



Annual Financial Report
Year Ended June 30, 2007



**Jenison Public
Schools**

Annual Financial Report
Year Ended June 30, 2007

Jenison Public Schools

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Jenison Public Schools

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Independent Auditors' Report

Board of Education
Jenison Public Schools
Jenison, Michigan

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, 2007, which collectively comprise the District's basic financial statements. These financial statements are the responsibility of the management of the District. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements mentioned above present fairly, in all material respects, the financial position of Jenison Public Schools at June 30, 2007, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 21, 2007 on our consideration of Jenison Public Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining, individual fund financial statements and schedules, as well as the schedule of expenditures of federal awards required by OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Jenison Public Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "BDO Seidman, LLP". The signature is written in a cursive, flowing style.

Grand Rapids, Michigan
August 21, 2007

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JENISON PUBLIC SCHOOLS
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2007

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, 2007. Generally accepted accounting principles (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 and liabilities, 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 assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets 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 assets 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 Special Revenue Funds, 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.

Summary of Net Assets

The following schedule summarizes the net assets at June 30, 2007 and 2006:

	2007	2006
Assets		
Current and other assets	\$ 13,924,040	\$ 13,638,149
Capital assets, net of accumulated depreciation	42,011,192	43,831,659
Total Assets	55,935,232	57,469,808
Liabilities		
Current liabilities	8,628,539	9,900,230
Long-term liabilities	51,291,608	54,598,205
Total Liabilities	59,920,147	64,498,435
Net Assets		
Invested in capital assets, net of related debt	(10,490,031)	(11,381,673)
Restricted for debt service	202,146	-
Unrestricted	6,302,970	4,353,046
Total Net Assets (Deficit)	\$ (3,984,915)	\$ (7,028,627)

Capital Assets and Long-Term Debt

Capital Assets

By the end of the 2006-07 fiscal year, the District had invested \$42.0 million 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 \$2.2 million, bringing accumulated depreciation to \$38.2 million as of June 30, 2007.

Capital Assets at June 30 (Net of Depreciation)

	2007	2006
Land	\$ 225,258	\$ 225,258
Construction in process	3,670	-
Buildings and improvements	38,356,894	40,053,440
Machinery, equipment and furniture	2,986,452	3,046,156
Transportation equipment	438,918	506,805
	\$ 42,011,192	\$ 43,831,659

Long-Term Debt

At June 30, 2007, the District had approximately \$54.6 million in long-term debt outstanding. This represents a decrease of approximately \$3.0 million over the amount outstanding at the close of the prior fiscal year.

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

Results of Operations

For the fiscal years ended June 30, 2007 and 2006, the results of operations, on a district-wide basis were:

	2007	2006	Percent Change
Revenues			
General revenues:			
Property taxes levied for general purposes	\$ 3,043,560	\$ 2,909,070	4.6%
Property taxes levied for debt service	5,634,796	5,380,920	4.7
Unrestricted state aid	29,800,799	28,731,041	3.7
Investment earnings	372,831	226,404	64.7
Gain on sale of assets	7,347	4,915	49.5
Other	-	36,337	(100.0)
Total general revenues	38,859,333	37,288,687	4.2
Program revenues:			
Charges for services	3,368,246	3,697,766	(8.9)
Operating grants	9,077,672	9,518,021	(4.6)
Total program revenues	12,445,918	13,215,787	(5.8)
Total Revenues	51,305,251	50,504,474	1.6
Expenses			
Instruction	26,644,221	27,345,239	(2.6)
Supporting services	12,204,682	12,159,557	0.4
Community services	1,131,411	1,110,548	1.9
Food services	2,334,003	2,161,949	8.0
Athletics	1,017,472	1,013,260	0.4
Interest on long-term debt	2,726,314	2,924,579	(6.8)
Unallocated depreciation	2,203,436	2,295,537	(4.0)
Total Expenses	48,261,539	49,010,669	(1.5)
Increase in Net Assets	3,043,712	1,493,805	
Net Deficit, beginning of year	(7,028,627)	(8,522,432)	
Net Deficit, end of year	\$ (3,984,915)	\$ (7,028,627)	

Analysis of Significant Revenues and Expenditures

Significant revenues and expenditures are discussed in the segments below:

State Sources

The District is predominately funded by state aid. The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 75% of the current year's fall count and 25% of the prior year's spring count. Blended state aid membership was 4,846 and 4,851 in 2006-07 and 2005-06, respectively. The state per-pupil allocation for 2006-07 and 2005-06 was \$7,085 and \$6,875, 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)
2006-07	4,846	(5)
2005-06	4,851	-
2004-05	4,851	33
2003-04	4,818	(15)
2002-03	4,833	(5)

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 2006-07 fiscal year the District's non-homestead property tax collections were approximately \$3,044,000. The increase of 4.6% from the prior year was due to the increase in the taxable values of non-homestead property.

The District levies 7.2 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 \$5,635,000. This is a 4.7% increase from the prior year due to the increase in the taxable values of property.

Investment Earnings

In 2006-2007, Jenison Public Schools experienced an increase in investment earnings as a result of additional cash investment opportunities and rising interest rates.

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 prior to the close of the fiscal year on June 30.

For the 2006-07 fiscal year, the District amended the general fund budget one time, with the Board adopting the changes in June 2007. 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)
Total Revenues	\$ 43,100,029	\$ 42,911,474	\$43,238,938	\$ 327,464
Expenditures				
Instruction	\$ 27,902,177	\$ 27,125,956	\$26,695,847	\$ 430,109
Supporting services	12,650,863	12,440,489	12,256,630	183,859
Community services	1,273,392	1,219,085	1,122,750	96,335
Debt services	50,260	50,349	50,349	-
Total Expenditures	\$ 41,876,692	\$ 40,835,879	\$40,125,576	\$ 710,303

The variances between the actual revenues and the original and final revenue budgets are due primarily to additional state aid and special education funding received.

The variances between the actual general fund expenditures and the original and final expenditure budgets include under-spending salaries, benefits and utilities.

Overall, the General Fund increased its fund balance by \$1,940,154.

Factors Bearing on the District's Future

At the time that these financial statements were prepared and audited, the District was aware of the following items that could significantly affect its financial health in the future:

- With the current economic condition in the country, and especially in the State of Michigan, uncertainty surrounds the level at which districts will be funded for the student foundation allowance for the 2007-08 fiscal year. The early indication is that the foundation allowance will remain the same as the 2006-07 school year or \$7,085 per pupil.
- As with other employers, the District continues to face a rapid increase in rates paid for employee benefits, particularly for health insurance. Additionally, while the State has managed to limit the growth in the rate at which districts fund the retirement system over the past few years, the increase in the number of retirees projected to occur over the next few years may result in higher annual increases.

- The State of Michigan continues to increase its focus on student achievement. Results of standardized test scores (Michigan Educational Assessment Program) are compared from year to year, with the results being tabulated by school building and by district. With the changes to the federal Title I legislation resulting from the No Child Left Behind Act, adequate yearly progress of students will be more important as certain portions of funding are now tied to it.

Contacting the District's Financial Management

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



**District-Wide
Financial Statements**



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Jenison Public Schools

District-Wide Financial Statements Statement of Net Assets

<i>June 30, 2007</i>	Governmental Activities
Assets	
Current Assets	
Cash (Note 3)	\$ 7,083,049
Accrued interest	355
Accounts receivable	47,508
Due from other governmental units	5,791,999
Inventories	174,601
Prepaid expenses	27,444
Total current assets	13,124,956
Noncurrent Assets	
Deferred issuance costs	425,915
Deferred interest from refunding	373,169
Land and construction in process (Note 5)	228,928
Depreciable capital assets, net (Note 5)	41,782,264
Total noncurrent assets	42,810,276
Total Assets	55,935,232
Liabilities	
Current Liabilities	
Accounts payable	406,826
Accrued payroll	4,036,703
Accrued interest	427,745
Unearned revenue	138,066
Current portion of long-term obligations (Note 6)	3,619,199
Total current liabilities	8,628,539
Noncurrent Liabilities	
Deferred bond premium	335,307
Noncurrent portion of long-term obligations (Note 6)	50,956,301
Total noncurrent liabilities	51,291,608
Total Liabilities	59,920,147
Net Assets (Deficit)	
Invested in capital assets, net of related debt	(10,490,031)
Restricted for debt service	202,146
Unrestricted	6,302,970
Total Net Assets (Deficit)	\$ (3,984,915)

See accompanying notes to financial statements.

