



# **JENISON PUBLIC SCHOOLS**

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Annual Financial Report  
Year Ended June 30, 2020



# **Jenison Public Schools**

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Annual Financial Report  
Year Ended June 30, 2020

# Jenison Public Schools

## Contents

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Independent Auditor's Report	5-9
Management's Discussion and Analysis	13-19
Basic Financial Statements	
<i>District-Wide Financial Statements</i>	
Statement of Net Position	23
Statement of Activities	25
<i>Fund Financial Statements</i>	
Governmental Funds	
Balance Sheet	29
Reconciliation of Fund Balance of Governmental Funds to Net Position on the Statement of Net Position	30
Statement of Revenues, Expenditures and Changes in Fund Balances	31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Fiduciary Fund	
Statement of Fiduciary Net Position	33
<i>Notes to Financial Statements</i>	34-56
Combining, Individual Fund Financial Statements and Schedules	
<i>General Fund</i>	
Balance Sheet	59
Schedule of Revenues and Other Financing Sources - Budget to Actual	61
Schedule of Expenditures and Other Financing Uses - Budget to Actual	62-65
<i>Nonmajor Governmental Funds</i>	
Combining Balance Sheet	68-69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	70-71
<i>Custodial Fund</i>	
Statement of Changes in Fiduciary Net Position	75

# Jenison Public Schools

## Contents

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### ***Schedules of Bonds Issued, Redeemed and Outstanding***

2011 General Improvement Bonds, Series A	79
2011 General Improvement Bonds, Series B	80
2016 General Improvement and Refunding Bonds	81
2017 Refunding Bonds	82
2018 Energy Conservation Improvement Bonds	83
2020 Refunding Bonds	84

### **Required Supplementary Information**

General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual	87
Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability	88
Schedule of the Reporting Unit's Pension Contributions	89
Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability	90
Schedule of the Reporting Unit's OPEB Contributions	91
Notes to Required Supplementary information	92-93

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

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	97-99
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	101-103
Schedule of Expenditures of Federal Awards	106-109
Notes to Schedule of Expenditures of Federal Awards	113
Schedule of Findings and Questioned Costs	117

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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, 2020, 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, 2020, 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.

## ***Emphasis of Matter***

As described in Note 12 to the basic financial statements, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 13 through 19 and the other required supplementary information, on pages 87 through 91, as listed 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 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.

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The combining, individual fund financial statements and schedules and 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*, 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 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*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Jenison Public School's internal control over financial reporting and compliance.

BDO USA, LLP

October 1, 2020

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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, 2020

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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, 2020. 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, 2020

### Summary of Net Position

The following schedule summarizes the net position at June 30, 2020 and 2019:

<i>June 30,</i>	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Current assets	\$ 20,178,602	\$ 20,964,320
Capital assets, net of accumulated depreciation	63,858,808	64,714,984
<b>Total Assets</b>	<b>84,037,410</b>	<b>85,679,304</b>
<b>Deferred Outflows of Resources</b>		
Deferred interest on refunding	1,430,672	1,683,795
Related to pensions	35,380,596	34,516,155
Related to OPEB	8,842,782	6,299,176
<b>Total Deferred Outflows of Resources</b>	<b>45,654,050</b>	<b>42,499,126</b>
<b>Liabilities</b>		
Current liabilities	7,957,639	8,145,193
Long-term liabilities, including current portion of long-term obligations	198,958,702	192,612,511
<b>Total Liabilities</b>	<b>206,916,341</b>	<b>200,757,704</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	8,256,935	11,539,962
Related to OPEB	9,578,708	6,101,063
<b>Total Deferred Inflows of Resources</b>	<b>17,835,643</b>	<b>17,641,025</b>
<b>Net Position</b>		
Net investment in capital assets	5,421,369	1,397,987
Restricted for debt retirement	1,936,712	1,679,531
Restricted for food service	865,901	867,245
Restricted for capital projects	292,478	1,760,929
Unrestricted	(103,576,984)	(95,925,991)
<b>Total Net Position</b>	<b>\$ (95,060,524)</b>	<b>\$ (90,220,299)</b>

### Capital Assets and Long-Term Debt

#### Capital Assets

By the end of the 2019-20 fiscal year, the District had invested approximately \$63.9 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 \$2.0 million, bringing accumulated depreciation to \$62.2 million as of June 30, 2020.



# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2020

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

<i>June 30,</i>	<b>2020</b>	<b>2019</b>
Land	\$ 553,166	\$ 553,166
Construction in process	311,754	1,173,181
Buildings and improvements	59,869,621	59,491,378
Machinery, equipment and furniture	2,283,774	2,536,312
Transportation equipment	840,493	960,047
Software	-	900
	<b>\$ 63,858,808</b>	<b>\$ 64,714,984</b>

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### ***Long-Term Obligations***

At June 30, 2020, the District had approximately \$61.6 million in long-term obligations outstanding. This represents a decrease of approximately \$5.7 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. During the year ended June 30, 2020, the District issued the 2020 refunding bonds in the amount of \$4,390,000.

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, 2020

### Results of Operations

For the fiscal years ended June 30, 2020 and 2019, the results of operations on a District-wide basis were:

<i>Year ended June 30,</i>	<b>2020</b>	<b>2019</b>	<b>Percent Change</b>
<b>Revenues</b>			
General revenues:			
Property taxes levied for general purposes	\$ 3,186,582	\$ 3,048,682	4.5 %
Property taxes levied for debt service	7,903,434	7,537,045	4.9
Unrestricted state aid	38,104,621	37,469,988	1.7
Investment earnings	574,199	753,697	(23.8)
<b>Total general revenues</b>	<b>49,768,836</b>	<b>48,809,412</b>	<b>2.0</b>
Program revenues:			
Charges for services	3,144,844	3,837,458	(18.0)
Operating grants and contributions	21,012,762	17,747,274	18.4
<b>Total program revenues</b>	<b>24,157,606</b>	<b>21,584,732</b>	<b>11.9</b>
<b>Total Revenues</b>	<b>73,926,442</b>	<b>70,394,144</b>	<b>5.0</b>
<b>Expenses</b>			
Instruction	44,620,072	40,330,959	10.6
Support services	22,664,874	20,623,783	9.9
Community services	2,142,091	2,057,171	4.1
Food service	3,751,836	3,408,846	10.1
Student activities	1,027,250	-	100.0
Interest on long-term debt	3,028,163	3,229,502	(6.2)
Unallocated depreciation	2,037,730	1,940,564	5.0
Bond issuance costs	60,707	45,956	32.1
<b>Total Expenses</b>	<b>79,332,723</b>	<b>71,636,781</b>	<b>10.7</b>
<b>Change in Net Position</b>	<b>(5,406,281)</b>	<b>(1,242,637)</b>	
<b>Net Position, beginning of year</b>	<b>(90,220,299)</b>	<b>(88,977,662)</b>	
<b>GASB No. 84 Adjustment</b>	<b>566,056</b>	<b>-</b>	
<b>Net Position, end of year</b>	<b>\$ (95,060,524)</b>	<b>\$ (90,220,299)</b>	

During the year ended June 30, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. Adoption of this new standard resulted in the creation of the Student Activity special revenue fund, as further described in Note 12 to the financial statements.

