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Lapeer Community Schools

Board Presentation

For year ended June 30, 2021



Summary of Audit Results

June 30, 2021

- **Basic Financial Statements:**
 - Unmodified opinion
 - No findings noted
- **Single Audit:**
 - Unmodified opinion
 - Low risk auditee
 - Major program tested: Coronavirus Relief Fund
 - No findings or questioned costs noted
- **Required Communications Under AU 260**
 - Significant accounting policies disclosed in Note 2
 - Significant accounting estimates: MPSERS Pension and OPEB liabilities
 - Adoption of GASB Statement No. 84
 - No difficulties encountered in performing the audit
 - No audit adjustments



Governmental Funds - Balance Sheet

June 30, 2021

	<u>General Fund</u>	<u>2016 Refunding Bond</u>	<u>Non-major Funds</u>
Assets:			
Cash and cash equivalents	\$ 10,693,790	\$ -	\$ 939,535
Investments	19,407	-	-
Receivables	8,123,031	686	133,252
Due from other funds	-	-	129,341
Prepaid expenses	296,681	-	8,594
Restricted assets	-	3,763,644	-
Total assets	<u>\$ 19,132,909</u>	<u>\$ 3,764,330</u>	<u>\$ 1,210,722</u>
Liabilities:			
Accounts payable	\$ 257,503	\$ -	\$ 78,749
Due to other governmental units	903,148	-	1,387
Due to other funds	123,506	-	5,835
Accrued liabilities and other	5,275,513	-	32,396
State aid anticipation note	4,285,000	-	-
Unearned revenue	486,367	-	-
Total liabilities	<u>\$ 11,331,037</u>	<u>\$ -</u>	<u>\$ 118,367</u>
Deferred Inflows of Resources - Unavailable Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances	<u>\$ 7,801,872</u>	<u>\$ 3,764,330</u>	<u>\$ 1,092,355</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,132,909</u>	<u>\$ 3,764,330</u>	<u>\$ 1,210,722</u>



Governmental Funds – Statement of Revenue, Expenditures, and Changes in Fund Balance

June 30, 2021

	<u>General Fund</u>	<u>2016 Refunding Bond</u>	<u>Nonmajor Funds</u>
Revenue:			
Local	\$ 7,860,676	\$ 4,142,426	\$ 410,220
State	42,589,718	16,411.00	65,327
Federal	4,257,912	-	1,772,610
Total revenue	<u>54,708,306</u>	<u>4,158,837</u>	<u>2,248,157</u>
Expenditures:			
Instruction	30,760,546	-	-
Support services	19,601,575	-	252,742
Athletics	862,349	-	-
Food services	-	-	1,877,962
Community services	584,372	-	-
Debt service	-	3,392,544	202,249
Capital outlay	645,794	-	-
Total expenditures	<u>52,454,636</u>	<u>3,392,544</u>	<u>2,332,953</u>
Excess of Revenue Over (Under) Expenditures	<u>2,253,670</u>	<u>766,293</u>	<u>(84,796)</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	21,407	-	-
Transfers in	81,744	-	205,474
Transfers out	<u>(205,474)</u>	<u>-</u>	<u>(81,744)</u>
Total other financing sources	<u>(102,323)</u>	<u>-</u>	<u>123,730</u>
Net Change in Fund Balance	2,151,347	766,293	38,934
Fund balance - Beginning of year (as restated)	5,650,525	2,998,037	1,053,421
Fund balance - End of year	<u><u>\$ 7,801,872</u></u>	<u><u>\$ 3,764,330</u></u>	<u><u>\$ 1,092,355</u></u>



