

Annual Comprehensive Financial Report



Clinton Township, MI

Year Ended
June 30, 2022

**Annual Comprehensive Financial Report
L'Anse Creuse Public Schools
24076 F. V. Pankow Blvd
Clinton Township, MI 48036**

**For the Fiscal Year Ended
June 30, 2022**

Board of Education

President
Vice President
Secretary
Treasurer
Trustee
Trustee
Trustee

Hilary Dubay
Amelia Servial
Sharon Ross
Terri Spencer
Mary Hilton
Adam Lipski
Shane Sellers

Superintendent of Schools

Erik J. Edoff

Cabinet Members

Superintendent
Assistant Superintendent for Business and Operations
Assistant Superintendent for Human Resources
Assistant Superintendent for Curriculum and Instruction
Director for Secondary Education
Director for Elementary Education
Director for Special Education
Supervisor for Technology
Director for Operations

Erik J. Edoff
Rochelle Gauthier
Dr. Greg Dixon
Lisa Montpas
Kim Rawski
Laura Holbert
Nancy Supanich
Brandon Streng
Donald Gratton

Report Prepared by the Business Office Department

Rochelle Gauthier, Assistant Superintendent for Business and Operations
Beth Disbrow, Director for Finance

Erik J. Edoff
SUPERINTENDENT

BUSINESS OFFICE

Rochelle M. Gauthier
ASSISTANT SUPERINTENDENT FOR
BUSINESS AND OPERATIONS

Beth Disbrow
DIRECTOR FOR FINANCE

24076 F.V. PANKOW BLVD.
CLINTON TWP., MI 48036-1304
586.783.6300
586.783.6312 FAX
WWW.LC-PS.ORG

October 2022

To the Citizens and Board Members:

This introductory section of L'Anse Creuse Public Schools' (the "School District") annual financial report presents an overview of the School District, major initiatives, and program highlights.

Report Organization

This report is organized into three sections: the introductory section, the financial section, and the statistical section.

The introductory section presents the organizational chart for the School District.

The financial section contains the auditor's opinion letter and the management's discussion and analysis report. The management's discussion and analysis report provides a more detailed analysis of the financial condition of the School District. The School District's basic financial statements, fund financial statements, and required supplemental information are also contained in this section.

The statistical section presents selected financial and demographic information on a multi-year basis when appropriate.

Management's Discussion and Analysis

Generally accepted accounting principles under GASB Statement No. 34 require that management provide financial report users with a simple narrative introduction, overview, and analysis of the basic financial statements in the form of a management's discussion and analysis (MD&A), which is required supplemental information. This letter of transmittal is meant to complement the MD&A and should be read in connection with it. The MD&A can be found immediately following the independent auditor's report in the financial section of this report.

School District Background

L'Anse Creuse Public Schools is a public school district operating under the laws of the State of Michigan to offer a free public education to all students within its boundaries. L'Anse Creuse Public Schools is located in the County of Macomb. The School District has an area of 35.4 square miles and includes all of Harrison Township, parts of Chesterfield, Clinton, and Macomb Townships, and small portions of the cities of Mount Clemens and St. Clair Shores. The School District is governed by a Board of Education consisting of seven publicly elected members.

The present School District resulted from the consolidation of five elementary school districts in 1954. Enrollment was then 1,600 students. Today approximately 546 teachers, providing for an approximate 19 to 1 teacher/student ratio, teach approximately 10,172 students. The School District is comprised of nine elementary schools, four middle schools, and three traditional high schools, including the Frederick V. Pankow Center for Career Education, which offers comprehensive career and job training in business, health service, human service, trade, and industry. The DiAnne M. Pellerin Center is an NCA accredited, non-traditional high school that provides an alternative approach to the high school experience. The students at the DiAnne M. Pellerin Center engage in academic activities that lead to a L'Anse Creuse diploma. In addition, L'Anse Creuse Public Schools provides educational services to the Macomb County Juvenile Justice Center and adult education to the adult learners in our community and to the Macomb County Jail year-round.

The Annual Comprehensive Financial Report of L'Anse Creuse Public Schools for the fiscal year ended June 30, 2022 is submitted herewith. This report was prepared by the finance department and contains all activities under the control of the Board of Education. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. We believe that the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the School District as measured by the financial activity of its various funds, with all disclosures necessary to enable the reader to gain the maximum understanding of the School District's financial affairs. In accordance with the Board of Education's commitment to communication, detailed financial information related to the fiscal operations of the School District has been presented for public review on a timely basis throughout the year at Board of Education meetings.

Economic Condition and Outlook

L'Anse Creuse Public Schools is maintained by the taxpayers of four townships (Harrison, Clinton, Chesterfield, and Macomb Townships) and small portions of the cities of Mount Clemens and St. Clair Shores. The taxable assessed valuations (TAVs) of these properties increased an average of 3.2 percent from the prior year. This increase in TAVs has a direct effect on the amount of revenue the School District will receive in state aid from the Michigan Department of Education. As the townships' TAVs increase, the local portion of revenue increases, and the Michigan Department of Education's portion of the foundation allowance decreases.

On March 15, 1994, Michigan voters went to the polls to vote on school funding reform. The ballot proposal passed, amending the State of Michigan Constitution. State Aid Act 5123, Sec. 20, (1) provides basic foundation allowance and a formula for a supplemental allowance for 1994-1995. Sec. 20, (2) is the language for the base allowance for 2021-2022. Sec. 147, (2) mandates the shifting of the employer's share for employee Social Security and state retirement costs previously paid by the State to the local district. The Michigan Public School Employees' Retirement System (MPSERS) underwent massive reform during the 2013 fiscal year. As a result of

the reform, employees have options in which to choose for retirement. Based on an employee's retirement choice, the MPSERS contribution rate can range from 20.96% to 28.23%.

L'Anse Creuse Public Schools is primarily made up of residential communities. The major industries are industrial and retail. Three of the four communities within the district boundaries experienced an increase and one experienced a decrease in the issuance of single family building permits. Chesterfield, Clinton, and Harrison Townships showed increases from 2020 to 2021: 29.46%, 116.67% and 87.50% respectively. Macomb Township reflected a decrease of 8.33%.

L'Anse Creuse Public Schools owns and maintains 20 buildings, of which two are used for administrative and support services. Buildings were constructed between 1954 and 2013.

Major Initiatives

The L'Anse Creuse Board of Education adopted a strategic plan for the School District during 2013–2014. The committee consisted of several board members, School District administrators, teachers, support staff, students, and parents. They met several times in the spring to collaborate on the School District's goals. The plan was presented and approved by the Board of Education in June 2014.

The mission statement answers our reason for being. It is: "To create a challenging collaborative learning community which prepares all students for success in global society". The goals of the strategic plan are as follows:

1. Engage students in real-world experiences that develop life-long learners to be successful in a technological and dynamic global society
2. Provide all students within our community with opportunities and experiences that encourage and challenge them to reach their personal best.

3. Ensure financial stability while maintaining high quality educational programs and services for all.
4. Strengthen our evolving identity where all community members celebrate successes, promote community pride, and believe and support L'Anse Creuse is the home of the best students, parents, and educators.

In addition to the mission, we have seven beliefs:

1. High academic and behavioral expectations for all learners
2. A safe and nurturing learning environment
3. Instruction that prepares students for a global society
4. Fiscal responsibility
5. Respect for all individuals
6. Collaborative partnerships with community members, parents, and teachers
7. The importance of district tradition and history

We believe that a strategic plan results in a common purpose, common sense of direction, priorities for change, protection against overextending, goal-orientation, and longer-term effort.

For the Year – L'Anse Creuse Public Schools believes that an alcohol- and drug-free school system is essential for a healthy community. The challenge of meeting this belief is aided by the activities of the L'Anse Creuse Community Action Coalition (CAC).

The CAC is composed of school staff, business leaders, law enforcement officials, and health and service professionals who work as a team to promote, enhance, and maintain a zero tolerance policy regarding alcohol, tobacco, and other drugs, while helping students cope with the day-to-day stresses of being a teen.

L'Anse Creuse Public Schools voluntarily participates in Cognia accreditation at the high school level. All high schools are presently accredited by Cognia.

L'Anse Creuse attendance rates average more than 90.74 percent daily. Scholarship monies offered to L'Anse Creuse seniors totaled approximately \$2.3 million. All high school students take the PSAT and SAT test.

Many L'Anse Creuse students and staff continue to be recognized for excellence through state and national awards. They received honors in writing, speech, music, athletics, co-teaching, art, technology, science, reading, journalism, and more. To enhance effective aspects of the educational process, both high schools instituted a community service requirement. The L'Anse Creuse class of 2022 contributed over 54,200 hours of service. This is viewed as a model throughout the state for the students and staff of other districts.

The L'Anse Creuse Foundation is an independent, nonprofit organization formed in 1989 by community business members and L'Anse Creuse Public Schools. The Foundation is dedicated to obtaining additional financial resources for students within the School District to enhance educational opportunities and provide scholarships. To date, the Foundation has been able to award over \$600,000 in grants and scholarships. This past year, it awarded nearly \$14,000 in grants to teachers and \$7,500 in scholarships for graduating high school seniors and \$4,932 in special funding for events and projects district wide.

In June 2010, the Boards of Education for L'Anse Creuse Public Schools and New Haven Community Schools entered into a shared service agreement. The first agreement went into effective for the 2011 fiscal year. The Board has elected to continue the agreement through the 2022 fiscal year. Under this agreement, L'Anse Creuse Public Schools shall provide grant management services.

For the Future – Michigan Public Acts 25 and 335 (P.A. 25 and P.A. 335) of 1990 made changes in the School Code of Michigan. P.A. 335 further expanded P.A. 25. P.A. 25 requires annual reporting on at least the following seven areas:

- School improvement
- Core curriculum
- Accreditation
- Student achievement
- Parent participation
- Retention rates
- Specialized schools

P.A. 335 requires grade level indicators be developed and distributed to parents, students, and the community.

Every year, written annual reports are posted on each school's web page, as well as the School District's website.

Implementation of essential curriculum is crucial to our mission of teaching all students. We are constantly working on revising and aligning our curriculum. We continue to fully implement the Michigan State Standards, as required by the Michigan Department of Education. We will continue to monitor curriculum and student achievement in English, mathematics, science, and social studies. Instructional strategies, assessments, and class offerings are monitored and adjusted regularly. L'Anse Creuse Public Schools continues a commitment to building a strong academic program through quality curriculum alignment and professional development.

Department Focus – L'Anse Creuse Public Schools employs one teacher for every 19 students. We are very proud of the accomplishments of our dedicated, hard-working staff over the past year. Some of the more significant department accomplishments are as follows:

- Students certified by the L'Anse Creuse special education department receive vocational programming beginning at the elementary school level that continues through the middle school program. The first two

years of high school continue to emphasize the vocational application of the skills learned in the subjects taken by the students, as well as those learned through agency supported programming such as Pre Early Transition Services through the Michigan Department of Labor and Economic Opportunity. Beginning in their junior year, the students have a variety of vocational training and work placement opportunities available to them. The special education department participates in the Michigan Business Partnership School Adoption Program, Community-based Vocational Programs, MDE Cash Match Program, Targeted Job Tax Credit Program through the Michigan Employment Security Agency (MESA), and our own work study program. Each of the programs provides opportunities for students receiving special education services.

- Co-teaching at the elementary and secondary levels continues to prove very effective at improving the social and educational skills of the students involved. This is achieved through a partnership between special education and general education teachers who work together to take an active role in the teaching responsibilities of students receiving special education services. Overall, this is an excellent program undergoing continuous and positive changes.
- L'Anse Creuse conducts a preschool screening program for all four-year-old children in the School District. This past year, 241 phone calls were made and 83 children participated in the screening process. This process provides the parent with information concerning the pre-kindergarten readiness skills of their children.
- In addition to preschool screening, L'Anse Creuse Public Schools operates five Early Childhood Special Education classrooms for the preschool-age student who qualifies. These programs provide the children with a rich language development-based curriculum that maximizes each child's ability to grow socially and increases his or her readiness skills. This year, approximately 95 children were involved in this preschool experience.

L'Anse Creuse Public Schools offers a number of excellent pre-kindergarten programs. The L'Anse Creuse Early Childhood Program offers tuition-based preschool, The Great Start Readiness Program, before and after

school care, and full-day childcare. The main goal is the healthy development of children in a loving and caring environment with the focus on child-centered activities and the development of the whole child.

- Transitional Kindergarten (TK) is offered at two of our elementary schools. This program is best suited for kindergarten-age children who would benefit from the “gift of time” to develop socially, emotionally, and academically before progressing to kindergarten (K) the following year. The program is designed to deliver and experience the kindergarten curriculum and standards for 2 years (in TK and K). Teachers are able to work with smaller groups, individualize work as needed, connect with parents about how to help at home and identify areas of need. Students benefit from multiple exposures to the standards, as well as a focused social-emotional program to strengthen those skills prior to kindergarten. This program started in the 2021-2022 school year.
- The L’Anse Creuse Center for Lifelong Learning (CLL) is a program that caters to the unique educational needs of individuals ages 17 and older in the areas of high school completion, GED preparation, literacy development, ESL (English as a Second Language), career retraining programming, and testing/assessment opportunities. The district approved the closing of the CLL building in Mt. Clemens. The programs moved to the DiAnne Pellerin Center starting with the 2018-2019 school year.
- The DiAnne M. Pellerin Center provides alternative educational programming for local students ages 14-19 in core academic content areas and elective programming such as art, technology, and vocational education. A cornerstone to the program is a highly effective, required, counseling component that assists students to deal with social, behavioral, and emotional issues that may have previously contributed to lower academic achievement in the student. The students engage in interactive learning activities in a small environment, which also provides growth in student organizations, activities, and events. The DiAnne M. Pellerin Center has been accredited by NCA-CASI.

The DiAnne M. Pellerin Center has a program designed to meet the individual needs of students who attend. The Center focuses on each student's individual learning needs and curricular concerns. Students work on self-paced curriculum with extensive tutoring support. Students can expedite their progress in higher-level learning curriculums.

- The Macomb County Juvenile Justice Center School is a unique public school program operated by L'Anse Creuse Public Schools Department of Special Education in conjunction with the Macomb County Juvenile Court. Two major goals of the program are to provide a positive learning environment and to improve student competency for delinquent, neglected, and/or abused children who reside in the Juvenile Justice Center. The Macomb County Juvenile Justice Center School had 223 enrollments in 2021–2022 (August–June). The facility includes 140 beds and is accredited through the Correctional Education Association as meeting specific national standards.
- Correctional education provides a comprehensive curriculum for incarcerated adults housed in the Macomb County Jail. The curriculum for this department of adult education is broad-based and encompasses academic classes, General Equivalency Degree (GED) preparation, career counseling, employability skills, and transition services.
- The L'Anse Creuse Community Education Program is a full-service program that provides educational, enrichment, fitness and recreational activities for students from preschool age to senior citizen status. In 2021–2022, the Community Education Program served over 650 community members. Following our strategic plan to relaunch Community Education, offerings were chosen based on community feedback, staffing and logistics during the final stages, of the pandemic. Notable, high interest offerings were fall and winter cheer, wrestling, golf, competitive swim and pool rentals. In addition, the high demand senior aquatics were reinstated during the spring/summer season. Lastly, Community Education is proud to be the only local district to offer Trips and Tours during the spring season. This program offers senior citizens a varied

schedule of free and fee-based classes and activities that help to meet the educational, recreational, and social needs of the senior citizen community.

