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Audit. Tax. Consulting.  
Wealth Management.

# Lapeer Community Schools

Board presentation | Year ended June 30, 2022



# Summary of Audit Results

June 30, 2022

## Basic Financial Statements:

- Unmodified opinion
- One finding as a result of turnover in Director of Finance role

## Single Audit:

- Unmodified opinion
- Low risk auditee
- Major program tested: Education Stabilization Fund (ESSER/ESF)
- 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. 87
- No difficulties encountered in performing the audit
- No unaddressed audit adjustments



# Governmental Funds - Balance Sheet

## June 30, 2022

	<u>General Fund</u>	<u>2016 Refunding Bond</u>	<u>Non-major Funds</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,785,074	\$ -	\$ 1,816,605
Investments	19,447	-	-
Receivables	11,361,659	731	151,560
Due from other funds	96,184	-	-
Prepaid expenses	270,897	-	8,295
Restricted assets	-	4,681,837	-
<b>Total assets</b>	<b><u>\$ 15,533,261</u></b>	<b><u>\$ 4,682,568</u></b>	<b><u>\$ 1,976,460</u></b>
<b>Liabilities:</b>			
Accounts payable	\$ 420,896	\$ -	\$ 98,490
Due to other governmental units	1,461,693	-	-
Due to other funds	-	-	96,184
Accrued liabilities and other	5,148,536	-	21,581
State aid anticipation note	600,000	-	-
Unearned revenue	358,288	-	-
<b>Total liabilities</b>	<b><u>\$ 7,989,413</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 216,255</u></b>
<b>Deferred Inflows of Resources - Unavailable Revenue</b>	<b><u>\$ 2,976,253</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Fund balances</b>	<b><u>\$ 4,567,595</u></b>	<b><u>\$ 4,682,568</u></b>	<b><u>\$ 1,760,205</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 15,533,261</u></b>	<b><u>\$ 4,682,568</u></b>	<b><u>\$ 1,976,460</u></b>



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

## June 30, 2022

	<u>General Fund</u>	<u>2016 Refunding Bond</u>	<u>Nonmajor Funds</u>
<b>Revenue:</b>			
Local	\$ 8,510,793	\$ 4,287,824	\$ 863,885
State	42,405,531	27,018	137,679
Federal	1,710,707	-	2,932,763
Total revenue	<u>52,627,031</u>	<u>4,314,842</u>	<u>3,934,327</u>
<b>Expenditures:</b>			
Instruction	30,845,698	-	-
Support services	22,095,304	-	579,781
Athletics	1,005,616	-	-
Food services	-	-	2,518,942
Community services	556,277	-	-
Debt service	109,413	3,396,604	207,827
Capital outlay	1,110,233	-	83,694
Interdistrict payments	15,000	-	-
Total expenditures	<u>55,737,541</u>	<u>3,396,604</u>	<u>3,390,244</u>
<b>Excess of Revenue Over (Under) Expenditures</b>	<u>(3,110,510)</u>	<u>918,238</u>	<u>544,083</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	84,824	-	208,591
Transfers out	(208,591)	-	(84,824)
Total other financing sources	<u>(123,767)</u>	<u>-</u>	<u>123,767</u>
<b>Net Change in Fund Balance</b>	<u>(3,234,277)</u>	<u>918,238</u>	<u>667,850</u>
<b>Fund balance - Beginning of year (as restated)</b>	<u>7,801,872</u>	<u>3,764,330</u>	<u>1,092,355</u>
<b>Fund balance - End of year</b>	<u>\$ 4,567,595</u>	<u>\$ 4,682,568</u>	<u>\$ 1,760,205</u>