Statement of Net Position

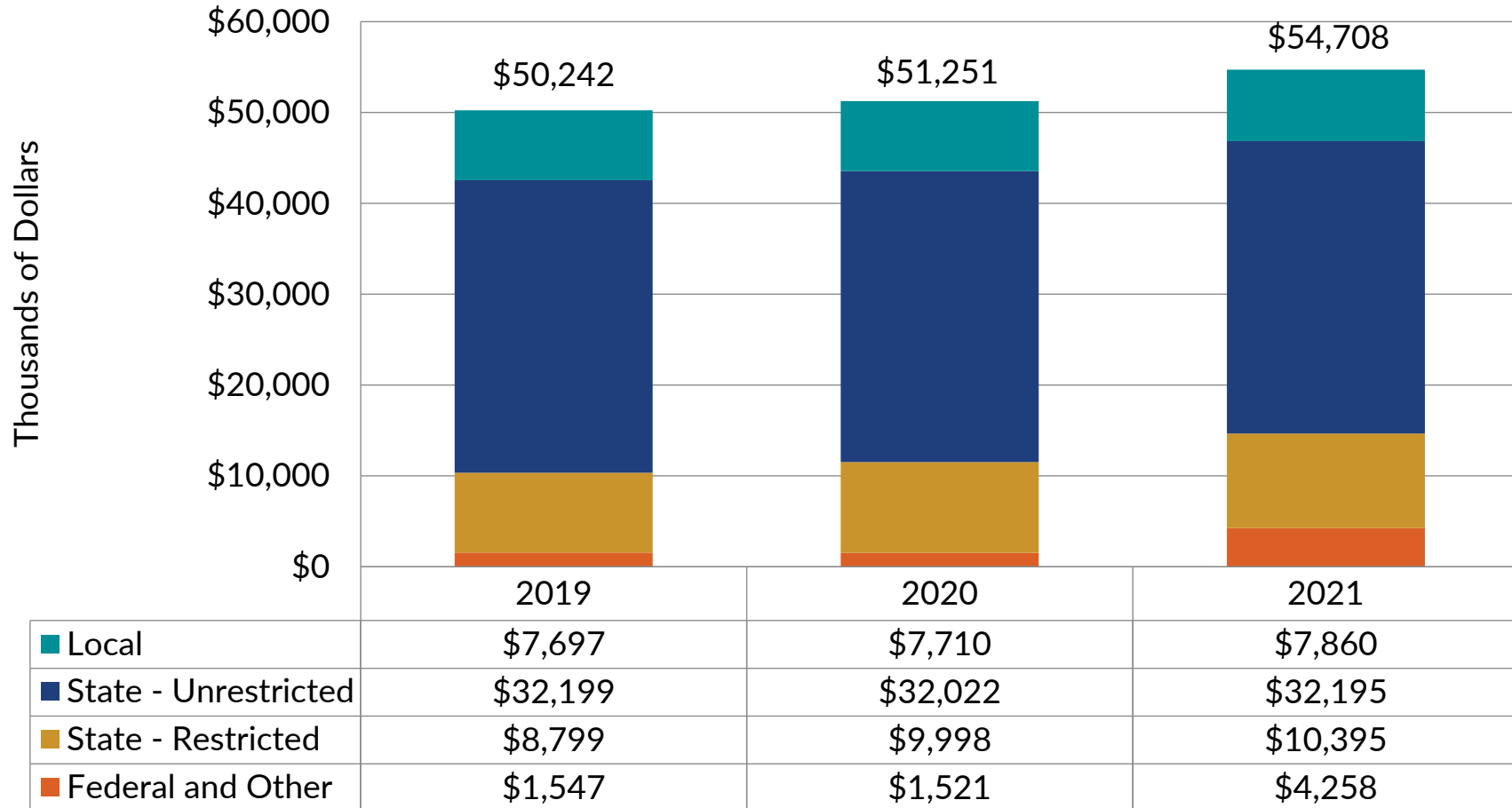
June 30, 2021

	Governmental Activities	
	2021	2020
Assets:		
Cash and cash equivalents	\$ 11,633,325	\$ 8,165,457
Investments	19,407	19,390
Receivables	8,256,969	7,510,659
Inventory and Prepaid costs	305,275	308,560
Restricted assets	3,763,644	2,996,328
Capital assets - Net	55,338,085	57,858,703
Total assets	\$ 79,316,705	\$ 76,859,097
Deferred Outflows of Resources	\$ 28,616,295	\$ 34,176,336
Liabilities:		
Accounts payable	336,252	427,201
Due to other governmental units	904,535	1,054,005
Accrued liabilities and other	5,553,287	4,933,551
State aid anticipation note	4,285,000	2,981,380
Unearned revenue	486,367	506,218
Long-term liabilities	43,359,743	45,996,558
Net Pension liability	98,883,869	96,772,956
Net OPEB liability	15,228,398	20,866,490
Total liabilities	\$ 169,037,451	\$ 173,538,359
Deferred Inflows of Resources	\$ 18,058,924	\$ 17,170,404
Net Position (Deficit):		
Net investment in capital assets	14,425,572	15,002,283
Restricted	3,518,952	2,742,730
Unrestricted	(97,107,899)	(97,418,343)
Total Net Position (Deficit)	\$ (79,163,375)	\$ (79,673,330)



