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Lapeer Community Schools

Board Presentation

For year ended June 30, 2020



Summary of Audit Results

June 30, 2020

- **Basic Financial Statements:**
 - Unmodified opinion
 - No findings noted
- **Single Audit:**
 - Unmodified opinion
 - Low risk auditee
 - Major programs tested: Child Nutrition Cluster and Title IA
 - 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
 - No difficulties encountered in performing the audit
 - No audit adjustments



Governmental Funds - Balance Sheet

June 30, 2020

	<u>General Fund</u>	<u>2016 Refunding Bond</u>	<u>Non-major Funds</u>
Assets:			
Cash and cash equivalents	\$ 7,646,268	\$ -	\$ 519,189
Investments	19,390	-	-
Receivables	7,379,419	1,709	126,997
Due from other funds	102,018	-	-
Prepaid expenses	308,560	-	-
Restricted assets	-	2,996,328	-
Total assets	<u>\$ 15,455,655</u>	<u>\$ 2,998,037</u>	<u>\$ 646,186</u>
Liabilities:			
Accounts payable	\$ 397,342	\$ -	\$ 29,859
Due to other governmental units	1,053,487	-	518
Due to other funds	-	-	99,484
Accrued liabilities and other	4,672,715	-	5,529
State aid anticipation note	2,981,380	-	-
Unearned revenue	506,182	-	-
Total liabilities	<u>\$ 9,611,106</u>	<u>\$ -</u>	<u>\$ 135,390</u>
Deferred Inflows of Resources - Unavailable Revenue	<u>\$ 193,988</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances	<u>\$ 5,650,561</u>	<u>\$ 2,998,037</u>	<u>\$ 510,796</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,455,655</u>	<u>\$ 2,998,037</u>	<u>\$ 646,186</u>



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

June 30, 2020

	General Fund	2016 Refunding Bond	Nonmajor Funds
Revenue:			
Local	\$ 7,710,399	\$ 4,026,929	\$ 505,886
State	42,019,857	-	125,346
Federal	1,520,511	-	1,849,655
Total revenue	<u>51,250,767</u>	<u>4,026,929</u>	<u>2,480,887</u>
Expenditures:			
Instruction	28,920,949	-	-
Support services	18,824,494	-	-
Athletics	824,834	-	-
Food services	-	-	2,256,128
Community services	559,226	-	-
Debt service	-	3,395,039	201,470
Capital outlay	971,848	-	-
Total expenditures	<u>50,101,351</u>	<u>3,395,039</u>	<u>2,457,598</u>
Excess of Revenue Over (Under) Expenditures	<u>1,149,416</u>	<u>631,890</u>	<u>23,289</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	12,988	-	-
Transfers in	91,969	-	204,412
Transfers out	(204,412)	-	(91,969)
Total other financing sources	<u>(99,455)</u>	<u>-</u>	<u>112,443</u>
Net Change in Fund Balance	1,049,961	631,890	135,732
Fund balance - Beginning of year	4,600,564	2,366,147	375,064
Fund balance - End of year	<u>\$ 5,650,525</u>	<u>\$ 2,998,037</u>	<u>\$ 510,796</u>