- The School Age Child Care Program offers before and after school childcare services in nine elementary buildings when school is in session. The program is licensed by the state of Michigan and is staffed by certified childcare workers. In the 2021–2022 school year, the program serviced 1,211 students, ages 5–12.
- Summer day camp is provided at two school buildings within the School District for summer childcare services. The all-day program featured special events, science and technology experiences, and fitness and recreational opportunities for children ages 5–12 years. For Summer 2021, over 294 students were registered in our Day Camps.
- The School District has a unique program to help its students. Recognizing that for some students the only meal of the day comes from the federally funded National School Lunch Program, the School District continued its partnership with Gleaners Food Bank through the Food– 4–Kids Program. The monthly program provides non-perishable food as well as fresh fruit, vegetables, and large packages of fish, beef or chicken. The program serves approximately 150 students each month. The School District, recognizing that there is still a need during the summer months, continued the program during the summer. In summer 2021, over 75 families were enrolled in the program, serving approximately 150 children.
- Thanks to flexibilities provided by the USDA’s National School Lunch Program, all student within the district had the opportunity to enjoy one breakfast and one lunch at no cost throughout the academic year. These meals met USDA guidelines and promoted healthy meal choices. Meal service was continued at all levels for the 2021–2022 school year with breakfast in the classroom at the elementary level.

- In June through August, the School District, through the Summer Food Service Program, offered a summer meal program to the School Districts' students. The program, called Meet Up and Eat Up, was a continuation of the meal services we provided during the school year. The program had two pickup sites (providing at-home meal kits) as well as two summer camp sites (providing hot lunch served on site).

Internal Accounting Controls

An internal control system has been designed to ensure that the assets of L'Anse Creuse Public Schools are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurances recognizes that (1) the cost of the control should not exceed the benefits likely to be derived and (2) the valuation of cases and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, L'Anse Creuse Public Schools is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is subject to periodic review by management.

As part of the L'Anse Creuse Public Schools single audit, internal controls over financial reporting were considered in the planning and performance of the audit, and tests of compliance with certain provisions of laws, regulations, contracts, and grants were performed. The results of L'Anse Creuse Public Schools' single audit for the fiscal year ended June 30, 2022 provided no instances of material weaknesses in the internal control system or violations of applicable laws and regulations.

Budgetary Control

The level of budgetary control (that is, the level at which expenditures cannot legally exceed appropriated amounts) is established in accordance with a resolution of the L'Anse Creuse Public Schools Board of Education. Budgets are legally adopted for the General Fund and the special revenue funds.

The School District's budgetary control and system of internal accounting were designed to adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions. A budget oversight and development process is in place that is focused on achievement of the School District's strategic plan. Ultimate budget oversight for the entire School District rests with the superintendent and the assistant superintendent for business and operations. Budget variances are discussed in the management's discussion and analysis and detailed in Note 2 to the financial section.

The report of L'Anse Creuse Public Schools' independent certified public accountants, Yeo & Yeo, appears on pages __ of this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and, accordingly, included consideration of the Board of Education's system of budgetary and accounting controls.

Independent Audit

State of Michigan statutes require that each school district have an annual audit conducted by independent certified public accountants. The L'Anse Creuse Public Schools Board of Education appointed the accounting firm of Yeo & Yeo, to perform this service for the 2021-2022 fiscal year. In addition, OMB Circular A-133 requires that all governmental recipients of federal assistance have organizational-wide financial and compliance audits on an annual basis.

Both of these requirements have been met. The auditor's report on the basic financial statements is included herein, with an unqualified opinion, containing no scope limitations.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the effort and dedicated services of the entire staff of the finance office. We would like to express our appreciation to all the members of this office who assisted in the timely closing of the School District's financial records and the preparation of this report.

We would also like to express our appreciation to other departments and individuals who assisted in the preparation of this report.

Sincerely,



Erik Edoff
Superintendent of Schools



Rochelle M. Gauthier
Assistant Superintendent for
Business and Operations

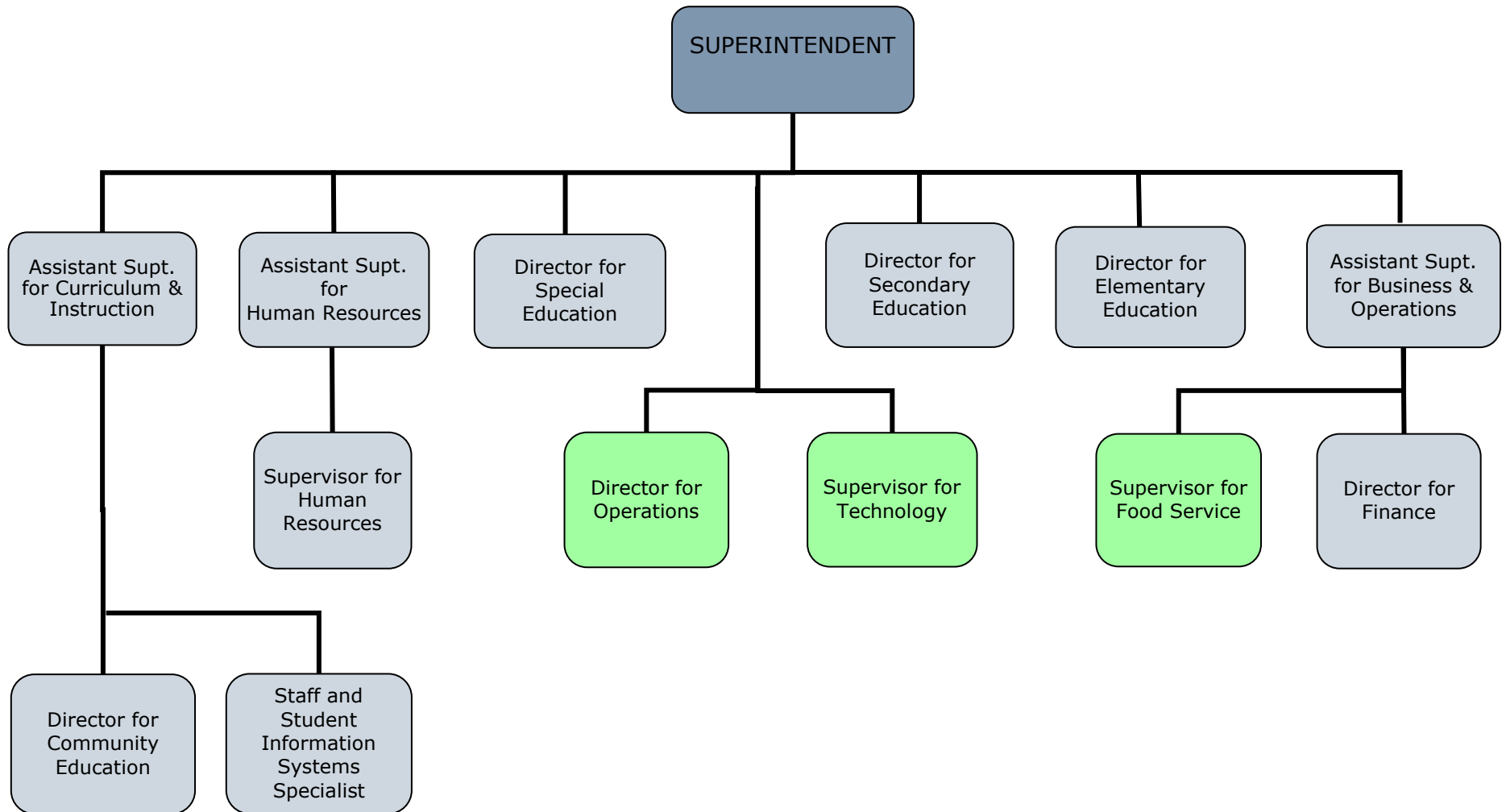


Beth A. Disbrow
Director for Finance

Harry L. Wheeler Community Center and Administrative Offices

Central Administration

2021-2022 School Year



Note: Positions in blue boxes are located at the Wheeler Center, green boxes are located at the Brender Center.

Table of Contents

<u>Section</u>		<u>Page</u>
<u>Introductory</u> <u>(Unaudited)</u>		
1	Letter of Transmittal	1 - i
	Administrative Organizational Chart	1 - xv
Financial		
2	Independent Auditor's Report	2 - 1
3	Management's Discussion and Analysis	3 - 1
4	Basic Financial Statements	
	District-wide Financial Statements	
	Statement of Net Position	4 - 1
	Statement of Activities	4 - 3
	Fund Financial Statements	
	Governmental Funds	
	Balance Sheet	4 - 4
	Reconciliation of the Balance Sheet of	
	Governmental Funds to the Statement of Net Position	4 - 6
	Statement of Revenues, Expenditures and Changes in Fund Balances	4 - 7
	Reconciliation of the Statement of Revenues, Expenditures and	
	Changes in Fund Balances of Governmental Funds to the Statement of Activities	4 - 9

<u>Section</u>	<u>Page</u>
<u>Financial</u>	
(continued)	
4	Proprietary Fund – Internal Service Fund
	Statement of Net Position
	Statement of Revenues, Expenses, and Changes in Net Position
	Statement of Cash Flows
	Fiduciary Funds
	Statement of Fiduciary Net Position
	Statement of Changes in Fiduciary Net Position
	Notes to the Financial Statements
5	Required Supplementary Information
	Budgetary Comparison Schedule – General Fund
	Schedule of the School District’s Proportionate Share of the Net Pension Liability
	Schedule of the School District’s Pension Contributions
	Schedule of the School District’s Proportionate Share of the Net OPEB Liability
	Schedule of the School District’s OPEB Contributions
6	Other Supplementary Information
	Nonmajor Governmental Funds
	Combining Balance Sheet
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances
	Special Revenue Funds
	Food and Nutrition Fund – Budgetary Comparison Schedule
	Student/School Activity Fund – Budgetary Comparison Schedule
	Schedule of Outstanding Bonded Indebtedness

Statistical Section and Other Information (Unaudited)

Description of Statistical Section	7 - 1
Financial Trend Information	
Net Position by Component – Governmental Activities	7 - 2
Changes in Governmental Net Position	7 - 3
Fund Balances – Governmental Funds	7 - 4
Changes in Fund Balances – Governmental Funds	7 - 5
Revenue Capacity Information	
Assessed Value and Actual Value of Taxable Property	7 - 6
Direct and Overlapping Property Tax Rates	7 - 7
Principal Property Taxpayers	7 - 8
Property Tax Levies and Collections	7 - 9
Debt Capacity Information	
Ratios of Outstanding Debt	7 - 10
Direct and Overlapping Governmental Activities Debt	7 - 11
Legal Debt Margin	7 - 12
Demographic and Economic Information	
Demographic and Economic Statistics	7 - 13
Principal Employers	7 - 14
Operating Information	
Full-time Equivalent School District Employees	7 - 15
Operating Indicators	7 - 16
Capital Asset Information	7 - 17
Federal Awards Supplementary Information	Issued Under Separate Cover



800.968.0010 | yeoandyeo.com

Independent Auditor's Report

Management and the Board of Education
L'Anse Creuse Public Schools
Clinton Township, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of L'Anse Creuse Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise L'Anse Creuse Public Schools' basic financial statements as listed in the table of contents.

In our opinion, based on our audit the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of L'Anse Creuse Public Schools, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of L'Anse Creuse Public Schools, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about L'Anse Creuse Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of L'Anse Creuse Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about L'Anse Creuse Public Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, and schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability, and schedule of the school district's OPEB contributions identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise L'Anse Creuse Public Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022 on our consideration of L'Anse Creuse Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of L'Anse Creuse Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering L'Anse Creuse Public Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Flint, Michigan
October 10, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

L'Anse Creuse Public Schools

Management's Discussion and Analysis (Continued)

This section of L'Anse Creuse Public Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2022. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand L'Anse Creuse Public Schools financially as a whole. The district-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds - the General Fund and the 2017B Refunding Bond and all other funds presented in one column as nonmajor funds. Three of the remaining statements, the statement of fiduciary net position, the statement of changes in fiduciary net position and the statement of changes in assets and liabilities present financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The other remaining statements relate to the School District's Proprietary Funds (Internal Service Funds).

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Basic Financial Statements

District-wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

Required Supplemental Information

Budgetary Comparison Schedule

Schedule of the School District's Proportionate Share of the Net Pension/OPEB Liability

Schedule of the School District's Contributions

Other Supplementary Information

L'Anse Creuse Public Schools

Management's Discussion and Analysis (Continued)

Reporting the School District as a Whole - District-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net position - the difference between assets and liabilities, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, child care, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Service Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

Governmental Funds - All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending.

They are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations.

L'Anse Creuse Public Schools

Management's Discussion and Analysis (Continued)

Proprietary Funds – Proprietary fund reporting focuses on economic resources measurement and full accrual accounting. The proprietary fund statements present a long-term view of operations and the services it provides to other funds. Revenue and expenditures are recorded when earned or obligated, regardless of when the cash is actually paid.

The School District as Trustee - Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for one fiduciary fund. The student activity fund represents the activities of the student and parent groups for school and school-related purposes and are considered an Agency Fund. The scholarship fund is considered a private purpose trust which includes contributions received by the School District to be awarded in the form of scholarships. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

L'Anse Creuse Public Schools

Management's Discussion and Analysis (Continued)

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a comparative summary of the School District's net position as of June 30:

Table 1	Governmental Activities	
	June 30	
	2022	2021
	(in millions)	
Assets		
Current and other assets	\$ 48.7	\$ 41.4
Capital assets	202.6	212.2
Total assets	251.3	253.6
Deferred Outflows of Resources		
	52.6	75.9
Total assets and deferred outflows of resources	303.9	329.5
Liabilities		
Current liabilities	22.7	21.2
Net pension liability	158.4	230.9
Net OPEB liability	10.3	35.3
Long-term liabilities	256.5	277.7
Total liabilities	447.9	565.1
Deferred Inflow of Resources		
	109.2	47.9
Total liabilities and deferred inflows of resources	557.1	613.0
Net Position		
Net investment in capital assets	(45.7)	(51.8)
Restricted	0.5	2.9
Unrestricted	(208.0)	(234.6)
Total net position	\$ (253.2)	\$ (283.5)

L'Anse Creuse Public Schools

Management's Discussion and Analysis (Continued)

The following analysis focuses on the net position (see Table 1) of the School District's governmental activities is discussed below. The School District's net position was a deficit of \$253.2 million at June 30, 2022, which is an improvement of \$30.3 million. Capital assets, net of related debt totaling a negative \$45.7 million, compares the original cost, less depreciation, of the Schools Districts capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use this net position for day to day operations. The remaining amount of net position (a deficit of \$208.0 million) was unrestricted.

