

Annual Comprehensive Financial Report



Clinton Township, MI

Year Ended
June 30, 2024

**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, 2024**

Board of Education

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Vice President
Secretary
Treasurer
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Trustee

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Michael Van Camp

Cabinet Members

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

Michael Van Camp
Kathy Konon, CPA
Anita Dzieszkowski
Lisa Montpas
Kim Rawski
Anthony Sedick
Nancy Fedon-Supanich
Brandon Streng
Donald Gratton

Report Prepared by the Business Office Department

Kathy Konon CPA, Assistant Superintendent for Business and Operations
Beth Disbrow, Director for Finance

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Mike VanCamp
INTERIM SUPERINTENDENT

BUSINESS OFFICE

Kathy Konon, CPA
ASSISTANT SUPERINTENDENT FOR
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Beth Disbrow
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September 2024

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 555 teachers, providing for an approximate 17 to 1 teacher/student ratio, teach approximately 9,347 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, 2024, 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 7.1 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 2023–2024. 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 (MPERS) 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 MPERS contribution rate can range from 20.96% to 31.34%.

L’Anse Creuse Public Schools is primarily made up of residential communities. The major industries are industrial and retail. Clinton Township and Harrison Townships building permits decreased 72.22% and 44.44% respectively. Chesterfield Township’s permits increased by 46.81% while Macomb Township’s increase was 16.49%.

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 2023–2024. The committee consisted of several board members, School District administrators, teachers, support staff, students, and parents. They met several times in the summer to collaborate on the School District’s goals. The plan was presented and approved by the Board of Education in September 2023.

The current 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. Curriculum, Instruction and Learning Provide an engaging instruction which meets the needs of our diverse learning community through student-centered curriculum.
2. Student & Staff Inclusion and Well-Being Develop an inclusive environment that builds relationships across the community, strengthens social-emotional wellness, and promotes district-wide pride.
3. Safety & Facilities Provide a safe and healthy learning and working environment with high quality facilities.
4. Fine Arts & Extracurricular Harness the power of the fine arts and vast extra-curricular activities to inspire all students, hear their voices, fuel their passions, and ignite their futures.
5. Community Engagement & Education Strengthen the connection between community members and the district by increasing visibility through communication and enrichment programs.
6. Technology Empower and develop creative thinkers, producers, and responsible digital citizens by providing and maintaining high-quality technology, infrastructure, and comprehensive technology support.
7. Athletics Create a culture of excellence that inspires our student-athletes to strive for their best, both on and off the field. Athletics is an integral part of the educational experience, and LCPS is committed to fostering an environment that promotes teamwork, sportsmanship and personal growth.

In addition to the mission, we have eight 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. Each student's individual; strengths and abilities
5. Fiscal responsibility
6. Respect for all individuals
7. Collaborative partnerships with community members, parents and teachers
8. 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.

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 90.64 percent daily. Scholarship monies offered to L'Anse Creuse seniors exceeded an estimated \$1.0 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 2024 contributed over 44,895 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 \$670,200 in grants and scholarships. This past year, it awarded nearly \$19,953 in grants to teachers and, \$11,000 in scholarships for graduating high school seniors and \$6,993 in special funding for events and projects district-wide.

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 to 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 17 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, 211 phone calls were made and 69 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 81 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 2020-2021 school year. Due to the success of the program, the district will be expanding and offering the program at an additional elementary school in 2024-2025.

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 GED preparation, literacy development, ESL (English as a Second Language), career retraining programming, and testing/assessment opportunities.

- 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 291 enrollments in 2023–2024 (August–June). The facility includes 40 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 2023–2024, the Community Education Program served over 2,300 community members. Notable, high interest offerings were fall and winter cheer, wrestling, golf, cornhole, adult and youth music lessons, martial arts, Crayola art club, competitive swim, adult water fitness 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 all year for the community. This program offers senior citizens a varied schedule of classes and activities, as well as tow out of stat trips, 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 child care services in nine elementary buildings when school is in session. The program is licensed by the state of Michigan and is staffed by certified child care workers. In the 2023–2024 school year, the program serviced 1,304 students, ages 5–12.
- Summer day camp is provided at two school buildings within the School District for summer child care 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 2023, over 398 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 200 students each month.
- During 2023-2024 L'Anse Creuse Public Schools participated in Michigan Healthy Meals program, which allowed all students to eat at no cost. We served over 1.4 million meals (breakfast and lunch) which is an increase of 40% from 2023. Due to this program requirement all schools became CEP (Community Eligibility Program). We introduced breakfast carts and served breakfast in the hallway at all elementaries which increased participation.
- In June through August, the School District, through the Summer Food Service Program, offered a summer meal program to the School Districts' students and community. The program is called Meet Up and Eat Up, and it was a continuation of the meal services we provided during the school year. The program had 3 income eligible mobile sites and 1 camp site. At the summer camp site, free meals were offered to students that attended the camp and the students that walked in from the nearby neighborhood.

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, 2024, 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 2-1 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 2023-2024 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

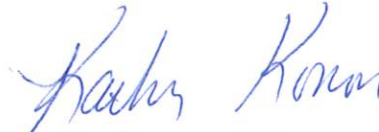
The preparation of this report on a timely basis could not have been accomplished without the effort and dedicated services of the entire staff of the financial department. We would like to express our appreciation to all the members of this office who assisted in the timely closing of the School District's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