Statement of Net Position

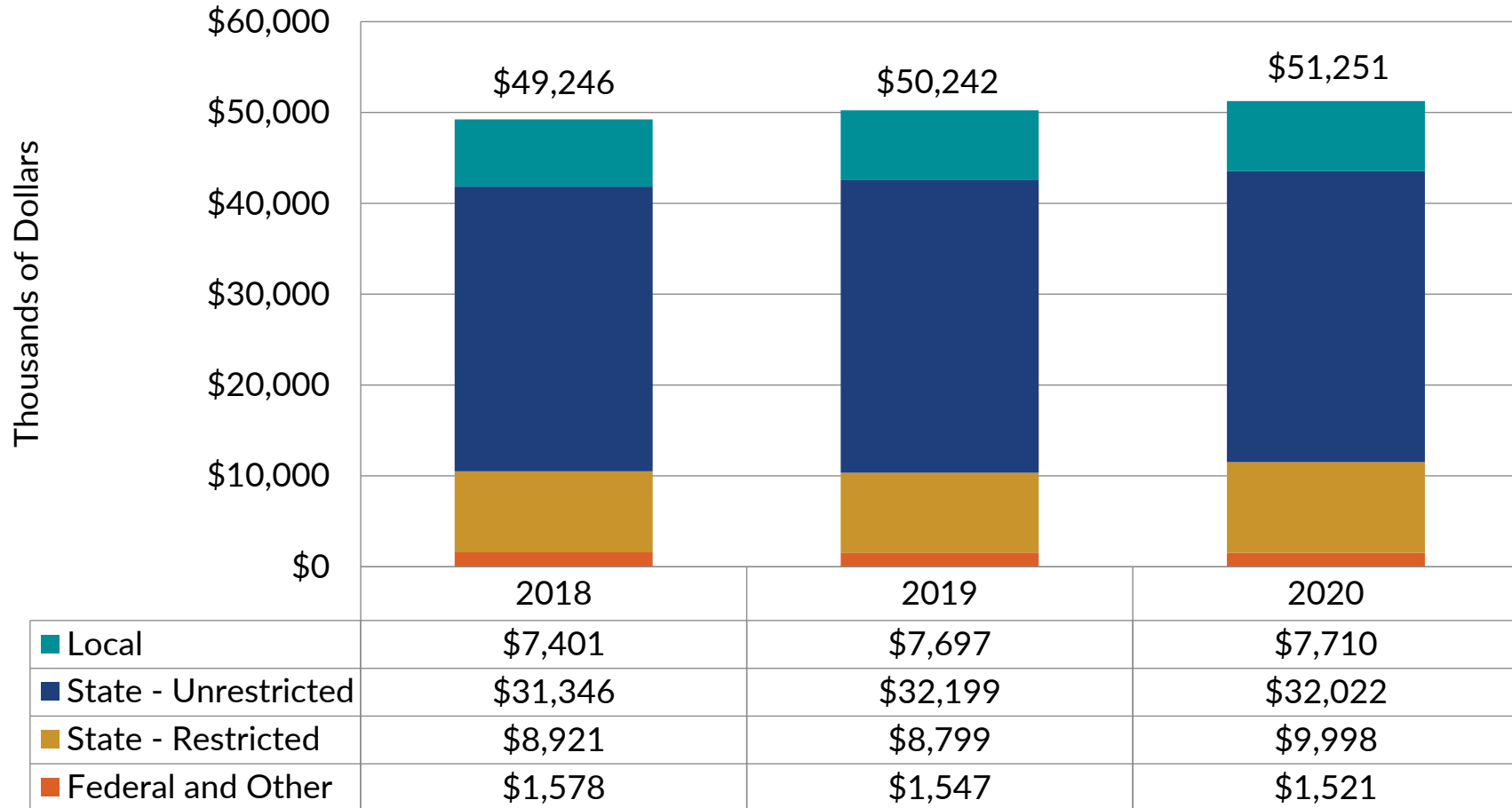
June 30, 2020

	Governmental Activities	
	2020	2019
Assets:		
Cash and cash equivalents	\$ 8,165,457	\$ 5,733,809
Investments	19,390	19,086
Receivables	7,510,659	8,283,758
Inventory and Prepaid costs	308,560	259,400
Restricted assets	2,996,328	2,361,409
Capital assets - Net	57,858,703	59,843,062
Total assets	\$ 76,859,097	\$ 76,500,524
Deferred Outflows of Resources	\$ 34,176,336	\$ 33,491,072
Liabilities:		
Accounts payable	427,201	370,696
Due to other governmental units	1,054,005	782,823
Accrued liabilities and other	4,933,551	4,957,776
State aid anticipation note	2,981,380	2,928,571
Unearned revenue	506,218	541,771
Long-term liabilities	45,996,558	47,932,273
Net Pension liability	96,772,956	88,944,606
Net OPEB liability	20,866,490	23,271,243
Total liabilities	\$ 173,538,359	\$ 169,729,759
Deferred Inflows of Resources	\$ 17,170,404	\$ 17,693,807
Net Position (Deficit):		
Net investment in capital assets	15,002,283	15,107,735
Restricted	2,742,730	2,100,197
Unrestricted	(97,418,343)	(94,639,902)
Total Net Position (Deficit)	\$ (79,673,330)	\$ (77,431,970)