General Fund Revenue Three-Year Comparison

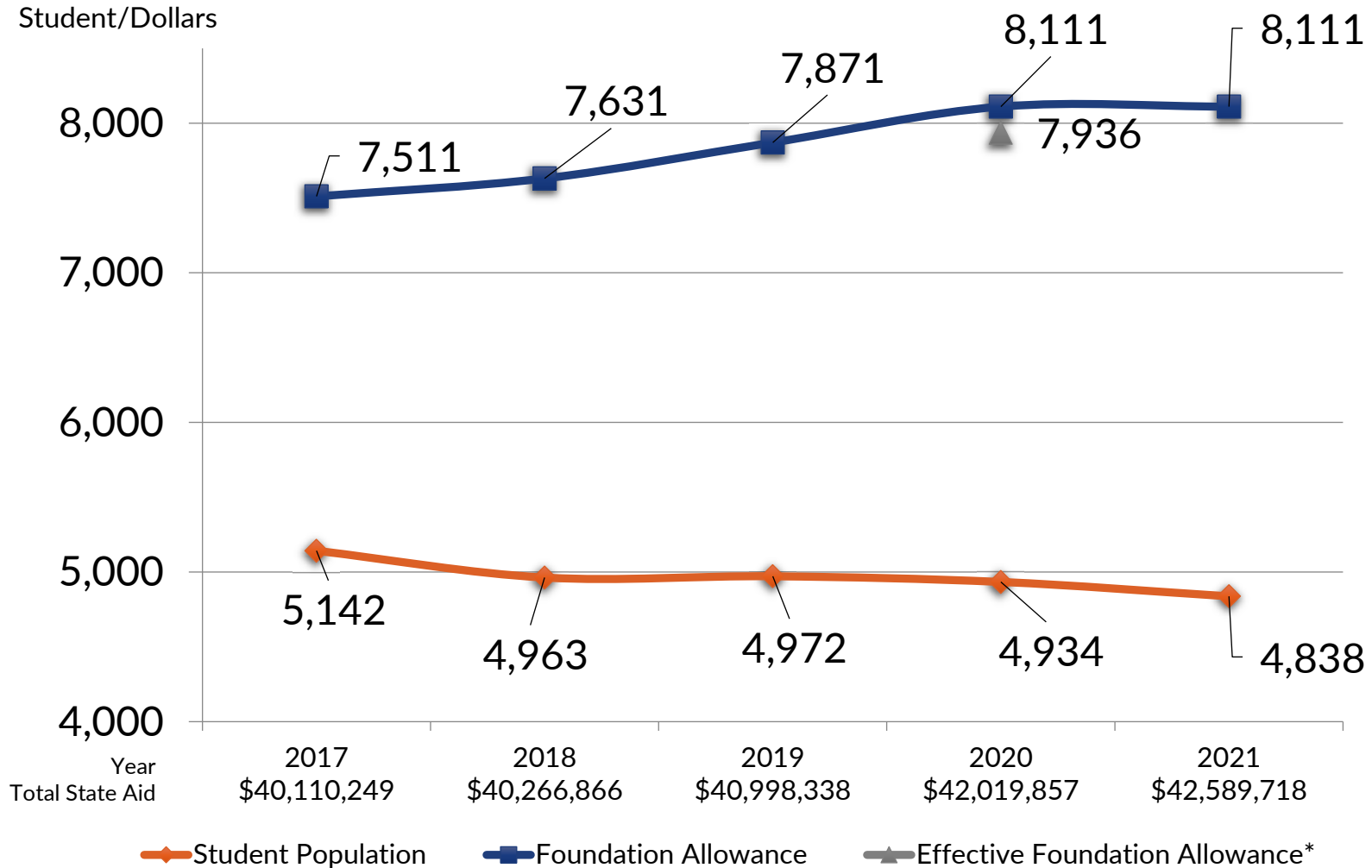
June 30, 2021





Pupil Count/Foundation Allowance Analysis

June 30, 2021



* 2020 increase in funding of \$240 per pupil was reduced by \$175 cut, resulting in a net \$65 per pupil increase.