Mike Van Camp
Interim Superintendent of Schools



Kathy Konon, CPA
Assistant Superintendent for
Business and Operations

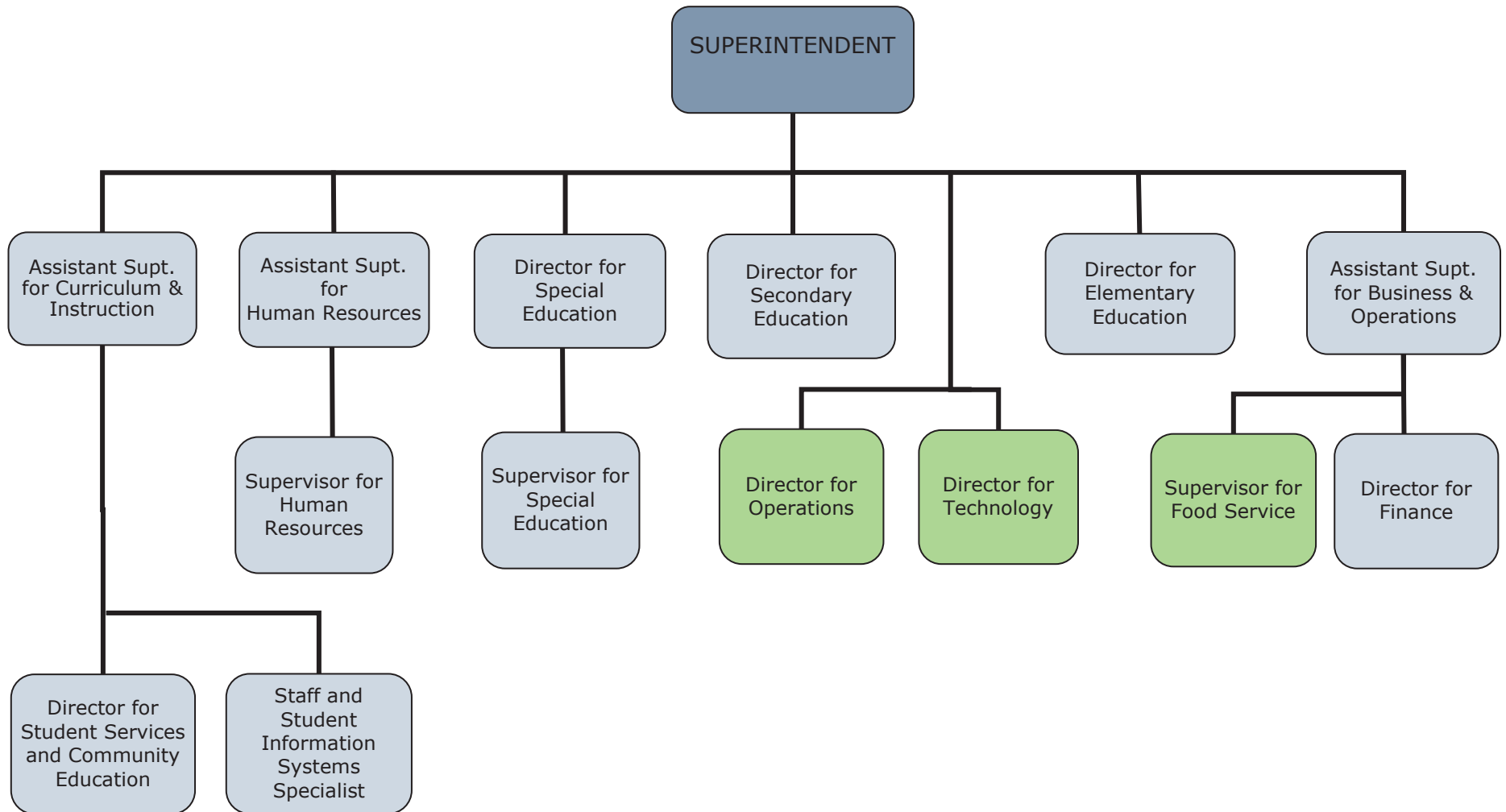


Beth A. Disbrow
Director for Finance

Harry L. Wheeler Community Center and Administrative Offices

Central Administration

2023-2024 School Year



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

Independent Auditors' 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, each major fund, and the aggregate remaining fund information of the L'Anse Creuse Public Schools, as of and for the year ended June 30, 2024, 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, each major fund, and the aggregate remaining fund information of L'Anse Creuse Public Schools, as of June 30, 2024, 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 (asset), 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 September 24, 2024, 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
September 24, 2024

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, 2024. 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 Capital Projects Fund 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, 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 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:

	2024	2023
	(in millions)	
Assets		
Current and other assets	\$ 45.8	\$ 48.3
Net OPEB asset	4.0	-
Capital assets	201.3	202.2
Total assets	251.1	250.5
Deferred Outflows of Resources		
	85.6	93.3
Total assets and deferred outflows of resources	336.7	343.8
Liabilities		
Current liabilities	40.6	21.8
Net pension liability	222.7	255.1
Net OPEB liability	-	14.3
Long-term liabilities	202.7	240.0
Total liabilities	466.0	531.2
Deferred Inflow of Resources		
	68.9	45.3
Total liabilities and deferred inflows of resources	534.9	576.5
Net Position		
Net investment in capital assets	(17.5)	(33.6)
Restricted	8.4	3.2
Unrestricted	(189.1)	(202.3)
Total net position	\$ (198.2)	\$ (232.7)

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 \$198.2 million at June 30, 2024, which is an improvement of \$34.5 million. Capital assets, net of related debt totaling a negative \$17.5 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. Of the net position amount above, \$8.4 million was restricted for food, debt services, and net OPEB. The remaining amount of net position (a deficit of \$189.1 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 \$189.1 million of this deficit unrestricted net position is the School Districts proportionate share of the net pension 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.

The key reason for the change in net position showing a decrease was due to a decrease in long-term debt related to bonds and the school loan revolving fund. These items had a net decrease of \$16.8 million due primarily to repayment of principal. 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 ending June 30:

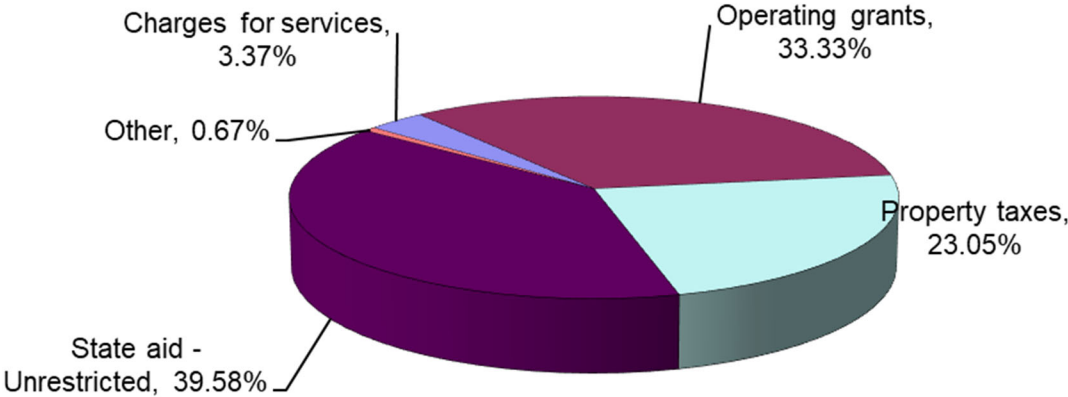
	2024	2023
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 6.1	\$ 5.9
Operating grants	60.3	59.5
General revenue:		
Property taxes	41.7	39.0
State aid - Unrestricted	71.6	68.1
Other	1.2	0.5
Total revenue	180.9	173.0
Functions/Program Expenses		
Instruction	79.2	82.4
Support services	54.2	54.6
Food services	5.6	4.9
Community services	1.8	2.5
Interest and other expenses on long-term debt	5.6	8.0
Loss on sale of capital assets (unallocated)	-	0.1
Total functions/program expenses	146.4	152.5
Decrease in Net Position	34.5	20.5
Net Position - Beginning of year	(232.7)	(253.2)
Net Position - End of year	\$ (198.2)	\$ (232.7)

As reported in the statement of activities, the cost of all of our governmental activities this year was \$146.4 million. Certain activities were partially funded from those who benefitted from the programs, \$6.1 million, or by other governments and organizations that subsidized certain programs with grants and contributions, \$60.3 million. We paid for the remaining "public benefit" portion of our governmental activities with \$41.7 million in taxes, \$71.6 million in unrestricted state aid, and \$1.2 million of our other revenue comprised of interest and general entitlements.