# Statement of Net Position

## June 30, 2022

	Governmental Activities	
	2022	2021
<b>Assets:</b>		
Cash and cash equivalents	\$ 5,601,679	\$ 11,633,325
Investments	19,447	19,407
Receivables	11,513,950	8,256,969
Inventory and Prepaid costs	279,192	305,275
Restricted assets	4,681,837	3,763,644
Capital assets - Net	53,916,299	55,338,085
Total assets	\$ 76,012,404	\$ 79,316,705
<b>Deferred Outflows of Resources</b>	\$ 20,453,798	\$ 28,616,295
<b>Liabilities:</b>		
Accounts payable	519,386	336,252
Due to other governmental units	1,461,693	904,535
Accrued liabilities and other	5,459,446	5,553,287
State aid anticipation note	600,000	4,285,000
Unearned revenue	358,288	486,367
Long-term liabilities	41,448,501	43,359,743
Net Pension liability	67,392,864	98,883,869
Net OPEB liability	4,332,930	15,228,398
Total liabilities	\$ 121,573,108	\$ 169,037,451
<b>Deferred Inflows of Resources</b>	\$ 45,257,565	\$ 18,058,924
<b>Net Position (Deficit):</b>		
Net investment in capital assets	14,761,120	14,425,572
Restricted	4,393,239	3,518,952
Unrestricted	(89,518,830)	(97,107,899)
<b>Total Net Position (Deficit)</b>	<b>\$ (70,364,471)</b>	<b>\$ (79,163,375)</b>