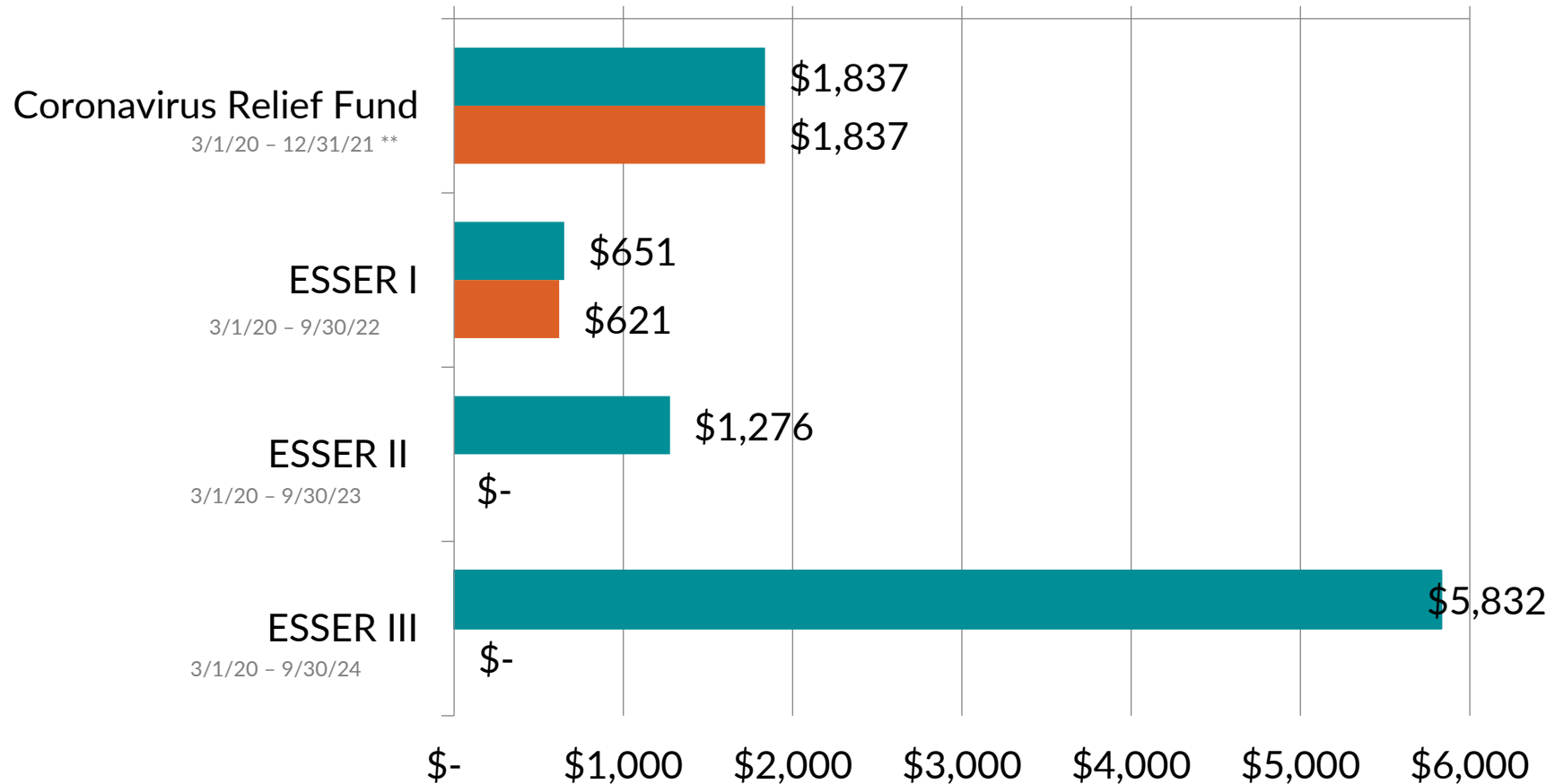


Non-recurring COVID-19 Relief Funding Awards & Expenditures as of June 30, 2021 (in thousands)