# Jenison Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2020

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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 5,343 and 5,236 in 2019-20 and 2018-19, respectively. The state per-pupil allocation for 2019-20 and 2018-19 was \$7,936 and \$7,871, 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)
2019-20	5,343	107
2018-19	5,236	67
2017-18	5,169	174
2016-17	4,995	93
2015-16	4,902	59

#### *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 2019-20 fiscal year, the District's non-homestead property tax collections were approximately \$3.2 million. This is a 4.5% 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 \$7.9 million. This is a 4.9% 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, 2020

For the 2019-20 fiscal year, the District amended the General Fund budget two times, with the Board of Education adopting the changes in January and June 2020. The following schedule shows a comparison of the original General Fund budget, the final amended General Fund budget, and actual totals from operations:

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Total Revenues and Other</b>				
<b>Financing Source</b>	\$ 60,691,190	\$ 61,611,375	\$ 60,414,036	\$ (1,197,339)
<b>Expenditures</b>				
Instruction	\$ 38,741,157	\$ 38,097,358	\$ 37,764,341	\$ 333,017
Support services	20,252,236	20,928,562	20,156,112	772,450
Community services	2,095,508	2,087,350	1,944,999	142,351
<b>Other Financing Uses</b>	160,500	162,500	161,375	1,125
<b>Total Expenditures and</b>				
<b>Other Financing Uses</b>	\$ 61,249,401	\$ 61,275,770	\$ 60,026,827	\$ 1,248,943

The variances between the actual General Fund expenditures and the original and final expenditure budgets are due to savings of non-salary expenses during the shut-down due to COVID-19. Each year, the original budget is based on preliminary estimates of enrollment and staffing. Prior to this year, state funding has been determined and is included in the preliminary budget. The state's financial health was in jeopardy as a result of COVID-19, and a reduction in state revenue (\$175/pupil) was issued in August 2020 for the year ended June 30, 2020.

Overall, the General Fund increased its fund balance by \$387,209.

### Factors Bearing on the District's Future

The District considered many factors when setting the 2020-21 fiscal year budget. This year was significantly different from prior years. Revenues at the state level were projected to be much less due to the nation-wide (and state) shut-down and, therefore, the District estimated a \$750/pupil cut (over \$4 million) and potential loss of students. The District also reduced spending by \$1.8 million in various expenditures without any lay-offs of staff.

Approximately 74% of the 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 2020-21 budget, a decrease was projected due to the uncertainty of the impact of COVID-19. However, as of the date of this report, state revenues are higher than expected and enrollment has not decreased.

Because 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, 2020**

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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, 2020</i>	Governmental Activities
<b>Assets</b>	
<b>Current Assets</b>	
Cash and investments (Note 2)	\$ 11,399,577
Accounts receivable	1,621
Due from other governmental units (Note 4)	8,683,591
Inventories	93,813
<b>Total current assets</b>	<b>20,178,602</b>
<b>Noncurrent Assets</b>	
Land and construction in process (Note 5)	864,920
Depreciable capital assets, net (Note 5)	62,993,888
<b>Total noncurrent assets</b>	<b>63,858,808</b>
<b>Total Assets</b>	<b>84,037,410</b>
<b>Deferred Outflows of Resources</b>	
Deferred interest on refunding	1,430,672
Related to pensions (Note 7)	35,380,596
Related to OPEB (Note 7)	8,842,782
<b>Total Deferred Outflows of Resources</b>	<b>45,654,050</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	158,975
Accrued payroll	5,934,477
Accrued interest	419,903
Due to other governmental units (Note 4)	1,027,602
Unearned revenue	416,682
Current portion of long-term obligations (Note 6)	6,808,420
<b>Total current liabilities</b>	<b>14,766,059</b>
<b>Noncurrent Liabilities</b>	
Long-term obligations (Note 6)	54,776,858
Net pension liability (Note 7)	112,877,431
Net OPEB liability (Note 7)	24,495,993
<b>Total noncurrent liabilities</b>	<b>192,150,282</b>
<b>Total Liabilities</b>	<b>206,916,341</b>
<b>Deferred Inflows of Resources</b>	
Related to pensions (Note 7)	8,256,935
Related to OPEB (Note 7)	9,578,708
<b>Total Deferred Inflows of Resources</b>	<b>17,835,643</b>
<b>Net Position</b>	
Net investment in capital assets (Note 11)	5,421,369
Restricted for debt retirement	1,936,712
Restricted for food service	865,901
Restricted for capital projects	292,478
Unrestricted	(103,576,984)
<b>Total Net Position</b>	<b>\$ (95,060,524)</b>

*See accompanying notes to financial statements.*

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# Jenison Public Schools

## District-Wide Financial Statements

### Statement of Activities

		Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
<i>Year ended June 30, 2020</i>	Expenses			Total
<b>Governmental Activities</b>				
Instruction:				
Basic programs	\$ 36,968,172	\$ -	\$ 3,608,216	\$ (33,359,956)
Special education	6,354,330	35,062	8,708,330	2,389,062
Other instruction	1,297,570	-	985,543	(312,027)
Support services:				
Student services	7,206,264	-	1,680,187	(5,526,077)
Instructional staff	2,307,023	-	779,636	(1,527,387)
General administration	718,825	-	52,820	(666,005)
School administration	3,706,820	-	394,782	(3,312,038)
Business office	684,411	-	74,975	(609,436)
Operations and maintenance	3,647,019	-	101,088	(3,545,931)
Student transportation	1,759,346	-	125,988	(1,633,358)
Athletics	1,240,366	169,719	-	(1,070,647)
Other support services	1,394,800	-	245,613	(1,149,187)
Community services	2,142,091	1,564,943	444,375	(132,773)
Food service	3,751,836	1,375,120	2,247,592	(129,124)
Student activities	1,027,250	-	1,032,512	5,262
Interest on long-term debt	3,028,163	-	531,105	(2,497,058)
Unallocated depreciation	2,037,730	-	-	(2,037,730)
Bond issuance costs	60,707	-	-	(60,707)
<b>Total School District</b>	<b>\$ 79,332,723</b>	<b>\$ 3,144,844</b>	<b>\$ 21,012,762</b>	<b>\$ (55,175,117)</b>
General revenues:				
				\$ 3,186,582
Property taxes levied for general purposes				7,903,434
Property taxes levied for debt service				38,104,621
Unrestricted state aid				574,199
Investment earnings				
<b>Total general revenues</b>				<b>49,768,836</b>
Change in net position				(5,406,281)
<b>Net Position, beginning of year, as previously stated</b>				<b>(90,220,299)</b>
<b>GASB No. 84 Adjustment (Note 12)</b>				<b>566,056</b>
<b>Net Position, beginning of year, as restated</b>				<b>(89,654,243)</b>
<b>Net Position, end of year</b>				<b>\$ (95,060,524)</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, 2020</i>	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments (Note 2)	\$ 7,464,837	\$ 3,934,740	\$ 11,399,577
Accounts receivable	1,508	113	1,621
Due from other funds (Note 3)	63	-	63
Due from other governmental units (Note 4)	8,453,405	230,186	8,683,591
Inventories	34,819	58,994	93,813
<b>Total Assets</b>	<b>\$ 15,954,632</b>	<b>\$ 4,224,033</b>	<b>\$ 20,178,665</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 115,479	\$ 43,496	\$ 158,975
Accrued payroll	5,919,643	14,834	5,934,477
Due to other funds (Note 3)	-	63	63
Due to other governmental units (Note 4)	1,027,602	-	1,027,602
Unearned revenue	187,692	228,990	416,682
<b>Total liabilities</b>	<b>7,250,416</b>	<b>287,383</b>	<b>7,537,799</b>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	34,819	58,994	93,813
Restricted:			
Capital projects	-	292,478	292,478
Debt retirement	-	1,936,712	1,936,712
Food service	-	865,901	865,901
Committed for student activities	-	571,318	571,318
Assigned:			
Subsequent year expenditures	4,364,801	-	4,364,801
Jenison International Academy programming	491,747	-	491,747
Capital projects	-	211,247	211,247
Unassigned in General Fund	3,812,849	-	3,812,849
<b>Total fund balances</b>	<b>8,704,216</b>	<b>3,936,650</b>	<b>12,640,866</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,954,632</b>	<b>\$ 4,224,033</b>	<b>\$ 20,178,665</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, 2020*

Total fund balances - total governmental funds (from page 29)	\$ 12,640,866
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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	\$ 126,099,548	
Accumulated depreciation	(62,240,740)	
Net capital assets		63,858,808

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

Deferred interest from refunding	1,430,672	
Deferred outflows of resources - related to pensions	35,380,596	
Deferred outflows of resources - related to OPEB	8,842,782	

Deferred inflows are future resources yet to be recognized and, therefore not reported in the funds.

