirement benefit plans.
- (24) With respect to federal award programs:
  - (a) We are responsible for understanding and complying with, and have complied 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), including requirements relating to the preparation of the schedule of expenditures of federal awards (SEFA).

- (b) We have, in accordance with the Uniform Guidance, identified and disclosed to you in the schedule of expenditures of federal awards (SEFA), expenditures made during the audit period for all government programs and related activities provided by federal agencies in the form of federal awards, grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- (c) We acknowledge our responsibility for the preparation of the SEFA and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA below.
- (d) We have notified you of federal awards and funding increments that were received for awards received before December 26, 2014, and differentiated those awards from awards received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
- (e) We will include the auditor's report on the SEFA in any document that contains the SEFA and that indicates you have reported on such information.
- (f) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- (g) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions considered to have a direct and material effect on each federal program.
- (h) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, subsequent to the date of the auditor's report as of which compliance was audited, no changes have occurred in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and material weaknesses in internal control over compliance as reported in the schedule of findings and questioned costs.

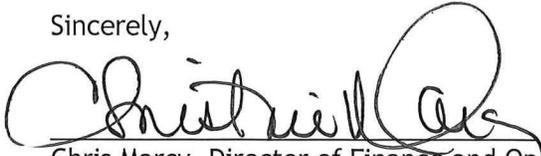
- (i) We have made available to you all federal award contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to each major federal program and related activities that have taken place with federal agencies or pass-through entities.
- (j) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- (k) We have complied, in all material respects, with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB *Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of federal awards, including the results of other audits or program reviews or confirmed that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- (l) We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- (m) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- (n) We have disclosed to you our interpretations of compliance requirements that are subject to varying interpretations, if any.
- (o) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- (p) We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- (q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards.
- (r) The copies of federal program financial reports provided to you are true copies of the reports submitted or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- (s) We have charged costs to federal awards in accordance with applicable cost principles.
- (t) We are responsible for, and have accurately completed, the appropriate sections of the Data Collection Form as required by the Uniform Guidance. The final version of

the applicable audit reporting package, which includes your signed auditor's reports, that we will submit to the Federal Audit Clearinghouse (FAC) will be identical to the final version of such documents that you provided to us.

- (u) We have identified and disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, internal or external monitoring, and other studies directly related to the audit objectives of the compliance audit, including findings received and corrective actions taken from the end of the audit period covered by the compliance audit report to the date of the auditor's report.
  - (v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- (25) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:
- We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.
  - If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
  - We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
  - We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
  - If the electronic financial statements are generally made available to the public on our web site, we will include a notification to the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page, that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Marcy". The signature is fluid and cursive, with a large initial "C" and "M".

Chris Marcy, Director of Finance and Operations

A handwritten signature in blue ink, appearing to read "Stephen Baab". The signature is cursive and written in a smaller, more compact style than the one above.

Stephen Baab, Supervisor of Accounting Services