■ Awarded ■ Expended-to-Date

Total Awarded = \$9,596

Total Expended-to-Date = \$2,458



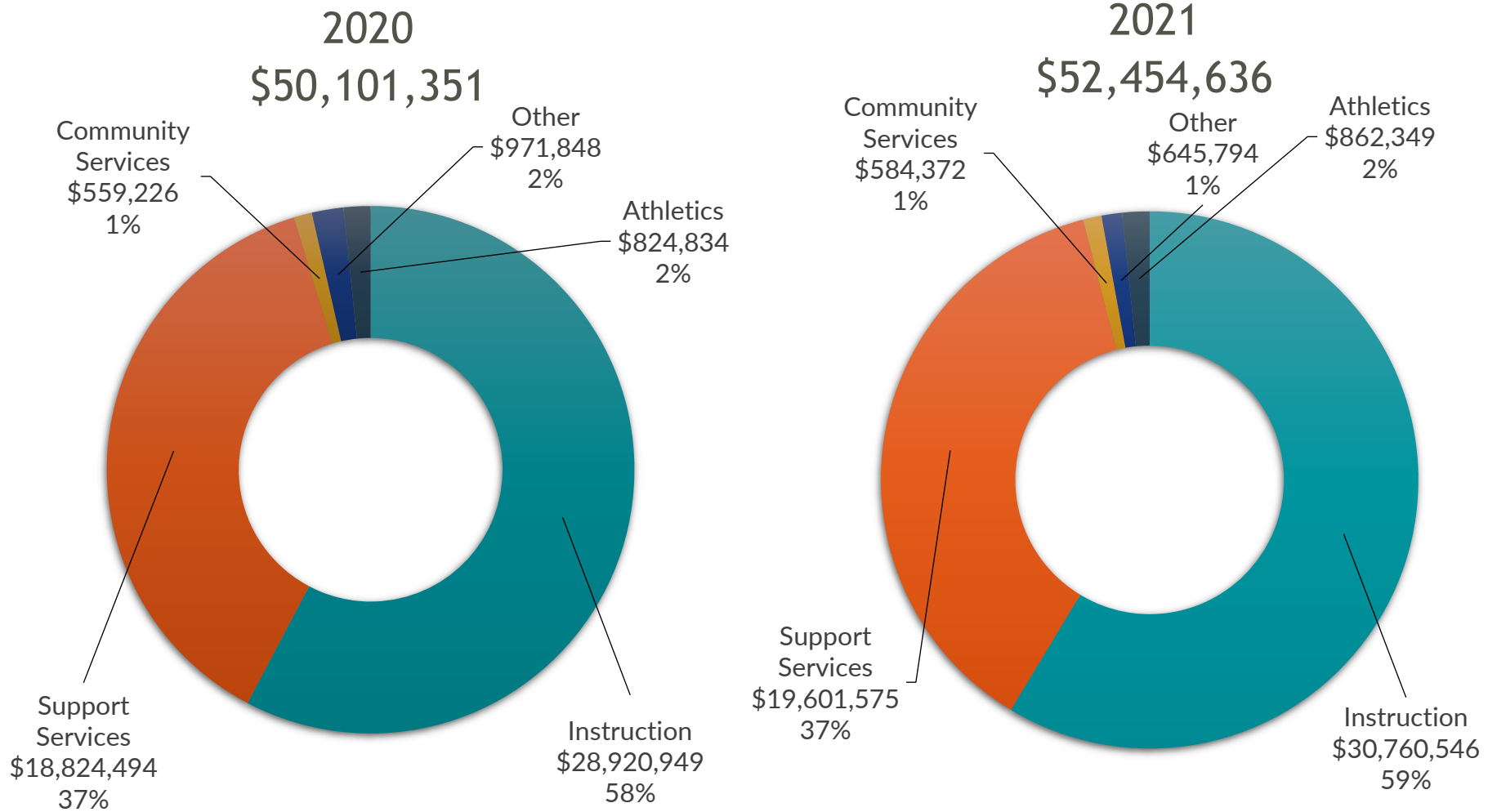
* Michigan use of these ESSER III discretionary funds is currently pending approval from USED