The unrestricted net position balance enables the School District to meet working capital and cash flow requirements as well as to provide for future uncertainties. A total of \$208 million of this deficit unrestricted net position is the School Districts proportionate share of the net pension and OPEB liabilities related to the Michigan Public School Employees' Retirement System. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

Key reasons for the change in net position showing a decrease were due to a decrease net pension liability of \$72.4 million and a decrease in OPEB liability of \$25.1 million. Long-term debt related to bonds had a net decrease of \$39.9 million due primarily to repayment of principal. Debt related to the school loan revolving fund increased \$25.6 million. Capital assets had a net decrease of approximately \$9.6 million due to provisions for depreciation in the amount of \$8.5 million less the disposal and additions of capital assets costing \$4.7 million. A reconciliation of the changes in net position appears in the basic financial statements.

L'Anse Creuse Public Schools Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the statement of activities, which shows the changes in net position for fiscal years 2022 and 2021 (see Table 2).

Table 2	Governmental Activities	
	Year Ended June 30	
	2022	2021
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 4.8	\$ 1.4
Operating grants	46.0	41.4
General revenue:		
Property taxes	36.8	36.3
State aid - Unrestricted	65.7	65.4
Other	5.9	0.5
Total revenue	159.2	145.0
Functions/Program Expenses		
Instruction	66.0	73.9
Support services	39.3	40.4
Athletics	1.2	1.3
Food services	4.3	4.0
Community services	1.5	1.5
Interest and other expenses on long-term debt	6.6	9.9
Loss on sale of capital assets (unallocated)	1.5	1.1
Depreciation (unallocated)	8.5	8.7
Total functions/program expenses	128.9	140.8
Decrease in Net Position	30.3	4.2
Net Position - Beginning of year	(283.5)	(287.7)
Net Position - End of year	\$ (253.2)	\$ (283.5)

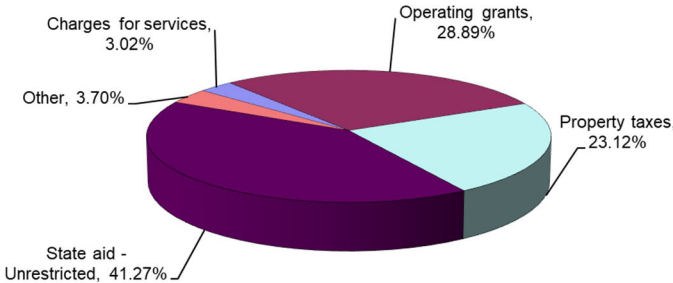
L'Anse Creuse Public Schools Management's Discussion and Analysis (Continued)

As reported in the statement of activities, the cost of all of our governmental activities this year was \$128.9 million. Certain activities were partially funded from those who benefitted from the programs, \$4.8 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$46.0 million. We paid for the remaining "public benefit" portion of our governmental activities with \$36.8 million in taxes, \$65.7 million in unrestricted state aid, and \$5.9 million of our other revenue comprised of interest and general entitlements.

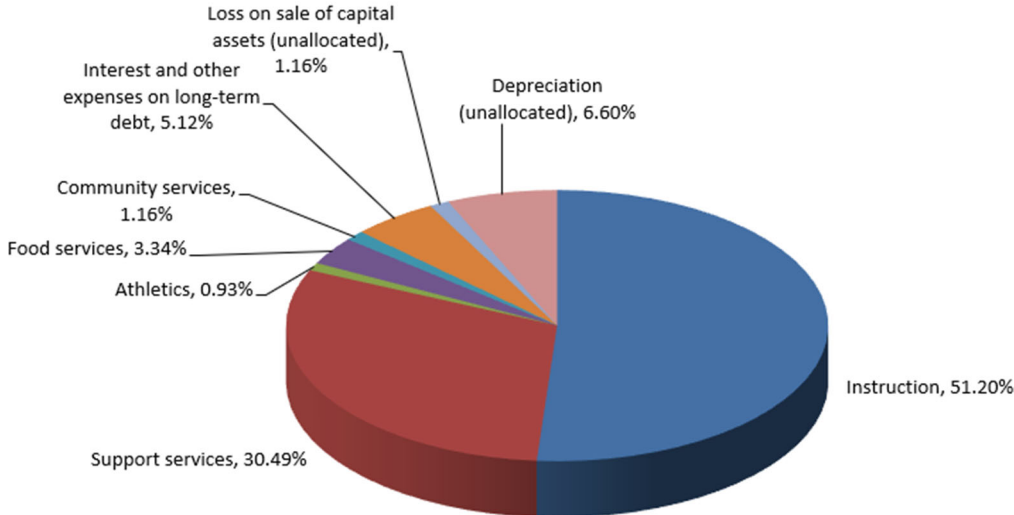
As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

L'Anse Creuse Public Schools Management's Discussion and Analysis (Continued)

Analysis of Revenue – Governmental Activities Year Ended June 30, 2022



Analysis of Expenses - Governmental Activities Year Ended June 30, 2022



L'Anse Creuse Public Schools

Management's Discussion and Analysis (Continued)

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$24.5 million, which is an increase from last year of \$6.1 million. The primary reasons for changes within major funds are as follows:

- In the General Fund, our principal operating fund, the fund balance increased approximately \$5.7 million to \$17.5 million.
- The total of the other funds, which consist of Debt Service Funds, Special Revenue Funds, and Capital Project Funds, increased \$0.5 million with an ending fund balance of \$7.1 million.
- The proprietary fund accounts for certain services provided to other funds on a cost reimbursement basis. The activity in these funds reflects expenditures or transfers from the other funds totaling approximately \$1.7 million, which represents the cost of the obligations from previous year as well as current year activities.

General Fund Budgetary Highlights

Over the course of the year, the School District reviews its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided as required supplementary information of these financial statements. A summary of the significant deviation from budget to actual is as follows:

- The variance between the budgeted and actual revenue was unfavorable by approximately \$6.9 million. The majority of the variance is due to federal sources. These funds are required to be fully budgeted for in the year they are received.
- Overall, the General Fund resulted in a favorable variance of approximately \$0.5 million.

L'Anse Creuse Public Schools Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2022, the School District had \$212.2 million invested in a broad range of net capital assets, including buildings improvements, vehicles, furniture, and equipment. This amount represents a net decrease (including additions, disposals and depreciation) of approximately \$9.6 million.

	<u>2022</u>	<u>2021</u>
Land	\$ 6,287,331	\$ 6,341,386
Buildings and building improvements	339,115,864	344,490,450
Buses and other vehicles	7,448,506	7,129,256
Furniture and equipment	<u>39,727,832</u>	<u>39,325,297</u>
Total capital assets	392,579,533	397,286,389
Less accumulated depreciation	<u>190,000,606</u>	<u>185,080,211</u>
Net capital assets	<u>\$ 202,578,927</u>	<u>\$ 212,206,178</u>

This year's reduction of net capital assets includes depreciation of approximately \$8.5 million. New purchases for building improvements, furniture and equipment, technology, as well as buses comprise the balance of approximately \$0.7 million. Existing debt funded majority of additions.

We present more detailed information about our capital assets in Note 5 to the financial statements.

Debt

At the end of this year, the School District had approximately \$248.6 million in bonds and school bond revolving funds outstanding versus \$262.9 million in the previous year. The decrease in the current year is due to the payments made on bonded debt and money received from the school bond revolving fund.

	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ 223,005,000	\$ 262,895,000
School loan revolving fund	<u>25,578,674</u>	<u>7,464</u>
Total	<u>\$ 248,583,674</u>	<u>\$ 262,902,464</u>

L'Anse Creuse Public Schools Management's Discussion and Analysis (Continued)

Other obligations include interest rate swap, accrued vacation and sick leave pay, and bond premiums and discounts, totaling \$7.9 million. We present more detailed information about our long-term liabilities in Note 9 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration considered many factors when setting the School District's 2022-2023 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2022-2023 fiscal year will be 90 percent of the October 2022 count and 10 percent of the February 2022 student count. The 2022-2023 budget was adopted in June 2022. At the time of the adoption the state did not have an approved budget for the School Aid Fund. The student count was based on a report from a demographer which reflected a 178 student loss. Subsequent to the budget approval, the state passed the state aid budget which included a \$450 increase in the foundation allowance. Approximately 80 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot assess additional property tax revenue for general operations. In March 2020, the county's ten year enhancement millage was approved and as a result added approximately \$4.8 million to the district's revenue in 2022. School District funding remains heavily dependent on the State's ability to fund local school operations. The State finalized a school aid bill with an effort to slowly begin equalizing funding across school districts. For L'Anse Creuse Public Schools the foundation increased to \$9,135. Additionally, the state increased funding for special education to help offset the burden on the general fund for the additional cost of educating a special education student. The state budget also includes funding for mental health, security/safety and learning loss. Districts must show they qualify for the funding by allocating the monies as outlined in the state aid act. The budget will be adjusted accordingly in the fall based on the October 2022 audited pupil count.

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to school districts.

As part of the efforts to restore education from the results of the pandemic, school districts across the country have been recipients of various allocation of grant funding from the CARES Act and The American Recovery Plan. There are spending restrictions placed on these funds to address student support, credit recovery, enhance student learning and repairing and improving school facilities to reduce risk of virus transmission and exposure to environmental health hazards

The School District currently has six unions as part of its workforce. TPOAM represents two support services areas. The food service contract expires March 31, 2024, and the 52 week employees, which include custodians and maintenance workers' contract will expire January 31, 2024. The transportation department, represented by the 214 Teamsters, has contract through December 31, 2023. The teachers' contract, MEA Local 1 will expire August 31, 2025. The Clerical contract, MEA-NEA Local 1 will expire June 30, 2025. The Parapro contract, AFSCME Local 1993 will expire December 31, 2023. The Administrators association agreement expires July 31, 2023.

L'Anse Creuse Public Schools

Management's Discussion and Analysis (Continued)

Contacting the School District's Financial Management

This financial report is designed to provide the School District's citizens, parents, and investors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the business office at the Harry L. Wheeler Community Center, 24076 F.V. Pankow Boulevard, Clinton Township, Michigan 48036.

BASIC FINANCIAL STATEMENTS

L'Anse Creuse Public Schools
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash	\$ 23,788,671
Accounts receivable	423,667
Due from other governmental units	20,069,851
Interest receivable	476
Inventory	281,438
Investments	2,713,686
Prepaid items	1,458,181
Capital assets not being depreciated	6,287,331
Capital assets - net of accumulated depreciation	196,291,596
Total assets	251,314,897
Deferred Outflows of Resources	
Accumulated decrease in fair value of hedging activities	3,119,681
Deferred amount relating to the net pension liability	34,528,019
Deferred amount relating to the net OPEB liability	14,244,616
Deferred amount on debt refunding	706,439
Total deferred outflows of resources	52,598,755

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Statement of Net Position
June 30, 2022

	Governmental Activities
Liabilities	
Accounts payable	1,951,401
Due to agency fund activities	24,489
Other accrued payroll-related liabilities	7,772,244
Accrued expenditures	1,027,720
Accrued salaries payable	9,376,729
Unearned revenue	2,538,411
Long-term liabilities	
Due within one year	16,278,763
Due in more than one year	240,243,729
Net pension liability	158,432,851
Net OPEB liability	10,296,273
Total liabilities	447,942,610
Deferred Inflows of Resources	
Deferred amount on the net pension liability	68,010,895
Deferred amount relating to the net OPEB liability	41,141,397
Total deferred inflows of resources	109,152,292
Net investment in capital assets	(45,677,604)
Restricted for:	
Debt service	538,351
Unrestricted (deficit)	(208,041,997)
Total net position	\$ (253,181,250)

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Statement of Activities
For the Year Ended June 30, 2022

	Program Revenues			Net (Expense)
Expenses	Charges for Services	Operating Grants and Contributions		Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
Instruction	\$ 65,971,353	\$ -	\$ 32,941,273	\$ (33,030,080)
Supporting services	39,328,831	2,156,348	6,421,563	(30,750,920)
Athletics	1,233,136	121,541	-	(1,111,595)
Food services	4,291,274	755,871	5,747,880	2,212,477
Community services	1,455,326	1,720,503	941,126	1,206,303
Depreciation expense (unallocated) *	8,482,403	-	-	(8,482,403)
Loss on sale of capital assets (unallocated)	1,559,115	-	-	(1,559,115)
Interest and fiscal charges on long-term debt	6,574,552	-	-	(6,574,552)
	<u>\$ 128,895,990</u>	<u>\$ 4,754,263</u>	<u>\$ 46,051,842</u>	<u>(78,089,885)</u>
Total governmental activities				
General revenues				
				16,133,115
				20,621,147
				65,712,626
				97,039
				5,802,319
				108,366,246
				30,276,361
				(283,457,611)
				\$ (253,181,250)

* All depreciation expense of the District is reported above as unallocated. Therefore, there was no direct depreciation charged to the various programs.

L'Anse Creuse Public Schools
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Debt Service Fund 2017B Refunding	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 18,617,319	\$ 253,085	\$ 4,918,267	\$ 23,788,671
Accounts receivable	416,658	-	7,009	423,667
Due from other funds	1,216,089	1,140,081	352,492	2,708,662
Due from other governmental units	19,782,400	-	287,451	20,069,851
Interest receivable	-	-	476	476
Inventory	207,739	-	73,699	281,438
Investments	802	-	2,712,884	2,713,686
Prepaid items	1,446,286	-	11,895	1,458,181
Total assets	\$ 41,687,293	\$ 1,393,166	\$ 8,364,173	\$ 51,444,632
Liabilities				
Accounts payable	\$ 1,818,833	\$ -	\$ 132,568	\$ 1,951,401
Due to other funds	2,790,296	-	2,392,963	5,183,259
Other accrued payroll-related liabilities	7,772,244	-	-	7,772,244
Accrued expenditures	95,946	-	-	95,946
Accrued salaries payable	9,376,729	-	-	9,376,729
Unearned revenue	2,364,977	-	173,434	2,538,411
Total liabilities	24,219,025	-	2,698,965	26,917,990

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Debt Service Fund 2017B Refunding	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances				
Non-spendable				
Inventory	207,739	-	73,699	281,438
Prepaid items	1,446,286	-	11,895	1,458,181
Restricted for				
Food service	-	-	2,208,797	2,208,797
Debt service	-	1,393,166	29,429	1,422,595
Capital projects	-	-	1,874,513	1,874,513
Committed - Student/school activity	-	-	1,466,875	1,466,875
Assigned for employee severance liability	162,750	-	-	162,750
Assigned for future budgeted expenditures over revenues	2,560,411	-	-	2,560,411
Unassigned	<u>13,091,082</u>	<u>-</u>	<u>-</u>	<u>13,091,082</u>
 Total fund balances	 <u>17,468,268</u>	 <u>1,393,166</u>	 <u>5,665,208</u>	 <u>24,526,642</u>
 Total liabilities and fund balances	 <u>\$ 41,687,293</u>	 <u>\$ 1,393,166</u>	 <u>\$ 8,364,173</u>	 <u>\$ 51,444,632</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022