Deferred inflows of resources - related to pensions	(8,256,935)	
Deferred inflows of resources - related to OPEB	(9,578,708)	
		27,818,407

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	(53,690,000)	
Early retirement incentive payable	(1,267,509)	
Compensated absences	(449,658)	
Bond premium, net	(6,178,111)	
Accrued interest on bonds and notes	(419,903)	
Net pension liability	(112,877,431)	
Net OPEB liability	(24,495,993)	
Total long-term liabilities		(199,378,605)

Net Position of Governmental Activities	\$ (95,060,524)
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*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, 2020</i>	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Local sources:			
Property taxes	\$ 3,186,582	\$ 7,903,434	\$ 11,090,016
Interdistrict	6,405,839	-	6,405,839
Other local	1,859,547	2,510,030	4,369,577
State sources	47,671,302	257,265	47,928,567
Federal sources	1,218,907	2,526,884	3,745,791
<b>Total revenues</b>	<b>60,342,177</b>	<b>13,197,613</b>	<b>73,539,790</b>
<b>Expenditures</b>			
Instruction	37,764,341	-	37,764,341
Support services	20,156,112	-	20,156,112
Community services	1,944,999	-	1,944,999
Food service	-	3,565,121	3,565,121
Student activities	-	1,027,250	1,027,250
Debt retirement:			
Redemption of principal	-	4,885,000	4,885,000
Bond issuance costs	-	60,707	60,707
Interest and fiscal charges	-	2,842,480	2,842,480
Capital projects	-	1,882,359	1,882,359
<b>Total expenditures</b>	<b>59,865,452</b>	<b>14,262,917</b>	<b>74,128,369</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>476,725</b>	<b>(1,065,304)</b>	<b>(588,579)</b>
<b>Other Financing Sources (Uses)</b>			
Issuance of bonds (Note 6)	-	4,390,000	4,390,000
Payment to escrow agent (Note 6)	-	(4,864,293)	(4,864,293)
Redemption of principal	(110,000)	-	(110,000)
Interest and fiscal charges	(51,375)	-	(51,375)
Transfers in (Note 3)	71,859	45,920	117,779
Transfers out (Note 3)	-	(117,779)	(117,779)
<b>Total other financing sources (uses)</b>	<b>(89,516)</b>	<b>(546,152)</b>	<b>(635,668)</b>
<b>Net change in fund balances</b>	<b>387,209</b>	<b>(1,611,456)</b>	<b>(1,224,247)</b>
<b>Fund Balances, beginning of year, as previously stated</b>	<b>8,317,007</b>	<b>4,982,050</b>	<b>13,299,057</b>
<b>GASB No. 84 Adjustment (Note 12)</b>	<b>-</b>	<b>566,056</b>	<b>566,056</b>
<b>Fund Balances, beginning of year, as restated</b>	<b>8,317,007</b>	<b>5,548,106</b>	<b>13,865,113</b>
<b>Fund Balances, end of year</b>	<b>\$ 8,704,216</b>	<b>\$ 3,936,650</b>	<b>\$ 12,640,866</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, 2020*

Net change in fund balances - total governmental funds (from page 31) \$ (1,224,247)

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	\$ (8,300)	
Capital asset additions	1,189,854	
Depreciation expense	<u>(2,037,730)</u>	
Net effect of capital outlays		(856,176)

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	(4,390,000)	
Payment to escrow agent	4,864,293	
Principal payments	<u>4,995,000</u>	
		5,469,293

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	189,933	
Accrued interest	60,027	
Early retirement incentive payable	(77,931)	
Compensated absences	(89,025)	
Pension related items	(10,281,027)	
OPEB related items	<u>1,392,746</u>	
Net effect of long-term liabilities		(8,805,277)

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>10,126</u>
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Change in Net Position of Governmental Activities		<u>\$ (5,406,281)</u>
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*See accompanying notes to financial statements.*

**Jenison Public Schools**  
**Fiduciary Fund**  
**Statement of Fiduciary Net Position**

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<i>June 30, 2020</i>	Custodial Balance
<b>Assets</b>	
Cash and investments (Note 2)	\$ 10,522
<b>Net Position</b>	
Restricted for student groups	\$ 10,522

*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 two special revenue funds: Food Service and Student Activity. Food service revenues are derived from food sales and state and federal grants. Student activity revenues are derived from fundraising activities and student fees.

*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 Custodial Fund* is used to account for assets held by the District in a trustee capacity for individuals or school-related organizations. The Custodial 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, 2020, the foundation allowance was based on the blended average of pupil membership counts taken in February 2019 and October 2019.

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.

### *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.

# Jenison Public Schools

## Notes to Financial Statements

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

<i>Asset category</i>	Useful Life in 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 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

# Jenison Public Schools

## Notes to Financial Statements

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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.

### ***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 and 2016 Capital Projects Fund.

*Committed fund balance* - represents amounts constrained on use to student activities.

*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 committed, assigned and unassigned fund balances.



# **Jenison Public Schools**

## **Notes to Financial Statements**

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### ***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 1, 2020, the date the financial statements were available to be issued. Based on that evaluation, there were no matters identified that had a significant impact on the financial statements as presented.

## **2. Cash and Investments**

### ***Deposits***

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

### ***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, 2020, approximately \$1,420,000 of the District's bank balances of \$1,670,000 was uninsured and uncollateralized.

The Federal Deposit Insurance Corporation (FDIC) general deposit insurance rules provide \$250,000 of insurance per depositor, per insured bank.

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# Jenison Public Schools

## Notes to Financial Statements

A reconciliation of deposits to cash and investments as shown on the fund and the District-wide financial statements at June 30, 2020 is as follows:

### *June 30, 2020*

Carrying amount of deposits	\$ 11,409,444
Cash on hand	655
Less cash of Fiduciary Funds	(10,522)
	<hr/>
	\$ 11,399,577

### *Investments*

At June 30, 2020, 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 (MLAF)	\$ 9,944,795	\$ 9,944,795	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, 2020.

### *Credit Risk*

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

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

# Jenison Public Schools

## Notes to Financial Statements

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### *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 \$9,944,795 in pooled accounts are not subject to fair value measurement.

### **3. Interfund Activity**

Interfund receivable and payable balances at June 30, 2020 are as follows:

<i>Fund</i>	Interfund Receivable	Interfund Payable
General Fund	\$ 63	\$ -
Nonmajor Governmental Funds	-	63
	\$ 63	\$ 63

The Food Service Fund transferred \$70,000 to the General Fund for indirect costs. The Energy Capital Projects Fund transferred \$1,859 to the General Fund to be applied toward debt repayments.

# Jenison Public Schools

## Notes to Financial Statements

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

Due from other governmental units at June 30, 2020 consists of the following:

<i>Fund</i>	State	Federal	Total
General Fund	\$ 8,177,205	\$ 276,200	\$ 8,453,405
Nonmajor Governmental Funds	23,841	206,345	230,186
	\$ 8,201,046	\$ 482,545	\$ 8,683,591

Due to other governmental units at June 30, 2020 consists of the following:

<i>Fund</i>	State	Total
General Fund	\$ 1,027,602	\$ 1,027,602

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, 2020:

	Balance, July 1, 2019	Additions	Deletions	Balance, June 30, 2020
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 553,166	\$ -	\$ -	\$ 553,166
Construction in process	1,173,181	311,754	1,173,181	311,754
Capital assets being depreciated:				
Buildings and improvements	112,021,451	1,832,933	12,450	113,841,934
Furniture and fixtures	1,995,496	-	-	1,995,496
Machinery and equipment	1,606,585	107,070	6,500	1,707,155
Outside equipment	4,197,676	9,382	-	4,207,058
Transportation equipment	3,455,145	101,896	92,893	3,464,148
Software	18,837	-	-	18,837
<b>Total at historical cost</b>	<b>125,021,537</b>	<b>2,363,035</b>	<b>1,285,024</b>	<b>126,099,548</b>
Less accumulated depreciation for:				
Buildings and improvements	52,530,073	1,446,390	4,150	53,972,313
Furniture and fixtures	1,669,472	25,983	-	1,695,455
Machinery and equipment	970,475	98,986	6,500	1,062,961
Outside equipment	2,623,498	244,021	-	2,867,519
Transportation equipment	2,495,098	221,450	92,893	2,623,655
Software	17,937	900	-	18,837
<b>Total accumulated depreciation</b>	<b>60,306,553</b>	<b>2,037,730</b>	<b>103,543</b>	<b>62,240,740</b>
<b>Net Capital Assets</b>	<b>\$ 64,714,984</b>	<b>\$ 325,305</b>	<b>\$ 1,181,481</b>	<b>\$ 63,858,808</b>