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

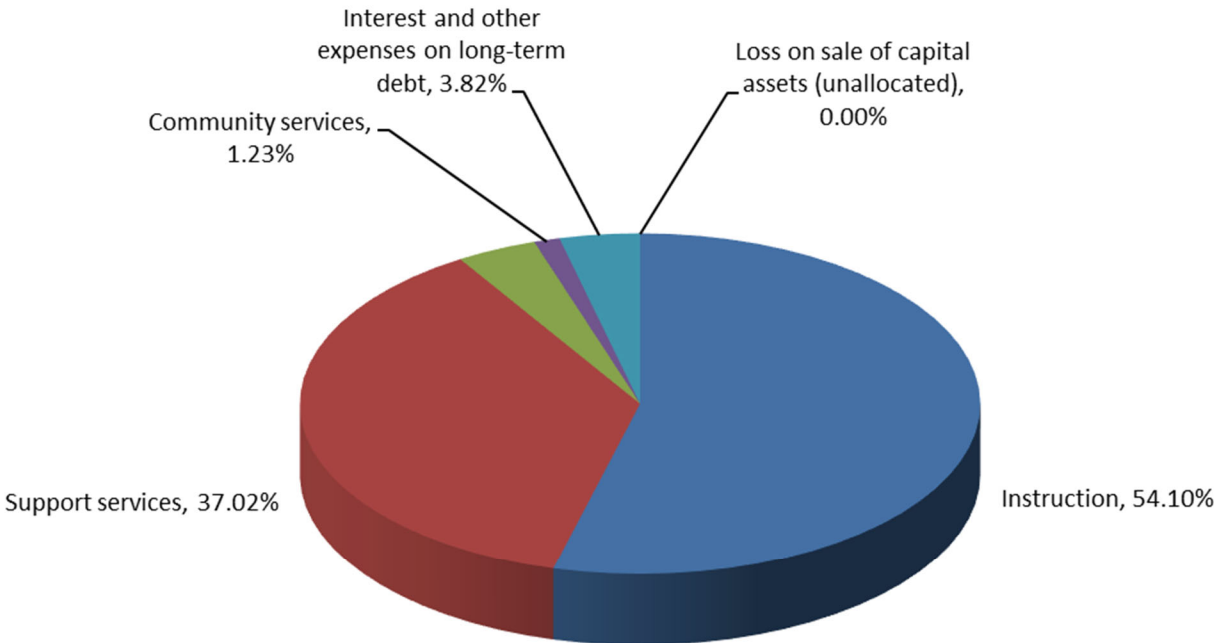
As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education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

**Analysis of Revenue – Governmental Activities
Year Ended June 30, 2024**



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

Analysis of Expenses - Governmental Activities
Year Ended June 30, 2024



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.

L'Anse Creuse Public Schools

Management's Discussion and Analysis (Continued)

As the School District completed this year, the governmental funds reported a combined fund balance of \$22.1 million, which is a decrease from last year of \$2.6 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 \$0.5 million to \$19.0 million.
- The total of the other funds, which consist of Debt Service Funds, Special Revenue Funds, and Capital Project Funds, decreased \$3.1 million with an ending fund balance of \$3.2 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 \$1.8 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 \$3.1 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 unfavorable variance of approximately \$53,000.

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

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2024, the School District had \$201.3 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 \$0.9 million.

	2024	2023
Land & Construction in Progress	\$ 10,650,935	\$ 8,400,891
Buildings and building improvements	343,648,147	340,479,818
Buses and other vehicles	8,105,008	8,417,718
Furniture and equipment	42,914,412	40,952,648
Total capital assets	405,318,502	398,251,075
Less accumulated depreciation	204,040,209	196,015,348
Net capital assets	\$ 201,278,293	\$ 202,235,727

This year's reduction of net capital assets includes depreciation of approximately \$8.6 million. New purchases for building improvements, furniture and equipment, technology, as well as buses comprise the balance of approximately \$7.7 million. Existing debt funded majority of additions.

We present more detailed information about our capital assets in Note 4 to the financial statements.

Debt

At the end of this year, the School District had approximately \$212.5 million in bonds and school bond revolving funds outstanding versus \$229.6 million in the previous year. The decrease in the current year is due to the payments made on bonded debt and payments made on the school bond revolving fund.

	2024	2023
General obligation bonds	\$ 187,750,000	\$ 203,810,000
School loan revolving fund	24,766,571	25,785,304
Total	\$ 212,516,571	\$ 229,595,304

L'Anse Creuse Public Schools

Management's Discussion and Analysis (Continued)

Other obligations include accrued vacation and sick leave pay, and bond premiums, totaling \$9.9 million. We present more detailed information about our long-term liabilities in Note 7 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 2024-2025 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 2024-2025 fiscal year will be 90 percent of the October 2024 count and 10 percent of the February 2024 student count. The 2024-2025 budget was adopted in June 2024. At the time of the adoption the state did not have an approved budget for the School Aid Fund, however, the budgets proposed by the house, senate, and governor originally included an increase in foundation allowance ranging from \$217 - \$303 per pupil. The 2024-2025 budget reflects a conservative decline of 150 students based on an enrollment projection summary prepared by Stanfred Consultants. Current indications, however, reflect our enrollment levels to have stabilized. 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 \$5.2 million to the district's revenue in 2024. School District funding remains heavily dependent on the State's ability to fund local school operations. The State finalized a school aid bill in July which will impact L'Anse Creuse Public Schools with additional investments to 31a At Risk (economically disadvantaged students), 32d Great Start Readiness Program for preschool, 41 Bilingual Education, 51e Special Education Foundation to help with the cost of educating a special education student, and 22l school transportation funds. Additionally, the state increased funding for the Michigan Public School Employee Retirement System (MPERS) UAAL cost offset of 5.75%, due to the over funding of the health care portion of the Michigan MPERS pension plan. In exchange, however, for the increased funding to the MPERS UAAL cost offset, the state budget did not include any increase in per-pupil foundation allowance and decreased the funding for mental health, security/safety and learning loss.

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.

The School District currently has six unions as part of its workforce. The Clerical contract, MEA-NEA Local 1 will expire June 30, 2025. The teachers' contract, MEA Local 1 will expire August 31, 2025. The transportation department, represented by the 214 Teamsters, has a contract through August 31, 2025. TPOAM represents two support services areas. The food service contract expires June 30, 2027, and the 52 week employees, which include custodians and maintenance workers' contract will expire December 31, 2027. The Administrators association agreement expires August 31, 2026. The Parapro contract, AFSCME Local 1993 will expire December 31, 2027.

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, 2024

	<u>Governmental Activities</u>
Assets	
Cash	\$ 10,738,878
Accounts receivable	487,030
Due from other governmental units	23,687,433
Due from fiduciary funds	158,962
Interest receivable	476
Inventory	205,020
Investments	9,453,252
Prepaid items	1,103,651
Capital assets not being depreciated	10,650,935
Capital assets - net of accumulated depreciation	190,627,358
Net OPEB asset	<u>3,956,526</u>
Total assets	<u>251,069,521</u>
Deferred Outflows of Resources	
Deferred amount on debt refunding	863,715
Deferred amount relating to the net pension liability	69,054,369
Deferred amount relating to the net OPEB asset	<u>15,711,171</u>
Total deferred outflows of resources	<u>85,629,255</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Statement of Net Position
June 30, 2024

	Governmental Activities
Liabilities	
Accounts payable	2,353,738
Due to other governmental units	2,493,182
Due to fiduciary funds	188,780
Payroll deductions and withholdings	4,631,222
Accrued expenditures	3,859,218
Accrued salaries payable	7,669,687
Unearned revenue	2,531,310
Long-term liabilities	
Net pension liability	222,696,312
Due within one year	16,872,000
Due in more than one year	<u>202,750,868</u>
Total liabilities	<u>466,046,317</u>
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	37,057,985
Deferred amount relating to the net OPEB asset	<u>31,805,609</u>
Total deferred inflows of resources	<u>68,863,594</u>
Net Position	
Net investment in capital assets	(17,480,523)
Restricted for:	
Food service	3,501,825
Debt service	961,696
Net OPEB Asset	3,956,526
Unrestricted	<u>(189,150,659)</u>
Total net position	<u>\$ (198,211,135)</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues			Net (Expense)
Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position	
Functions/Programs				
Governmental activities				
Instruction	\$ 79,159,270	\$ -	\$ 43,984,997	\$ (35,174,273)
Supporting services	54,160,920	2,766,865	9,806,113	(41,587,942)
Food services	5,571,019	916,238	6,346,019	1,691,238
Community services	1,861,161	2,416,896	201,203	756,938
Interest and fiscal charges on long-term debt	5,652,432	-	-	(5,652,432)
Total governmental activities	\$ 146,404,802	\$ 6,099,999	\$ 60,338,332	(79,966,471)
General revenues				
				18,151,899
				23,527,385
				71,553,758
				754,498
				490,710
			Total general revenues	114,478,250
			Change in net position	34,511,779
			Net position - beginning	(232,722,914)
			Net position - ending	\$(198,211,135)