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Jenison Public Schools

District-Wide Financial Statements Statement of Activities

Year ended June 30, 2007	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total
Governmental Activities				
Instruction:				
Basic programs	\$ 19,824,510	\$ -	\$ 282,106	\$ (19,542,404)
Special education	6,099,500	50,890	7,566,037	1,517,427
Other instruction	720,211	-	361,583	(358,628)
Supporting services:				
Pupil services	2,276,610	-	24,458	(2,252,152)
Instructional staff	1,529,050	-	39,709	(1,489,341)
General administration	397,927	-	-	(397,927)
School administration	2,031,593	-	90,731	(1,940,862)
Business office	597,436	-	-	(597,436)
Operations and maintenance	3,126,775	-	-	(3,126,775)
Pupil transportation	1,632,545	-	58,745	(1,573,800)
Other supporting services	612,746	-	-	(612,746)
Community services	1,131,411	1,516,539	-	385,128
Food service	2,334,003	1,627,908	654,303	(51,792)
Athletics	1,017,472	172,909	-	(844,563)
Interest on long-term debt	2,726,314	-	-	(2,726,314)
Unallocated depreciation	2,203,436	-	-	(2,203,436)
Total School District	\$ 48,261,539	\$ 3,368,246	\$ 9,077,672	(35,815,621)

General revenues:

Property taxes levied for general purposes	3,043,560
Property taxes levied for debt service	5,634,796
Unrestricted state aid	29,800,799
Investment earnings	372,831
Gain on sale of assets	7,347

Total general revenues 38,859,333

Change in net deficit 3,043,712

Net Deficit, beginning of year (7,028,627)

Net Deficit, end of year \$ (3,984,915)

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, 2007</i>	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash (Note 3)	\$ 5,406,821	\$ 1,676,228	\$ 7,083,049
Accrued interest	-	355	355
Accounts receivable	26,097	8,373	34,470
Due from other funds (Note 4)	71,589	-	71,589
Due from other governmental units	5,791,999	-	5,791,999
Inventories	96,334	78,267	174,601
Prepaid expenditures	27,444	-	27,444
Total Assets	\$11,420,284	\$ 1,763,223	\$ 13,183,507
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 395,245	\$ 11,581	\$ 406,826
Accrued payroll	4,036,703	-	4,036,703
Due to other funds (Note 4)	-	58,551	58,551
Deferred revenue	36,945	106,750	143,695
Total liabilities	4,468,893	176,882	4,645,775
Fund Balances			
Reserved for:			
Inventories and prepaid expenditures	123,778	78,267	202,045
Unreserved, designated for ERI payments	446,535	-	446,535
Unreserved, undesignated reported in:			
General fund	6,381,078	-	6,381,078
Capital projects funds	-	533,690	533,690
Special revenue funds	-	344,493	344,493
Debt retirement funds	-	629,891	629,891
Total fund balances	6,951,391	1,586,341	8,537,732
Total Liabilities and Fund Balances	\$11,420,284	\$ 1,763,223	\$ 13,183,507

See accompanying notes to financial statements.

Jenison Public Schools

Reconciliation of Fund Balance of Governmental Funds to Net Assets on the Statement of Net Assets

June 30, 2007

Total fund balances - total governmental funds (from page 23) \$ 8,537,732

Amounts reported for governmental activities in the statement of net assets 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	\$ 80,189,342	
Accumulated depreciation	<u>(38,178,150)</u>	
Net capital assets		42,011,192

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. These assets consist of:

Deferred taxes	5,629	
Deferred loss on refunding	373,169	
Bond issuance costs, net	<u>425,915</u>	
Net other assets		804,713

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 and notes payable	(53,311,868)	
Retirement contracts payable	(1,072,428)	
Installment purchase contracts	(22,999)	
Compensated absences	(168,205)	
Bond premium, net	(335,307)	
Accrued interest on bonds and notes	<u>(427,745)</u>	
Total long-term liabilities		<u>(55,338,552)</u>

Net Assets (Deficit) of Governmental Activities \$ (3,984,915)

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, 2007</i>	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Local sources:			
Property taxes	\$3,039,901	\$ 5,633,319	\$ 8,673,220
Other local	1,929,698	1,971,104	3,900,802
Interdistrict sources	4,514,075	-	4,514,075
State sources	32,085,284	84,166	32,169,450
Federal sources	1,669,980	570,137	2,240,117
Total revenues	43,238,938	8,258,726	51,497,664
Expenditures			
Instruction	26,695,847	-	26,695,847
Supporting services	12,256,630	-	12,256,630
Community services	1,122,750	-	1,122,750
Food service	-	2,334,003	2,334,003
Athletics	-	1,017,472	1,017,472
Debt retirement:			
Redemption of principal	47,049	2,855,000	2,902,049
Interest and fiscal charges	3,300	2,704,036	2,707,336
Capital projects	-	615,053	615,053
Total expenditures	40,125,576	9,525,564	49,651,140
Excess (deficiency) of revenues over expenditures	3,113,362	(1,266,838)	1,846,524
Other Financing Sources (Uses)			
Transfers in (Note 4)	-	1,341,903	1,341,903
Transfers out (Note 4)	(1,173,208)	(168,695)	(1,341,903)
Total other financing sources (uses)	(1,173,208)	1,173,208	-
Net change in fund balances	1,940,154	(93,630)	1,846,524
Fund Balances, beginning of year	5,011,237	1,679,971	6,691,208
Fund Balances, end of year	\$6,951,391	\$ 1,586,341	\$ 8,537,732

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, 2007

Net change in fund balances - total governmental funds (from page 25) \$ 1,846,524

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.

Capital outlay	\$ 382,969	
Depreciation expense	<u>(2,203,436)</u>	
Net effect of capital outlays		(1,820,467)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred property taxes		5,136
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Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.

Repayment of bond and note principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal payments		2,902,049
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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. Also, debt issuance costs are deferred and amortized in the statement of activities.

Arbitrage	8,707	
Deferred issuance costs and premiums	(22,940)	
Accrued interest	27,778	
Retirement contracts	97,386	
Compensated absences	<u>(461)</u>	
Net effect of long-term liabilities		<u>110,470</u>

Change in Net Deficit of Governmental Activities		<u>\$ 3,043,712</u>
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See accompanying notes to financial statements.