# Jenison Public Schools

## Notes to Financial Statements

Depreciation for the year ended June 30, 2020 was \$2,037,730. 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, 2020:

	Balance, July 1, 2019	Additions	Deductions	Balance, June 30, 2020	Due Within One Year
Bonds payable	\$ 59,135,000	\$ 4,390,000	\$ 9,835,000	\$ 53,690,000	\$ 6,310,000
Premium on bonds	6,645,460	-	467,349	6,178,111	-
Retirement incentive	1,189,578	547,546	469,615	1,267,509	480,774
Compensated absences	360,633	106,308	17,283	449,658	17,646
	<b>\$ 67,330,671</b>	<b>\$ 5,043,854</b>	<b>\$ 10,789,247</b>	<b>\$ 61,585,278</b>	<b>\$ 6,808,420</b>

Early retirement incentives and compensated absences are normally liquidated by the General Fund and Food Service Fund.

Bonds payable at June 30, 2020 are comprised of the following individual issues:

2020 serial bonds due in annual installments of \$850,000 to \$2,625,000 through May 2023; interest at 0.91%.	\$ 4,390,000
2018 serial bonds due in annual installments of \$185,000 to \$220,000 through May 2028; interest at 3.00%.	1,590,000
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 \$760,000 to \$2,350,000 through May 2041; interest at 5.00%.	25,550,000
2011 Series B serial bonds, final annual installment of \$1,250,000 due May 2021; interest at 5.00%.	1,250,000
2011 Series A serial bonds due in annual installments of \$1,490,000 through May 2026; interest at 5.75% to 6.25%.	8,940,000
	<b>\$ 53,690,000</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

### *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>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	\$ 6,310,000	\$ 2,521,640	\$ 8,831,640
2022	4,380,000	2,308,248	6,688,248
2023	4,600,000	2,124,766	6,724,766
2024	5,280,000	1,928,786	7,208,786
2025	5,280,000	1,664,100	6,944,100
2026 - 2030	15,960,000	4,971,676	20,931,676
2031 - 2035	6,090,000	2,234,500	8,324,500
2036 - 2040	4,825,000	965,000	5,790,000
2041	965,000	48,250	1,013,250
	<b>\$ 53,690,000</b>	<b>\$ 18,766,966</b>	<b>\$ 72,456,966</b>

### *Early Retirement Incentive*

The District offers some employees an early retirement incentive program as part of their contractual agreement. 39 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, 2020, the District's liability for the early retirement program was \$1,282,425. The total present value of the future payments, using a discount rate of 0.53%, is \$1,267,509.

### *Advance Refunding*

On May 21, 2020, the District issued \$4,390,000 of General Obligation Bonds with an interest rate of 0.91% to advance refund \$4,840,000 of outstanding 2010 General Obligation Bonds. The District redeemed \$4,840,000 of bonds on June 22, 2020.

As a result of the advance refunding, the District reduced its total debt service requirements by \$203,156, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$180,919.

## **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, re-codified 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>.

# Jenison Public Schools

## Notes to Financial Statements

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### ***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. MPSERS also provides disability and survivor benefits to DB plan members.

### ***Pension Reform 2010***

On May 9, 2010, the governor signed Public Act 75 of 2010 into law. As a result, any member of 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 of 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 the member worked through his/her 60<sup>th</sup> 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.

# Jenison Public Schools

## Notes to Financial Statements

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### ***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).

*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>
2020	\$ 12,276,118
2019	11,643,750
2018	11,129,928

During the year ended June 30, 2020, the District recorded \$3,766,868 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.



# Jenison Public Schools

## Notes to Financial Statements

### *Pension*

#### *Pension Liabilities*

At June 30, 2020, the District reported a liability of \$112,877,431 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2019; 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, 2019, the District's proportion was 0.34085%, which is a 0.01333% increase from the prior year.

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

For the year ended June 30, 2020, the District recognized pension expense of approximately \$18,520,000. At June 30, 2020, 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	\$ 22,101,480	\$ -
Differences between expected and actual experience	505,952	(470,688)
Net difference between projected and actual earnings on pension plan investments	-	(3,617,530)
Changes in proportion and differences between reporting unit contributions and proportionate share of contributions	4,722,962	(401,849)
Reporting unit contributions subsequent to the measurement date	8,050,202	(3,766,868)
<b>Total</b>	<b>\$ 35,380,596</b>	<b>\$ (8,256,935)</b>

Deferred outflows of resources resulting from District employer contributions of \$8,050,202 made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. 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,*

2021	\$ 9,090,493
2022	7,123,267
2023	4,761,699
2024	1,864,868

# Jenison Public Schools

## Notes to Financial Statements

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### *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 pre-funded basis. MPSERS has contracted to provide the comprehensive group medical, hearing, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS with the balance deducted from the monthly pension of each retiree health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of other post-employment benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit 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 the member worked through his/her 60<sup>th</sup> 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.

# Jenison Public Schools

## Notes to Financial Statements

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### *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.

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, 2020 were equal to the statutorily required contribution amount of approximately \$3,890,000.

### *OPEB Liabilities*

At June 30, 2020, the District reported a liability of \$24,495,993 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2019 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, 2019, the District's proportion was 0.34128%, which is a 0.00384% increase from the prior year.

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

For the year ended June 30, 2020, the District recognized OPEB expense of approximately \$2,500,000. At June 30, 2020, 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	\$ 5,307,786	\$ -
Differences between expected and actual experience	-	(8,988,273)
Net difference between projected and actual earnings on pension plan investments	-	(425,997)
Changes in proportion and differences between reporting unit contributions and proportionate share of contributions	1,511,569	(164,438)
Reporting unit contributions subsequent to the measurement date	2,023,427	-
<b>Total</b>	<b>\$ 8,842,782</b>	<b>\$ (9,578,708)</b>

# Jenison Public Schools

## Notes to Financial Statements

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\$2,023,427, 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.

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,*

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2021	\$ (777,649)
2022	(777,649)
2023	(565,463)
2024	(364,713)
2025	(273,879)

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### ***Actuarial Assumptions***

*Investment rate of return for pension* - 6.8% a year, compounded annually net of investment and administrative expenses for the non-hybrid groups and Pension Plus plan, and 6.0% a year, compounded annually net of investment and administrative expenses for the hybrid group (Pension Plus 2 plan).

*Investment rate of return for OPEB* - 6.95% a year, compounded annually net of investment and administrative expenses.

*Salary increases* - 2.75% - 11.55%, including wage inflation at 2.75%.

*Inflation* - 2.75%

*Mortality assumptions* - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006. Active: RP-2014 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006. Disabled Retirees: RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

*Experience study* - The annual actuarial valuation report of the system used for these statements is dated September 30, 2019. 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 6.8% (6.0% Pension Plus 2 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.

# Jenison Public Schools

## Notes to Financial Statements

*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.