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 5,354,556	\$ -	\$ 5,384,322	\$ 10,738,878
Accounts receivable	487,030	-	-	487,030
Due from other funds	4,211,164	-	484,204	4,695,368
Due from other governmental units	23,453,032	-	234,401	23,687,433
Due from fiduciary funds	158,962	-	-	158,962
Interest receivable	-	-	476	476
Inventory	136,288	-	68,732	205,020
Investments	7,471,862	-	1,981,390	9,453,252
Prepaid items	1,103,651	-	-	1,103,651
Total assets	<u>\$ 42,376,545</u>	<u>\$ -</u>	<u>\$ 8,153,525</u>	<u>\$ 50,530,070</u>
Liabilities				
Accounts payable	\$ 2,045,611	\$ -	\$ 63,458	\$ 2,109,069
Due to other funds	2,963,169	3,618,233	1,052,920	7,634,322
Due to other governmental units	2,493,182	-	-	2,493,182
Due to fiduciary funds	-	-	188,780	188,780
Payroll deductions and withholdings	4,631,222	-	-	4,631,222
Accrued expenditures	303,422	-	-	303,422
Accrued salaries payable	7,669,687	-	-	7,669,687
Unearned revenue	2,484,818	-	46,492	2,531,310
Total liabilities	<u>22,591,111</u>	<u>3,618,233</u>	<u>1,351,650</u>	<u>27,560,994</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Deferred Inflows of Resources				
Unavailable revenue				
Grants received	823,200	-	-	823,200
Fund Balances				
Non-spendable				
Inventory	136,288	-	68,732	205,020
Prepaid items	1,103,651	-	-	1,103,651
Restricted for				
Food service	-	-	3,433,093	3,433,093
Debt service	-	-	1,769,357	1,769,357
Capital projects	-	-	337	337
Committed for				
Student activities	-	-	1,530,356	1,530,356
Assigned for 24-25 budgeted excess expenditures over revenues	2,959,490	-	-	2,959,490
Unassigned	14,762,805	(3,618,233)	-	11,144,572
 Total fund balances	 18,962,234	 (3,618,233)	 6,801,875	 22,145,876
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 42,376,545</u>	 <u>\$ -</u>	 <u>\$ 8,153,525</u>	 <u>\$ 50,530,070</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, 2024

Total fund balances for governmental funds	\$ 22,145,876
Total net position for governmental activities in the statement of net position is different because:	
Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	
Other governmental units	823,200
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	10,650,935
Capital assets - net of accumulated depreciation	190,627,358
Net OPEB asset is not recorded as an asset in the governmental funds	3,956,526
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	863,715
Deferred outflows of resources resulting from the net pension liability	69,054,369
Deferred outflows of resources resulting from the net OPEB asset	15,711,171
Deferred inflows of resources resulting from the net pension liability	(37,057,985)
Deferred inflows of resources resulting from the net OPEB asset	(31,805,609)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(807,661)
Special termination benefits	(53,850)
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	(222,696,312)
Bonds payable	(194,683,559)
School bond loan payable	<u>(24,939,309)</u>
Net position of governmental activities	<u>\$(198,211,135)</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, 2024

	General Fund	Formerly Major Fund 2023 Refunding Debt Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources	\$ 21,712,353		\$ -	\$ 26,662,726	\$ 48,375,079
State sources	110,031,855		-	2,631,185	112,663,040
Federal sources	6,978,257		-	4,379,104	11,357,361
Interdistrict sources	7,697,901		-	-	7,697,901
	<u>146,420,366</u>		<u>-</u>	<u>33,673,015</u>	<u>180,093,381</u>
Total revenues					
Expenditures					
Current					
Education					
Instruction	85,072,389		-	-	85,072,389
Supporting services	55,394,608		-	2,708,391	58,102,999
Food services	-		-	5,985,975	5,985,975
Community services	1,964,900		-	-	1,964,900
Facilities acquisition	-		3,618,233	727,650	4,345,883
Capital outlay	3,775,969		-	-	3,775,969
Debt service					
Principal	-		-	16,811,205	16,811,205
Interest and other expenditures	-		-	6,664,458	6,664,458
	<u>146,207,866</u>		<u>3,618,233</u>	<u>32,897,679</u>	<u>182,723,778</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	<u>212,500</u>		<u>(3,618,233)</u>	<u>775,336</u>	<u>(2,630,397)</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, 2024

	General Fund	Formerly Major Fund 2023 Refunding Debt Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	13,815		-	-	13,815
Transfers in	278,086		-	1,164,438	1,442,524
Transfers out	-		-	(1,442,524)	(1,442,524)
	<u>291,901</u>		<u>-</u>	<u>(278,086)</u>	<u>13,815</u>
Total other financing sources (uses)					
Net change in fund balances	<u>504,401</u>		<u>(3,618,233)</u>	<u>497,250</u>	<u>(2,616,582)</u>
Fund balances - beginning, as previously presented	18,457,833	109,772	-	6,194,853	24,762,458
Change with financial reporting entity (major to nonmajor fund)	-	(109,772)	-	109,772	-
Fund balances - beginning, as adjusted	<u>18,457,833</u>		<u>-</u>	<u>6,304,625</u>	<u>24,762,458</u>
Fund balances - ending	<u>\$ 18,962,234</u>		<u>\$ (3,618,233)</u>	<u>\$ 6,801,875</u>	<u>\$ 22,145,876</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, 2024

Net change in fund balances - Total governmental funds	\$ (2,616,582)
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	823,200
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	(8,601,100)
Capital outlay	7,707,693
Sale of capital assets (net book value)	(64,027)
Expenses are recorded when incurred in the statement of activities.	
Interest	66,112
Special termination benefits	12,850
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 equals actual pension contributions.	
Net change in net pension liability	32,436,854
Net change in deferrals of resources related to the net pension liability	(27,046,831)
The statement of net position reports the net OPEB asset and deferred outflows of resources and deferred inflows related to the net OPEB asset and OPEB changes. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB asset	18,207,399
Net change in deferrals of resources related to the net OPEB asset	(4,170,908)
Bond and note proceeds and 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 reduces 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.	
Repayments of long-term debt	16,811,205
Amortization of premiums	942,041
Amortization of deferred amount on debt refunding	(90,917)
Net change in interest accrual on school loan revolving fund	94,790
Change in net position of governmental activities	\$ 34,511,779

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Proprietary Fund
Internal Service Fund
Statement of Net Position
June 30, 2024

	Internal Service Fund
Assets	
Due from other funds	<u>\$ 2,947,301</u>
Liabilities	
Accounts payable	244,669
Due to other funds	8,347
Accrued expenditures	<u>2,694,285</u>
Total liabilities	<u>2,947,301</u>
Net Position	
Unrestricted	<u><u>\$ -</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 Fund Net Position
For the Year Ended June 30, 2024

	<u>Internal Service Fund</u>
Operating revenue	
Charges for services	\$ 1,806,020
Operating expense	
Compensated absences	<u>1,806,020</u>
Change in net position	-
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, 2024

	<u>Internal Service Fund</u>
Cash flows from operating activities	
Charges for services	\$ 1,806,020
Payments to employees	<u>(1,806,020)</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 (loss) to net cash from operating activities	
Adjustments to reconcile operating loss to net cash provided by operating activities	
Change in assets and liabilities	
Due from other funds	(340,018)
Accounts payable	(28,076)
Accrued expenses	<u>368,094</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, 2024

	<u>Custodial Funds</u>
Assets	
Due from other funds	\$ 188,780
Investments	<u>174,033</u>
Total assets	362,813
Liabilities	
Due to other funds	<u>158,962</u>
Net Position	
Assets held for scholarships	<u>\$ 203,851</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, 2024

	<u>Custodial Funds</u>
Additions	
Interest and investment earnings	\$ 182,313
Deductions	
Scholarships	<u>18,338</u>
Change in net position	163,975
Net position - beginning	<u>39,876</u>
Net position - ending	<u>\$ 203,851</u>

See Accompanying Notes to the Financial Statements

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

The accounting policies of 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 has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain

intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). In creating the district-wide financial statements the School District has eliminated interfund transactions.