Jenison Public Schools

General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

<i>Year ended June 30, 2007</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 2,900,450	\$ 3,099,117	\$ 3,039,901	\$ (59,216)
Other local sources	1,699,420	1,777,419	1,929,698	152,279
Interdistrict sources	4,810,817	4,404,285	4,514,075	109,790
State sources	31,904,182	31,910,737	32,085,284	174,547
Federal sources	1,785,160	1,719,916	1,669,980	(49,936)
Total revenues	43,100,029	42,911,474	43,238,938	327,464
Expenditures				
Instruction:				
Regular	20,431,006	19,953,816	19,649,625	304,191
Special education	6,459,394	6,173,655	6,104,646	69,009
Vocational education	410,359	413,356	387,042	26,314
Other	601,418	585,129	554,534	30,595
Total instruction	27,902,177	27,125,956	26,695,847	430,109
Supporting services:				
Pupil services	2,169,217	2,259,754	2,286,004	(26,250)
Instructional staff	1,609,855	1,579,878	1,539,838	40,040
General administration	401,113	404,220	402,511	1,709
School administration	2,026,162	2,048,715	2,035,452	13,263
Business office	685,924	626,791	609,498	17,293
Operations and maintenance	3,435,178	3,198,373	3,134,404	63,969
Pupil transportation	1,621,743	1,628,273	1,631,874	(3,601)
Other supporting services	701,671	694,485	617,049	77,436
Total supporting services	12,650,863	12,440,489	12,256,630	183,859
Community services	1,273,392	1,219,085	1,122,750	96,335
Debt service	50,260	50,349	50,349	-
Total expenditures	41,876,692	40,835,879	40,125,576	710,303
Excess of revenues over expenditures	1,223,337	2,075,595	3,113,362	1,037,767
Other Financing Uses				
Transfers out	(938,169)	(1,169,341)	(1,173,208)	(3,867)
Change in fund balances	285,168	906,254	1,940,154	1,033,900
Fund Balances, beginning of year	5,011,237	5,011,237	5,011,237	-
Fund Balances, end of year	\$ 5,296,405	\$ 5,917,491	\$ 6,951,391	\$ 1,033,900

See accompanying notes to financial statements.

Jenison Public Schools

Fiduciary Fund Statement of Fiduciary Assets and Liabilities

<i>June 30, 2007</i>	Agency Balance
Assets	
Cash and cash equivalents (Note 3)	\$ 512,822
Liabilities	
Due to other funds (Note 4)	\$ 13,038
Due to student groups	499,784
Total Liabilities	\$ 512,822

See accompanying notes to financial statements.

Jenison Public Schools

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The basic financial statements of Jenison Public Schools (the District) have been prepared in conformity with generally accepted accounting principles 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 consists of seven members elected to four-year terms. The Board 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 assets 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.

Jenison Public Schools

Notes to Financial Statements

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.

Special Revenue Funds are used to account for revenue sources that are restricted to expenditures for specified purposes. The District operates two special revenue funds: Food Service and Athletics.

Debt Retirement Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities. The District has two capital project funds: the 2002 Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities funded by the 2002 bond issue. The General Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital purchases.

Fiduciary Fund

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

Jenison Public Schools

Notes to Financial Statements

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in the district-wide financial statements to the extent that those standards do not conflict with GASB guidance.

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 revenues available if collected within 60 days after year-end for property taxes, state aid and interest, and 90 days after year-end for entitlement funds and grants.

Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Jenison Public Schools

Notes to Financial Statements

State Foundation Revenue

The State of Michigan provides funds through a foundation grant approach, which provides for a specific annual amount of revenue per student based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. For the year ended June 30, 2007, the foundation allowance was based on the blended average of pupil membership counts taken in February and September 2006.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 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 deferred revenue.

Federal Revenue

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

Budgets and Budgetary Accounting

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

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

Jenison Public Schools

Notes to Financial Statements

This information is used to develop a budget and resolution for the General Fund, Special Revenue Funds 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.

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.

Jenison Public Schools

Notes to Financial Statements

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. Interest incurred during the construction phase of capital assets are included as part of the capitalized value.

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

	Years
Buildings and additions	50
Furniture and equipment	5-15

Other Assets

Bond sale costs, premiums and discounts are deferred and amortized over the life of the related bonds.

Compensated Absences

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

Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

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) while issuance costs are reported as expenditures.

Jenison Public Schools

Notes to Financial Statements

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

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

Outstanding balances between funds are reported as due from/to other funds at year-end. The General Fund annually transfers the revenue received from the Pepsi contract to the Student Activity Fund.

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.

2. Stewardship, Compliance and Accountability

The following funds had expenditures exceeding budgeted appropriations:

	Budget	Actual	Variance
Athletics Fund	\$ 996,769	\$ 1,017,472	\$ 20,703
Food Service Fund	2,115,572	2,334,003	218,431

Revenues and/or fund balances were sufficient to cover the excess expenditures.

Jenison Public Schools

Notes to Financial Statements

3. 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, 2007, \$7,553,862 of the District's bank balances of \$7,753,862 was uninsured and uncollateralized.

Investments

At June 30, 2007, the District had no investments.

4. Interfund Payables

Interfund receivable and payable balances at June 30, 2007 are as follows:

<i>Fund</i>	Interfund Receivable	Interfund Payable
General Fund	\$ 71,589	\$ -
Athletics Fund	-	43,852
Food Service Fund	-	14,699
Agency Fund	-	13,038
	\$ 71,589	\$ 71,589

In 2007, the General Fund transferred \$843,208 to the Athletics Fund for operations, \$330,000 to the General Capital Projects Fund for future projects and \$49,627 of Pepsi revenue to the Student Activity Agency Fund.

Jenison Public Schools

Notes to Financial Statements

5. Capital Assets

The following summarizes capital asset activity for the year ended June 30, 2007:

	Balance, July 1, 2006	Additions	Deletions	Balance, June 30, 2007
Governmental Activities				
Capital assets not depreciated:				
Land	\$ 225,258	\$ -	\$ -	\$ 225,258
Construction in process	-	3,670	-	3,670
Capital assets being depreciated:				
Buildings and improvements	72,009,576	58,903	-	72,068,479
Furniture and fixtures	1,474,995	239,996	-	1,714,991
Machinery and equipment	948,546	-	-	948,546
Outside equipment	3,016,277	14,014	-	3,030,291
Buses	2,131,721	66,386	-	2,198,107
Totals at historical cost	79,806,373	382,969	-	80,189,342
Less accumulated depreciation for:				
Buildings and improvements	31,956,136	1,755,449	-	33,711,585
Furniture and fixtures	837,689	137,854	-	975,543
Machinery and equipment	821,100	36,620	-	857,720
Outside equipment	734,873	139,240	-	874,113
Buses	1,624,916	134,273	-	1,759,189
Total accumulated depreciation	35,974,714	2,203,436	-	38,178,150
Net Capital Assets	\$ 43,831,659	\$ (1,820,467)	\$ -	\$ 42,011,192

Depreciation for the year ended June 30, 2007 was \$2,203,436. The District determined that it was impractical to allocate depreciation to various governmental activities as the assets serve multiple functions.

Jenison Public Schools

Notes to Financial Statements

6. Long-Term Obligations

The following is a summary of changes in long-term obligations for the District for the year ended June 30, 2007:

	Balance, July 1, 2006	Additions	Deductions	Balance, June 30, 2007	Due Within One Year
Bonds payable	\$ 55,820,000	\$ -	\$ 2,855,000	\$ 52,965,000	\$ 3,185,000
Durant non-plaintiff bond	346,868	-	-	346,868	-
Retirement incentive	1,169,815	306,175	403,562	1,072,428	411,200
Installment purchase contracts	70,048	-	47,049	22,999	22,999
Vacation accrual	167,744	461	-	168,205	-
	<u>\$ 57,574,475</u>	<u>\$ 306,636</u>	<u>\$ 3,305,611</u>	<u>\$ 54,575,500</u>	<u>\$ 3,619,199</u>

Retirement incentives and vacation accruals are normally liquidated by the General Fund, Athletic Fund and Food Service Fund. Installment purchase contracts are paid out of the General Fund.

Bonds payable at June 30, 2007 are comprised of the following individual issues:

2006 Series B serial bonds due in annual installments of \$30,000 to \$1,625,000 through May 2027; interest at 3.75 % to 4.35%.	\$ 6,750,000
2006 Series A serial bonds due in annual installments of \$440,000 to \$555,000 through May 2016; interest at 3.50 % to 5.00%.	4,635,000
2002 serial bonds due in annual installments of \$425,000 to \$1,575,000 through May 2023; interest at 3.63% to 5.50%.	15,150,000
1999 serial bonds due in annual installments of \$2,170,000 to \$3,545,000 through May 2016; interest at 4.25 % to 5.25%.	26,430,000
	<u>\$ 52,965,000</u>

Jenison Public Schools

Notes to Financial Statements

The Durant Non-Plaintiff Bond consists of:

\$346,868 of School Improvement Bonds, Series 1998, due in annual installments of \$34,249 to \$199,778, through May 15, 2013, interest at 4.76%.