*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 %	5.5 %
Private equity pools	18.0	8.6
International equity pools	16.0	7.3
Fixed income pools	10.5	1.2
Real estate and infrastructure pools	10.0	4.2
Absolute return pools	15.5	5.4
Short-term investment pools	2.0	0.8
<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 6.8% (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 7.0% was used to measure the total OPEB liability. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that school districts' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# Jenison Public Schools

## Notes to Financial Statements

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.8% (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 (5.8% / 5.0%)	Discount Rate (6.8% / 6.0%)	1% Higher (7.8% / 7.0%)
Reporting unit's proportionate share of the net pension liability	\$ 146,747,881	\$ 112,877,431	\$ 84,797,660

### ***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 7.0%, 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 (6.0%)	Discount Rate (7.0%)	1% Higher (8.0%)
Reporting unit's proportionate share of the net OPEB liability	\$ 30,048,016	\$ 24,495,993	\$ 19,833,835

### ***Sensitivity of the Net OPEB Liability to Healthcare Cost Trend Rate***

The following presents the District's proportionate share of the net OPEB liability calculated using the assumed healthcare trend rates, as well as what the District's proportionate share of the net OPEB Liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Lower	Current Healthcare Cost Trend Rate	1% Higher
District's proportionate share of the net OPEB liability	\$ 19,636,180	\$ 24,495,993	\$ 30,047,358

### ***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

# Jenison Public Schools

## Notes to Financial Statements

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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, 2020 were approximately \$2,465,000.

### **8. Risk Management and Benefits**

The District participates in a public entity risk (insurance) pool with other school districts in the SET-SEG Property/Casualty Pool, Inc. (a nonprofit corporation). This is a self-insurance fund which provides members with loss protection for property and casualty damages. The Pool was created on May 23, 1985 and organized under Public Act 138 of 1982, as amended as a governmental group property and casualty self-insurance pool. There have been no significant reductions in coverage and settlements have not exceeded insurance coverage during the past three years.

The District made a contribution of \$139,792 to the Pool for the year ended June 30, 2020. A member's contribution to the Pool in excess of its share of claim losses, expenses and other costs may be refunded as determined by the Board of Directors. The District did not receive a refund for the fiscal year ended June 30, 2020.

The Pool does not maintain separate funds for members, and consequently, the District's share of the total assets and total equity is unknown.

The District continues to carry commercial insurance for employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### ***COVID-19***

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Management is actively monitoring the impact of the global situation on the education industry, financial condition, liquidity and operations. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021. Although the District cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on results of future operations, financial position, and liquidity in fiscal year 2021 if state aid is depressed. The District's operations are heavily dependent on the state foundation allowance and property tax revenue.

# Jenison Public Schools

## Notes to Financial Statements

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### **CARES Act**

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer-side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

The District continues to examine the impact that the CARES Act may have on its operations. Currently, the District is unable to determine the impact that the CARES Act will have on its financial condition, results of operations, or liquidity.

### **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, 2020</i>	Cumulative Revenues	Cumulative Expenditures
2016 Bonds	\$ 494,616	\$ 25,614,128

### **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 \$10,100 for the year ended June 30, 2020.

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.

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# 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, 2020 is as follows:

*June 30, 2019*

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#### Capital Assets

Land and construction in process	\$ 864,920
Depreciable capital assets, net	62,993,888

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Total capital assets	63,858,808
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#### Related Debt

Bonds payable	(53,690,000)
Bond premium	(6,178,111)
Deferred interest on refunding	1,430,672

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Total related debt	(58,437,439)
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Net Investment in Capital Assets	\$ 5,421,369
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### 12. New Accounting Standards

For the year ended June 30, 2020, the District implemented the following new pronouncement:

GASB Statement No. 84, *Fiduciary Activities*

#### *Summary*

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

# **Jenison Public Schools**

## **Notes to Financial Statements**

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A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

The implementation of this new accounting standard resulted in the creation of the Student Activity special revenue fund and an increase of \$566,056 to the beginning net position of governmental activities and fund balance of the nonmajor governmental funds.

## General Fund

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# Jenison Public Schools

## General Fund Balance Sheet

*June 30, 2020*

General

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### Assets

Cash and investments	\$ 7,464,837
Accounts receivable	1,508
Due from other funds	63
Due from other governmental units	8,453,405
Inventories	34,819

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<b>Total Assets</b>	<b>\$ 15,954,632</b>
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### Liabilities and Fund Balances

#### Liabilities

Accounts payable	\$ 115,479
Accrued payroll	5,919,643
Due to other governmental units	1,027,602
Unearned revenue	187,692

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<b>Total liabilities</b>	<b>7,250,416</b>
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#### Fund Balances

Nonspendable:	
Inventories	34,819
Assigned for subsequent year expenditures	4,364,801
Assigned for Jenison International Academy programming	491,747
Unassigned	3,812,849

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<b>Total fund balances</b>	<b>8,704,216</b>
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<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,954,632</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, 2020</i>	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>Local Sources</b>			
Property tax, other taxes and interest	\$ 3,246,000	\$ 3,186,582	\$ (59,418)
Tuition	94,500	35,062	(59,438)
Investment income	100,000	82,081	(17,919)
Athletics	173,100	169,719	(3,381)
Interdistrict	6,408,829	6,405,839	(2,990)
Other	1,510,600	1,572,685	62,085
Total revenues from local sources	11,533,029	11,451,968	(81,061)
<b>State Sources</b>			
Unrestricted grants	39,011,145	38,104,621	(906,524)
Restricted grants	9,775,591	9,566,681	(208,910)
Total revenues from state sources	48,786,736	47,671,302	(1,115,434)
<b>Federal Sources</b>	1,221,610	1,218,907	(2,703)
<b>Other Financing Source</b>			
Transfers in	70,000	71,859	1,859
<b>Total Revenues and Other Financing Source</b>	<b>\$ 61,611,375</b>	<b>\$ 60,414,036</b>	<b>\$ (1,197,339)</b>

# Jenison Public Schools

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

<i>Year ended June 30, 2020</i>	Salaries	Employee Benefits	Purchased Services
<b>Expenditures</b>			
<b>Instruction</b>			
Basic programs:			
Elementary	\$ 8,854,311	\$ 6,475,762	\$ 666,097
Junior high	2,389,288	1,778,906	88,865
High school	4,233,497	3,095,137	359,917
Preschool	721,380	503,573	358,986
Total basic programs	16,198,476	11,853,378	1,473,865
Added needs:			
Special education	3,482,444	2,397,924	374,961
Compensatory education	376,207	267,884	11,965
Vocational education	255,370	168,531	30,613
Total added needs	4,114,021	2,834,339	417,539
Total instruction	20,312,497	14,687,717	1,891,404
<b>Support Services</b>			
Student services:			
Guidance	469,439	365,838	2,566
Health	186,961	144,842	8,012
Psychological	358,190	223,084	260
Speech	495,073	343,997	280
Social work	523,547	391,877	1,598
Teacher consultant	341,138	240,233	2,390
Other	240,058	151,674	128,534
Total student services	2,614,406	1,861,545	143,640
Instructional staff:			
Improvement of instruction	273,305	188,497	105,900
Library	238,379	142,981	5,277
Technology	260,246	156,973	18,016
Supervision and direction	476,423	300,324	6,204
Total instructional staff	1,248,353	788,775	135,397



# 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)
\$	435,258	\$ 9,008	\$ 16,440,436	\$ 16,600,709	\$ 160,273
	40,138	814	4,298,011	4,291,614	(6,397)
	124,673	8,340	7,821,564	7,740,852	(80,712)
	31,921	191	1,616,051	1,753,961	137,910
	631,990	18,353	30,176,062	30,387,136	211,074
	22,644	12,736	6,290,709	6,336,275	45,566
	4,169	-	660,225	724,487	64,262
	110,425	72,406	637,345	649,460	12,115
	137,238	85,142	7,588,279	7,710,222	121,943
	769,228	103,495	37,764,341	38,097,358	333,017
	1,837	-	839,680	833,461	(6,219)
	300	-	340,115	346,508	6,393
	1,688	-	583,222	597,411	14,189
	376	-	839,726	859,446	19,720
	239	170	917,431	927,907	10,476
	802	-	584,563	583,303	(1,260)
	-	-	520,266	539,768	19,502
	5,242	170	4,625,003	4,687,804	62,801
	9,313	-	577,015	627,078	50,063
	2,572	-	389,209	385,861	(3,348)
	52,795	1,044	489,074	510,528	21,454
	52,181	-	835,132	848,319	13,187
	116,861	1,044	2,290,430	2,371,786	81,356