Total fund balances for governmental funds	\$ 24,526,642
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	
Capital assets not being depreciated	6,287,331
Capital assets - net of accumulated depreciation	196,291,596
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	706,439
Changes in the fair value of interest rate swap agreements that are classified as hedging instruments are recorded as deferred outflows of resources	3,119,681
Deferred inflows of resources resulting from the net pension liability	(68,010,895)
Deferred outflows of resources resulting from the net pension liability	34,528,019
Deferred inflows of resources resulting from the net OPEB liability	(41,141,397)
Deferred outflows of resources resulting from the net OPEB liability	14,244,616
Certain liabilities are not due and payable in the current period and are not reported in the funds	
Accrued interest	(884,244)
Special termination benefits	(162,750)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities	
Net pension liability	(158,432,851)
Net OPEB liability	(10,296,273)
Bonds payable	(225,258,809)
Interest rate swap	(3,119,681)
School loan revolving fund payable (including accrued interest)	<u>(25,578,674)</u>
Net position of governmental activities	<u>\$ (253,181,250)</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	Debt Service Funds 2017B Refunding	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources	\$ 18,698,554	\$ 14,163,861	\$ 8,701,012	\$ 41,563,427
State sources	89,772,490	502,387	322,371	90,597,248
Federal sources	14,005,145	-	5,635,633	19,640,778
Interdistrict sources	7,370,898	-	-	7,370,898
	<u>129,847,087</u>	<u>14,666,248</u>	<u>14,659,016</u>	<u>159,172,351</u>
Expenditures				
Current				
Education				
Instruction	77,210,787	-	-	77,210,787
Supporting services	44,135,146	-	2,043,014	46,178,160
Athletics	1,447,893	-	-	1,447,893
Food services	-	-	5,038,622	5,038,622
Community services	1,708,780	-	-	1,708,780
Facilities acquisition	-	-	752,485	752,485
Capital outlay	199,559	-	-	199,559
Debt service				
Principal	-	32,000,000	7,890,000	39,890,000
Interest and other expenditures	-	859,675	5,608,638	6,468,313
	<u>124,702,165</u>	<u>32,859,675</u>	<u>21,332,759</u>	<u>178,894,599</u>
Total expenditures	<u>124,702,165</u>	<u>32,859,675</u>	<u>21,332,759</u>	<u>178,894,599</u>
Excess (deficiency) of revenues over expenditures	<u>5,144,922</u>	<u>(18,193,427)</u>	<u>(6,673,743)</u>	<u>(19,722,248)</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	Debt Service Funds 2017B Refunding	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)				
Proceeds from school loan revolving fund	-	20,781,472	4,731,295	25,512,767
Proceeds from sale of capital assets	325,000	-	-	325,000
Transfers in	220,000	-	1,219,918	1,439,918
Transfers out	-	(1,219,918)	(220,000)	(1,439,918)
 Total other financing sources (uses)	 <u>545,000</u>	 <u>19,561,554</u>	 <u>5,731,213</u>	 <u>25,837,767</u>
 Net change in fund balances	 5,689,922	 1,368,127	 (942,530)	 6,115,519
 Fund balances - beginning	 <u>11,778,346</u>	 <u>25,039</u>	 <u>6,607,738</u>	 <u>18,411,123</u>
 Fund balances - ending	 <u>\$ 17,468,268</u>	 <u>\$ 1,393,166</u>	 <u>\$ 5,665,208</u>	 <u>\$ 24,526,642</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Net change in fund balances - Total governmental funds	\$ 6,115,519
Total change in net position reported for governmental activities in the statement of activities is 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 and reported as depreciation expense.	
Depreciation expense	(8,482,403)
Capital outlay	739,267
Sale of capital assets (net book value)	(1,884,115)
Expenses are recorded when incurred in the statement of activities.	
Interest	(193,723)
Special termination benefits	17,900
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equal actual pension contributions.	
Net change in net pension liability	72,428,523
Net change in the deferral of resources related to the net pension liability	(64,790,314)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB liability	25,054,880
Net change in the deferral of resources related to the net OPEB liability	(13,193,890)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduced the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Debt issued	(25,512,767)
Repayments of long-term debt	39,890,000
Net change in interest accrual on school loan revolving fund	(58,443)
Amortization of deferred amount on debt refunding	(69,280)
Amortization of premiums	215,207
Change in net position of governmental activities	<u>\$ 30,276,361</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Proprietary Fund - Internal Service Fund
Statement of Net Position
June 30, 2022

	<u>Internal Service Fund</u>
Assets	
Current - Due from other funds	\$ <u>2,450,108</u>
Liabilities	
Accrued expenditures	47,530
Current - compensated absences	244,763
Long-term - compensated absences	<u>2,157,815</u>
Total liabilities	<u>2,450,108</u>
Net Position	
Net position - unrestricted	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Proprietary Fund - Internal Service Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

	<u>Internal Service Fund</u>
Operating Revenue	
Charges for services	\$ 1,681,380
Operating Expenses	
Compensated absences	<u>1,681,380</u>
Operating income	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Proprietary Fund - Internal Service Fund
Statement of Cash Flows
For the Year Ended June 30, 2022

	<u>Internal Service Fund</u>
Cash Flows from Operating Activities	
Charges to other funds	\$ 1,681,380
Payments to employees	<u>(1,681,380)</u>
Net cash provided by operating activities	-
Cash and Cash Equivalents - beginning	<u>-</u>
Cash and Cash Equivalents - ending	<u><u>\$ -</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Adjustments to reconcile change in net position to net cash from operating activities - Changes in assets and liabilities:	
Due from other funds	\$ 266,550
Accrued compensated absences	<u>(266,550)</u>
Net cash provided by operating activities	<u><u>\$ -</u></u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	<u>Custodial Fund</u>
Assets	
Due from other funds	\$ 24,489
Liabilities	
Accounts payable	<u>2,950</u>
Net Position	
Assets held for scholarships	<u><u>\$ 21,539</u></u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	<u>Custodial Fund</u>
Deductions	
Scholarships and expenses	\$ <u>6,700</u>
Change in net position	(6,700)
Net position - beginning	<u>28,239</u>
Net position - ending	<u><u>\$ 21,539</u></u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the L'Anse Creuse Public Schools (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District is not included in any other governmental "reporting entity" since the board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary financial accountability for fiscal matters. Based on the application of the criteria, the School District does not contain any component units.

District-wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's district-wide activities are considered governmental activities. 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 revenue includes (1) charges to customers or applicants 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 operational or capital requirements of a particular function.

Taxes, intergovernmental payments, and other items not properly included among program revenue are reported instead as general revenue.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

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 as separate columns in the fund financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally 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.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the School District.

Proprietary and Fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses for the proprietary fund generally are charges to other funds and payments for employee compensated absence liabilities, respectively. All revenues and expenses not meeting the above definition are reported as nonoperating revenues and expenses.

The School District reports the following major governmental funds:

General Fund –The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.

2017B Refunding Fund - The 2017B Refunding Fund is used to record tax, interest, other revenue for payment of interest and principal, and other expenditures on the bond issues.

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School District's special revenue funds consist of the Food and Nutrition Fund and the Student/School Activity Fund.

Debt Service Funds – The debt service funds are used to record tax, interest, other revenue for payment of interest and principal, and other expenditures on the bond issues.

Capital Projects Funds –The 2010A Capital Projects Fund is used to record bond proceeds and other revenue and the disbursement of invoices specifically designated for the purpose of financing the third phase of erecting, furnishing, and equipping a new administration building; an addition to an existing elementary school for a child care center; acquiring and installing educational technology improvements; acquiring school buses; acquiring additional land and developing and improving playgrounds, play fields, athletic fields, facilities, and sites; and paying the costs of issuing the bonds. The 2008 Capital Projects Fund is used to record bond proceeds and other revenue and the disbursement of invoices specifically designated for the purpose of these bond projects.

Internal Service Fund – The purpose of the internal service fund is to account for certain services provided to other funds on a cost-reimbursement basis. The Compensated Absences Fund accounts for compensated absence liabilities due to employees upon separation from the School District based on negotiated terms in the collective bargaining agreements.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent. The Private-Purpose Trust Funds are funds entrusted to the School

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

District for scholarship awards and related expenses and the principal and interest of the trust may be spent.

Assets, Liabilities and Net Position or Equity

Cash and Investments – Cash and investments includes cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds.” These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2022, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal residence exemption	17.85160
Commercial personal property	5.85160
Debt Service Funds	7.00000

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by Macomb County and remitted to the School District by May 15.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid assets in both district-wide and fund financial statements and accounted for using the purchases method.

Capital Assets – Capital assets, which include land, buildings, equipment, vehicles, and construction in progress, are reported in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$20,000 for land improvements and buildings and \$2,500 for all remaining asset classifications. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-50 years
Equipment and furniture	5-20 years
Buses and other vehicles	5-15 years

Deferred Outflows of Resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year. Deferred outflows are also reported for changes in the fair value of interest rate swap agreements.

Compensated Absences – The liability for compensated absences reported in the Compensated Absences Internal Service Fund consists of earned but unused accumulated vacation and sick leave benefits as well as termination payments. Compensated absences are earned and accumulated based on the provisions of the respective collective bargaining agreements. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments at normal retirement age and other employees who are expected to become eligible in the future to receive such payments upon normal retirement are included.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

Committed – amounts that have been formally set aside by the Board of Education for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board of Education.

Assigned – intent to spend resources on specific purposes expressed by the Board of Education or superintendent, or the superintendent's designee, who is authorized by policy approved by the Board of Education to make assignments

Unassigned – amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the School

District's policy is to first apply restricted resources. When an expense is incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used, it is the School District's policy to spend funds in this order: committed, assigned, and unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 87, *Leases* increases the usefulness of the District's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the District's leasing activities.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Statement No. 98, *The Annual Comprehensive Financial Report* establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

Statement No. 99, *2022 Omnibus* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Upcoming Accounting and Reporting Changes

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This statement is effective for the year ending June 30, 2023.

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about

accounting changes and error corrections. This statement is effective for the year ending June 30, 2024.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

The School District is evaluating the impact these pronouncements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations.

Excess of Expenditures over Appropriations

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
School administration	\$ 8,821,420	\$ 9,003,665	\$ 182,245
Pupil transportation services	5,287,339	5,378,723	91,384
Food and nutrition fund	4,823,713	5,258,622	434,909
Student/school activity fund	1,795,683	2,043,014	247,331

Note 3 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority. The School District has designated several banks for the deposit of its funds.

The investment policy adopted by the board has authorized investments as listed in the state statutory authority as listed above.

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Interest rate risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. The School District's policy minimizes interest rate risk by requiring structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements.

Credit risk – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy limits investments in commercial papers to a rating of A or above by two nationally recognized statistical rating organizations.

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash	\$ 23,788,671
Investments	2,713,686
	<u>\$ 26,502,357</u>

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 24,693,712
Investments in securities, mutual funds, and similar vehicles	1,675,883
Petty cash and cash on hand	132,762
Total	\$ 26,502,357

At year end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Rating Organization
External investment pools:				
Michigan Liquid Asset Fund (MILAF):				
MILAF + Portfolio				
Cash Management Class	\$ 120,715	< 60 days	AAA	S&P
MAX Class	1,555,168	< 60 days	AAA	S&P
	\$ 1,675,883			

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.

As of June 30, 2022, the net asset value of the School District's investment in MILAF + Portfolio was \$ 1,675,883. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustees may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that

Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Concentration of credit risk – The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign currency risk – Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's policy prohibit investment in foreign currency.

Custodial credit risk – deposits – For deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level be used for the School District's deposits for custodial credit risk. At year end, the School District's deposit balance of \$ 25,679,135 had \$ 24,679,135 in bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the School District

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law, and by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. The School District does not have investments with custodial credit risk.

Note 4 - Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2022:

- The fair values of the interest rate swap (see Note 10) were estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement on the swaps. (Level 2 inputs)

Note 5 - Capital Assets

Capital asset activity of the School District's governmental activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 6,341,386	\$ -	\$ 54,055	\$ 6,287,331
Capital assets being depreciated				
Buildings and building improvements	344,490,450	17,482	5,392,068	339,115,864
Equipment and furniture	39,325,297	402,535	-	39,727,832
Buses and other vehicles	7,129,256	319,250	-	7,448,506
Total capital assets being depreciated	<u>390,945,003</u>	<u>739,267</u>	<u>5,392,068</u>	<u>386,292,202</u>
Less accumulated depreciation for				
Buildings and building improvements	145,472,019	6,687,934	3,562,008	148,597,945
Equipment and furniture	34,897,362	1,364,251	-	36,261,613
Buses and other vehicles	4,710,830	430,218	-	5,141,048
Total accumulated depreciation	<u>185,080,211</u>	<u>8,482,403</u>	<u>3,562,008</u>	<u>190,000,606</u>
Net capital assets being depreciated	<u>205,864,792</u>	<u>(7,743,136)</u>	<u>1,830,060</u>	<u>196,291,596</u>
Net capital assets	<u>\$ 212,206,178</u>	<u>\$ (7,743,136)</u>	<u>\$ 1,884,115</u>	<u>\$ 202,578,927</u>

Depreciation expense was not charged to activities as the School District considers its assets to impact multiple activities and allocation is not practical. Unallocated depreciation expense, as reported on the statement of activities, does not include direct depreciation expenses of the various programs. Disposals relate to normal disposal of assets which are no longer held by the School District.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Note 6 - Net Investment in Capital Assets

The composition of net investment in capital assets as of June 30, 2022, was as follows:

	Governmental Activities
Capital assets	
Capital assets not being depreciated	\$ 6,287,331
Capital assets, net of accumulated depreciation	<u>196,291,596</u>
Total capital assets	<u>202,578,927</u>
Unspent bond proceeds	<u>1,874,513</u>
Related debt	
General obligation bonds	(223,005,000)
Special assessment obligations	(3,119,681)
School loan revolving fund	(25,578,674)
Unamortized bond premiums	(2,253,809)
Deferred charge on bond refunding and interest swap rate	<u>3,826,120</u>
Total related debt	<u>(250,131,044)</u>
Net investment in capital assets	<u>\$ (45,677,604)</u>

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

	Payable Fund			
	Receivable Fund	General Fund	Nonmajor Governmental Funds	Total
General Fund		\$ -	\$ 1,216,089	\$ 1,216,089
Fiduciary Fund		-	24,489	24,489
2017B Refunding Debt Fund		-	1,140,081	1,140,081
Nonmajor Governmental Funds		340,188	12,304	352,492
Internal Service Fund		<u>2,450,108</u>	-	<u>2,450,108</u>
Total		<u>\$ 2,790,296</u>	<u>\$ 2,392,963</u>	<u>\$ 5,183,259</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Managements does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund transfers consist of the following:

	Transfers Out		
	2017B Refunding	Nonmajor Governmental Funds	Total
Transfers in			
General Fund	\$ -	\$ 220,000	\$ 220,000
Nonmajor Governmental Funds	<u>1,219,918</u>	-	<u>1,219,918</u>
	<u>\$ 1,219,918</u>	<u>\$ 220,000</u>	<u>\$ 1,439,918</u>

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Transfers into the General Fund were made by the Food and Nutrition Fund to cover indirect costs. Other transfers were made between debt funds to cover debt payments.

Note 8 - Receivables and Unearned Revenue

Receivables as of year end for the School District's individual major funds and the nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:			
Accounts receivable	\$ 416,658	\$ 7,009	\$ 423,667
Interest receivable	-	476	476
Due from other governmental units	<u>19,782,400</u>	<u>287,451</u>	<u>20,069,851</u>
Total receivables	<u>\$ 20,199,058</u>	<u>\$ 294,936</u>	<u>\$ 20,493,994</u>

Due from other governmental units is from the State of Michigan for the July and August state aid payments. It also includes amounts due from the federal government for grants receivable of approximately \$ 3,562,000.