This Bond, including interest, was issued in anticipation of payment to the District as appropriated and to be appropriated by the State of Michigan under Section 11g(3) of Act 94 (state aid payments). The District has pledged and assigned to the bondholder all rights to these state aid payments as security for this Bond.

This Bond is a self-liquidating bond and is not a general obligation of the District and does not constitute an indebtedness of the District within any constitutional or statutory limitations. This Bond is payable both as principal and interest solely from the state aid payments described in the preceding paragraph.

Debt Service Requirements

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

Bonds:

<i>Year ending June 30,</i>	Principal	Interest	Total
2008	\$ 3,185,000	\$ 2,562,176	\$ 5,747,176
2009	3,260,000	2,431,044	5,691,044
2010	3,505,000	2,296,790	5,801,790
2011	3,715,000	2,145,026	5,860,026
2012	3,900,000	1,961,314	5,861,314
2013-2017	19,240,000	6,647,488	25,887,488
2018-2022	8,040,000	3,045,424	11,085,424
2023-2027	8,120,000	1,059,702	9,179,702
	\$52,965,000	\$22,148,964	\$ 75,113,964

Jenison Public Schools

Notes to Financial Statements

Installment purchase contracts:

<i>Year ending June 30,</i>	Principal	Interest	Total
2008	\$ 22,999	\$ 950	\$ 23,949

Defeased Debt

In prior years, the District defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account asset and the liability for the defeased bonds are not included in the financial statements. At June 30, 2007, \$6,375,000 of bonds outstanding are considered defeased and will be called for payment in 2012.

Early Retirement Incentive

The District offers some employees an early retirement incentive program as part of their contractual agreement. Fifty 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, 2007, the District's liability for the early retirement program was \$1,141,710. The total present value of the future payments, using a discount rate of 3%, is \$1,072,428.

7. Employee Retirement System - Defined Benefit Plan

Plan Description

The District contributed to the statewide Michigan Public School Employees' Retirement System (MPSERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the nine-member board of the MPSERS. The MPSERS provides retirement benefits and postretirement benefits for health, dental and vision. The MPSERS was established by Public Act of 136 of 1945 and currently operates under the provision of Public Act 300 of 1980, as amended. The MPSERS issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report may be obtained by contacting the Michigan Public Schools Employees' Retirement System, P.O. Box 30026, Lansing, Michigan 48909.

Jenison Public Schools

Notes to Financial Statements

Funding Policy

Basic Plan members make no contributions. Member Investment Plan (MIP) members enrolled in MIP prior to January 1, 1990 contribute a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990 or later and returning members who did not work between January 1, 1987 and December 31, 1989 contribute at the following graduated permanently fixed contribution rate: 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000; 4.3% of all wages over \$15,000.

The District is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The rates for the year ended June 30, 2007 were 16.34% from July 1, 2006 through September 30, 2006 and 17.74% from October 1, 2006 through June 30, 2007. The contribution requirements of plan members and the District are established and may be amended by the MPSERS Board of Trustees. The District's contributions to MPSERS for the current and two preceding years were as follows:

<i>Year ended June 30,</i>	Employer Contribution
2007	\$ 5,001,733
2006	4,821,302
2005	4,357,233

In 2007, the State of Michigan issued a credit in the amount of \$718,407 on behalf of the District to meet the District's required pension obligation. The District applied the non-federal portion of the credit against their May and June 2007 pension obligation payments. The federal portion of the credit will be applied to payments in 2008.

Other Post Employment Benefits

Retirees have the option of health, dental and vision coverage, which is funded on a cash basis by the employers. A significant portion of the premium is paid by MPSERS with the balance deducted from the monthly pension.

Jenison Public Schools

Notes to Financial Statements

8. Risk Management and Benefits

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees and natural disasters. The District is a member of the West Michigan Risk Management Trust (Trust), a self insurance program with 27 districts pooling together to insure property, liability and auto exposures. Premiums from members of the Trust are arrived at through standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to \$250,000 and \$1,368,500, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. A \$1,000 per occurrence deductible for property losses is maintained to place the responsibility for small charges with the members of the Trust.

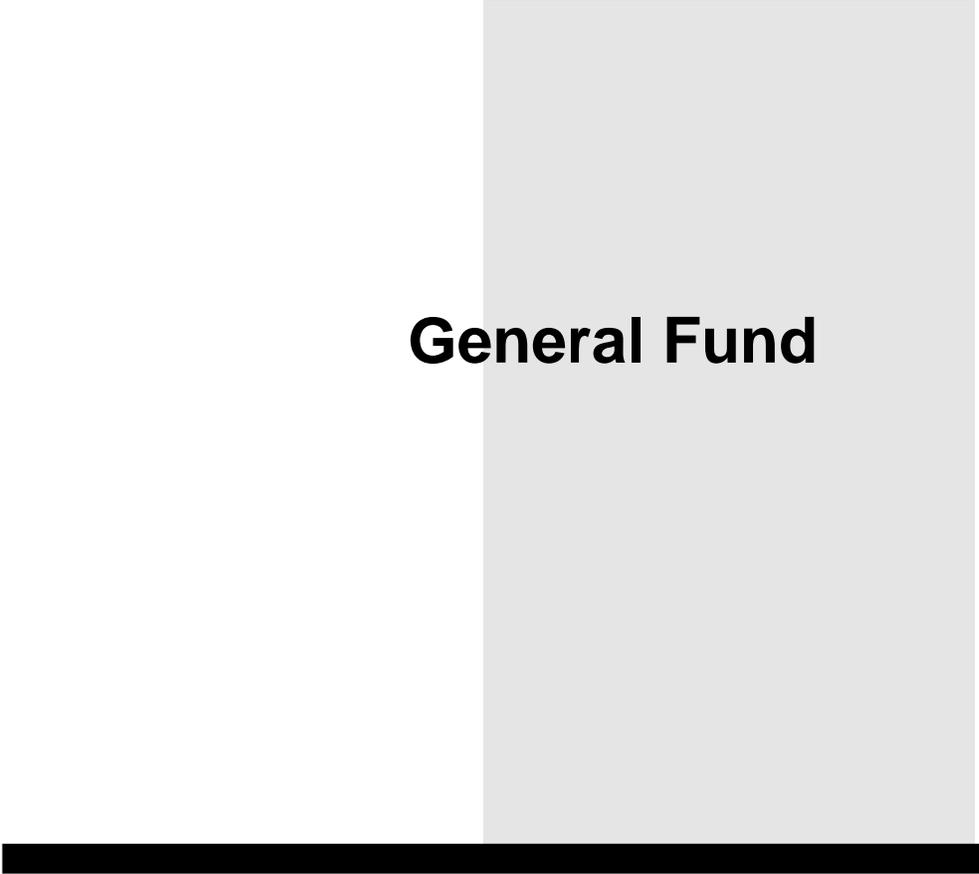
The District is a member of the West Michigan Workers' Compensation Fund, a self insurance program with 20 districts pooling together to insure workers' compensation and employers' liability exposures. The fund pays the first \$450,000 of any workers' compensation or employers' liability loss out of a \$2,338,245 loss fund collected from members. Excess insurance has been purchased to cover claims exceeding those amounts.