General Fund Revenue Three-Year Comparison

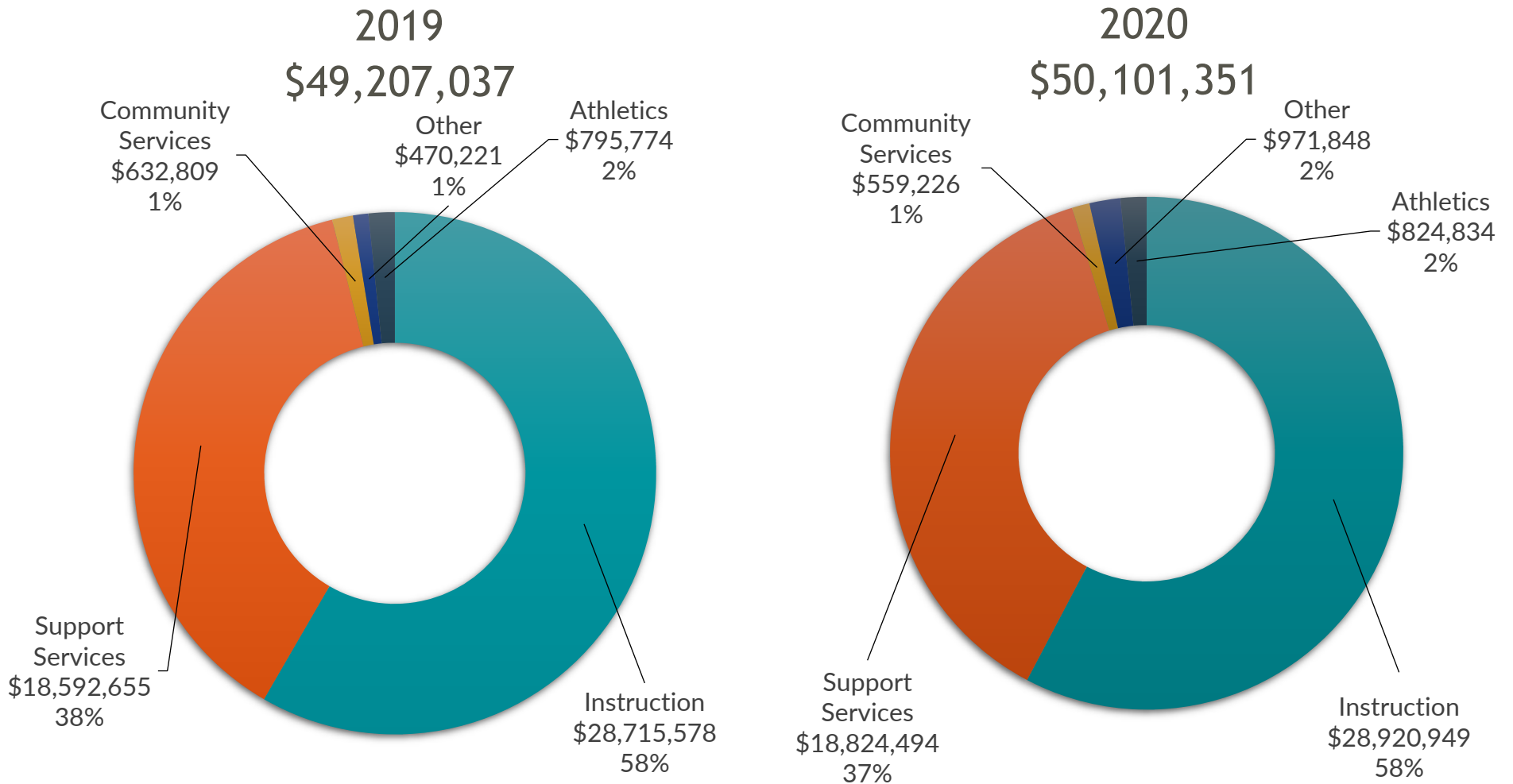
June 30, 2020