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	\$ 2,534,274
Summer tuition and fall school charges and other payments received prior to services being rendered	<u>4,137</u>
Total	<u>\$ 2,538,411</u>

Note 9 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. For the School Loan Revolving Fund, the State may withhold state aid if the School District is in default, or apply late charges in an instance of default or fails to appropriately levy debt mills. Other long-term obligations include compensated absences and an employee severance liability.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Long-term debt activity is summarized as follows:

	Beginning			Ending		Amount Due
	Balance	Additions	Reductions	Balance	Within One	Year
Bonds payable						
General obligation bonds	\$ 262,895,000	\$ -	\$ 39,890,000	\$ 223,005,000	\$ 16,025,000	
Issuance premiums	2,469,016	-	215,207	2,253,809	-	
Interest rate swap	9,672,205	-	6,552,524	3,119,681	-	
Total bonds payable	<u>275,036,221</u>	<u>-</u>	<u>46,657,731</u>	<u>228,378,490</u>	<u>16,025,000</u>	
Notes from direct borrowings						
School Loan Revolving Fund	7,452	25,512,767	-	25,520,219	-	
School Loan Revolving Fund -						
Accrued interest	12	58,443	-	58,455	-	
Total notes from						
direct borrowings	<u>7,464</u>	<u>25,571,210</u>	<u>-</u>	<u>25,578,674</u>	<u>-</u>	
Other liabilities						
Employee severance liability	180,650	-	17,900	162,750	9,000	
Employee compensated						
absences	2,488,713	20,815	106,950	2,402,578	244,763	
Total other liabilities	<u>2,669,363</u>	<u>20,815</u>	<u>124,850</u>	<u>2,565,328</u>	<u>253,763</u>	
Total	<u>\$ 277,713,048</u>	<u>\$ 25,592,025</u>	<u>\$ 46,782,581</u>	<u>\$ 256,522,492</u>	<u>\$ 16,278,763</u>	

Annual debt service requirements to maturity for the above bonds are as follows:

	Principal	Interest	Total
Year Ending June 30			
2023	\$ 16,025,000	\$ 5,386,915	\$ 21,411,915
2024	16,430,000	5,023,717	21,453,717
2025	16,855,000	4,627,973	21,482,973
2026	17,300,000	4,192,900	21,492,900
2027	17,585,000	3,908,294	21,493,294
2028-2032	93,260,000	13,789,680	107,049,680
2033-2037	37,030,000	4,254,101	41,284,101
2038-2040	8,520,000	638,438	9,158,438
Total	<u>\$ 223,005,000</u>	<u>\$ 41,822,018</u>	<u>\$ 264,827,018</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the funds had a combined balance of \$ 1,422,595 to pay this debt. Future debt and interest will be payable from future tax levies.

Governmental Activities

General obligation bonds payable at year end, consist of the following:

\$149,500,000 original issue serial bonds due in annual installments of \$6,300,000 to \$15,395,000 through May 1, 2035, interest at .36% to 2.41%	\$ 149,500,000
\$53,000,000 original issue serial bonds due in annual installments of \$2,375,000 to \$4,250,000 through May 1, 2035, interest at 3.64%	45,500,000
\$118,685,000 original issue serial bonds due in annual installments of \$2,835,000 to \$6,340,000 through May 1, 2040, interest at 3.75% to 5.0%	<u>28,005,000</u>
Total general obligation bonded debt	<u>\$ 223,005,000</u>

Interest expenditures for the fiscal year in the General Fund and Debt Service Funds were \$ 859,675 and \$ 5,608,638, respectively.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

School Loan Revolving Fund

The School Loan Revolving Fund payable represents notes payable to the State of Michigan for loans made to the School District, as authorized by the 1963 State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the School District issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board in accordance with Section 9 of Act No. 92 of the Public Acts of 2005, as amended. Interest was charged at 1.19 percent during the year ended June 30, 2022. Repayment is required when the revenue from the computed millage rate exceeds the amount sufficient to pay debt service on qualified bonds. The School District is required to levy at least 7.0 mills and repay to the State any excess of the amount levied over the bonded debt service requirements. Due to recent legislated changes to the School Loan Revolving Fund program, participating districts are now required to adjust their annual millage rate to amounts between 7.0 and 13.0 mills, depending on a specified formula. Additionally, the School District has been provided a mandatory repayment date of May 1, 2046, although there are no required principal and interest payments each year. Due to the variability of the factors that affect the timing of repayment, including the future amount of state-equalized value of property in the School District, no provision for repayment has been included in the above amortization schedule.

Deferred Amount on Refunding

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$ 706,439. This amount is reported in the accompanying statement of net position as a deferred outflow of resources and is being charged to activities through fiscal year 2035.

Defeased Debt

In prior years, the School District has defeased various bonds issued by creating separate irrevocable trust funds. New debt has been issued and the net proceeds of each refunding were placed in separate special escrow accounts and invested in securities of the U.S. Government and

its agencies. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the defeased bonds are not included in the School District's financial statements.

The final payment date is May 1, 2035. As of year end, the amount of defeased debt outstanding but removed from the School District's financial statements is as follows:

2012 Issue refunded	\$ 3,775,000
2015 Issue refunded	<u>56,345,000</u>
Total	<u>\$60,120,000</u>

Note 10 - Derivative Instruments

During the current year, the School District had one interest rate swap agreement in connection with its \$70.13 million 2008 School Building and Site variable rate bonds.

Hedging Derivative Instrument - The swap agreement (referred to as SIFMA) was entered into in August 2005, with an effective date that coincided with the issuance date of the bonds in May 2008. The intention of the swap was to effectively hedge the changes in cash flows related to the interest payments on the variable rate bonds. At June 30, 2022, the swap's notional amount of \$ 45,500,000 matched the \$ 45,500,000 outstanding balance of the variable rate bonds. The notional value of the swap and the principal amount of the associated debt decline at the same rate until maturity in May 2035. Under the swap, the School District pays the counterparty a fixed payment of 3.639 percent and receives a variable payment computed at the

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Securities Industry and Financial Markets Association Municipal Swap Index™ (SIFMA) rate. The bonds' variable rate coupons are determined by the remarketing agent based on the rate necessary to remarket the bonds. This rate approximates the SIFMA rate at June 30, 2022. At June 30, 2022, the SIFMA swap had a negative fair value of \$ 3,119,681, which was recorded in other long-term liabilities on the statement of net position. As the swap is a hedging instrument, the change in fair value is considered a deferred outflow of resources on the statement of net position.

Credit Risk - The swap counterparty was rated AA- by Fitch Ratings, A+ by Standard & Poor's, and Aa2 by Moody's Investors Service as of June 30, 2022. In the event that the counterparty were to default on the swap agreement, the School District would have the option to enter into another swap agreement. The School District was not exposed to credit risk related to the SIFMA swap as the fair market value of that swap was negative at June 30, 2022.

Interest Rate Risk - The School District is exposed to interest rate risk on the swap agreement, since changes in the interest rate market will affect the fair value of the swap agreement.

Basis Risk - The SIFMA swap exposes the School District to basis risk because the variable-rate payments received by the School District on the hedging derivative instrument are based on an index other than interest rates the School District pays on its hedged variable-rate debt, which is remarketed every seven days. As of June 30, 2022, the SIFMA swap index rate was .9100 percent, whereas the weighted average interest rate on the School District's hedged variable rate debt on the bonds was .8150 percent.

Termination Risk - The School District or the counterparty may terminate the swap agreement if the other party fails to perform under the terms of the contract. The swap may be terminated by the counterparty if the School District's credit quality rating and the State of Michigan's credit quality rating fall below "A" as issued by Standard &

Poor's or Moody's Investors Service. If the SIFMA swap is terminated, the variable rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination, the swap has a negative fair value, the School District would be liable to the counterparty for a payment equal to the swap's fair value. To mitigate the termination risk, the School District has obtained swap insurance that would cover the termination payment in the event that the School District were to default on the terms of the swap agreement.

Derivative Instrument Payments and Hedged Debt - As of June 30, 2022, aggregate debt service requirements of the School District's debt and net receipts/payments on associated hedging derivative instruments (the SIFMA swap) are presented below. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the SIFMA swap will vary. The data below has also been included in the principal and interest payment schedules included in Note 9.

	Principal	Interest	Hedging Derivatives- Net	Total
Year Ending June 30				
2023	\$ 2,750,000	\$ 370,825	\$ 1,241,695	\$ 4,362,520
2024	2,875,000	348,413	1,166,648	4,390,061
2025	3,000,000	324,981	1,088,189	4,413,170
2026	3,125,000	300,531	1,006,319	4,431,850
2027	3,250,000	275,063	921,038	4,446,101
2028-2032	18,125,000	957,625	3,206,575	22,289,200
2033-2035	12,375,000	203,750	682,250	13,261,000
Total	<u>\$ 45,500,000</u>	<u>\$ 2,781,188</u>	<u>\$ 9,312,714</u>	<u>\$ 57,593,902</u>

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Note 11 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees. The School District has purchased commercial insurance for property loss, torts, errors and omissions, and medical benefit claims; the School District is self-insured for workers' compensation claims up to \$500,000 per occurrence. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years. There were no changes in insurance coverage by major category of risk from that of the preceding year.

The School District is insured under a retrospectively rated policy and estimates the liability for employee injury claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in the basic financial statements. The estimates and changes in estimates were not material to the financial statements.

Note 12 - Pension Plan

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over an 18-year period beginning October 1, 2020 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2021.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	19.78%
Member Investment Plan	3.0 - 7.0%	19.78%
Pension Plus	3.0 - 6.4%	16.82%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

Required contributions to the pension plan from the School District were \$ 20,093,165 for the year ending September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the School District reported a liability of \$ 158,432,851 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2020. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2021, the School District's proportion was .6692 percent, which was a decrease of .0029 percent from its proportion measured as of September 30, 2020.

For the plan year ending September 30, 2021, the School District recognized pension expense of \$ 13,557,585 for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total pension contribution expense of \$ 23,321,166.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 2,454,193	\$ (932,981)	\$ 1,521,212
Changes of assumptions	9,987,040	-	9,987,040
Net difference between projected and actual earnings on pension plan investments	-	(50,935,652)	(50,935,652)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>-</u>	<u>(5,575,532)</u>	<u>(5,575,532)</u>
Total to be recognized in future	12,441,233	(57,444,165)	(45,002,932)
School District contributions subsequent to the measurement date	<u>22,086,786</u>	<u>(10,566,730)</u>	<u>11,520,056</u>
Total	<u>\$34,528,019</u>	<u>\$(68,010,895)</u>	<u>\$(33,482,876)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The District will offset the contribution expense in the year ended June 30, 2023 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

<u>Deferred (Inflow) and Deferred Outflow of Resources by Year</u> <u>(To Be Recognized in Future Pension Expenses)</u>	
2022	\$ (7,430,672)
2023	(10,664,465)
2024	(13,051,579)
2025	<u>(13,856,216)</u>
	<u>\$ (45,002,932)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2020
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans: 6.80% net of investment expenses
 - Pension Plus Plan: 6.80% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006

Assumption changes as a result of an experience study for the period 2007 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total pension liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4367 years.

Recognition period for assets in years is 5 years.

Full actuarial assumptions are available in the 2021 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of
Domestic Equity Pools	25.0 %	5.4 %
Private Equity Pools	16.0	9.1
International Equity	15.0	7.5
Fixed Income Pools	10.5	(0.7)
Real Estate and Infrastructure Pools	10.0	5.4
Absolute Return Pools	9.0	2.6
Real Return/Opportunistic Pools	12.5	6.1
Short Term Investment Pools	2.0	(1.3)
	100.0%	

**Long-term rates of return are net of administrative expenses and 2.0% inflation.*

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 27.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

was based on the long-term expected rate of return on pension plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension plus plan, 6.0% for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease *	Current Single Discount Rate Assumption *	1% Increase *
5.80% / 5.80% / 5.00%	6.80% / 6.80% / 6.00%	7.80% / 7.80% / 7.00%
\$ 226,516,010	\$ 158,432,851	\$ 101,987,447

**Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus, and Pension Plus 2.*

Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS Annual Comprehensive

Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPERS)

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 13 - Post-employment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the

3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over an 18-year period beginning October 1, 2020 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year 2021.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.43%
Personal Healthcare Fund (PHF)	0.0%	7.57%

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Required contributions to the OPEB plan from the School District were \$ 5,007,530 for the year ended September 30, 2021.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the School District reported a liability of \$ 10,296,273 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2020. The School District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2021, the School District's proportion was .6746 percent, which was an increase of .0147 percent from its proportion measured as of September 30, 2020.

For the plan year ending September 30, 2021, the School District recognized OPEB expense of (\$ 6,665,057) for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total OPEB contribution expense of 5,083,260.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$(29,389,976)	\$(29,389,976)
Changes of assumptions	8,607,173	(1,287,955)	7,319,218
Net difference between projected and actual earnings on OPEB plan investments	-	(7,760,486)	(7,760,486)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>1,009,973</u>	<u>(2,702,980)</u>	<u>(1,693,007)</u>
Total to be recognized in future	9,617,146	(41,141,397)	(31,524,251)
School District contributions subsequent to the measurement date	<u>4,627,470</u>	<u>-</u>	<u>4,627,470</u>
Total	<u>\$ 14,244,616</u>	<u>\$(41,141,397)</u>	<u>\$(26,896,781)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recognized in Future OPEB Expenses)

2022	\$ (8,667,536)
2023	(7,748,751)
2024	(6,732,997)
2025	(6,210,764)
2026	(1,913,195)
Thereafter	<u>(251,008)</u>
	<u>\$ (31,524,251)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2020
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.95% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%

- Healthcare Cost Trend Rate: Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3.0% Year 120
- Mortality:
 - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

- Opt Out Assumptions 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 6.1312 years.

Recognition period for assets is 5 years.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Full actuarial assumptions are available in the 2021 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of
Domestic Equity Pools	25.0 %	5.4 %
Private Equity Pools	16.0	9.1
International Equity	15.0	7.5
Fixed Income Pools	10.5	(0.7)
Real Estate and Infrastructure Pools	10.0	5.4
Absolute Return Pools	9.0	2.6
Real Return/Oppportunistic Pools	12.5	6.1
Short Term Investment Pools	2.0	(1.3)
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.0% inflation.

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 27.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.95%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
<u>\$ 19,132,233</u>	<u>\$ 10,296,273</u>	<u>\$ 2,797,613</u>

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2022

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 2,506,031	\$ 10,296,273	\$ 19,061,232

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2021 MPSEERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 14 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2022.

Note 15 - Tax Abatements

School Districts may receive reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by the various municipalities within the School District boundaries. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

There are no significant abatements made by the School District.