# Jenison Public Schools

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

<i>Year ended June 30, 2020</i>	Salaries	Employee Benefits	Purchased Services
<b>Support Services (continued)</b>			
General administration	\$ 342,958	\$ 209,914	\$ 109,050
School administration	2,139,870	1,500,569	20,508
Business office:			
Fiscal	289,195	206,977	14,422
Internal services	80,987	55,739	11,821
Other	-	-	-
Total business office	370,182	262,716	26,243
Operations and maintenance	476,074	343,936	2,041,244
Student transportation	870,869	611,323	80,094
Athletics	540,351	300,229	280,646
Other support services:			
Personnel services	299,213	197,839	67,979
Other	165,246	101,448	430,513
Total other support services	464,459	299,287	498,492
Total support services	9,067,522	6,178,294	3,335,314
<b>Community Services</b>	671,538	429,186	795,215
<b>Other Financing Uses</b>			
Redemption of principal	-	-	-
Interest and fiscal charges	-	-	-
Total other financing uses	-	-	-
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 30,051,557</b>	<b>\$ 21,295,197</b>	<b>\$ 6,021,933</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)
\$ 55,971	\$ -	\$ 717,893	\$ 778,184	\$ 60,291
27,599	1,115	3,689,661	3,814,393	124,732
11,561	-	522,155	521,641	(514)
3,000	-	151,547	149,962	(1,585)
20,293	-	20,293	27,000	6,707
34,854	-	693,995	698,603	4,608
809,118	80,999	3,751,371	3,956,201	204,830
194,736	25,738	1,782,760	1,885,374	102,614
44,856	74,284	1,240,366	1,285,061	44,695
12,112	-	577,143	578,589	1,446
77,055	13,228	787,490	872,567	85,077
89,167	13,228	1,364,633	1,451,156	86,523
1,378,404	196,578	20,156,112	20,928,562	772,450
49,060	-	1,944,999	2,087,350	142,351
110,000	-	110,000	110,000	-
51,375	-	51,375	52,500	1,125
161,375	-	161,375	162,500	1,125
\$ 2,358,067	\$ 300,073	\$ 60,026,827	\$ 61,275,770	\$ 1,248,943

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## **Nonmajor Governmental Funds**

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

	Special Revenue		Debt Retirement		
	Food Service	Student Activity	2020 Debt	2017 Debt	2016 Debt
<i>June 30, 2020</i>					
<b>Assets</b>					
Cash and investments	\$ 892,318	\$ 586,064	\$ 45,940	\$ 163,739	\$ 564,147
Accounts receivable	-	113	-	-	-
Due from other governmental units	230,186	-	-	-	-
Inventories	58,994	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,181,498</b>	<b>\$ 586,177</b>	<b>\$ 45,940</b>	<b>\$ 163,739</b>	<b>\$ 564,147</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 12,716	\$ 14,859	\$ -	\$ -	\$ -
Accrued payroll	14,834	-	-	-	-
Due to other funds	63	-	-	-	-
Unearned revenue	228,990	-	-	-	-
<b>Total liabilities</b>	<b>256,603</b>	<b>14,859</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable - inventories	58,994	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Restricted for debt retirement	-	-	45,940	163,739	564,147
Restricted for food service	865,901	-	-	-	-
Committed for student activities	-	571,318	-	-	-
Assigned for capital projects	-	-	-	-	-
<b>Total fund balances</b>	<b>924,895</b>	<b>571,318</b>	<b>45,940</b>	<b>163,739</b>	<b>564,147</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,181,498</b>	<b>\$ 586,177</b>	<b>\$ 45,940</b>	<b>\$ 163,739</b>	<b>\$ 564,147</b>

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

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			Capital Projects			
		2016 Capital Projects	Energy Capital Projects	General Capital Projects		
2011B Debt	2011A Debt				Total	
\$ 403,938	\$ 758,948	\$ 308,399	\$ -	\$ 211,247	\$ 3,934,740	
-	-	-	-	-	113	
-	-	-	-	-	230,186	
-	-	-	-	-	58,994	
\$ 403,938	\$ 758,948	\$ 308,399	\$ -	\$ 211,247	\$ 4,224,033	
\$ -	\$ -	\$ 15,921	\$ -	\$ -	\$ 43,496	
-	-	-	-	-	14,834	
-	-	-	-	-	63	
-	-	-	-	-	228,990	
-	-	15,921	-	-	287,383	
-	-	-	-	-	58,994	
-	-	292,478	-	-	292,478	
403,938	758,948	-	-	-	1,936,712	
-	-	-	-	-	865,901	
-	-	-	-	-	571,318	
-	-	-	-	211,247	211,247	
403,938	758,948	292,478	-	211,247	3,936,650	
\$ 403,938	\$ 758,948	\$ 308,399	\$ -	\$ 211,247	\$ 4,224,033	

# Jenison Public Schools

## Nonmajor Governmental Funds

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

<i>Year ended June 30, 2020</i>	Special Revenue		Debt Retirement		
	Food Service	Student Activity	2020 Debt	2017 Debt	2016 Debt
<b>Revenues</b>					
Local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ 604,380	\$ 2,045,595
Other local	1,380,065	1,027,060	20	4,973	17,241
State sources	251,813	5,452	-	-	-
Federal sources	1,995,779	-	-	-	-
<b>Total revenues</b>	<b>3,627,657</b>	<b>1,032,512</b>	<b>20</b>	<b>609,353</b>	<b>2,062,836</b>
<b>Expenditures</b>					
Salaries	936,100	-	-	-	-
Employee benefits	496,809	-	-	-	-
Food and milk costs	1,283,617	-	-	-	-
Purchased services	308,885	-	-	-	-
Supplies, materials, other	349,011	-	-	-	-
Student activities	-	1,027,250	-	-	-
Capital outlay	190,699	-	-	-	-
Redemption of principal	-	-	-	-	535,000
Bond issuance costs	-	-	60,707	-	-
Interest	-	-	-	553,850	1,298,900
Fiscal charges	-	-	-	1,161	2,987
<b>Total expenditures</b>	<b>3,565,121</b>	<b>1,027,250</b>	<b>60,707</b>	<b>555,011</b>	<b>1,836,887</b>
Excess (deficiency) of revenues over expenditures	62,536	5,262	(60,687)	54,342	225,949
<b>Other Financing Sources (Uses)</b>					
Issuance of bonds	-	-	4,390,000	-	-
Premium on bonds issued	-	-	-	-	-
Payment to escrow agent	-	-	(4,329,293)	-	-
Transfers in	-	-	45,920	-	-
Transfers out	(70,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(70,000)</b>	<b>-</b>	<b>106,627</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(7,464)</b>	<b>5,262</b>	<b>45,940</b>	<b>54,342</b>	<b>225,949</b>
<b>Fund Balances, beginning of year, as previously stated</b>	<b>932,359</b>	<b>-</b>	<b>-</b>	<b>109,397</b>	<b>338,198</b>
<b>GASB No. 84 Adjustment (Note 12)</b>	<b>-</b>	<b>566,056</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, beginning of year, as restated</b>	<b>932,359</b>	<b>566,056</b>	<b>-</b>	<b>109,397</b>	<b>338,198</b>
<b>Fund Balances, end of year</b>	<b>\$ 924,895</b>	<b>\$ 571,318</b>	<b>\$ 45,940</b>	<b>\$ 163,739</b>	<b>\$ 564,147</b>