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.

Fund Financial Statements

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.

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 revenues to be available if they are 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 government.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

Fiduciary fund statements also are reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following major governmental funds:

General Fund - The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Capital Projects Fund - The Capital Projects Fund is used to record expenses related to various capital outlay needs within the School District. The fund is primarily funded by transfers in from the General Fund.

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 expenditures for specified purposes. The School District's Special Revenue Funds include the Food and Nutrition Fund and Student/School Activity Fund.

Debt Service Funds - Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt. The School District's Debt Service Funds include the 2015 Refunding, 2019 Refunding, 2021 Refunding, 2017A Refunding, and the 2023 Refunding.

Capital Project Funds - The Building and Site Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished. The School District's nonmajor Capital Project Funds include the 2008 Capital Projects Fund and the 2010A Capital Projects Fund.

Internal Service Fund - Internal Service Fund is a proprietary fund whose purpose 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 District for scholarship awards and the related expenses the principal and interest of the trust may be spent.

Assets, Liabilities and Net Position or Equity

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, 2024, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal residence exemption	17.6356
Commercial personal property	5.6356
Debt Service Funds	7.0000

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. Approximately 100% of the School District's tax roll lies within Macomb County.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

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 the Macomb County and remitted to the School District by May 15.

Investments - Investments are stated at fair value. Certificates of deposit are stated at cost which approximates fair value.

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, rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$20,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. 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 financials 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. Changes in assumptions relating to the net pension and OPEB liabilities (assets) 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 (assets) in the following year.

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

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

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 (asset), 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 governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred inflow for leases is related to leases receivable and is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease. Deferred amounts on bond refundings are included in the district-wide financials 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 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 relating to the net pension and OPEB liabilities (assets) 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 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 balances in the following categories:

Non-spendable - amounts that are not available in a spendable form.

Restricted - amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed - amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned - amounts intended to be used for specific purposes, as determined by the board of education, the budget or finance committee, or the Superintendent. The Board of Education has granted the finance committee and Superintendent the authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned - all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) 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. 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.

Upcoming Accounting and Reporting Changes

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.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending June 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

The School District is evaluating the impact that the above GASBs will have on its financial reporting.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

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.

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			
General administration	\$ 1,056,521	\$ 1,176,449	\$ 119,928
School administration	9,253,341	9,401,055	147,714
Business	1,613,927	1,638,110	24,183
Capital outlay	2,457,607	3,775,969	1,318,362
Student/School Activity Fund			
Supporting services	2,579,449	2,708,391	128,942

Fund Deficit

The School District has an accumulated fund balance deficit in the Capital Projects Fund in the amount of \$3,618,233 as of June 30, 2024.

This deficit is expected to be covered by bond proceeds during the year ended June 30, 2025. The Board of Education has passed approval to cover the balance in the subsequent year to the General Fund, if the bond is not passed.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

Note 3 - Deposits and Investments

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

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash	\$ 10,738,878	\$ -	\$ 10,738,878
Investments	9,453,252	174,033	9,627,285
	\$ 20,192,130	\$ 174,033	\$ 20,366,163

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

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 10,675,578
Investments in securities, mutual funds, and similar vehicles	9,627,285
Petty cash and cash on hand	63,300
Total	\$ 20,366,163

As of year end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Organization
External investment pools:				
Michigan Liquid Asset Fund (MILAF):				
MILAF + Portfolio				
Cash Management Class	\$ 1,060,306	< 60 days	AAAm	S&P
MAX Class	8,566,979	< 60 days	AAAm	S&P
	\$ 9,627,285			

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

As of June 30, 2024, the net asset value of the School District's investment in MILAF + Portfolio was \$9,627,285. 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 Trustee's 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.

Interest rate risk - In accordance with its investment policy, the School District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; 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 District's cash requirements.

Concentration of credit risk - The School District has no policy that would limit the amount that may be invested with 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.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

Custodial credit risk - deposits - In the case of 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 does not have a deposit policy for custodial credit risk. As of year end, \$14,799,198 of the School District's bank balance of \$15,328,653 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk - investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, none of the School District's investments were exposed to custodial credit risk.

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 6,391,861	\$3,014,811	\$ -	\$ 9,406,672
Construction-in-progress	<u>2,009,030</u>	<u>1,244,263</u>	<u>2,009,030</u>	<u>1,244,263</u>
Total capital assets not being depreciated	<u>8,400,891</u>	<u>4,259,074</u>	<u>2,009,030</u>	<u>10,650,935</u>
Capital assets being depreciated				
Buildings and additions	340,479,818	3,168,329	-	343,648,147
Equipment and furniture	40,952,648	1,961,764	-	42,914,412
Buses and other vehicles	<u>8,417,718</u>	<u>327,556</u>	<u>640,266</u>	<u>8,105,008</u>
Total capital assets being depreciated	<u>389,850,184</u>	<u>5,457,649</u>	<u>640,266</u>	<u>394,667,567</u>
Less accumulated depreciation for				
Buildings and additions	155,086,010	6,571,128	-	161,657,138
Equipment and furniture	35,565,499	1,529,770	-	37,095,269
Buses and other vehicles	<u>5,363,839</u>	<u>500,202</u>	<u>576,239</u>	<u>5,287,802</u>
Total accumulated depreciation	<u>196,015,348</u>	<u>8,601,100</u>	<u>576,239</u>	<u>204,040,209</u>
Net capital assets being depreciated	<u>193,834,836</u>	<u>(3,143,451)</u>	<u>64,027</u>	<u>190,627,358</u>
Net capital assets	<u>\$202,235,727</u>	<u>\$ 1,115,623</u>	<u>\$2,073,057</u>	<u>\$201,278,293</u>

Depreciation expense of capital assets were charged to activities of the School District as follows:

Governmental activities

Instruction	\$ 4,902,627
Supporting services	3,268,418
Food services	344,044
Community services	<u>86,011</u>
Total governmental activities	<u>\$ 8,601,100</u>

Construction Contracts

At year end, the School District had several uncompleted construction contracts in the capital projects fund. The remaining commitment on these construction contracts was approximately \$1.03 million.

Note 5 - Interfund Receivables, Payables, and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
Capital Projects Fund	General Fund	\$ 3,618,233
Nonmajor Governmental Funds	General Fund	592,931
General Fund	Nonmajor Governmental Funds	15,868
Internal Service Fund	Nonmajor Governmental Funds	8,347
Nonmajor Governmental Funds	Nonmajor Governmental Funds	459,989
General Fund	Internal Service Fund	<u>2,947,301</u>
		<u>\$ 7,642,669</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.