REQUIRED SUPPLEMENTARY INFORMATION

L'Anse Creuse Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ 18,249,485	\$ 18,426,380	\$ 18,698,554	\$ 272,174
State sources	86,397,875	90,023,563	89,772,490	(251,073)
Federal sources	5,219,300	21,117,506	14,005,145	(7,112,361)
Interdistrict sources	6,786,854	7,138,000	7,370,898	232,898
Total revenues	116,653,514	136,705,449	129,847,087	(6,858,362)
Instruction				
Basic programs	53,491,879	61,735,262	59,361,428	(2,373,834)
Added needs	17,257,690	18,381,681	17,507,482	(874,199)
Adult and continuing education	339,900	543,465	341,877	(201,588)
Supporting services				
Pupil	6,888,518	11,973,795	9,832,186	(2,141,609)
Instructional staff	3,623,253	3,791,814	3,431,326	(360,488)
General administration	656,731	745,919	716,642	(29,277)
School administration	8,120,478	8,821,420	9,003,665	182,245
Business	1,332,326	1,481,477	1,406,572	(74,905)
Operations and maintenance	10,139,906	12,050,497	11,242,283	(808,214)
Pupil transportation services	4,998,395	5,287,339	5,378,723	91,384
Central	3,310,343	3,520,225	3,123,749	(396,476)
Athletic activities	1,333,807	1,482,239	1,447,893	(34,346)
Community services	1,873,755	2,000,960	1,708,780	(292,180)
Capital outlay	-	217,186	199,559	(17,627)
Total expenditures	113,366,981	132,033,279	124,702,165	(7,331,114)
Excess (deficiency) of revenues over expenditures	3,286,533	4,672,170	5,144,922	472,752

L'Anse Creuse Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources				
Proceeds from sale of capital assets	-	325,000	325,000	-
Transfers in	<u>210,000</u>	<u>210,000</u>	<u>220,000</u>	<u>10,000</u>
Total other financing sources	<u>210,000</u>	<u>535,000</u>	<u>545,000</u>	<u>10,000</u>
Net change in fund balance	3,496,533	5,207,170	5,689,922	482,752
Fund balance - beginning	<u>11,778,346</u>	<u>11,778,346</u>	<u>11,778,346</u>	<u>-</u>
Fund balance - ending	<u>\$ 15,274,879</u>	<u>\$ 16,985,516</u>	<u>\$ 17,468,268</u>	<u>\$ 482,752</u>

L'Anse Creuse Public Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th of Each June Fiscal Year)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. School district's proportion of net pension liability (%)	0.6692%	0.6721%	0.6881%	0.7069%	0.7304%	0.7491%	0.7530%	0.7407%		
B. School district's proportionate share of net pension liability	\$ 158,432,851	\$ 230,861,374	\$ 227,876,568	\$ 212,521,232	\$ 189,276,265	\$ 186,886,903	\$ 183,916,898	\$ 163,151,544		
C. School district's covered payroll	\$ 60,532,656	\$ 58,247,533	\$ 59,621,067	\$ 58,612,365	\$ 60,207,202	\$ 63,081,719	\$ 62,639,375	\$ 60,159,805		
D. School district's proportionate share of net pension liability as a percentage of its covered payroll	261.73%	396.35%	382.21%	362.59%	314.37%	296.26%	293.61%	271.20%		
E. Plan fiduciary net position as a percentage of total pension liability	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%		

Note Disclosure

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2021.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2021.

L'Anse Creuse Public Schools
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. Statutorily required contributions	\$ 23,321,166	\$ 19,887,639	\$ 18,654,934	\$ 18,221,103	\$ 19,599,868	\$ 11,108,756	\$ 13,203,368	\$ 13,198,825		
B. Contributions in relation to statutorily required contributions	<u>23,321,166</u>	<u>19,887,639</u>	<u>18,654,934</u>	<u>18,221,103</u>	<u>19,599,868</u>	<u>11,108,756</u>	<u>13,203,368</u>	<u>13,198,825</u>		
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
D. School district's covered payroll	\$ 64,135,872	\$ 59,450,511	\$ 58,406,713	\$ 59,866,692	\$ 58,764,991	\$ 60,182,979	\$ 66,337,643	\$ 60,296,139		
E. Contributions as a percentage of covered payroll	36.36%	33.45%	31.94%	30.44%	33.35%	18.46%	19.90%	21.89%		

L'Anse Creuse Public Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th of Each June Fiscal Year)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. School district's proportion of net OPEB liability (%)	0.6746%	0.6599%	0.6842%	0.6901%	0.7306%					
B. School district's proportionate share of net OPEB liability	\$ 10,296,273	\$ 35,351,153	\$ 49,112,894	\$ 54,858,609	\$ 64,695,245					
C. School district's covered payroll	\$ 60,532,656	\$ 58,247,533	\$ 59,621,067	\$ 58,612,365	\$ 60,207,202					
D. School district's proportionate share of net OPEB liability as a percentage of its covered payroll	17.01%	60.69%	82.38%	93.60%	107.45%					
E. Plan fiduciary net position as a percentage of total OPEB liability	87.33%	59.44%	48.46%	42.95%	36.39%					

Note Disclosure

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2021.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2021.

L'Anse Creuse Public Schools
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. Statutorily required contributions	\$ 5,083,260	\$ 4,849,550	\$ 4,662,787	\$ 4,683,471	\$ 3,840,504					
B. Contributions in relation to statutorily required contributions	<u>5,083,260</u>	<u>4,849,550</u>	<u>4,662,787</u>	<u>4,683,471</u>	<u>3,840,504</u>					
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
D. School district's covered payroll	\$ 64,135,872	\$ 59,450,511	\$ 58,406,713	\$ 59,866,692	\$ 58,764,991					
E. Contributions as a percentage of covered payroll	7.93%	8.16%	7.98%	7.82%	6.54%					

OTHER SUPPLEMENTARY INFORMATION

L'Anse Creuse Public Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds		Debt Service Funds				Capital Project Funds		Total Nonmajor Governmental Funds
	Food and Nutrition	Student/School Activity Fund	2017A Refunding	2015 Refunding	2021 Refunding	2019 Refunding	2010A Capital Projects Fund	2008 Capital Projects Fund	
Assets									
Cash	\$ 2,313,581	\$ 1,944,386	\$ 8,423	\$ -	\$ 20,530	\$ 631,347	\$ -	\$ -	\$ 4,918,267
Accounts receivable	747	6,262	-	-	-	-	-	-	7,009
Due from other funds	297,926	38,784	-	-	-	11,093	3,478	1,211	352,492
Due from other governmental units	287,451	-	-	-	-	-	-	-	287,451
Interest receivable	-	-	476	-	-	-	-	-	476
Inventory	73,699	-	-	-	-	-	-	-	73,699
Investments	-	-	-	-	-	508,734	580,636	1,623,514	2,712,884
Prepaid items	11,895	-	-	-	-	-	-	-	11,895
Total assets	\$ 2,985,299	\$ 1,989,432	\$ 8,899	\$ -	\$ 20,530	\$ 1,151,174	\$ 584,114	\$ 1,624,725	\$ 8,364,173
Liabilities									
Accounts payable	\$ 88,736	\$ 43,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,568
Due to other funds	428,738	478,725	-	-	-	1,151,174	1,211	333,115	2,392,963
Unearned revenue	173,434	-	-	-	-	-	-	-	173,434
Total liabilities	690,908	522,557	-	-	-	1,151,174	1,211	333,115	2,698,965
Fund Balances									
Non-spendable									
Inventory	73,699	-	-	-	-	-	-	-	73,699
Prepaid items	11,895	-	-	-	-	-	-	-	11,895
Restricted for									
Food service	2,208,797	-	-	-	-	-	-	-	2,208,797
Debt service	-	-	8,899	-	20,530	-	-	-	29,429
Capital projects	-	-	-	-	-	-	582,903	1,291,610	1,874,513
Committed for									
Student/school activities	-	1,466,875	-	-	-	-	-	-	1,466,875
Total fund balances	2,294,391	1,466,875	8,899	-	20,530	-	582,903	1,291,610	5,665,208
Total liabilities and fund balances	\$ 2,985,299	\$ 1,989,432	\$ 8,899	\$ -	\$ 20,530	\$ 1,151,174	\$ 584,114	\$ 1,624,725	\$ 8,364,173

L'Anse Creuse Public Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Funds		Debt Service Funds				Capital Project Funds		Total Nonmajor Governmental Funds
	Food and Nutrition	Student/School Activity Fund	2017A Refunding	2015 Refunding	2021 Refunding	2019 Refunding	2010A Capital Projects Fund	2008 Capital Projects Fund	
Revenues									
Local sources	\$ 755,871	\$ 2,156,348	\$ 458,828	\$ 2,274,198	\$ 1,137,101	\$ 1,915,270	\$ -	\$ 3,396	\$ 8,701,012
State sources	112,247	4,924	16,275	80,665	40,332	67,928	-	-	322,371
Federal sources	5,635,633	-	-	-	-	-	-	-	5,635,633
Total revenues	6,503,751	2,161,272	475,103	2,354,863	1,177,433	1,983,198	-	3,396	14,659,016
Expenditures									
Current									
Education									
Supporting services	-	2,043,014	-	-	-	-	-	-	2,043,014
Food services	5,038,622	-	-	-	-	-	-	-	5,038,622
Facilities acquisition	-	-	-	-	-	-	29,031	723,454	752,485
Debt service									
Principal	-	-	1,000,000	4,265,000	-	2,625,000	-	-	7,890,000
Interest and other expenditures	-	-	49,998	1,470,490	2,201,117	1,887,033	-	-	5,608,638
Total expenditures	5,038,622	2,043,014	1,049,998	5,735,490	2,201,117	4,512,033	29,031	723,454	21,332,759
Excess (deficiency) of revenues over expenditures	1,465,129	118,258	(574,895)	(3,380,627)	(1,023,684)	(2,528,835)	(29,031)	(720,058)	(6,673,743)
Other Financing Sources (Uses)									
Proceeds from school loan revolving fund	-	-	560,176	3,216,140	954,979	-	-	-	4,731,295
Transfers in	-	-	-	11,093	-	1,208,825	-	-	1,219,918
Transfers out	(220,000)	-	-	-	-	-	-	-	(220,000)
Total other financing sources (uses)	(220,000)	-	560,176	3,227,233	954,979	1,208,825	-	-	5,731,213
Net change in fund balances	1,245,129	118,258	(14,719)	(153,394)	(68,705)	(1,320,010)	(29,031)	(720,058)	(942,530)
Fund balances - beginning	1,049,262	1,348,617	23,618	153,394	89,235	1,320,010	611,934	2,011,668	6,607,738
Fund balances - ending	\$ 2,294,391	\$ 1,466,875	\$ 8,899	\$ -	\$ 20,530	\$ -	\$ 582,903	\$ 1,291,610	\$ 5,665,208

L'Anse Creuse Public Schools
Other Supplementary Information
Food and Nutrition Fund - Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources	\$ 210,450	\$ 657,316	\$ 755,871	\$ 98,555
State sources	169,000	169,000	112,247	(56,753)
Federal sources	<u>4,154,149</u>	<u>5,315,003</u>	<u>5,635,633</u>	<u>320,630</u>
Total revenues	4,533,599	6,141,319	6,503,751	362,432
Expenditures				
Current				
Education				
Food services	<u>4,226,390</u>	<u>4,613,713</u>	<u>5,038,622</u>	<u>424,909</u>
Excess of revenues over expenditures	307,209	1,527,606	1,465,129	(62,477)
Other Financing Uses				
Transfers out	<u>(195,000)</u>	<u>(210,000)</u>	<u>(220,000)</u>	<u>10,000</u>
Net change in fund balance	112,209	1,317,606	1,245,129	(52,477)
Fund balance - beginning	<u>1,049,262</u>	<u>1,049,262</u>	<u>1,049,262</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,161,471</u>	<u>\$ 2,366,868</u>	<u>\$ 2,294,391</u>	<u>\$ (52,477)</u>

L'Anse Creuse Public Schools
Other Supplementary Information
Student/School Activity Fund - Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources	\$ 1,368,193	\$ 1,946,927	\$ 2,156,348	\$ 209,421
State sources	5,000	5,000	4,924	(76)
Total revenues	1,373,193	1,951,927	2,161,272	209,345
Expenditures				
Current				
Education				
Supporting services	<u>1,185,099</u>	<u>1,795,683</u>	<u>2,043,014</u>	<u>247,331</u>
Excess (deficiency) of revenues over expenditures	188,094	156,244	118,258	(37,986)
Fund balance - beginning	<u>1,348,617</u>	<u>1,348,617</u>	<u>1,348,617</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,536,711</u>	<u>\$ 1,504,861</u>	<u>\$ 1,466,875</u>	<u>\$ (37,986)</u>

L'Anse Creuse Public Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2022

Year Ending June 30,	2019 Refunding	2021 Refunding	2015 Refunding	Total
2023	\$ 2,750,000	\$ 8,840,000	\$ 4,435,000	\$ 16,025,000
2024	2,875,000	8,955,000	4,600,000	16,430,000
2025	3,000,000	9,160,000	4,695,000	16,855,000
2026	3,125,000	14,175,000	-	17,300,000
2027	3,250,000	14,335,000	-	17,585,000
2028	3,375,000	14,550,000	-	17,925,000
2029	3,500,000	14,790,000	-	18,290,000
2030	3,625,000	15,055,000	-	18,680,000
2031	3,750,000	15,345,000	-	19,095,000
2032	3,875,000	15,395,000	-	19,270,000
2033	4,000,000	6,300,000	-	10,300,000
2034	4,125,000	6,300,000	-	10,425,000
2035	4,250,000	6,300,000	-	10,550,000
2036	-	-	2,885,000	2,885,000
2037	-	-	2,870,000	2,870,000
2038	-	-	2,850,000	2,850,000
2039	-	-	2,835,000	2,835,000
2040	-	-	2,835,000	2,835,000
Total	<u>\$ 45,500,000</u>	<u>\$ 149,500,000</u>	<u>\$ 28,005,000</u>	<u>\$ 223,005,000</u>
Principal payments due the first day of	May	May	May	
Interest payments due the first day of	May and November	May and November	May and November	
Interest rate	3.64%	.36% - 2.41%	3.75% - 5.00%	
Original issue	<u>\$ 53,000,000</u>	<u>\$ 149,500,000</u>	<u>\$ 118,685,000</u>	

STATISTICAL SECTION AND OTHER INFORMATION
(UNAUDITED)

L'Anse Creuse Public Schools
Description of Statistical Section
June 30, 2022

This part of the School District's Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the School District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trend Information These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	7 - 2
Revenue Capacity Information These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	7 - 6
Debt Capacity Information These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	7 - 10
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	7 - 13
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	7 - 15

L'Anse Creuse Public Schools
Net Position by Component - Governmental Activities
Last Ten Fiscal Years (Unaudited)

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net investment in capital assets	\$ (28,629,620)	\$ (27,266,485)	\$ (32,670,011)	\$ (35,244,396)	\$ (49,436,681)	\$ (52,691,962)	\$ (54,588,283)	\$ (53,753,586)	\$ (51,777,649)	\$ (45,677,604)
Restricted	6,947,846	6,266,739	6,423,333	2,784,106	2,784,106	2,784,106	2,609,352	2,539,999	2,932,443	538,351
Unrestricted	16,131,141	7,200,187	(160,959,890)	(173,012,748)	(162,392,299)	(229,461,070)	(230,273,946)	(236,466,051)	(234,612,405)	(208,041,997)
 Total primary government net position	 \$ (5,550,633)	 \$ (13,799,559)	 \$ (187,206,568)	 \$ (205,473,038)	 \$ (209,044,874)	 \$ (279,368,926)	 \$ (282,252,877)	 \$ (287,679,638)	 \$ (283,457,611)	 \$ (253,181,250)