# Jenison Public Schools

## Nonmajor Governmental Funds

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

2011B Debt	2011A Debt	2010 Debt	Capital Projects			Total
			2016 Capital Projects	Energy Capital Projects	General Capital Projects	
\$ 1,469,109	\$ 1,720,159	\$ 2,064,191	\$ -	\$ -	\$ -	\$ 7,903,434
15,790	23,219	23,879	14,236	3,547	-	2,510,030
-	-	-	-	-	-	257,265
-	531,105	-	-	-	-	2,526,884
1,484,899	2,274,483	2,088,070	14,236	3,547	-	13,197,613
-	-	-	-	-	-	936,100
-	-	-	-	-	-	496,809
-	-	-	-	-	-	1,283,617
-	-	-	-	-	-	308,885
-	-	-	-	-	-	349,011
-	-	-	-	-	-	1,027,250
-	-	-	981,806	502,569	397,984	2,073,058
1,210,000	1,490,000	1,650,000	-	-	-	4,885,000
-	-	-	-	-	-	60,707
110,900	625,055	239,883	-	-	-	2,828,588
2,356	4,381	3,007	-	-	-	13,892
1,323,256	2,119,436	1,892,890	981,806	502,569	397,984	14,262,917
161,643	155,047	195,180	(967,570)	(499,022)	(397,984)	(1,065,304)
-	-	-	-	-	-	4,390,000
-	-	-	-	-	-	-
-	-	(535,000)	-	-	-	(4,864,293)
-	-	-	-	-	-	45,920
-	-	(45,920)	-	(1,859)	-	(117,779)
-	-	(580,920)	-	(1,859)	-	(546,152)
161,643	155,047	(385,740)	(967,570)	(500,881)	(397,984)	(1,611,456)
242,295	603,901	385,740	1,260,048	500,881	609,231	4,982,050
-	-	-	-	-	-	566,056
242,295	603,901	385,740	1,260,048	500,881	609,231	5,548,106
\$ 403,938	\$ 758,948	\$ -	\$ 292,478	\$ -	\$ 211,247	\$ 3,936,650

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## **Custodial Fund**

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# Jenison Public Schools

## Custodial Fund Statement of Changes in Fiduciary Net Position

<i>Year ended June 30, 2020</i>	Balance, July 1, 2019	Additions	Deletions	Balance, June 30, 2020
<b>Assets</b>				
Cash and investments	\$ 584,464	\$ 23,863	\$ 597,805	\$ 10,522
<b>Net Position</b>				
Restricted for student groups	\$ 584,464	\$ 23,462	\$ 597,404	\$ 10,522

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## **Schedules of Bonds Issued, Redeemed and Outstanding**

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# Jenison Public Schools

## 2011 General Improvement Bonds, Series A Schedules of Bonds Issued, Redeemed and Outstanding June 30, 2020

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2020	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	-	-	-
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	\$ 6,060,000	\$ 8,940,000	\$ 962,169	\$ 962,169

**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, 2020

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2020	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	-	-	-
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	\$ 16,735,000	\$ 1,250,000	\$ 31,250	\$ 31,250

**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, 2020

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2020	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	-	-	-
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	\$ 1,305,000	\$ 25,550,000	\$ 6,326,000	\$ 6,326,000

**Date of Issue:** 6/1/16

**Purpose:**

A portion of the bonds were used for the purpose of refunding all outstanding 2006B Bonds in July 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, 2020

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2020	November 1	May 1
2018	5/1/2018		\$ -	\$ -	\$ -	\$ -	\$ -
2019	5/1/2019		-	-	-	-	-
2020	5/1/2020		-	-	-	-	-
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	\$ 1,922,825	\$ 1,922,825

**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, 2020

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2020	November 1	May 1
2019	5/1/2019		\$ -	\$ -	\$ -	\$ -	\$ -
2020	5/1/2020	3.00	110,000	110,000	-	-	-
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	\$ 110,000	\$ 1,590,000	\$ 110,475	\$ 110,475

**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.

# Jenison Public Schools

## 2020 Refunding Bonds Schedules of Bonds Issued, Redeemed and Outstanding June 30, 2020

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal		Outstanding June 30, 2020	Interest Due	
			Issued	Redeemed		November 1	May 1
2021	5/1/2021	0.91	\$ 2,625,000	\$ -	\$ 2,625,000	\$ 17,755	\$ 19,975
2022	5/1/2022	0.91	915,000	-	915,000	8,031	8,031
2023	5/1/2023	0.91	850,000	-	850,000	3,868	3,868
			\$ 4,390,000	\$ -	\$ 4,390,000	\$ 29,654	\$ 31,874

**Date of Issue:** 5/21/20

**Purpose:**

Refunding of portions of 2010 Refunding Bonds.

**Redemption Prior to Maturity:**

The bonds are not subject to redemption prior to maturity.

## 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, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Local sources:				
Property taxes	\$ 3,309,000	\$ 3,246,000	\$ 3,186,582	\$ (59,418)
Interdistrict	6,635,000	6,408,829	6,405,839	(2,990)
Other local	1,986,000	1,878,200	1,859,547	(18,653)
State sources	47,441,190	48,786,736	47,671,302	(1,115,434)
Federal sources	1,250,000	1,221,610	1,218,907	(2,703)
<b>Total revenues</b>	<b>60,621,190</b>	<b>61,541,375</b>	<b>60,342,177</b>	<b>(1,199,198)</b>
<b>Expenditures</b>				
Instruction:				
Regular	31,158,598	30,387,136	30,176,062	303,494
Special education	6,028,196	6,336,275	6,290,709	44,862
Compensatory education	977,677	724,487	660,225	92,540
Vocational education	576,686	649,460	637,345	2,600
<b>Total instruction</b>	<b>38,741,157</b>	<b>38,097,358</b>	<b>37,764,341</b>	<b>333,017</b>
Support services:				
Student services	4,430,612	4,687,804	4,625,003	74,700
Instructional staff	2,367,507	2,371,786	2,290,430	104,667
General administration	747,715	778,184	717,893	9,450
School administration	3,596,977	3,814,393	3,689,661	68,618
Business office	633,259	698,603	693,995	22,356
Operations and maintenance	3,840,333	3,956,201	3,751,371	6,213
Student transportation	1,883,092	1,885,374	1,782,760	(28,210)
Athletics	1,354,181	1,285,061	1,240,366	38,949
Other support services	1,398,560	1,451,156	1,364,633	(60,451)
<b>Total support services</b>	<b>20,252,236</b>	<b>20,928,562</b>	<b>20,156,112</b>	<b>772,450</b>
<b>Community services</b>	<b>2,095,508</b>	<b>2,087,350</b>	<b>1,944,999</b>	<b>142,351</b>
<b>Total expenditures</b>	<b>61,088,901</b>	<b>61,113,270</b>	<b>59,865,452</b>	<b>1,247,818</b>
<b>Excess of revenues over expenditures</b>	<b>(467,711)</b>	<b>428,105</b>	<b>476,725</b>	<b>48,620</b>
<b>Other Financing Source (Use)</b>				
Transfers in	70,000	70,000	71,859	1,859
Redemption of principal	(110,000)	(110,000)	(110,000)	-
Interest and fiscal charges	(50,500)	(52,500)	(51,375)	1,125
<b>Total other financing source (use)</b>	<b>(90,500)</b>	<b>(92,500)</b>	<b>(89,516)</b>	<b>2,984</b>
<b>Change in fund balance</b>	<b>(558,211)</b>	<b>335,605</b>	<b>387,209</b>	<b>51,604</b>
<b>Fund Balance, beginning of year</b>	<b>8,317,007</b>	<b>8,317,007</b>	<b>8,317,007</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 7,758,796</b>	<b>\$ 8,652,612</b>	<b>\$ 8,704,216</b>	<b>\$ 51,604</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>	2019	2018	2017	2016
Reporting unit's proportion of net pension liability	0.34085%	0.32752%	0.31654%	0.31393%
Reporting unit's proportionate share of net pension liability	\$ 112,877,431	\$ 98,459,062	\$ 82,030,183	\$78,324,057
Reporting unit's covered-employee payroll	\$ 29,586,557	\$ 28,585,558	\$ 25,658,662	\$26,118,766
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	381.52%	344.44%	319.70%	299.88%
Plan fiduciary net position as a percentage of total pension liability	60.31%	62.36%	64.21%	63.27%

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>	2020	2019	2018	2017
Statutorily required contributions	\$ 8,050,202	\$ 7,731,181	\$ 6,989,687	\$ 6,006,443
Contributions in relation to statutorily required contributions	8,050,202	7,731,181	6,989,687	6,006,443
<b>Contribution Deficiency (Excess)</b>	\$ -	\$ -	\$ -	\$ -
Reporting unit's covered-employee payroll	\$ 30,498,476	\$ 29,924,346	\$ 27,346,131	\$25,303,880
Contributions as a percentage of covered-employee payroll	26.40%	25.84%	25.56%	23.74%

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>	2019	2018	2017
Reporting unit's proportion of net OPEB liability	0.34128%	0.33744%	0.31659%
Reporting unit's proportionate share of net OPEB liability	\$ 24,495,993	\$ 26,822,778	\$ 28,035,530
Reporting unit's covered-employee payroll	\$ 29,586,557	\$ 28,585,558	\$ 25,658,662
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	82.79%	93.83%	109.26%
Plan fiduciary net position as a percentage of total OPEB liability	48.46%	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>	2020	2019	2018
Statutorily required contributions	\$ 3,892,209	\$ 3,723,579	\$ 3,502,837
Contributions in relation to statutorily required contributions	3,892,209	3,723,579	3,502,837
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Reporting unit's covered-employee payroll	\$ 30,498,476	\$ 29,924,346	\$ 27,346,131
Contributions as a percentage of covered-employee payroll	12.76%	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.