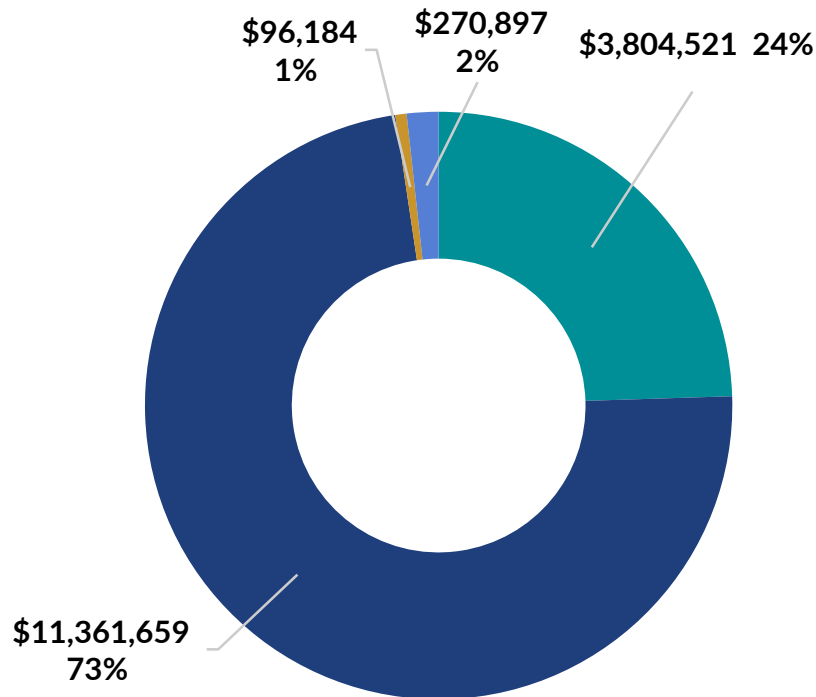


# General Fund Balance Sheet

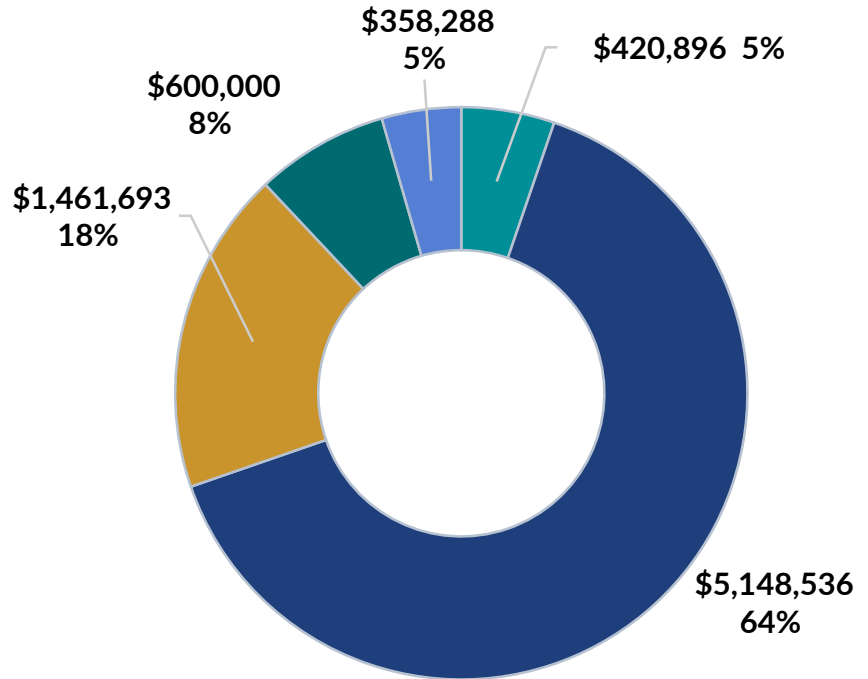
June 30, 2022

Assets = \$15,533,261

Liabilities = 7,989,413



- Cash and Investments
- Receivables
- Due from other funds
- Other