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

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

Interfund transfers consist of the following:

	Transfers out
Transfers in	Nonmajor Governmental Funds
General Fund	\$ 278,086
Nonmajor Governmental Funds	1,164,438
	\$ 1,442,524

The transfers were made between debt funds and capital project funds to distribute revenue. Also, a transfer was made from the Food Service Fund to the General Fund to cover indirect costs.

Note 6 - Unearned Revenue

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	\$ 2,358,629
Student meals	46,492
Other	126,189
Total	\$ 2,531,310

Note 7 - 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.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	\$ 203,810,000	\$ -	\$ 16,060,000	\$ 187,750,000	\$ 16,495,000
Premium on bonds	7,875,600	-	942,041	6,933,559	-
Total bonds payable	211,685,600	-	17,002,041	194,683,559	16,495,000
Notes from direct borrowings and direct placements					
School Loan Revolving Fund	25,517,776	-	751,205	24,766,571	-
Accrued interest- SLRF	267,528	1,154,005	1,248,795	172,738	-
Total notes from direct borrowings and direct placements	25,785,304	1,154,005	2,000,000	24,939,309	-
Other liabilities					
Compensated absences	2,544,403	541,095	201,077	2,884,421	371,000
Severance liability	66,700	-	12,850	53,850	6,000
Total other liabilities	2,611,103	541,095	213,927	2,938,271	377,000
Total	\$ 240,082,007	\$ 1,695,100	\$ 19,215,968	\$ 222,561,139	\$ 16,872,000

For governmental activities, the employee severance liability is primarily liquidated by the General Fund.

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

\$149,500,000 original issue refunding bonds due in annual installments of \$6,300,000 to \$15,395,000 through May 1, 2035, interest at .88% to 2.41%	\$ 131,705,000
\$39,580,000 original issue refunding bonds due in annual installments of \$2,640,000 to \$4,135,000 through May 1, 2035, interest at 5.00%	37,075,000
\$118,685,000 original issue serial bonds due in annual installments of \$2,835,000 to \$4,695,000 through May 1, 2040, interest at 3.75% to 5.00%	<u>18,970,000</u>
Total general obligation bonded debt	<u>\$ 187,750,000</u>

Future principal and interest requirements for bonded debt and direct borrowings and direct placements are as follows:

Year Ending June 30,	Bonds	
	Principal	Interest
2025	\$ 16,495,000	\$ 4,953,654
2026	16,955,000	4,506,662
2027	17,255,000	4,208,051
2028	17,615,000	3,855,197
2029	18,000,000	3,462,891
2030-2034	76,720,000	10,488,083
2035-2039	21,875,000	2,388,519
2040	<u>2,835,000</u>	<u>106,312</u>
Total	<u>\$ 187,750,000</u>	<u>\$ 33,969,369</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of \$1,769,357 to pay this debt. Future debt and interest will be payable from future tax levies.

Interest expenditures for the fiscal year in the Debt Service Funds were \$6,664,458.

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 4.55842 percent during the year ended June 30, 2024. 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.

Compensated Absences

Accrued compensated absences at year end, consist of \$244,669 of vacation hours earned and vested and \$2,639,752 in accrued sick time benefits. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

Retirement Benefits

The School District offered a severance incentive plan to employees. The balance as of year end was \$53,850.

Deferred Amount on Refunding

The School Districts various refunding's resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$863,715. This amount is reported in the accompanying

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statement of net position as a deferred outflow of resources and is being charged to activities through fiscal year 2040.

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:

2015 Issue refunded	<u>\$ 56,345,000</u>
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Note 8 - Net Investment in Capital Assets

The composition of net investment in capital assets was as follows:

Capital assets	
Capital assets not being depreciated	\$ 10,650,935
Capital assets, net of accumulated depreciation	<u>190,627,358</u>
Total capital assets	<u>201,278,293</u>
Unspent bond proceeds	<u>337</u>
Related debt	
General obligation bonds	(187,750,000)
School Loan Revolving Fund including interest	(24,939,309)
Unamortized bond premiums	(6,933,559)
Deferred charge on bond refunding	<u>863,715</u>
Total related debt	<u>(218,759,153)</u>
Net investment in capital assets	<u>\$ (17,480,523)</u>

Note 9 - 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

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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 10 - 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, 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.

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, 2022, valuation will be amortized over a 16-year period beginning October 1, 2022, and ending September 30, 2038.

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The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2023.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	20.16%
Member Investment Plan	3.0 - 7.0%	20.16%
Pension Plus	3.0 - 6.4%	17.24%
Pension Plus 2	6.2%	19.95%
Defined Contribution	0.0%	13.75%

Required contributions to the pension plan from the School District were \$24,794,265 for the year ending September 30, 2023.

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

At June 30, 2024, the School District reported a liability of \$222,696,312 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2022. 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, 2023, the School District's proportion was .6881 percent, which was an increase of .0097 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized pension expense of \$27,335,458 for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total pension contribution expense of \$29,253,504.

At June 30, 2024, 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	\$ 7,029,843	\$ (341,135)	\$ 6,688,708
Changes of assumptions	30,176,364	(17,399,005)	12,777,359
Net difference between projected and actual earnings on pension plan investments	-	(4,557,087)	(4,557,087)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>3,804,282</u>	<u>(1,046,884)</u>	<u>2,757,398</u>
Total to be recognized in future	41,010,489	(23,344,111)	17,666,378
School District contributions subsequent to the measurement date	<u>28,043,880</u>	<u>(13,713,874)</u>	<u>14,330,006</u>
Total	<u>\$69,054,369</u>	<u>\$(37,057,985)</u>	<u>\$31,996,384</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 ending June 30, 2025. The District will offset the contribution expense in the year ended June 30, 2025, 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

L'Anse Creuse Public Schools
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pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2024	\$ 5,443,629
2025	4,598,845
2026	10,588,148
2027	(2,964,244)
	\$ 17,666,378

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, 2022
- 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
- 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: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, 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 4.4406 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

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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, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	4.8%
Real Return/Opportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.7% inflation.

Rate of Return

For the plan year ended September 30, 2023, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 8.29%. 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 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.00% 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 6.00% (6.00% for the Pension plus plan, 6.00% 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 *
5.00%	6.00%	7.00%
<u>\$ 300,862,065</u>	<u>\$ 222,696,312</u>	<u>\$ 157,620,496</u>

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.

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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 11 - Postemployment 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.

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 with 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

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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, 2022 valuation will be amortized over an a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2023.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.07%
Personal Healthcare Fund (PHF)	0.0%	7.21%

Required contributions to the OPEB plan from the School District were \$5,464,540 for the year ended September 30, 2023.

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

At June 30, 2024, the School District reported an asset of \$3,956,526 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net OPEB asset 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, 2023, the School District's proportion was .6994 percent, which was an increase of .0266 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized OPEB expense of \$(7,367,694) for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total OPEB contribution expense of \$5,779,428.