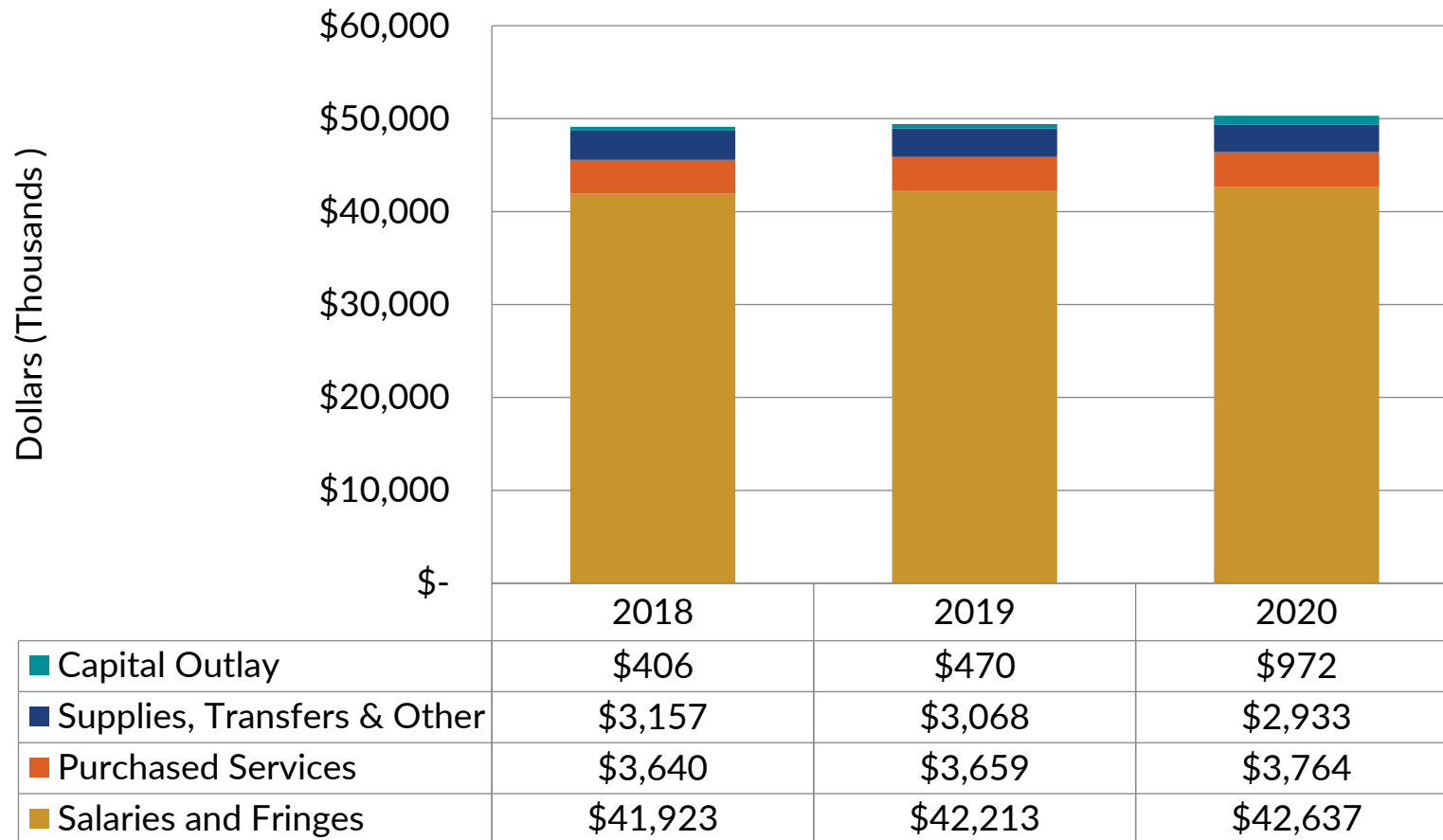
General Fund Expenditures

June 30, 2020





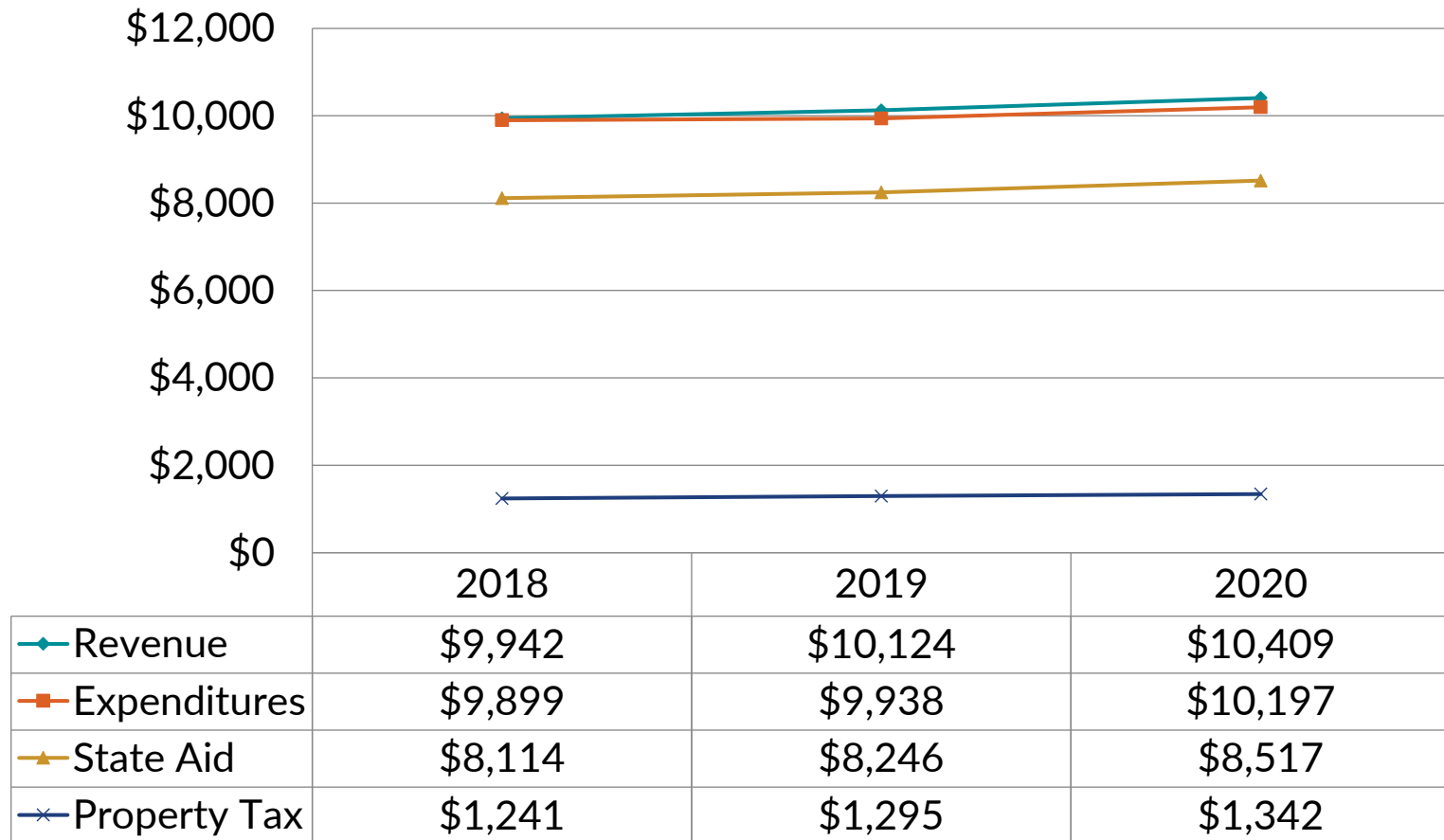
Analysis of General Fund Expenditures (including Transfers) Three-year comparison June 30, 2020