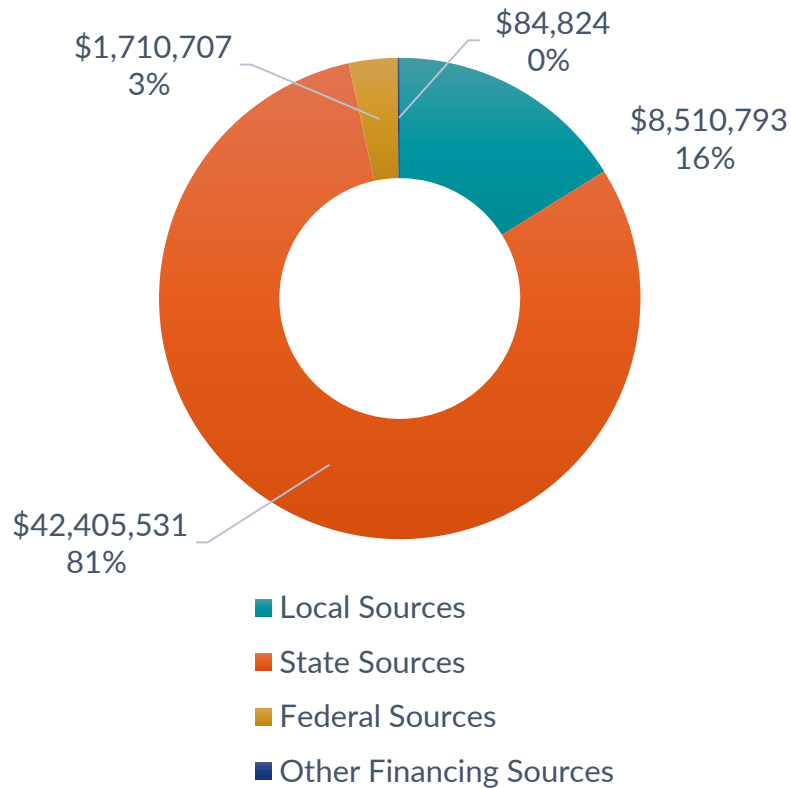
- Accounts Payable
- Accrued Liabilities and Other
- Due to Other Governmental Units
- State Aid Anticipation Notes
- Unearned Revenue



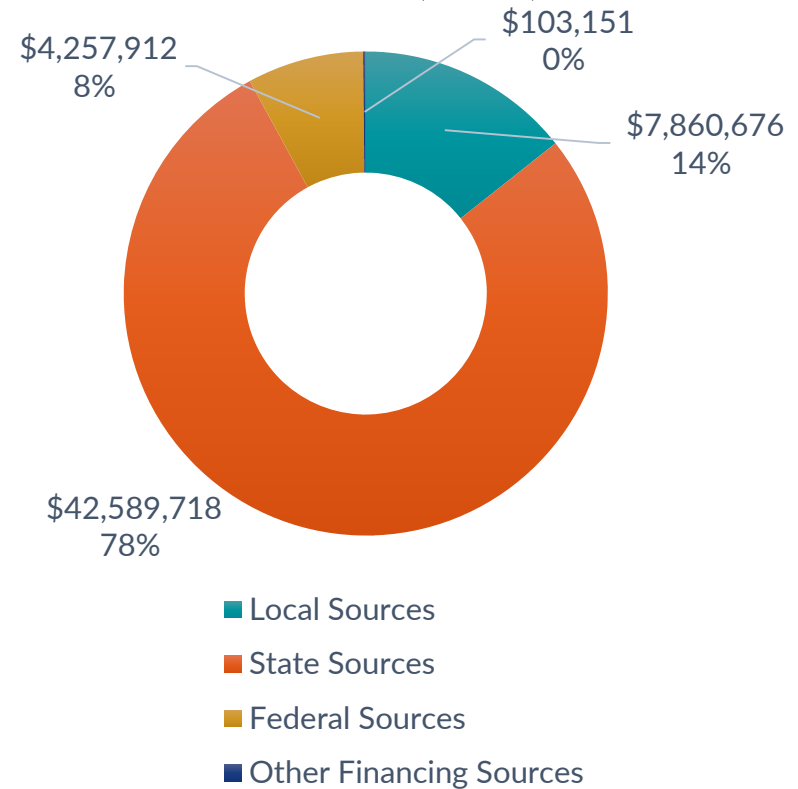
# General Fund Revenue & Other Financing Sources