Source: L'Anse Creuse Public Schools audited financial statements

L'Anse Creuse Public Schools
Changes in Governmental Net Position
Last Ten Fiscal Years (Unaudited)

	Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses - Governmental activities										
Instruction	\$ 68,532,927	\$ 68,736,723	\$ 69,740,957	\$ 71,586,409	\$ 69,870,823	\$ 71,865,210	\$ 70,722,007	\$ 73,154,688	\$ 73,930,259	\$ 65,971,353
Support services	40,821,968	35,453,725	37,776,250	37,864,068	38,402,558	39,100,578	38,888,643	42,812,561	40,374,754	39,328,831
Athletics	1,211,037	1,130,961	1,217,079	1,288,005	1,309,020	1,336,811	1,184,341	1,252,356	1,299,994	1,233,136
Food services	3,470,530	3,443,312	3,686,494	3,524,938	3,617,619	3,576,016	3,678,136	4,092,525	4,013,212	4,291,274
Community services	2,105,734	1,788,787	1,865,625	1,838,853	1,873,620	2,022,427	1,940,061	1,721,928	1,503,290	1,455,326
Payments to other public schools	83,600	65,000	68,166	71,990	65,998	-	-	-	-	-
Interest on long-term debt and other expenses	14,303,588	14,414,135	11,289,345	15,079,454	9,090,419	10,415,358	9,956,684	9,577,638	9,873,999	6,574,552
Loss on sale of capital assets (unallocated)	-	-	-	3,803,944	-	1,827,440	743,897	72,908	1,117,966	1,559,115
Depreciation (unallocated)	9,475,243	9,803,612	10,063,160	9,876,872	9,284,816	8,786,497	8,765,498	8,674,148	8,705,017	8,482,403
Total expenses - Governmental activities	140,004,627	134,836,255	135,707,076	144,934,533	133,514,873	138,930,337	135,879,267	141,358,752	140,818,491	128,895,990
Program Revenue										
Charges for services:										
Instruction	-	-	-	135,000	152,250	142,750	-	-	-	-
Supporting services	-	-	-	-	-	-	-	2,397,719	-	2,156,348
Athletics	300,094	324,162	316,859	313,313	313,883	298,405	290,693	227,179	42,689	121,541
Food services	1,279,396	1,329,743	1,447,268	1,400,049	1,562,927	1,400,382	1,370,367	954,350	188,098	755,871
Community services	2,733,310	2,701,483	2,895,541	2,563,627	2,483,494	2,729,498	2,669,594	1,784,123	1,170,765	1,720,503
Capital grants and contributions	-	-	-	-	-	5,063	14,217	-	-	-
Operating grants and contributions	22,567,024	22,900,529	23,744,933	25,684,089	27,282,867	27,779,894	28,092,463	30,023,719	41,415,409	46,051,842
Total program revenue	26,879,824	27,255,917	28,404,601	30,096,078	31,795,421	32,355,992	32,437,334	35,387,090	42,816,961	50,806,105
Net Expenses	(113,124,803)	(107,580,338)	(107,302,475)	(114,838,455)	(101,719,452)	(106,574,345)	(103,441,933)	(105,971,662)	(98,001,530)	(78,089,885)
General Revenue										
Property taxes	29,533,151	29,071,199	29,960,228	30,300,644	30,804,299	31,570,020	32,788,952	34,091,493	36,277,970	36,754,262
State aid not restricted to specific purposes	70,588,678	69,454,534	67,894,784	65,417,081	65,865,945	65,573,565	66,321,353	64,038,093	65,429,412	65,712,626
Federal revenue - Unrestricted	-	-	38,009	39,103	43,438	40,271	-	-	-	-
Investment earnings	319,847	134,671	101,322	121,897	116,513	111,114	187,971	122,171	260,057	97,039
Gain on the sale of capital assets	62,587	52,409	171,957	-	-	-	-	-	-	-
Other	380,006	618,599	878,021	693,260	1,317,421	1,211,053	1,259,706	919,718	256,118	5,802,319
Total general revenue	100,884,269	99,331,412	99,044,321	96,571,985	98,147,616	98,506,023	100,557,982	99,171,475	102,223,557	108,366,246
Change in Net Position	\$ (12,240,534)	\$ (8,248,926)	\$ (8,258,154)	\$ (18,266,470)	\$ (3,571,836)	\$ (8,068,322)	\$ (2,883,951)	\$ (6,800,187)	\$ 4,222,027	\$ 30,276,361

Source: L'Anse Creuse Public Schools audited financial statements

L'Anse Creuse Public Schools
Fund Balances - Governmental Funds
Last Ten Fiscal Years (Unaudited)

	June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Post GASB 54:										
Nonspendable	\$ 142,617	\$ 576,099	\$ 388,700	\$ 524,197	\$ 551,291	\$ 475,460	\$ 630,759	\$ 714,325	\$ 1,036,404	\$ 1,654,025
Assigned	2,182,896	4,342,534	1,959,400	257,850	569,050	247,350	228,350	199,150	180,650	2,723,161
Unassigned	7,292,622	7,436,732	5,776,827	5,535,299	5,063,178	4,021,264	4,097,100	5,078,534	10,561,292	13,091,082
Total General Fund	\$ 9,618,135	\$ 12,355,365	\$ 8,124,927	\$ 6,317,346	\$ 6,183,519	\$ 4,744,074	\$ 4,956,209	\$ 5,992,009	\$ 11,778,346	\$ 17,468,268
All other governmental funds:										
Post GASB 54:										
Nonspendable	\$ 5,276	\$ 50,765	\$ 45,223	\$ 47,431	\$ 40,019	\$ 46,113	\$ 24,912	\$ 88,715	\$ 57,704	\$ 85,594
Restricted	29,564,126	20,332,708	16,587,757	14,067,494	10,383,205	6,344,728	4,549,245	4,794,369	5,226,456	5,505,905
Committed	5,285,104	1,222,386	1,222,386	1,022,386	-	-	-	1,373,662	1,348,617	1,466,875
Assigned	-	9,131	4,102	4,102	4,316	-	-	-	-	-
Total all other governmental funds	\$ 34,854,506	\$ 21,614,990	\$ 17,859,468	\$ 15,141,413	\$ 10,427,540	\$ 6,390,841	\$ 4,574,157	\$ 6,256,746	\$ 6,632,777	\$ 7,058,374

Source: L'Anse Creuse Public Schools audited

L'Anse Creuse Public Schools
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years (Unaudited)

	Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue										
Local revenue	\$ 34,545,804	\$ 34,788,367	\$ 35,433,857	\$ 35,777,717	\$ 36,577,123	\$ 36,756,569	\$ 37,877,227	\$ 39,734,983	\$ 38,819,694	\$ 41,563,427
State revenue	81,919,468	82,155,709	82,380,390	82,575,542	84,439,549	85,216,719	85,985,840	84,662,389	87,747,176	90,597,248
Federal revenue	8,577,897	8,383,197	7,457,640	6,716,623	7,039,193	6,659,706	6,967,151	7,888,603	13,444,588	19,640,778
Interdistrict revenue	1,891,130	1,816,157	1,839,696	1,922,260	1,862,371	2,172,279	2,165,098	2,309,586	6,328,521	7,370,898
Total revenue	126,934,299	127,143,430	127,111,583	126,992,142	129,918,236	130,805,273	132,995,316	134,595,561	146,339,979	159,172,351
Expenditures										
Instruction	68,532,927	67,736,723	69,846,745	69,471,311	69,173,154	69,867,880	69,462,876	68,115,412	71,688,833	77,210,787
Support services	37,824,304	37,355,569	37,968,530	36,825,408	38,125,653	37,960,217	38,274,245	39,667,977	39,224,340	46,178,160
Athletics	1,211,037	1,130,961	1,245,132	1,252,674	1,299,581	1,297,824	1,165,630	1,160,371	1,262,953	1,447,893
Food services	3,470,530	3,443,312	3,686,494	3,428,244	3,591,534	3,471,722	3,620,026	3,791,928	3,898,863	5,038,622
Community services	2,105,734	1,788,787	1,873,423	1,788,411	1,860,110	1,963,444	1,909,410	1,595,453	1,460,454	1,708,780
Debt service:										
Principal	15,635,000	13,750,000	15,565,000	12,100,000	109,331,550	11,505,000	12,145,000	41,030,000	117,620,000	39,890,000
Interest	12,926,718	12,321,183	7,973,618	11,260,035	9,475,328	11,260,885	10,852,362	10,189,062	9,380,695	6,468,313
Other	751,644	567,615	1,178,010	501,097	572,166	107,189	107,189	107,189	107,189	-
Capital outlay	20,207,616	9,097,334	5,625,405	4,445,277	3,680,075	4,444,675	1,360,331	89,047	2,797,226	952,044
Payments to other public schools	83,600	65,000	68,166	71,990	65,998	-	-	-	-	-
Total expenditures	162,749,110	147,256,484	145,030,523	141,144,447	237,175,149	141,878,836	138,897,069	165,746,439	247,440,553	178,894,599
Excess of Expenditures Over Revenue	(35,814,811)	(20,113,054)	(17,918,940)	(14,152,305)	(107,256,913)	(11,073,563)	(5,901,753)	(31,150,878)	(101,100,574)	(19,722,248)
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	148,350	122,215	171,957	3,278,240	24,801	259,923	361,390	17,640	19,513	325,000
Transfers in	430,558	4,279,132	335,788	674,838	1,234,692	200,122	3,026,147	320,283	300,656	1,439,918
Transfers out	(430,558)	(4,279,132)	(335,788)	(674,838)	(1,234,692)	(200,122)	(3,026,147)	(320,283)	(300,656)	(1,439,918)
Debt issuance	12,006,029	9,488,553	127,830,000	6,348,429	101,952,885	5,337,496	3,935,814	85,478,201	180,909,042	25,512,767
Debt premium or discount	-	-	15,300,918	-	431,527	-	-	-	-	-
Debt defeasance	-	-	(133,369,895)	-	-	-	-	(53,000,000)	(73,665,613)	-
Total other financing sources	12,154,379	9,610,768	9,932,980	9,626,669	102,409,213	5,597,419	4,297,204	32,495,841	107,262,942	25,837,767
Net Change in Fund Balances	(23,660,432)	(10,502,286)	(7,985,960)	(4,525,636)	(4,847,700)	(5,476,144)	(1,604,549)	1,344,963	6,162,368	6,115,519
Fund Balances - Beginning of year	68,133,073	44,472,641	33,970,355	25,984,395	21,458,759	16,611,059	11,134,915	10,903,792	12,248,755	18,411,123
Fund Balances - End of year	\$ 44,472,641	\$ 33,970,355	\$ 25,984,395	\$ 21,458,759	\$ 16,611,059	\$ 11,134,915	\$ 9,530,366	\$ 12,248,755	\$ 18,411,123	\$ 24,526,642
Debt Service as a Percentage of Noncapital Expenditures	25.9%	23.9%	21.6%	21.2%	20.2%	20.0%	20.2%	44.9%	44.0%	35.2%

Source: L'Anse Creuse Public Schools audited financial statements

* 2020 Beginning fund balance restated due to the implementation of GASB 84.

** The debt service payments including current refunding activity (payments to escrow agents). These payments were removed from the calculation to arrive at this percentage.

L'Anse Creuse Public Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Tax Year	Taxable Value by Property Type					Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a Percentage of Actual	
	Real Property				Agricultural and Other					Personal Property
	Residential	Commercial	Industrial							
2012	1,503,679,964	364,340,632	191,429,165	3,553,473	209,452,451	2,272,455,685	25.00	4,655,989,248	49	
2013	1,497,036,943	352,284,963	185,033,954	3,337,292	206,260,581	2,243,953,733	25.00	4,602,953,300	49	
2014	1,535,697,788	359,316,396	186,202,079	3,128,065	191,393,107	2,275,737,435	25.00	4,767,111,686	48	
2015	1,587,444,131	360,791,635	190,003,837	3,145,241	200,575,186	2,341,960,030	25.00	5,219,009,096	45	
2016	1,632,860,574	372,436,592	191,523,707	1,273,096	134,506,554	2,332,600,523	25.00	5,525,259,122	42	
2017	1,692,694,538	378,845,350	195,542,942	1,284,526	130,164,840	2,398,532,196	25.00	5,773,243,046	42	
2018	1,777,236,555	397,303,194	204,919,639	285,751	119,903,600	2,499,648,739	25.00	5,969,832,666	42	
2019	1,870,406,991	422,846,997	215,864,067	292,607	122,266,200	2,631,676,862	25.00	6,430,618,518	41	
2020	1,954,043,212	440,399,538	229,716,048	298,165	126,711,553	2,751,168,516	24.90	6,869,771,074	40	
2021	2,026,978,338	450,064,512	235,186,053	302,338	127,508,200	2,840,039,441	24.85	7,231,385,200	39	

Note: Under Michigan law, the revenue base is taxable value.
Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

Source: Macomb County Equalization Department

L'Anse Creuse Public Schools
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years (Unaudited)

		Millage Rates - Direct School District Taxes						Overlapping Taxes													
		Operating			Total Direct Taxes			City of											Township of		
Fiscal Year	Ended	Homestead	Non-homestead	Debt*	Homestead	Non-homestead	Macomb County	Macomb Community College	Intermediate School District	State Education	Huron - Clinton Metro Authority	Mount Clemens	St. Clair Shores	Clinton	Chesterfield	Harrison	Macomb	Other**			
Tax Year	June 30																				
2012	2013	-	18.00	7.00	7.00	25.00	4.6135	1.5712	2.9430	6.0000	0.2146	18.6629	19.4518	13.6489	8.8001	6.7847	4.5886	0.6900			
2013	2014	-	18.00	7.00	7.00	25.00	4.6135	1.5312	2.9430	6.0000	0.2146	18.6639	20.5388	15.9289	8.8001	7.2916	4.5886	0.8900			
2014	2015	-	18.00	7.00	7.00	25.00	4.6135	1.5262	2.9430	6.0000	0.2000	18.6639	20.9950	16.2889	9.7026	7.7916	4.9786	1.1000			
2015	2016	-	18.00	7.00	7.00	25.00	4.6135	1.5302	2.9430	6.0000	0.2146	24.8062	21.2602	16.2952	9.6867	7.7522	4.9660	1.1000			
2016	2017	-	18.00	7.00	7.00	25.00	4.6014	1.4174	2.9354	6.0000	0.2146	24.8045	21.2309	16.2902	9.6007	8.7587	4.9443	1.0971			
2017	2018	-	18.00	7.00	7.00	25.00	4.5974	1.4072	2.9147	6.0000	0.2140	24.6999	24.4089	16.2324	9.4090	8.4885	6.3470	1.2871			
2018	2019	-	18.00	7.00	7.00	25.00	4.5651	1.4640	2.8945	6.0000	0.2129	24.6880	25.2168	15.7371	9.4011	9.1858	6.3243	1.2950			
2019	2020	-	17.98	7.00	7.00	24.98	4.5266	1.4531	2.8744	6.0000	0.2117	24.6073	24.9009	15.7003	9.3397	9.1741	6.3292	1.2853			
2020	2021	-	17.90	7.00	7.00	24.90	4.5807	1.4387	4.7296	6.0000	0.2104	24.2870	21.7145	15.6580	9.3320	9.1621	6.3020	1.2724			
2021	2022	-	17.85	7.00	7.00	24.85	4.4381	1.4247	4.6845	6.0000	0.2089	25.0699	23.9435	15.6226	9.3236	9.1020	6.1140	1.2599			

* Debt millages apply to homestead and non-homestead property.