** Included here is an award from MAISA for connectivity related expenditures which was required to be spent by 12/31/20 (\$49K)



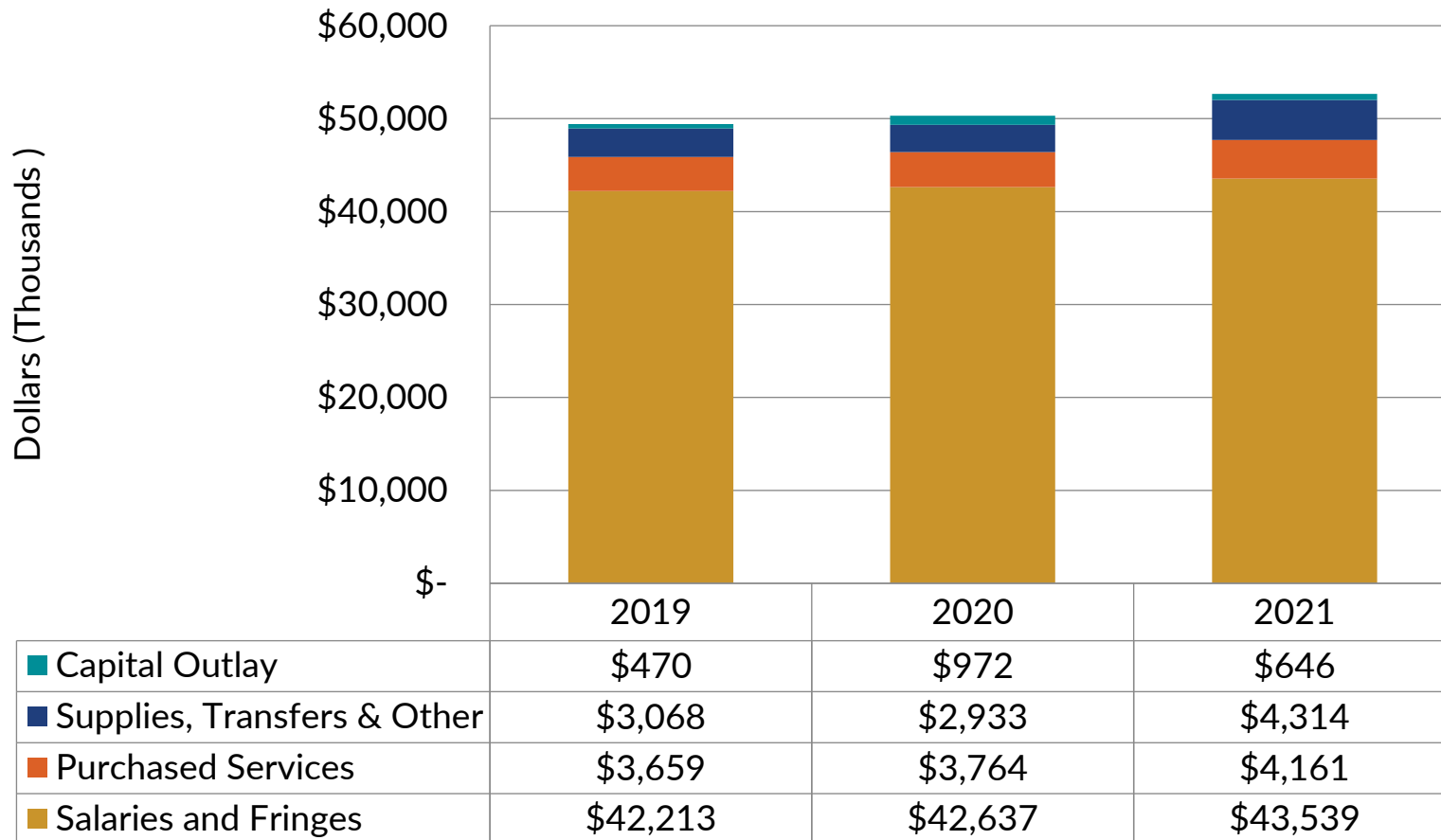
General Fund Expenditures

June 30, 2021



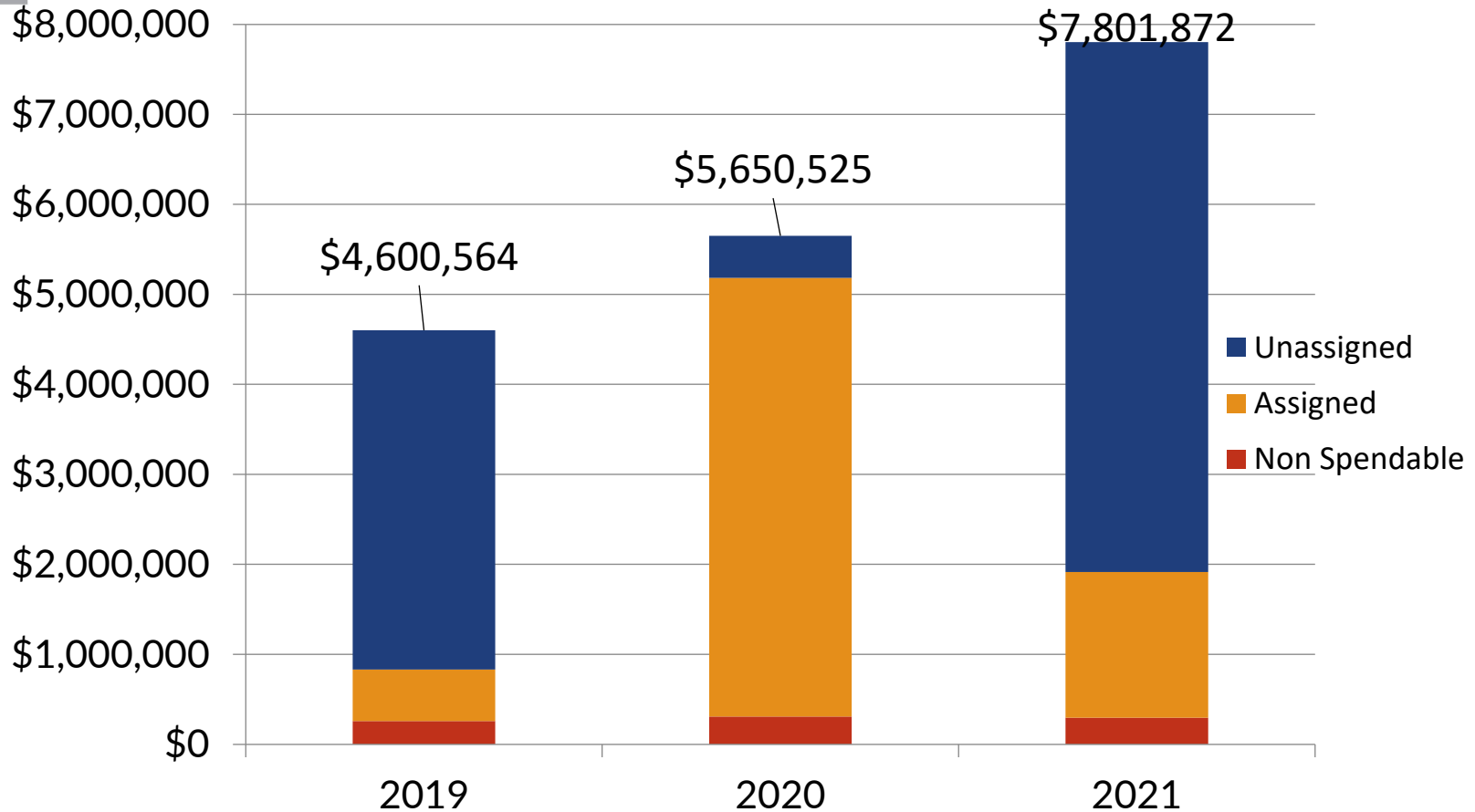


Analysis of General Fund Expenditures (including Transfers) Three-year comparison June 30, 2021





General Fund – Fund Balance As of June 30



Fund balance as a percent of expenditures

2019	2020	2021
9.4%	11.3%	14.9%

State Average

2019	2020	2021
14.2%	15.9%	Unavailable



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Thank you.