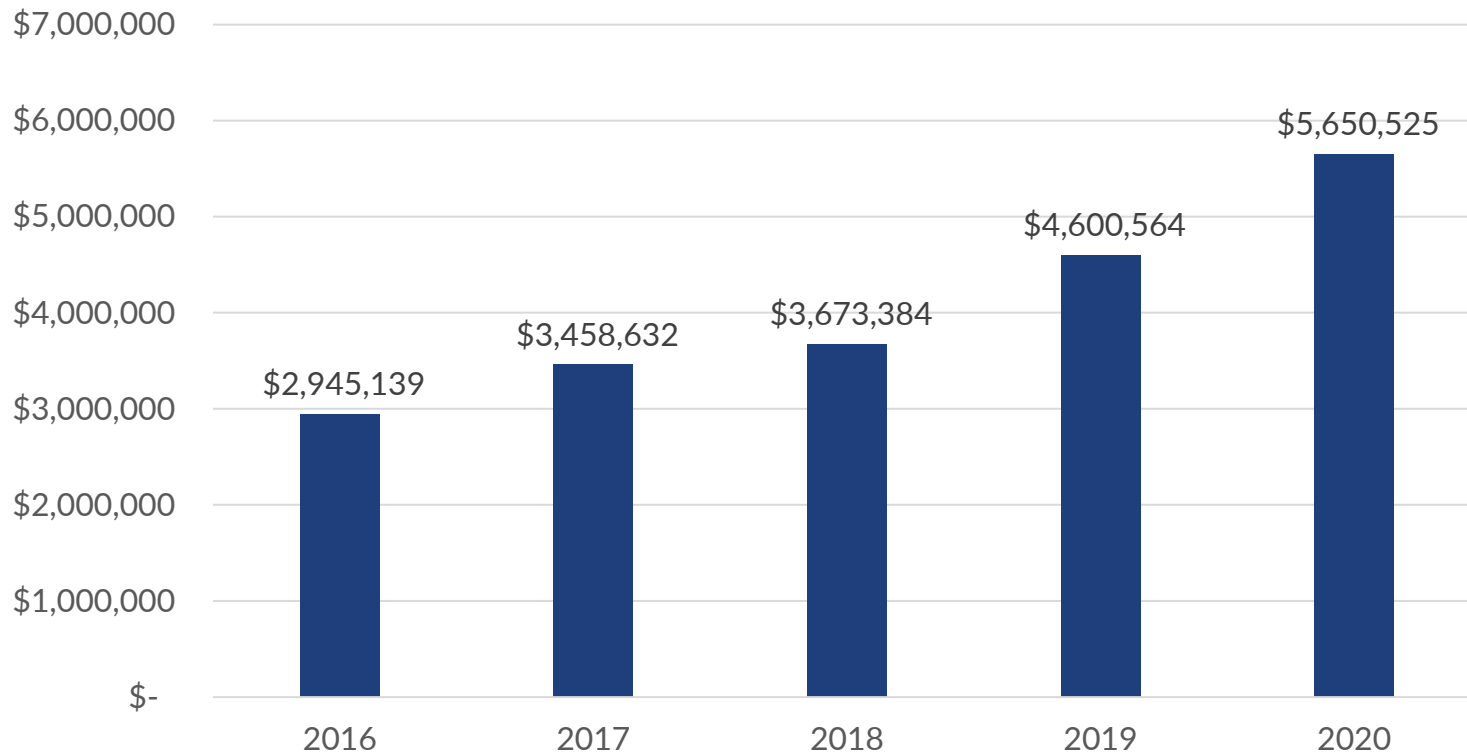
General Fund Revenue and Expenditures Per-Pupil Analysis