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

9. Bond Compliance

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 1351a of the Revised School Code. The District has reported the annual construction activity in the 2002 Capital Projects Fund. Cumulative revenues and expenditures for the construction period ended June 30, 2007 were as follows:

	2002 Bonds
Revenues	\$ 1,225,549
Expenditures	24,437,499



General Fund

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Jenison Public Schools

General Fund Balance Sheet

<i>June 30, 2007</i>	General
Assets	
Cash and investments	\$ 5,406,821
Accounts receivable	26,097
Due from other funds	71,589
Due from other governmental units	5,791,999
Inventories	96,334
Prepaid expenses	27,444
Total Assets	\$11,420,284
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 395,245
Accrued payroll	4,036,703
Deferred revenue	36,945
Total liabilities	4,468,893
Fund Balances	
Reserved for:	
Inventories and prepaid expenditures	123,778
Unreserved, designated for ERI payments	446,535
Unreserved, undesignated	6,381,078
Total fund balances	6,951,391
Total Liabilities and Fund Balances	\$11,420,284

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Jenison Public Schools

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

<i>Year ended June 30, 2007</i>	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local Sources			
Property tax, other taxes and interest	\$ 3,099,117	\$ 3,039,901	\$ (59,216)
Tuition	3,000	5,719	2,719
Investment income	165,000	178,728	13,728
Sale of Voc Ed house	229,000	228,712	(288)
Other	1,380,419	1,516,539	136,120
Total revenues from local sources	4,876,536	4,969,599	93,063
State Sources			
Unrestricted grants	29,626,318	29,800,799	174,481
Restricted grants	2,284,419	2,284,485	66
Total revenues from state sources	31,910,737	32,085,284	174,547
Federal Sources - restricted	1,719,916	1,669,980	(49,936)
Interdistrict Sources	4,404,285	4,514,075	109,790
Total Revenues	\$ 42,911,474	\$ 43,238,938	\$ 327,464

<i>Year ended June 30, 2007</i>	Salaries	Employee Benefits	Purchased Services
Expenditures			
Instruction			
Basic programs:			
Elementary	\$ 6,490,226	\$ 3,238,060	\$ 124,024
Junior high	1,866,639	955,697	20,407
High school	4,010,080	1,956,151	58,526
Preschool	385,272	153,818	7,915
Total basic programs	12,752,217	6,303,726	210,872
Added needs:			
Special education	3,439,597	1,903,613	226,645
Compensatory education	346,772	205,629	-
Vocational education	107,762	48,199	3,455
Total added needs	3,894,131	2,157,441	230,100
Total instruction	16,646,348	8,461,167	440,972
Supporting Services			
Pupil services:			
Guidance	389,198	199,412	877
Psychological	159,478	77,646	640
Speech	313,799	164,429	41,225
Social work	173,850	68,790	79,836
Teacher consultant	64,045	32,743	1,014
Other	355,049	118,188	26,718
Total pupil services	1,455,419	661,208	150,310
Instructional staff:			
Improvement of instruction	15,882	3,716	46,859
Library	669,013	327,945	2,611
Supervision and direction	131,303	98,168	138,542
Total instructional staff	816,198	429,829	188,012

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)
\$	169,017	\$ 4,298	\$ 10,025,625	\$ 10,205,495	\$ 179,870
	50,766	1,751	2,895,260	2,912,890	17,630
	141,367	3,402	6,169,526	6,273,767	104,241
	11,333	876	559,214	561,664	2,450
	372,483	10,327	19,649,625	19,953,816	304,191
	530,268	4,523	6,104,646	6,173,655	69,009
	2,133	-	554,534	585,129	30,595
	224,546	3,080	387,042	413,356	26,314
	756,947	7,603	7,046,222	7,172,140	125,918
	1,129,430	17,930	26,695,847	27,125,956	430,109
	2,662	-	592,149	578,860	(13,289)
	5,368	-	243,132	247,742	4,610
	1,505	-	520,958	527,994	7,036
	3,641	-	326,117	325,650	(467)
	439	-	98,241	104,296	6,055
	5,452	-	505,407	475,212	(30,195)
	19,067	-	2,286,004	2,259,754	(26,250)
	9,372	-	75,829	97,233	21,404
	73,685	3,270	1,076,524	1,081,746	5,222
	19,472	-	387,485	400,899	13,414
	102,529	3,270	1,539,838	1,579,878	40,040

<i>Year ended June 30, 2007</i>	Salaries	Employee Benefits	Purchased Services
Supporting Services (continued)			
General administration	\$ 226,017	\$ 81,899	\$ 63,374
School administration	1,336,610	661,375	1,108
Business office:			
Fiscal	282,977	151,657	5,955
Internal services	61,800	32,723	53,181
Other	-	-	-
Total business office	344,777	184,380	59,136
Operations and maintenance	986,577	569,606	768,888
Pupil transportation	796,059	426,814	65,949
Central:			
Personnel services	108,298	60,453	7,176
Other	107,839	83,439	163,313
Total central	216,137	143,892	170,489
Total supporting services	6,177,794	3,159,003	1,467,266
Community Services	734,282	245,459	52,565
Payments on Loans	-	-	-
Total expenditures	23,558,424	11,865,629	1,960,803
Other Financing Uses			
Transfers out	-	-	-
Total Expenditures and Other Financing Uses	\$ 23,558,424	\$11,865,629	\$ 1,960,803

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)
\$ 31,221	\$ -	\$ 402,511	\$ 404,220	\$ 1,709
36,359	-	2,035,452	2,048,715	13,263
16,390	-	456,979	456,173	(806)
-	-	147,704	155,618	7,914
4,815	-	4,815	15,000	10,185
21,205	-	609,498	626,791	17,293
719,618	89,715	3,134,404	3,198,373	63,969
343,052	-	1,631,874	1,628,273	(3,601)
12,765	-	188,692	241,394	52,702
55,732	18,034	428,357	453,091	24,734
68,497	18,034	617,049	694,485	77,436
1,341,548	111,019	12,256,630	12,440,489	183,859
89,939	505	1,122,750	1,219,085	96,335
50,349	-	50,349	50,349	-
2,611,266	129,454	40,125,576	40,835,879	710,303
1,173,208	-	1,173,208	1,169,341	(3,867)
\$ 3,784,474	\$ 129,454	\$ 41,298,784	\$ 42,005,220	\$ 706,436

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**Nonmajor Governmental
Funds**



<i>June 30, 2007</i>	Special Revenue		Capital Projects	
	Food Service	Athletics	2002	General
Assets				
Cash and investments	\$ 457,214	\$ 47,994	\$ 108,681	\$ 432,448
Accrued interest	355	-	-	-
Accounts receivable	6,754	-	-	-
Inventories	78,267	-	-	-
Total Assets	\$ 542,590	\$ 47,994	\$ 108,681	\$ 432,448
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 4,142	\$ 7,439	\$ -
Due to other funds	14,699	43,852	-	-
Deferred revenue	105,131	-	-	-
Total liabilities	119,830	47,994	7,439	-
Fund Balances				
Reserved for inventories	78,267	-	-	-
Unreserved	344,493	-	101,242	432,448
Total fund balances	422,760	-	101,242	432,448
Total Liabilities and Fund Balances	\$ 542,590	\$ 47,994	\$ 108,681	\$ 432,448

Jenison Public Schools

Nonmajor Governmental Funds Combining Balance Sheet

Debt Retirement				
2006B Debt	2006A Debt	2002 Debt	1999 Debt	Total
\$ 34,708	\$ 110,253	\$ 133,080	\$ 351,850	\$ 1,676,228
-	-	-	-	355
99	171	333	1,016	8,373
-	-	-	-	78,267
\$ 34,807	\$ 110,424	\$ 133,413	\$ 352,866	\$ 1,763,223
\$ -	\$ -	\$ -	\$ -	\$ 11,581
-	-	-	-	58,551
99	171	333	1,016	106,750
99	171	333	1,016	176,882
-	-	-	-	78,267
34,708	110,253	133,080	351,850	1,508,074
34,708	110,253	133,080	351,850	1,586,341
\$ 34,807	\$ 110,424	\$ 133,413	\$ 352,866	\$ 1,763,223