Year Ended June 30

**2022 = \$52,627,031**



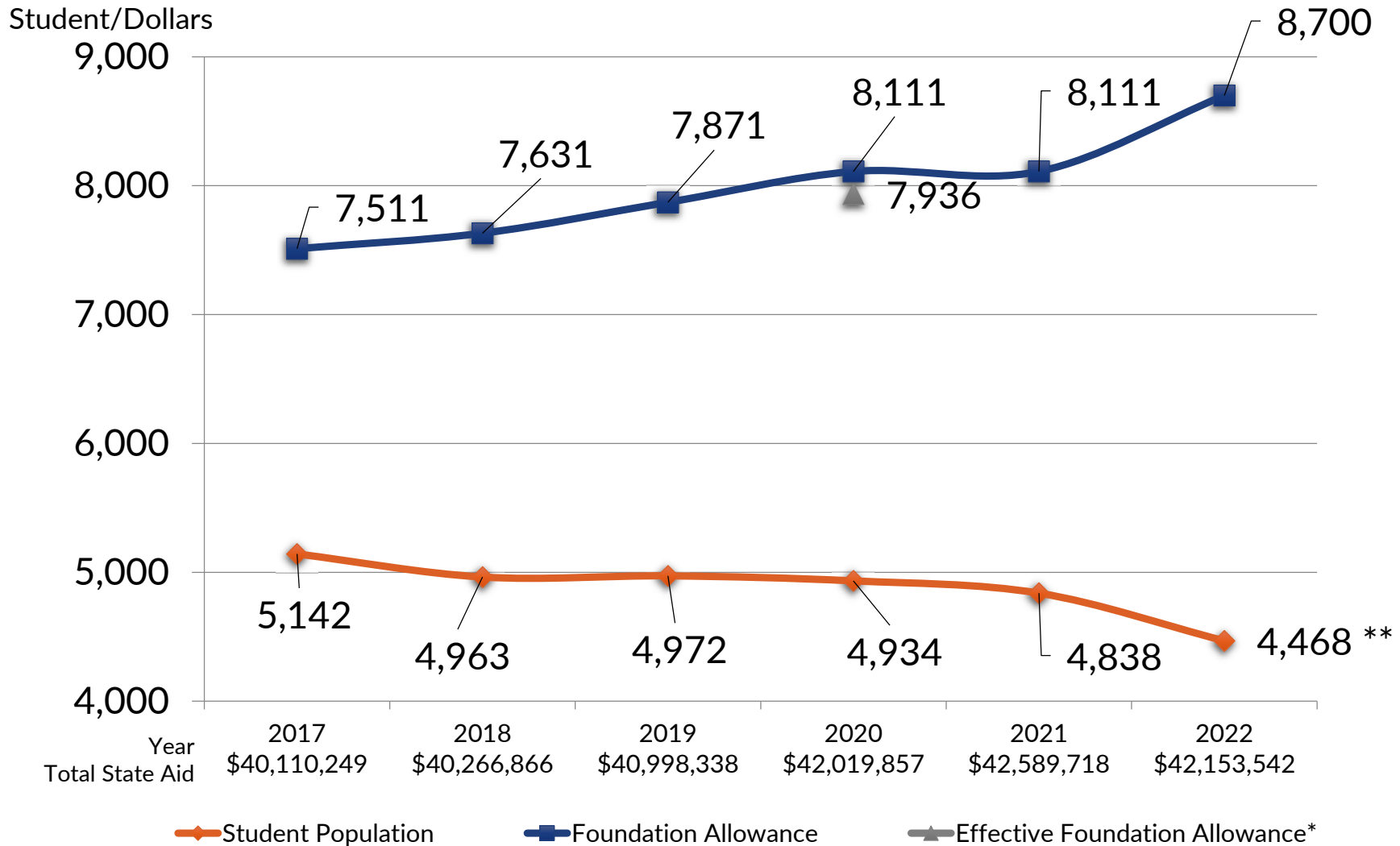
**2021 = \$54,708,306**





# 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.

\*\*Pupil count is based on the super blend formula.