June 30, 2020





General Fund Balance – History Year Ended June 30





General Fund Balance Analysis

June 30, 2020

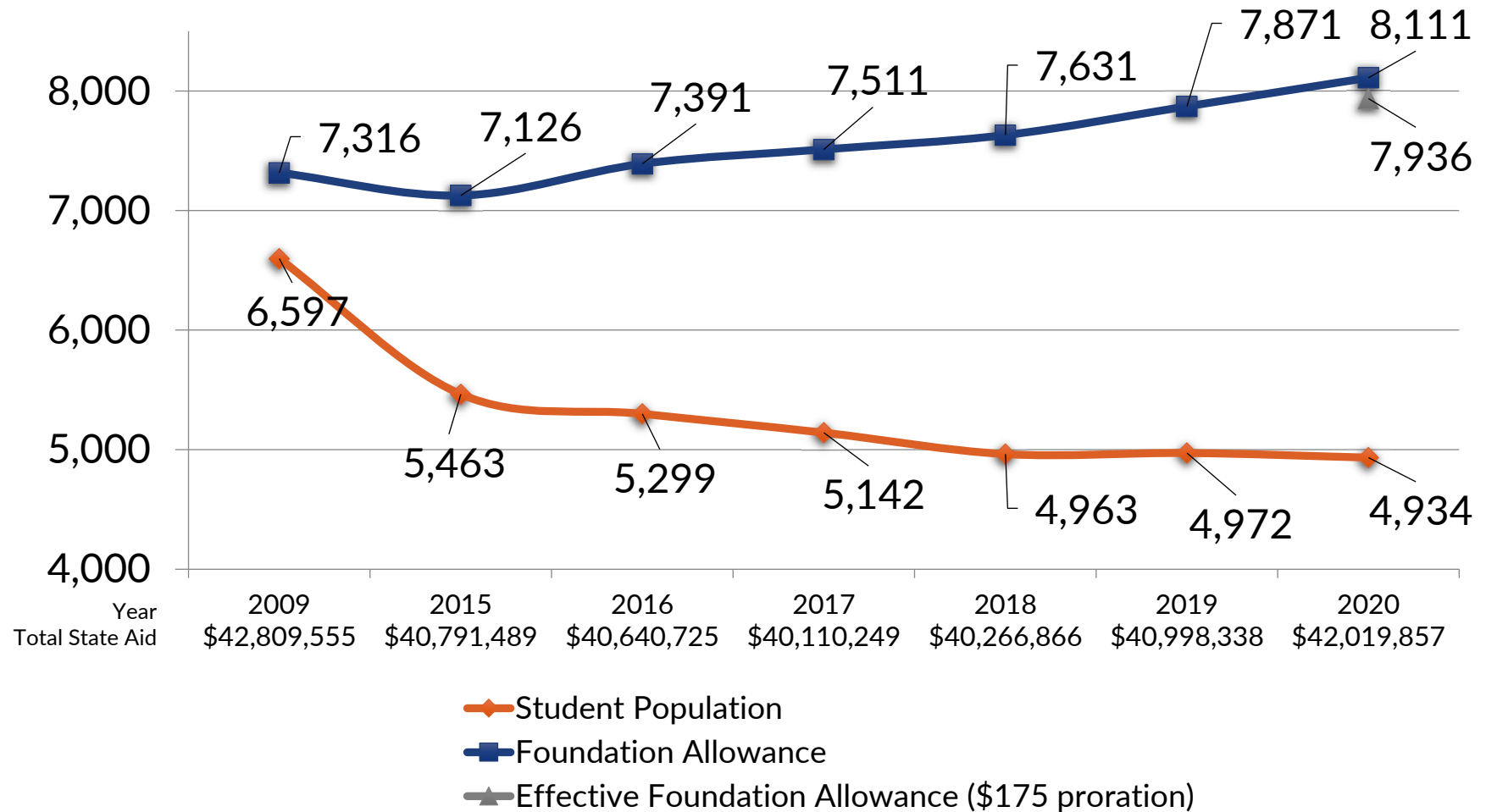
Metric	FY	Lapeer	Board Goal	Statewide Average
Fund Balance/Expenditures	2020	11.3%	10%	
Fund Balance/Expenditures	2019	9.4%	10%	14.20%
Fund Balance/Expenditures	2018	7.5%	10%	13.96%
Early Warning Metrics – 5%				
Fund Balance/Unrestricted Revenues	2020	14.2%	N/A	N/A
Fund Balance/Unrestricted Revenues	2019	11.5%	N/A	N/A
Fund Balance/Unrestricted Revenues	2018	9.5%	N/A	N/A