** Suburban Mobility Authority Regional Transportation (SMART), Art Institute, and Zoo Authority

Source: Macomb County Apportionment Report and Municipal Finance

**L'Anse Creuse Public Schools
Principal Property Taxpayers
Year Ended June 30, 2022 (Unaudited)**

Taxpayer	2021 Taxable		Percentage of Total	2012 Taxable		Percentage of Total
	Value	Rank		Value	Rank	
DTE Energy	\$38,496,000	1	32.47%	\$30,922,148	1	23.62%
Consumers Energy	\$17,142,400	2	14.46%			
Harbours Apartments	\$14,022,764	3	11.83%			
Chesterfield Care 2017, LLC	\$10,039,500	4	8.47%			
Paragon Properties	\$8,224,669	5	6.94%	\$8,399,180	7	6.41%
Tower Automotive	\$7,111,271	6	6.00%	\$14,993,900	6	11.45%
Beechwood Townhomes of Harrison Twp	\$6,798,671	7	5.74%			
PMAT Waterside Chesterfield, LLC	\$6,287,500	8	5.30%			
HJH Chesterfield 1 LLC ETAL	\$5,269,346	9	4.45%			
Walmart Properties	\$5,151,200	10	4.35%	\$6,758,250	10	5.16%
Aspen Creek / Chesterfield Farms Apartments				\$8,986,249	6	6.86%
Meijer				\$6,919,817	9	5.28%
Dupont / Mt. Clemens Coating				\$25,543,997	2	19.51%
Schaller Corporation / ISI				\$8,275,837	8	6.32%
USM / Emhart Corporation / Emhart Teknologies				\$8,991,750	5	6.87%
Waterside Marketplace LLC				\$11,148,950	4	8.51%

Source: Municipalities within the school district boundaries

**L'Anse Creuse Public Schools
Property Tax Levies and Collections
Last Ten Fiscal Years (Unaudited)**

Tax Year	Fiscal Year Ended June 30	Unadjusted Total Levy	Current Collections	Percent Collected	Delinquent Collections (Refunds)	Total Tax Collections	Percent of Initial Levy Collected
2012	2013	\$30,527,773	\$29,596,490	96.9%	(290,854)	29,305,636	96.0%
2013	2014	\$29,176,635	\$29,134,357	99.9%	107,312	29,241,669	100.2%
2014	2015	\$29,669,115	\$29,537,742	99.6%	154,824	29,692,566	100.1%
2015	2016	\$30,178,031	\$30,203,870	100.1%	(63,412)	30,140,458	99.9%
2016	2017	\$30,333,293	\$30,217,846	99.6%	31,138	30,248,984	99.7%
2017	2018	\$30,904,422	\$30,834,971	99.8%	11,780	30,846,750	99.8%
2018	2019	\$32,158,198	\$32,126,479	99.9%	3,051	32,129,530	99.9%
2019	2020	\$33,803,636	\$33,370,007	98.7%	16,967	33,386,974	98.8%
2020	2021	\$35,242,582	\$35,365,794	100.3%	(89,694)	35,276,100	100.1%
2021	2022	\$36,255,612	\$36,151,772	99.7%	(27,469)	36,124,303	99.6%

Source: Macomb County Equalization Department and State of Michigan (State Aid Status Report)

**L'Anse Creuse Public Schools
Ratios of Outstanding Debt
Last Ten Fiscal Years (Unaudited)**

Fiscal Year	General Obligation Bonds	Less Pledged Debt Service Funds	Net General Bonded Debt	Other General Obligation Debt	Total General Obligation Debt	Taxable Value	Net General Bonded Debt as a Percentage of		Population	Net General Bonded Debt		Per Capita Personal Income (C)	Ratio of Total Debt to Personal Income
							Total Debt as a Percentage of Taxable Value	Percentage of Taxable Value		per Capita	Total Debt per Capita		
2013	257,335,000	-	257,335,000	51,743,339	309,078,339	2,272,455,685	11.32%	13.60%	68,000 (B)	3,784	4,545	27,972	16.25%
2014	243,585,000	-	243,585,000	63,117,915	306,702,915	2,243,953,733	10.86%	13.67%	69,512 (B)	3,504	4,412	26,618	16.58%
2015	217,975,000	-	217,975,000	74,493,777	292,468,777	2,275,737,435	9.58%	12.85%	70,120 (B)	3,109	4,171	26,748	15.59%
2016	205,875,000	-	205,875,000	83,429,317	289,304,317	2,341,960,030	8.79%	12.35%	70,558 (B)	2,918	4,100	27,145	15.10%
2017	284,125,000	-	284,125,000	49,710	284,174,710	2,332,600,523	12.18%	12.18%	70,942 (B)	4,005	4,006	27,525	14.55%
2018	272,620,000	-	272,620,000	5,420,027	278,040,027	2,398,532,196	11.37%	11.59%	71,179 (B)	3,830	3,906	28,588	13.66%
2019	260,475,000	-	260,475,000	9,561,118	270,036,118	2,499,648,739	10.42%	10.80%	71,452 (B)	3,645	3,779	29,740	12.71%
2020	219,445,000	-	219,445,000	42,536,708	261,981,708	2,631,676,862	8.34%	9.95%	72,413 (B)	3,030	3,618	31,104	11.63%
2021	262,895,000	-	262,895,000	7,464	262,902,464	2,751,168,516	9.56%	9.56%	72,359 (B)	3,633	3,633	32,238	11.27%
2022	223,005,000	-	223,005,000	25,578,674	248,583,674	2,840,039,441	7.85%	8.75%	72,096 (B)	3,093	3,448	33,327	10.35%

Population estimates derived from Southeast Michigan Council of Governments (A) and U.S. Census Bureau (B). Personal income from Bureau of Economic Statistics (C)

L'Anse Creuse Public Schools
Direct and Overlapping Governmental Activities Debt
Year Ended June 30, 2022 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
City of Mount Clemens	\$ 7,270,414	4.05%	\$ 294,811
City of St. Clair Shores	29,144,785	0.10%	29,157
Chesterfield Township	26,412,388	52.73%	13,928,426
Clinton Township	57,079,475	14.62%	8,342,286
Harrison Township	17,186,224	100.00%	17,186,224
Macomb Township	56,257,798	8.42%	4,738,873
Macomb County	796,639,851	9.18%	73,129,887
Clinton-Macomb Public Library	74,375,860	11.39%	<u>8,471,410</u>
Total overlapping debt			126,121,073
Direct School District Debt:			
General obligation bonds			223,005,000
School Bond Loan/School Loan Revolving Fund			<u>25,578,674</u>
Total direct and overlapping debt			<u>\$ 374,704,747</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses within the School District. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is not within other districts.

L'Anse Creuse Public Schools
Legal Debt Margin
Last Ten Fiscal Years (Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Calculation of Debt Limit:										
State equalized valuation (SEV)	\$ 2,327,994,624	\$ 2,301,476,650	\$ 2,383,555,843	\$ 2,609,504,548	\$ 2,762,629,561	\$ 2,886,621,523	\$ 2,984,916,333	\$ 3,215,309,259	\$ 3,434,885,537	\$ 3,615,692,600
15% of SEV	349,199,194	345,221,498	357,533,376	391,425,682	414,394,434	432,993,228	447,737,450	482,296,389	515,232,831	542,353,890
Calculation of Debt Subject to Limit:										
Total debt	257,335,000	243,585,000	217,975,000	205,875,000	284,125,000	272,620,000	270,029,346	2,631,676,862	262,895,000	223,005,000
Less debt not subject to limit - State qualified debt issuance	<u>(257,335,000)</u>	<u>(243,585,000)</u>	<u>(217,975,000)</u>	<u>(205,875,000)</u>	<u>(284,125,000)</u>	<u>(272,620,000)</u>	<u>(270,029,346)</u>	<u>(2,631,676,862)</u>	<u>(262,895,000)</u>	<u>(223,005,000)</u>
Net debt subject to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	\$ 349,199,194	\$ 345,221,498	\$ 357,533,376	\$ 391,425,682	\$ 414,394,434	\$ 432,993,228	\$ 447,737,450	\$ 482,296,389	\$ 515,232,831	\$ 542,353,890
Net debt subject to limit as % of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: All bonds qualified under Article IX, Section 16 of the Michigan Constitution of 1963 are exempt from computation of the legal debt margin.

Source: Municipal Advisory Council of Michigan

**L'Anse Creuse Public Schools
Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Population	Median Household Income	Median Age	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2013	847,710	53,184	39.8	21,089,329,380	24,878	9.5
2014	854,769	53,628	40.0	22,752,241,242	26,618	9.1
2015	860,112	53,451	41.0	23,006,275,776	26,748	6.3
2016	864,840	54,059	41.1	23,476,081,800	27,145	5.6
2017	867,730	54,582	41.1	23,884,268,250	27,525	4.2
2018	871,375	55,951	41.1	24,910,868,500	28,588	4.1
2019	874,759	58,175	41.1	26,015,332,660	29,740	4.4
2020	873,972	60,466	41.1	27,184,025,088	31,104	19.1 *
2021	875,149	62,855	40.0	28,213,053,462	32,238	4.5
2022	889,265	64,641	41.0	29,636,534,655	33,327	4.3

Note: The statistics shown above are for the County of Macomb, which encompasses the entire School District and surrounding communities.

Sources: U.S. Census Bureau, American Community Survey, St Louis Fed

* - COVID 19 Pandemic

**L'Anse Creuse Public Schools
Principal Employers
June 30, 2022 (Unaudited)**

Taxpayer	Estimated 2022 Employees	Rank	Percentage of Total Employment	Estimated 2013 Employees	Rank	Percentage of Total Employment
General Motors Co.	20,277	1	4.58%	12,343	1	3.00%
Stellantis NV (FCA US LLC / Chrysler Group)	13,454	2	3.04%	9,423	2	2.29%
U.S. Government	6,943	3	1.57%	6,736	3	1.64%
Ford Motor Company	3,990	4	0.90%	4,179	4	1.02%
Ascension Michigan (formerly St. John)	3,145	5	0.71%	3,650	5	0.89%
McLaren Health Care Corp.	2,740	6	0.62%	-		0.00%
Utica Community Schools	2,636	7	0.60%	3,151	6	0.77%
Macomb County	2,317	8	0.52%	2,217	9	0.54%
Henry Ford Health System	2,097	9	0.47%	2,873	7	0.70%
Chippewa Valley Schools	1,678	10	0.38%	1,182	16	0.29%
Total principal employers	<u>59,277</u>			<u>45,754</u>		
Total employment Macomb County	<u>443,000</u>			<u>410,900</u>		

Source: Crains Detroit Business, Michigan Manufacturers Directory, Macomb County Department of Planning and Economic Development.

L'Anse Creuse Public Schools
Full-Time Equivalent School District Employees
Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30	General Government Function/Program				Total
	Instruction	Support Services	Community Services	Food Services	
2013	891	343	20	72	1,326
2014	884	321	20	72	1,297
2015	887	316	20	65	1,288
2016	833	242	20	75	1,170
2017	829	237	20	77	1,163
2018	771	266	20	73	1,130
2019	782	268	15	75	1,140
2020	766	271	11	70	1,118
2021	738	283	11	67	1,098
2022	767	282	12	64	1,125

Source: L'Anse Creuse Public Schools report to Michigan Education Information System - Registry of Educational Personnel.

**L'Anse Creuse Public Schools
Operating Indicators
Last Ten Fiscal Years (Unaudited)**

Year	Enrollment	Operating Expenditures	Cost per Pupil	Operating Revenue	Revenue per Pupil	Total Teaching Staff	Percentage of Students Qualifying for Free/Reduced Meals
2013	11,526	109,688,879	9,517	105,409,997	9,145	632	37%
2014	11,244	108,003,027	9,605	106,338,910	9,457	619	35%
2015	11,034	111,094,673	10,068	106,329,278	9,637	613	34%
2016	10,808	109,366,054	10,119	106,524,203	9,856	581	36%
2017	10,689	110,394,515	10,328	109,003,501	10,198	555	33%
2018	10,491	111,181,842	10,598	109,382,352	10,426	547	39%
2019	10,392	110,813,957	10,663	110,784,051	10,661	560	42%
2020	10,145	108,136,896	10,659	108,903,486	10,735	556	39%
2021	9,883	114,512,422	11,587	120,067,825	12,149	560	42%
2022	9,773	124,702,165	12,760	129,847,087	13,286	570	43%

Sources: CEPI and MI School Data (based on L'Anse Creuse Public Schools reports to State of Michigan)

L'Anse Creuse Public Schools
Capital Asset Information
Last Ten Fiscal Years (Unaudited)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instructional buildings:										
Elementary:										
Number of buildings	10	10	10	9	9	9	9	9	9	9
Square footage	614,018	614,018	614,018	567,936	567,936	567,936	567,936	567,936	567,936	567,936
Capacity	4,560	4,560	4,560	3,595	3,595	3,595	3,595	3,595	3,595	3,595
Enrollment	4,724	4,573	4,472	4,293	4,306	4,270	4,220	4,242	4,112	4,128
Middle:										
Number of buildings	4	4	4	4	4	4	4	4	4	4
Square footage	405,365	405,365	405,365	405,365	405,365	405,365	405,365	405,365	405,365	405,365
Capacity	3,128	3,128	3,128	3,128	3,128	3,128	3,128	3,128	3,128	3,128
Enrollment	2,770	2,719	2,617	2,583	2,515	2,500	2,495	2,405	2,341	2,155
High:										
Number of buildings	2	2	2	2	2	2	2	2	2	2
Square footage	497,896	497,896	497,896	497,896	497,896	497,896	497,896	497,896	497,896	497,896
Capacity	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975
Enrollment	3,367	3,281	3,446	3,434	3,336	3,262	3,219	3,106	3,147	3,102
Other:										
Number of buildings	8	8	8	8	7	6	6	6	6	6
Square footage	300,328	300,328	300,328	300,328	285,288	291,365	291,365	291,365	291,365	291,365
Capacity	722	722	722	722	722	355	355	355	355	355
Enrollment	665	671	499	362	393	328	323	261	211	257
Administrative:										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Square footage	53,130	53,130	53,130	53,130	53,130	53,130	53,130	53,130	53,130	53,130
Transportation:										
Number of garages	1	1	1	1	1	1	1	1	1	1
Buses	101	101	101	99	92	88	88	88	84	81
Athletics:										
Football fields	4	4	4	4	4	4	4	4	4	4
Soccer fields	8	8	8	8	8	8	8	8	8	8
Running tracks	4	4	4	4	4	4	4	4	4	4
Baseball/Softball	13	13	13	13	13	13	13	13	13	13
Swimming pools	2	2	2	2	2	2	2	2	2	2
Playgrounds	10	10	10	10	10	10	10	10	10	10
Playgrounds - Vacant (Admin)	1	1	1	1	-	-	1	1	1	-

Sources: L'Anse Creuse Public Schools business office and CEPI (mischooldata.org)