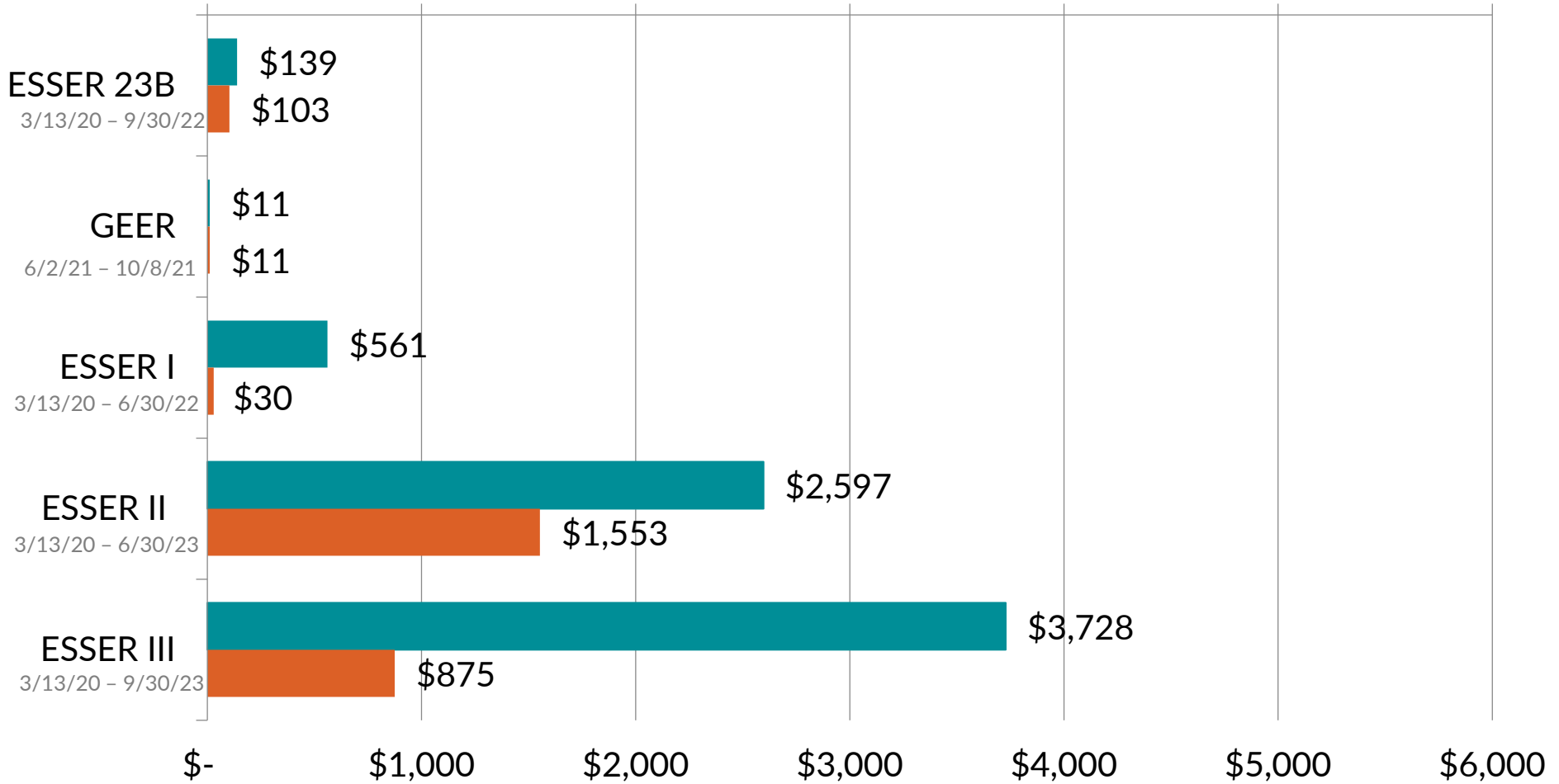


# Non-recurring COVID-19 Relief Funding Awards & Expenditures as of June 30, 2022 (in thousands)

Total Awarded = \$7,036

Total Expended-to-Date = \$2,572

■ Awarded ■ Expended-to-Date



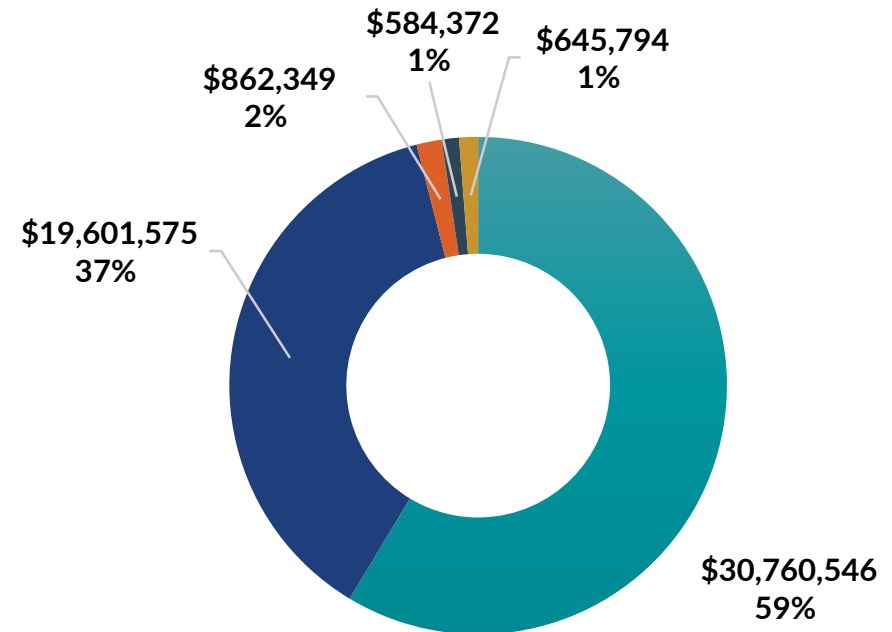
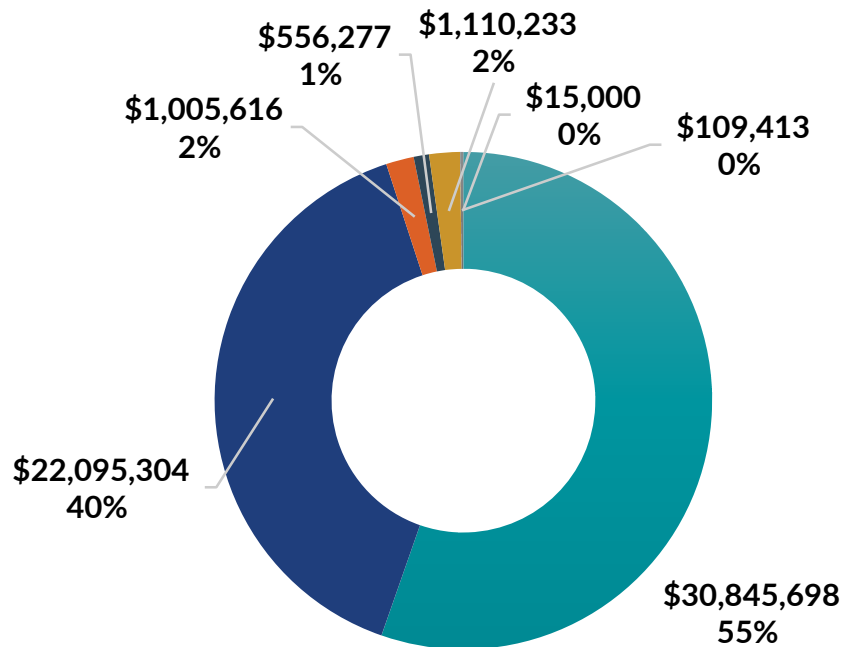