# Jenison Public Schools

## Notes to Required Supplementary Information

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### 1. Budget

#### *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.

### 2. Pension Benefits

#### *Benefit Changes*

There were no changes of benefit terms for each of the reported plan years ended September 30.

#### *Changes in Assumptions*

There were no significant changes of assumptions for each of the reported plan years ended September 30, except for the following:

2019 - The discount rate used in the September 30, 2018 Pension Plan actuarial valuation decreased by 0.70% (1.00% Pension Plus 2 Plan). Salary increases were reduced from 3.5% - 12.3%, including wage inflation at 2.75% to 2.75% - 11.55%, including wage inflation at 2.75%. Mortality Tables were updated to the following; Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006. Active: RP-2014 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006. Disabled Retirees: RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

# Jenison Public Schools

## Notes to Required Supplementary Information

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2018 - The discount rate used in the September 30, 2017 Pension Plan actuarial valuation decreased by 0.45%.

2017 - The discount rate used in the September 30, 2016 Pension Plan actuarial valuation decreased by 0.50%.

### 3. Other Post-Employment Benefits

#### *Benefit Changes*

There were no changes of benefit terms for each of the reported plan years ended September 30.

#### *Changes in Assumptions*

There were no significant changes of assumptions for each of the reported plan years ended September 30, except for the following:

2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.55%.

2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35%.

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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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 1, 2020.

### **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) as a basis for designing 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

BDO USA, LLP

Grand Rapids, Michigan  
October 1, 2020

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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, 2020. The District's 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 requirements 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, the District 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, 2020.

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## Report on Internal Control Over Compliance

Management of the District 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 1, 2020

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## **Schedule of Expenditures of Federal Awards**

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# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2020	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 2018-19	191970	10.553	\$ 64,504
National School Breakfast Program 2019-20	201970	10.553	46,331
National School Breakfast Program Subtotal		10.553	110,835
Noncash Assistance (Commodities):			
National School Lunch Program Bonus Commodities 2019-20	N/A	10.555	622
National School Lunch Program Entitlement Commodities 2019-20	N/A	10.555	263,805
Cash Assistance:			
National School Lunch Program 2018-19	191960	10.555	1,146,002
COVID-19 Unanticipated School Closures 2019-20	200902	10.555	819,004
National School Lunch Program 2019-20	201960	10.555	729,283
National School Lunch Program (including commodities) Subtotal		10.555	2,958,716
Cash Assistance:			
Summer Food Service Program 2018-19	190900	10.559	20,869
<b>Total Child Nutrition Cluster - U.S. Department of Agriculture</b>			<b>3,090,420</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 1819	191530	84.010	253,754
Title I Part A 1920	201530	84.010	241,493
Total Title I, Part A		84.010	495,247
<b>Special Education Cluster</b>			
Passed through Ottawa Area Intermediate School District:			
IDEA - Flow Through			
IDEA Flow Through 1819	190450	84.027	863,219
IDEA Flow Through 1920	200450	84.027	842,096
IDEA - Flow Through Subtotal		84.027	1,705,315
IDEA - Preschool Incentive			
IDEA Preschool 1819	190460	84.173	27,119
IDEA Preschool 1920	200460	84.173	28,682
IDEA - Preschool Incentive Subtotal		84.173	55,801
<b>Total Special Education Cluster</b>			<b>1,761,116</b>

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

Prior Year Expenditures (memorandum only)	Accrued (Deferred) Revenue at July 1, 2019	Adjustments	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2020	Current Year Passed-Through to Subrecipients
\$ 56,380	\$ 1,973	\$ -	\$ 10,097	\$ 8,124	\$ -	\$ -
-	-	-	46,331	46,331	-	-
56,380	1,973	-	56,428	54,455	-	-
-	-	-	622	622	-	-
-	(10,207)	-	222,518	211,028	(21,697)	-
971,188	26,838	-	201,652	174,814	-	-
-	-	-	614,086	819,004	204,918	-
-	-	-	729,283	729,283	-	-
971,188	16,631	-	1,768,161	1,934,751	183,221	-
14,296	4,274	-	10,847	6,573	-	-
1,041,864	22,878	-	1,835,436	1,995,779	183,221	-
250,000	50,019	(1,427) *	48,871	279	-	-
-	-	-	194,434	234,673	40,239	-
250,000	50,019	(1,427)	243,305	234,952	40,239	-
863,219	336,224	-	336,224	-	-	-
-	-	-	624,394	842,096	217,702	-
863,219	336,224	-	960,618	842,096	217,702	-
27,119	27,119	-	27,119	-	-	-
-	-	-	17,181	28,682	11,501	-
27,119	27,119	-	44,300	28,682	11,501	-
890,338	363,343	-	1,004,918	870,778	229,203	-

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2020</i>	Grant/Project Number	Federal CFDA Number	Approved Awards Amount
Passed through Ottawa Area Intermediate School District: Mckinney Vento Homeless Grant Mckinney Vento 1920	202320	84.196	990
Passed through Michigan Department of Education: Title III, Part A - Language Instruction for Immigrant Students Title III Part A 1920	200570	84.365	8,985
Passed through Michigan Department of Education: Title II, Part A - Improving Teacher Quality Title II Part A 1819 Title II Part A 1920	190520 200520	84.367 84.367	113,111 82,099
Total Title II Part A		84.367	195,210
Passed through Michigan Department of Education: Title IV, Part A - Student Support Title IV Part A 1920	200750	84.424	17,255
<b>Total U.S. Department of Education</b>			<b>2,478,803</b>
<b>U.S. Department of Health and Human Services</b> Passed through Ottawa Area Intermediate School District: Medicaid Outreach Medicaid Outreach 1819	N/A	93.778	14,631
<b>Total U.S. Department of Health and Human Services</b>			<b>14,631</b>
<b>Total Federal Awards</b>			<b>\$ 5,583,854</b>

# Jenison Public Schools

## Schedule of Expenditures of Federal Awards

Prior Year Expenditures (memorandum only)	Accrued (Deferred) Revenue at July 1, 2019	Adjustments	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2020	Current Year Passed-Through to Subrecipients
-	-	-	990	990	-	-
-	-	-	1,232	1,232	-	-
111,163	21,178	(1,226) *	19,952	-	-	-
-	-	-	75,341	82,099	6,758	-
111,163	21,178	(1,226)	95,293	82,099	6,758	-
-	-	-	14,225	14,225	-	-
1,251,501	434,540	(2,653)	1,359,963	1,204,276	276,200	-
-	-	-	14,631	14,631	-	-
-	-	-	14,631	14,631	-	-
\$ 2,293,365	\$ 457,418	\$ (2,653)	\$ 3,210,030	\$ 3,214,686	\$ 459,421	\$ -

\* Prior year overpayment

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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, 2020. 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, 2020*

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Federal revenue per financial statements	\$ 3,745,791
Less federal interest rate subsidy	(531,105)
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<b>Expenditures of Federal Awards</b>	<b>\$ 3,214,686</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, 2020

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### 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

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 Awards Findings and Questioned Costs

There were no findings or questioned costs.

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