Pupil Count/Foundation Allowance Analysis

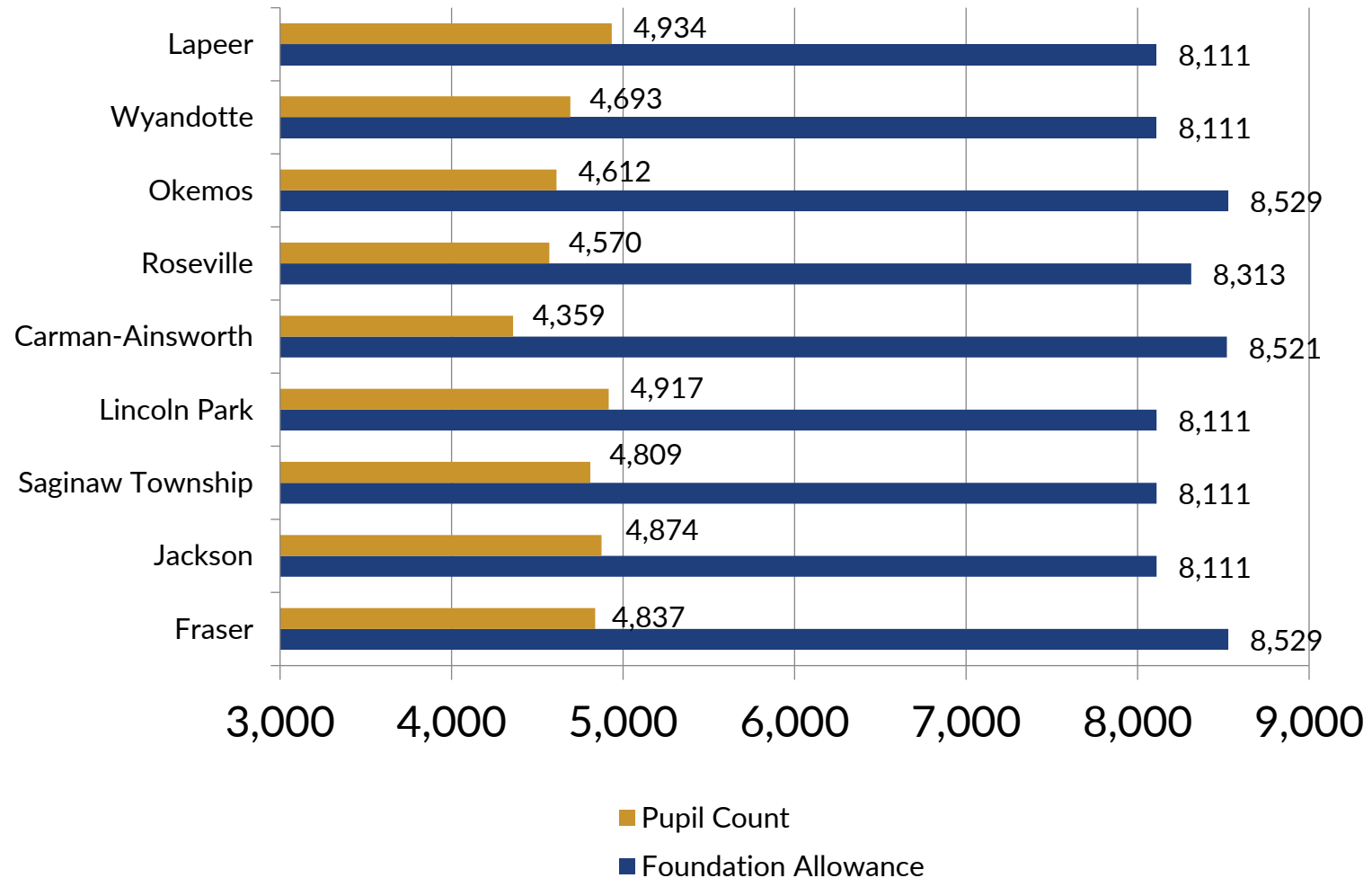
June 30, 2020

Student/Dollars





Group E: Pupil Count/Foundation Allowance Analysis June 30, 2020





Public Education Funding 2020-2021

- ❑ **Continued uncertainty in K-12 funding**
 - Revenue Estimating Conference – August 2020
 - Economic Impact of Pandemic
 - MPSERS Challenges
- ❑ **Budgeting in uncertain times**
- ❑ **Changes in federal funding**
 - Coronavirus Relief Funds (CRF)
 - Elementary and Secondary School Emergency Relief Funds (ESSER)
 - Child Care Relief Funds
 - Other



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Thank you.