# General Fund Expenditures

Year Ended June 30

2022 = \$55,737,541

2021 = \$52,454,636



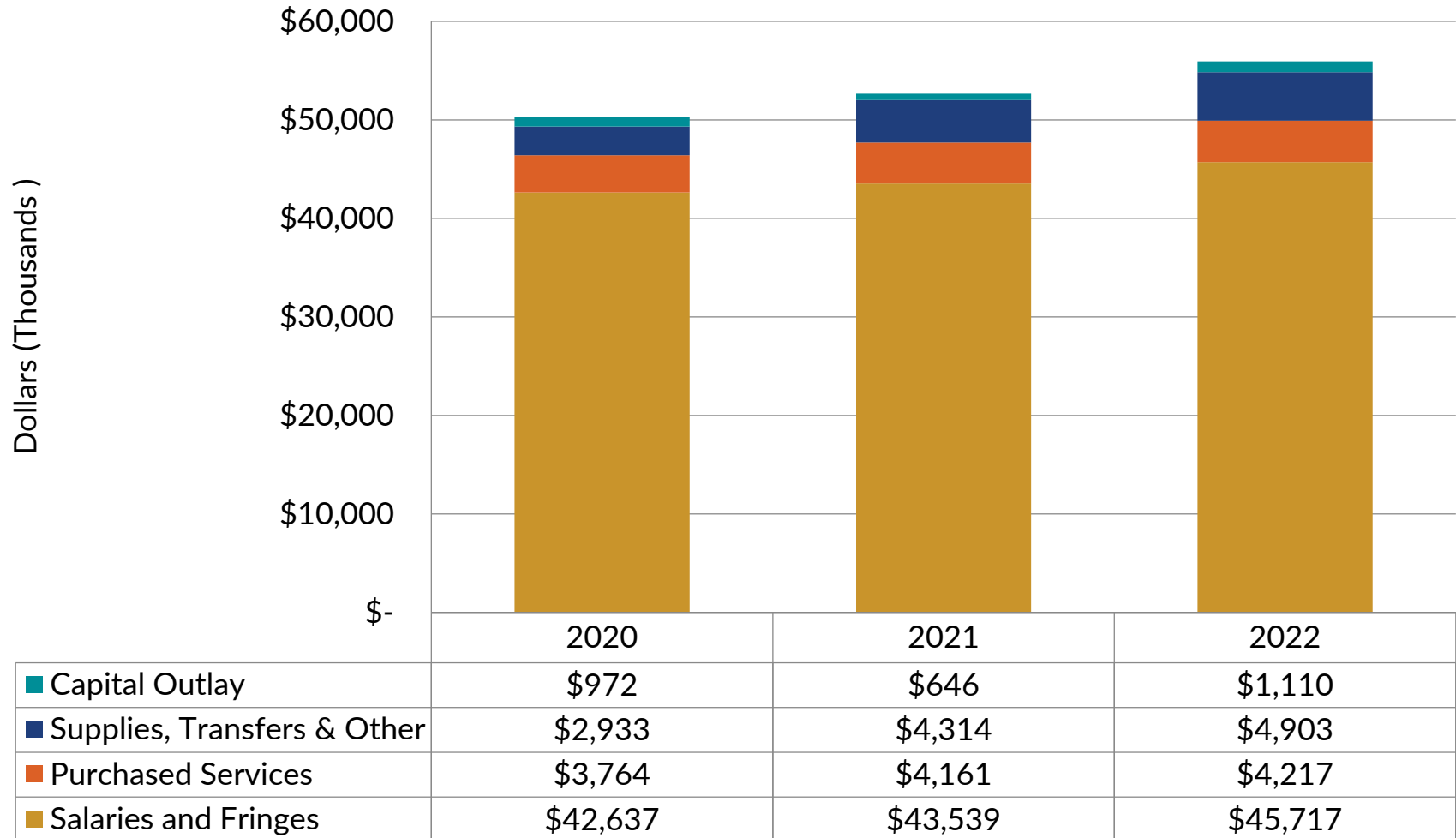
- Instruction
- Support Services
- Athletics
- Community Services
- Capital Outlay
- Debt Service
- Interdistrict Payments