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At June 30, 2024, 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	\$ -	\$(29,897,545)	\$(29,897,545)
Changes of assumptions	8,807,918	(1,060,640)	7,747,278
Net difference between projected and actual earnings on OPEB plan investments	12,063	-	12,063
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>1,609,114</u>	<u>(847,424)</u>	<u>761,690</u>
Total to be recognized in future	10,429,095	(31,805,609)	(21,376,514)
School District contributions subsequent to the measurement date	<u>5,282,076</u>	<u>-</u>	<u>5,282,076</u>
Total	<u>\$ 15,711,171</u>	<u>\$(31,805,609)</u>	<u>\$(16,094,438)</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 an addition to the OPEB asset in the year ended June 30, 2025. 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)	
2024	\$ (7,282,523)
2025	(6,743,889)
2026	(2,299,980)
2027	(2,350,249)
2028	(1,788,507)
Thereafter	<u>(911,366)</u>
	<u>\$ (21,376,514)</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, 2022
- 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%

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- Healthcare Cost Trend Rate: Pre-65: 7.50% Year 1 graded to 3.5% Year 15; Post-65: 6.25% Year 1 graded to 3.5% Year 15
- Mortality:
 - Retirees: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

- Opt Out Assumption: 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 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, 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 in years is 6.5099.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2023 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, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	4.8%
Real Return/Opportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	100.0%	

**Long-term rates of return are net of administrative expenses and 2.7% inflation.*

Rate of Return

For the plan year ended September 30, 2023, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 7.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

Discount Rate

A discount rate of 6.00% 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 6.00%. 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 or Asset to Changes in the Discount Rate

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using the discount rate of 6.00%, as well as what the School District's proportionate share of the net OPEB liability or asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$ 4,101,731	\$ (3,956,526)	\$ (10,881,807)

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

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using assumed trend rates, as well as what the School District's proportionate share of net OPEB liability or asset 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
\$ (10,899,074)	\$ (3,956,526)	\$ 3,557,586

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2023 MPERS 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 12 - 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, 2024.

L'Anse Creuse Public Schools
Notes to the Financial Statements
June 30, 2024

Note 13 - 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.

Note 14 - Changes Within the Financial Reporting Entity

During the year ended June 30, 2024, a fund that was previously reported as major in the prior year was require to be presented as nonmajor in the current year. As a result, the following presentation change was necessary to be made in the financial statements:

	2023 Refunding Debt Fund	Nonmajor Governmental Funds
June 30, 2023, as previously presented	\$ 109,772	\$ 6,194,853
Adjustments:		
Change from major to nonmajor fund	(109,772)	109,772
June 30, 2023, as adjusted	\$ -	\$ 6,304,625

REQUIRED SUPPLEMENTARY INFORMATION

L'Anse Creuse Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources	\$ 20,227,607	\$ 21,474,176	\$ 21,712,353	238,177
State sources	103,193,692	110,160,025	110,031,855	(128,170)
Federal sources	9,257,054	9,932,241	6,978,257	(2,953,984)
Interdistrict sources	<u>7,384,000</u>	<u>7,920,200</u>	<u>7,697,901</u>	<u>(222,299)</u>
Total revenues	<u>140,062,353</u>	<u>149,486,642</u>	<u>146,420,366</u>	<u>(3,066,276)</u>
Expenditures				
Instruction				
Basic programs	65,787,351	66,445,145	65,118,604	(1,326,541)
Added needs	20,402,140	20,727,089	19,567,127	(1,159,962)
Adult and continuing education	379,953	386,658	386,658	-
Supporting services				
Pupil	12,412,175	12,846,259	12,525,276	(320,983)
Instructional staff	4,245,720	5,950,712	4,970,906	(979,806)
General administration	901,375	1,056,521	1,176,449	119,928
School administration	8,486,988	9,253,341	9,401,055	147,714
Business	1,463,363	1,613,927	1,638,110	24,183
Operations and maintenance	12,339,286	12,815,921	12,634,387	(181,534)
Pupil transportation services	5,917,531	6,538,765	6,429,963	(108,802)
Central	3,880,303	4,218,101	4,042,304	(175,797)
Athletic activities	1,806,864	2,630,435	2,576,158	(54,277)
Community services	1,424,550	2,227,928	1,964,900	(263,028)
Intergovernmental payments	17,186	-	-	-
Capital outlay	<u>5,954,255</u>	<u>2,457,607</u>	<u>3,775,969</u>	<u>1,318,362</u>
Total expenditures	<u>145,419,040</u>	<u>149,168,409</u>	<u>146,207,866</u>	<u>(2,960,543)</u>
Excess (deficiency) of revenues over expenditures	<u>(5,356,687)</u>	<u>318,233</u>	<u>212,500</u>	<u>(105,733)</u>

L'Anse Creuse Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	<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	-	13,800	13,815	15
Transfers in	<u>210,000</u>	<u>225,000</u>	<u>278,086</u>	<u>53,086</u>
Total other financing sources	<u>210,000</u>	<u>238,800</u>	<u>291,901</u>	<u>53,101</u>
Net change in fund balances	(5,146,687)	557,033	504,401	(52,632)
Fund balance - beginning	<u>18,457,833</u>	<u>18,457,833</u>	<u>18,457,833</u>	<u>-</u>
Fund balance - ending	<u>\$ 13,311,146</u>	<u>\$ 19,014,866</u>	<u>\$ 18,962,234</u>	<u>\$ (52,632)</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)

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net pension liability (%)	0.6881%	0.6784%	0.6692%	0.6782%	0.6881%	0.7069%	0.7304%	0.7491%	0.7530%	0.7407%
B. School District's proportionate share of the net pension liability	\$ 222,696,312	\$ 255,133,166	\$ 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	\$ 69,314,127	\$ 64,860,134	\$ 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 the net pension liability as a percentage of its covered payroll	321.29%	393.36%	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	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.

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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 29,253,504	\$ 25,649,293	\$ 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>29,253,504</u>	<u>25,649,293</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
D. School District's covered payroll	\$ 72,420,315	\$ 70,912,904	\$ 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	40.39%	36.17%	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 (Asset)
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net OPEB liability (asset) (%)	0.6994%	0.6728%	0.6746%	0.6599%	0.6842%	0.6901%	0.7306%			
B. School District's proportionate share of the net OPEB liability (asset)	\$ (3,956,526)	\$ 14,250,873	\$ 10,296,273	\$ 35,351,153	\$ 49,112,894	\$ 54,858,609	\$ 64,695,245			
C. School District's covered payroll	\$ 69,314,127	\$ 64,860,134	\$ 60,532,656	\$ 58,247,533	\$ 59,621,067	\$ 58,612,365	\$ 60,207,202			
D. School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-5.71%	21.97%	17.01%	60.69%	82.38%	93.60%	107.45%			
E. Plan fiduciary net position as a percentage of total OPEB liability	105.04%	83.09%	87.33%	59.44%	36.39%	42.95%	36.39%			

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.

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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 5,779,428	\$ 4,515,715	\$ 5,083,260	\$ 4,849,550	\$ 4,662,787	\$ 4,683,471	\$ 3,840,504			
B. Contributions in relation to statutorily required contributions	<u>5,779,428</u>	<u>4,515,715</u>	<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>	<u>\$ -</u>	<u>\$ -</u>			
D. School District's covered payroll	\$ 72,420,315	\$ 70,912,904	\$ 64,135,872	\$ 59,450,511	\$ 58,406,713	\$ 59,866,692	\$ 58,764,991			
E. Contributions as a percentage of covered payroll	7.98%	6.37%	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, 2024