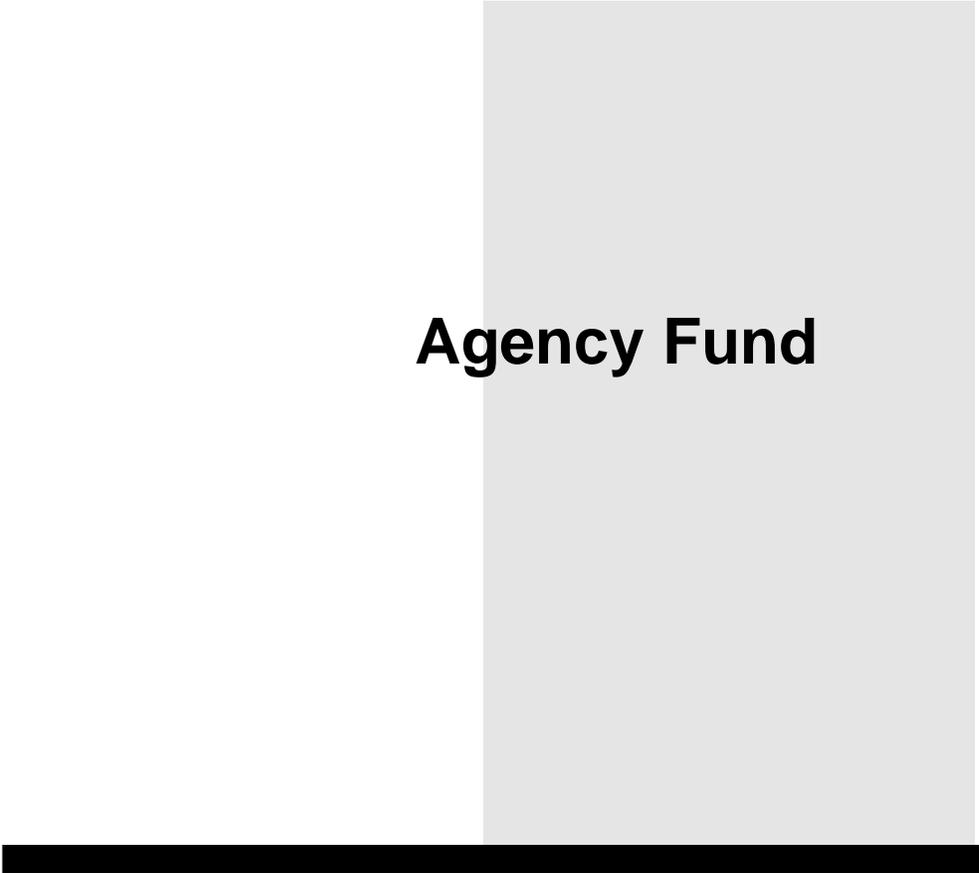
<i>Year ended June 30, 2007</i>	Special Revenue		Capital Projects	
	Food Service	Athletics	2002	General
Revenues				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other	1,644,419	174,264	19,153	2,448
State sources	84,166	-	-	-
Federal sources	570,137	-	-	-
Total revenues	2,298,722	174,264	19,153	2,448
Expenditures				
Salaries	678,299	562,372	-	-
Employee benefits	210,525	171,152	-	-
Food and milk costs	1,063,374	-	-	-
Purchased services	184,596	200,948	-	-
Supplies, materials, other	152,635	33,432	-	-
Capital outlay	44,574	49,568	615,053	-
Redemption of principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,334,003	1,017,472	615,053	-
Excess (deficiency) of revenues over expenditures	(35,281)	(843,208)	(595,900)	2,448
Other Financing Sources (Uses)				
Transfers in	-	843,208	-	330,000
Transfers out	-	-	-	-
Total other financing sources (uses)	-	843,208	-	330,000
Net change in fund balances	(35,281)	-	(595,900)	332,448
Fund Balances, beginning of year	458,041	-	697,142	100,000
Fund Balances, end of year	\$ 422,760	\$ -	\$ 101,242	\$ 432,448

Jenison Public Schools

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

Debt Retirement					
2006B Debt	2006A Debt	2002 Debt	1999 Debt	1996 Debt	Total
\$ 344,249	\$ 594,661	\$ 1,157,970	\$ 3,536,439	\$ -	\$ 5,633,319
5,783	18,190	25,715	81,132	-	1,971,104
-	-	-	-	-	84,166
-	-	-	-	-	570,137
350,032	612,851	1,183,685	3,617,571	-	8,258,726
-	-	-	-	-	1,240,671
-	-	-	-	-	381,677
-	-	-	-	-	1,063,374
-	-	-	-	-	385,544
-	-	-	-	-	186,067
-	-	-	-	-	709,195
30,000	440,000	415,000	1,970,000	-	2,855,000
289,642	231,701	769,838	1,412,855	-	2,704,036
319,642	671,701	1,184,838	3,382,855	-	9,525,564
30,390	(58,850)	(1,153)	234,716	-	(1,266,838)
-	168,695	-	-	-	1,341,903
-	-	-	-	(168,695)	(168,695)
-	168,695	-	-	(168,695)	1,173,208
30,390	109,845	(1,153)	234,716	(168,695)	(93,630)
4,318	408	134,233	117,134	168,695	1,679,971
\$ 34,708	\$ 110,253	\$ 133,080	\$ 351,850	\$ -	\$ 1,586,341

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Agency Fund

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Jenison Public Schools

Agency Fund Statement of Changes in Assets and Liabilities

<i>Year ended June 30, 2007</i>	Balance, July 1, 2006	Additions	Deletions	Balance, June 30, 2007
Assets				
Cash and cash equivalents	\$ 511,976	\$ 1,451,358	\$ 1,450,512	\$ 512,822
Due from other funds	33,434		33,434	-
Total Assets	\$ 545,410	\$ 1,451,358	\$ 1,483,946	\$ 512,822
Liabilities				
Due to other funds	\$ -	\$ 30,994	\$ 17,956	\$ 13,038
Due to student groups	545,410	1,473,818	1,519,444	499,784
Total Liabilities	\$ 545,410	\$ 1,504,812	\$ 1,537,400	\$ 512,822

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Schedules of Debt Service Requirements

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Jenison Public Schools

1999 Refunding Bonds Statement of Bonds Issued, Redeemed and Outstanding June 30, 2007

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2007	November 1	May 1
2000	5/1/2000	3.35	\$ 370,000	\$ 370,000	\$ -	\$ -	\$ -
2001	5/1/2001	3.55	330,000	330,000	-	-	-
2002	5/1/2002	3.65	345,000	345,000	-	-	-
2003	5/1/2003	3.75	105,000	105,000	-	-	-
2004	5/1/2004	3.85	1,525,000	1,525,000	-	-	-
2005	5/1/2005	4.00	740,000	740,000	-	-	-
2006	5/1/2006	4.10	740,000	740,000	-	-	-
2007	5/1/2007	4.50	1,970,000	1,970,000	-	-	-
2008	5/1/2008	4.25	2,170,000	-	2,170,000	661,448	661,448
2009	5/1/2009	4.30	2,360,000	-	2,360,000	615,335	615,335
2010	5/1/2010	4.45	2,570,000	-	2,570,000	564,595	564,595
2011	5/1/2011	5.25	2,775,000	-	2,775,000	507,413	507,413
2012	5/1/2012	5.25	2,990,000	-	2,990,000	434,569	434,569
2013	5/1/2013	5.25	3,180,000	-	3,180,000	356,081	356,081
2014	5/1/2014	5.25	3,350,000	-	3,350,000	272,606	272,606
2015	5/1/2015	5.25	3,490,000	-	3,490,000	184,669	184,669
2016	5/1/2016	5.25	3,545,000	-	3,545,000	93,056	93,056
			\$ 32,555,000	\$6,125,000	\$ 26,430,000	\$ 3,689,772	\$ 3,689,772

Date of Issue: 5/1/99

Purpose:

Refunding of portions of 1992, 1993, and 1996 Bonds

Redemption Prior to Maturity:

The bonds or portions of bonds in multiples of \$5,000, maturing on May 1, 2010 shall be subject to redemption prior to maturity, at the option of the School District in such order as the School District may determine and by lot within any maturity, on any interest payment date occurring on or after May 1, 2009 at par and accrued interest to the date fixed for redemption.