- Instruction
- Support Services
- Athletics
- Community Services
- Capital Outlay



# Analysis of General Fund Expenditures (including Transfers) Three-year comparison by object

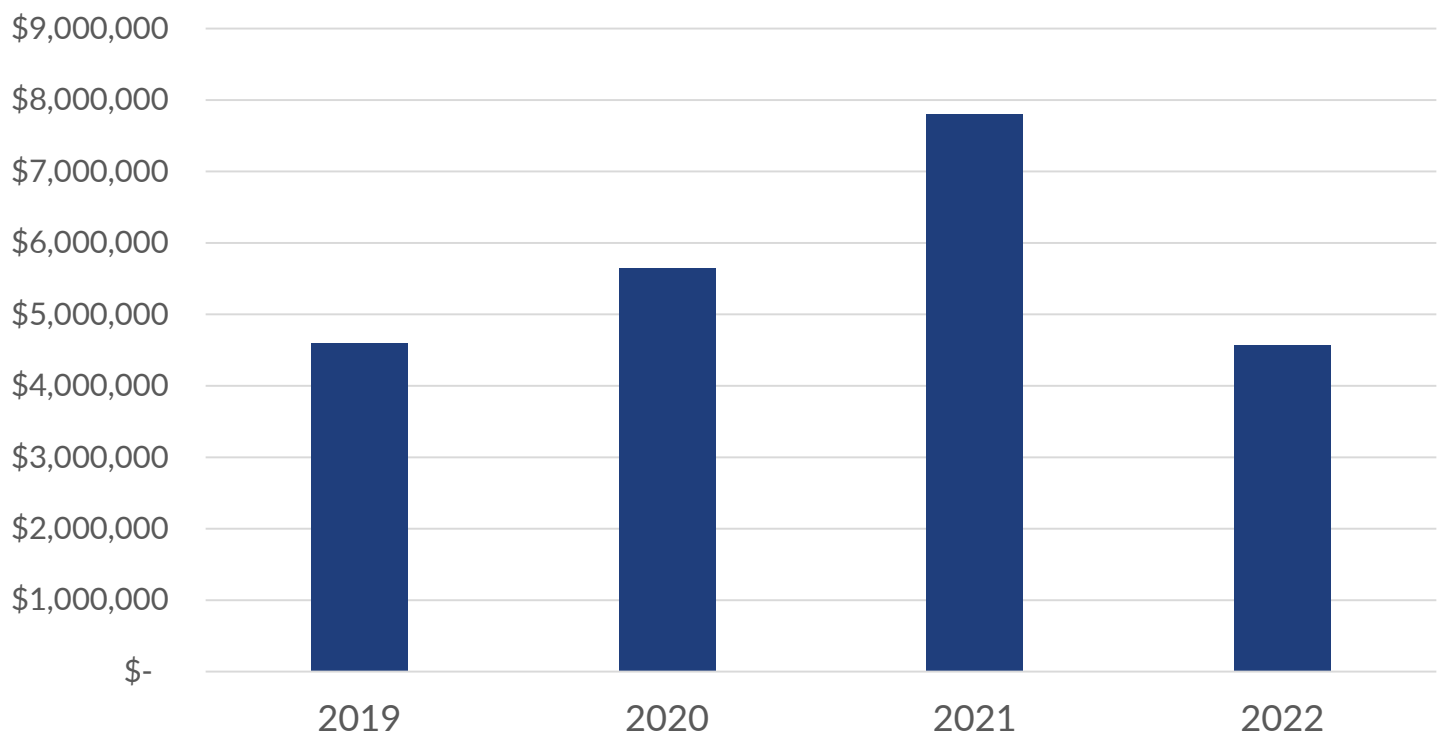
## June 30, 2022





# General Fund Balance – History

## Year Ended June 30



	2019	2020	2021	2022
Fund Balance	\$4,600,564	\$5,650,525	\$7,801,872	\$4,567,595
Fund Balance as a % of Expenditures	9.4%	11.3%	14.9%	8.2%
State Average	14.2%	15.9%	19.3%	Unavailable

**Note:** The District’s General Fund Balance would have increased to \$7,543,848 if they were able to receive and record \$2.9M of unavailable revenue in fiscal year 2022.



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**Thank you.**