Jenison Public Schools

2002 General Improvements Bonds Statement of Bonds Issued, Redeemed and Outstanding June 30, 2007

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal		Outstanding June 30, 2007	Interest Due	
			Issued	Redeemed		November 1	May 1
2003	5/1/2003	3.750	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
2004	5/1/2004	3.750	455,000	455,000	-	-	-
2005	5/1/2005	3.750	260,000	260,000	-	-	-
2006	5/1/2006	3.200	330,000	330,000	-	-	-
2007	5/1/2007	3.400	415,000	415,000	-	-	-
2008	5/1/2008	3.625	425,000	-	425,000	377,509	377,509
2009	5/1/2009	3.800	425,000	-	425,000	369,806	369,806
2010	5/1/2010	4.000	425,000	-	425,000	361,731	361,731
2011	5/1/2011	4.100	425,000	-	425,000	353,231	353,231
2012	5/1/2012	4.200	425,000	-	425,000	344,519	344,519
2013	5/1/2013	4.300	425,000	-	425,000	335,594	335,594
2014	5/1/2014	4.450	425,000	-	425,000	326,456	326,456
2015	5/1/2015	4.550	475,000	-	475,000	317,000	317,000
2016	5/1/2016	4.700	675,000	-	675,000	306,194	306,194
2017	5/1/2017	5.500	1,575,000	-	1,575,000	290,331	290,331
2018	5/1/2018	5.500	1,575,000	-	1,575,000	247,019	247,019
2019	5/1/2019	5.500	1,575,000	-	1,575,000	203,706	203,706
2020	5/1/2020	5.500	1,575,000	-	1,575,000	160,394	160,394
2021	5/1/2021	5.000	1,575,000	-	1,575,000	118,519	118,519
2022	5/1/2022	5.000	1,575,000	-	1,575,000	79,144	79,144
2023	5/1/2023	5.050	1,575,000	-	1,575,000	39,769	39,769
2024	5/1/2024	5.100	1,575,000	1,575,000	-	-	-
2025	5/1/2025	5.100	1,600,000	1,600,000	-	-	-
2026	5/1/2026	5.125	1,600,000	1,600,000	-	-	-
2027	5/1/2027	5.250	1,600,000	1,600,000	-	-	-
			\$ 23,035,000	\$ 7,885,000	\$ 15,150,000	\$ 4,230,922	\$ 4,230,922

Date of Issue: 5/14/02

Purpose:

Partially remodeling, furnishing and re-furnishing, equipping and re-equipping school facilities; erecting, furnishing and equipping an addition to the high school for a swimming pool and an addition to the transportation facility; acquiring school buses; acquiring, installing and equipping technology for school facilities; constructing, equipping, developing and improving outdoor physical education, community and athletic facilities and playgrounds; and acquiring, developing and improving sites.

Redemption Prior to Maturity:

The bonds or portions of the bonds in multiples of \$5,000 maturing on or after May 1, 2013, are subject to redemption at the option of the School District in such order as the School District may determine and by lot within any maturity, on any interest payment date occurring on or after May 1, 2012, at par plus accrued interest to the date fixed for redemption.

Jenison Public Schools

2006A Refunding Bonds Statement of Bonds Issued, Redeemed and Outstanding June 30, 2007

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2007	November 1	May 1
2007	5/1/2007	4.000	\$ 440,000	\$ 440,000	\$ -	\$ -	\$ -
2008	5/1/2008	4.000	550,000	-	550,000	97,575	97,575
2009	5/1/2009	3.500	475,000	-	475,000	86,575	86,575
2010	5/1/2010	4.000	510,000	-	510,000	78,263	78,263
2011	5/1/2011	4.000	515,000	-	515,000	68,063	68,063
2012	5/1/2012	4.000	485,000	-	485,000	57,763	57,763
2013	5/1/2013	4.000	490,000	-	490,000	48,063	48,063
2014	5/1/2014	5.000	525,000	-	525,000	38,263	38,263
2015	5/1/2015	5.000	555,000	-	555,000	25,138	25,138
2016	5/1/2016	4.250	530,000	-	530,000	11,263	11,263
			\$ 5,075,000	\$ 440,000	\$ 4,635,000	\$ 510,966	\$ 510,966

Date of Issue: 5/1/06

Purpose:

Refunding of portions of 1996 Bond

Redemption Prior to Maturity:

The bonds are not subject to redemption prior to maturity.

Jenison Public Schools

2006B Refunding Bonds Statement of Bonds Issued, Redeemed and Outstanding June 30, 2007

Year Ended June 30,	Bonds Due	Interest Rate (Percent)	Bond Principal			Interest Due	
			Issued	Redeemed	Outstanding June 30, 2007	November 1	May 1
2007	5/1/2007	3.500	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -
2008	5/1/2008	3.750	40,000	-	40,000	144,556	144,556
2009	5/1/2009	0.000	-	-	-	143,806	143,806
2010	5/1/2010	0.000	-	-	-	143,806	143,806
2011	5/1/2011	0.000	-	-	-	143,806	143,806
2012	5/1/2012	0.000	-	-	-	143,806	143,806
2013	5/1/2013	0.000	-	-	-	143,806	143,806
2014	5/1/2014	0.000	-	-	-	143,806	143,806
2015	5/1/2015	0.000	-	-	-	143,806	143,806
2016	5/1/2016	0.000	-	-	-	143,806	143,806
2017	5/1/2017	0.000	-	-	-	143,806	143,806
2018	5/1/2018	0.000	-	-	-	143,806	143,806
2019	5/1/2019	4.250	40,000	-	40,000	143,806	143,806
2020	5/1/2020	4.250	40,000	-	40,000	142,956	142,956
2021	5/1/2021	4.250	40,000	-	40,000	142,106	142,106
2022	5/1/2022	4.250	45,000	-	45,000	141,256	141,256
2023	5/1/2023	4.250	45,000	-	45,000	140,300	140,300
2024	5/1/2024	4.250	1,625,000	-	1,625,000	139,344	139,344
2025	5/1/2025	4.250	1,625,000	-	1,625,000	104,813	104,813
2026	5/1/2026	4.300	1,625,000	-	1,625,000	70,281	70,281
2027	5/1/2027	4.350	1,625,000	-	1,625,000	35,344	35,344
			\$ 6,780,000	\$ 30,000	\$ 6,750,000	\$ 2,642,822	\$ 2,642,822

Date of Issue: 5/1/06

Purpose:

Refunding of portions of 2002 Bond

Redemption Prior to Maturity:

The bonds or portions of bonds in multiples of \$5,000, due on or after May 1, 2019, are subject to redemption prior to maturity at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2016, at par and accrued interest to the date fixed for redemption.



**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***



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Independent Auditors' Report

Board of Education
Jenison Public Schools
Jenison, Michigan

We have audited 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, 2007, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 21, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

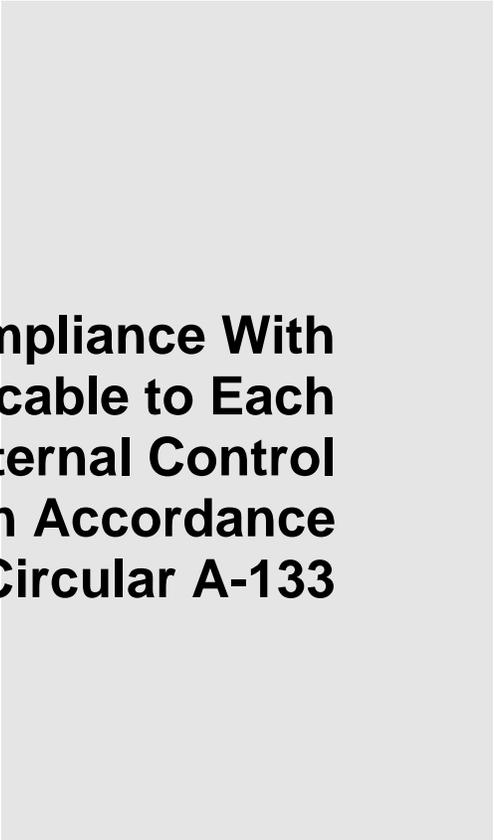
As part of obtaining reasonable assurance about whether Jenison Public Schools' basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct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

This report is intended solely for the information and use of the Board of Education, management, others within the District, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "BDO Seidman, LLP". The signature is written in a cursive, flowing style.

Grand Rapids, Michigan
August 21, 2007

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**Report on Compliance With
Requirements Applicable to Each
Major Program and Internal Control
Over Compliance in Accordance
With OMB Circular A-133**



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Independent Auditors' Report

Board of Education
Jenison Public Schools
Jenison, Michigan

Compliance

We have audited the compliance of Jenison Public Schools (District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Jenison Public Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on Jenison Public Schools' compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Jenison Public Schools' 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. Our audit does not provide a legal determination on Jenison Public Schools' compliance with those requirements.

In our opinion, Jenison Public Schools complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2007-01.

Internal Control Over Compliance

The management of Jenison Public Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts

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and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified one deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in the District's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Jenison Public School's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Education, management, others within the District, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Grand Rapids, Michigan
August 21, 2007

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**Schedule of Expenditures
of Federal Awards**



<i>Year ended June 30, 2007</i>	Federal CFDA Number	Program or Award Amount	Prior Year Expenditures (memorandum only)
Federal Grantor/Pass-Through Grantor/Program/Project Number			
U.S. Department of Education			
Passed through the Michigan Department of Education:			
Title I , Part A	84.010		
061530 0506		\$ 307,397	\$ 261,287
061530 0607		15,483	-
071530 0607		347,305	-
<hr/>			
Title V	84.298		
060250 0506		2,136	12
070250 0607		1,066	-
<hr/>			
Title II, Part A	84.367		
060520 0506		110,771	96,131
060520 0607		9,393	-
070520 0607		119,985	-
<hr/>			
Title II, Part D	84.318		
054290 0506		2,132	2,132
064290 0506		4,472	4,353
064290 0607		1,551	-
074290 0607		3,565	-
<hr/>			
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Total passed through the Michigan Department of Education			

Jenison Public Schools

Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue at July 1, 2006	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2007
\$ 9,480	\$ 55,590	\$ 46,110	\$ -
-	7,305	15,483	8,178
-	262,897	302,076	39,179
9,480	325,792	363,669	47,357
-	2,124	2,124	-
-	-	-	-
-	2,124	2,124	-
3,511	18,151	14,640	-
-	9,393	9,393	-
-	105,491	109,814	4,323
3,511	133,035	133,847	4,323
39	39	-	-
168	287	119	-
-	1,551	1,551	-
-	1,873	2,577	704
207	3,750	4,247	704
13,198	464,701	503,887	52,384

<i>Year ended June 30, 2007</i>	Federal CFDA Number	Program or Award Amount	Prior Year Expenditures (memorandum only)
Federal Grantor/Pass-Through Grantor/Program/Project Number			
Passed through Ottawa County ISD:			
Drug Free Schools 062860 0506	84.186	\$ 11,575	\$ -
Special Education Cluster:			
Flowthrough 060450 0506	84.027	1,150,953	1,150,953
070450 0607		1,107,374	-
Transition 060490 0506	84.027	2,590	2,590
070490 0607		1,500	-
Preschool Incentive 060460 0506	84.173	38,147	38,147
070460 0607		31,261	-
Total Special Education Cluster			
Total passed through Ottawa County ISD			
Total U.S. Department of Education			
U.S. Department of Health and Human Services			
Passed through Ottawa County ISD:			
Medicaid Administrative Outreach Program	93.778	87,702	-

Jenison Public Schools

Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue at July 1, 2006	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2007
\$ -	\$ 11,575	\$ 11,575	\$ -
575,477	575,477	-	-
-	553,687	1,107,374	553,687
1,004	1,004	-	-
-	1,465	1,465	-
19,073	19,073	-	-
-	15,631	31,261	15,630
595,554	1,166,337	1,140,100	569,317
595,554	1,177,912	1,151,675	569,317
608,752	1,642,613	1,655,562	621,701
-	11,389	14,418	3,029

<i>Year ended June 30, 2007</i>	Federal CFDA Number	Program or Award Amount	Prior Year Expenditures (memorandum only)
Federal Grantor/Pass-Through Grantor/Program/Project Number			
U.S. Department of Agriculture			
Passed through Michigan Department of Education:			
USDA Commodities:	10.550		
Bonus commodities		\$ 21	\$ -
Entitlement commodities		117,348	-
<hr/>			
Total USDA Commodities			
<hr/>			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	9,556	-
National School Lunch Program	10.555	518,207	-
Special Milk Program	10.556	10,225	-
<hr/>			
Total Child Nutrition Cluster			
<hr/>			
Total U.S. Department of Agriculture			
<hr/>			
Total Federal Financial Assistance			
<hr/>			

Jenison Public Schools

Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue at July 1, 2006	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2007
\$ -	\$ 21	\$ 21	\$ -
(9,007)	75,632	31,828	(52,811)
(9,007)	75,653	31,849	(52,811)
-	9,556	9,556	-
-	518,507	518,507	-
-	10,225	10,225	-
-	538,288	538,288	-
(9,007)	613,941	570,137	(52,811)
\$ 599,745	\$ 2,267,943	\$ 2,240,117	\$ 571,919

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**Note to
Schedule of Expenditures
of Federal Awards**

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Jenison Public Schools

Note to Schedule of Expenditures of Federal Awards

1. General

Expenditures are recorded 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.

Expenditures in this schedule agree with financial reports and amounts reported in the basic financial statements.

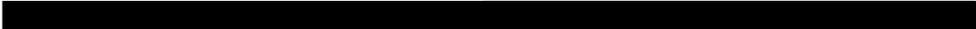
Amounts reported in the Grant Section Auditors' Report reconcile with this schedule.

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

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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, 2007

Summary of Auditors' Results

The auditors' report expresses an unqualified opinion on the basic financial statements of Jenison Public Schools.

The audit did not disclose any noncompliance which is material to the basic financial statements of Jenison Public Schools.

The auditors' report on compliance for major programs of Jenison Public Schools expresses an unqualified opinion.

One significant deficiency in internal control over major programs was disclosed by the audit. The significant deficiency was not considered to be a material weakness.

The audit disclosed one finding related to federal awards that is described below.

The District had two major programs: Nutrition Cluster and Title I.

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

Jenison Public Schools was determined to be a low-risk auditee.

Findings Related to the Financial Statements

There were no findings which are required to be reported under *Government Auditing Standards*.

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Jenison Public Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2007

Findings and Questioned Costs for Federal Awards

Finding 2007-01

Title I Program

CFDA No. 84.010

Questioned Costs \$2,474

Condition

Jenison Public Schools reimbursed a private school directly for their allocation of the District's Title I funds.

Criteria

The U.S. Department of Education's *Title I Guide for Services to Private School Children*, states that no funds may be paid directly to private schools and that the District must maintain control of the funds.

Cause and Effect

Because the District was not aware of this requirement they paid the private school directly for services. The District paid the private school \$2,474 related to the 2005-06 program and \$12,420 for the 2006-07 program. When management became aware of the requirement they reimbursed the Title I program for \$12,420, using other local funds to pay for the expenditure.

Recommendation

Ensure that program directors as well as management are made aware of the specific requirements related to federal programs.

Management Response

Jenison Public Schools has corrected its approach to providing federal funds to private schools. All federal funds will be controlled by the District with no reimbursements being made directly to the private school.