	Special Revenue Funds		Debt Service Funds				Formerly Major Fund	Capital Project Funds		Total Nonmajor Governmental Funds
	Food and Nutrition Fund	Student/School Activity Fund	2015 Refunding Debt Fund	2019 Refunding Debt Fund	2021 Refunding Debt Fund	2017A Refunding Debt Fund	2023 Refunding Debt Fund	2008 Capital Projects Fund	2010A Capital Projects Fund	
Assets										
Cash	\$ 2,574,922	\$ 955,614	\$ 530,594	\$ -	\$ 928,591	\$ -	\$ 394,601	\$ -	\$ -	\$ 5,384,322
Due from other funds	62,261	7,971	-	394,801	-	18,971	200	-	-	484,204
Due from other governmental units	234,401	-	-	-	-	-	-	-	-	234,401
Interest receivable	-	-	-	-	-	476	-	-	-	476
Inventory	68,732	-	-	-	-	-	-	-	-	68,732
Investments	1,020,415	960,362	-	-	-	-	-	613	-	1,981,390
Total assets	\$ 3,960,731	\$ 1,923,947	\$ 530,594	\$ 394,801	\$ 928,591	\$ 19,447	\$ 394,801	\$ 613	\$ -	\$ 8,153,525
Liabilities										
Accounts payable	\$ 58,911	\$ 4,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,458
Due to other funds	353,503	200,264	84,214	381	19,481	-	394,801	276	-	1,052,920
Due to agency fund activities	-	188,780	-	-	-	-	-	-	-	188,780
Unearned revenue	46,492	-	-	-	-	-	-	-	-	46,492
Total liabilities	458,906	393,591	84,214	381	19,481	-	394,801	276	-	1,351,650
Fund Balances										
Non-spendable										
Inventory	68,732	-	-	-	-	-	-	-	-	68,732
Restricted for										
Food service	3,433,093	-	-	-	-	-	-	-	-	3,433,093
Debt service	-	-	446,380	394,420	909,110	19,447	-	-	-	1,769,357
Capital projects	-	-	-	-	-	-	-	337	-	337
Committed for										
Student activities	-	1,530,356	-	-	-	-	-	-	-	1,530,356
Total fund balances	3,501,825	1,530,356	446,380	394,420	909,110	19,447	-	337	-	6,801,875
Total liabilities and fund balances	\$ 3,960,731	\$ 1,923,947	\$ 530,594	\$ 394,801	\$ 928,591	\$ 19,447	\$ 394,801	\$ 613	\$ -	\$ 8,153,525

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, 2024

	Special Revenue Funds		Debt Service Funds				Formerly Major Fund	Capital Project Funds		Total Nonmajor Governmental Funds
	Food and Nutrition Fund	Student/School Activity Fund	2015 Refunding Debt Fund	2019 Refunding Debt Fund	2021 Refunding Debt Fund	2017A Refunding Debt Fund	2023 Refunding Debt Fund	2008 Capital Projects Fund	2010A Capital Projects Fund	
Revenues										
Local sources	\$ 936,653	\$ 2,730,086	\$ 6,344,067	\$ -	\$ 12,732,758	\$ -	\$ 3,908,184	\$ 10,978	\$ -	\$ 26,662,726
State sources	1,966,915	10,640	180,402	-	362,111	-	111,117	-	-	2,631,185
Federal sources	4,379,104	-	-	-	-	-	-	-	-	4,379,104
Total revenues	7,282,672	2,740,726	6,524,469	-	13,094,869	-	4,019,301	10,978	-	33,673,015
Expenditures										
Current										
Education										
Supporting services	-	2,708,391	-	-	-	-	-	-	-	2,708,391
Food services	5,985,975	-	-	-	-	-	-	-	-	5,985,975
Facilities acquisition	-	-	-	-	-	-	-	645,059	82,591	727,650
Debt service										
Principal	-	-	4,807,333	-	9,371,167	-	2,632,705	-	-	16,811,205
Interest and other expenditures	-	-	1,403,646	-	3,072,611	-	2,188,201	-	-	6,664,458
Total expenditures	5,985,975	2,708,391	6,210,979	-	12,443,778	-	4,820,906	645,059	82,591	32,897,679
Excess (deficiency) of revenues over expenditures	1,296,697	32,335	313,490	-	651,091	-	(801,605)	(634,081)	(82,591)	775,336
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	691,833	472,605	-	1,164,438
Transfers out	(278,086)	-	-	(691,833)	-	-	-	-	(472,605)	(1,442,524)
Total other financing sources (uses)	(278,086)	-	-	(691,833)	-	-	691,833	472,605	(472,605)	(278,086)
Net change in fund balances	1,018,611	32,335	313,490	(691,833)	651,091	-	(109,772)	(161,476)	(555,196)	497,250
Fund balances - beginning, as previously presented	2,483,214	1,498,021	132,890	1,086,253	258,019	19,447	-	161,813	555,196	6,194,853
Change with financial reporting entity (major to nonmajor fund)	-	-	-	-	-	-	109,772	-	-	109,772
Fund balances - beginning, as adjusted	2,483,214	1,498,021	132,890	1,086,253	258,019	19,447	109,772	161,813	555,196	6,304,625
Fund balances - ending	\$ 3,501,825	\$ 1,530,356	\$ 446,380	\$ 394,420	\$ 909,110	\$ 19,447	\$ -	\$ 337	\$ -	\$ 6,801,875

L'Anse Creuse Public Schools
Other Supplementary Information
Food and Nutrition Fund - Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources	\$ 1,427,488	\$ 432,204	\$ 936,653	\$ 504,449
State sources	135,000	209,419	1,966,915	1,757,496
Federal sources	<u>3,605,023</u>	<u>6,532,345</u>	<u>4,379,104</u>	<u>(2,153,241)</u>
Total revenues	5,167,511	7,173,968	7,282,672	108,704
Expenditures				
Current				
Education				
Food services	<u>5,390,372</u>	<u>6,686,502</u>	<u>5,985,975</u>	<u>(700,527)</u>
Excess (deficiency) of revenues over expenditures	(222,861)	487,466	1,296,697	809,231
Other Financing Uses				
Transfers out	<u>(200,000)</u>	<u>(225,000)</u>	<u>(278,086)</u>	<u>(53,086)</u>
Net change in fund balances	(422,861)	262,466	1,018,611	756,145
Fund balance - beginning	<u>2,483,214</u>	<u>2,483,214</u>	<u>2,483,214</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,060,353</u>	<u>\$ 2,745,680</u>	<u>\$ 3,501,825</u>	<u>\$ 756,145</u>

L'Anse Creuse Public Schools
Other Supplementary Information
Student/School Activity Fund - Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources	\$ 1,402,162	\$ 2,556,164	\$ 2,730,086	\$ 173,922
State sources	-	-	10,640	10,640
	<u>1,402,162</u>	<u>2,556,164</u>	<u>2,740,726</u>	<u>184,562</u>
Expenditures				
Current				
Education				
Supporting services	<u>1,208,391</u>	<u>2,579,449</u>	<u>2,708,391</u>	<u>128,942</u>
Net change in fund balances	193,771	(23,285)	32,335	55,620
Fund balance - beginning	<u>1,498,021</u>	<u>1,498,021</u>	<u>1,498,021</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,691,792</u>	<u>\$ 1,474,736</u>	<u>\$ 1,530,356</u>	<u>\$ 55,620</u>

L'Anse Creuse Public Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2024

Year Ending June 30,	2023 Refunding	2021 Refunding	2015 Refunding	Total
2025	\$ 2,640,000	\$ 9,160,000	\$ 4,695,000	\$ 16,495,000
2026	2,780,000	14,175,000	-	16,955,000
2027	2,920,000	14,335,000	-	17,255,000
2028	3,065,000	14,550,000	-	17,615,000
2029	3,210,000	14,790,000	-	18,000,000
2030	3,360,000	15,055,000	-	18,415,000
2031	3,510,000	15,345,000	-	18,855,000
2032	3,660,000	15,395,000	-	19,055,000
2033	3,820,000	6,300,000	-	10,120,000
2034	3,975,000	6,300,000	-	10,275,000
2035	4,135,000	6,300,000	-	10,435,000
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>\$ 37,075,000</u>	<u>\$ 131,705,000</u>	<u>\$ 18,970,000</u>	<u>\$ 187,750,000</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	5.00%	0.88% - 2.41%	3.75% - 5.00%	
Original issue	<u>\$ 39,580,000</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, 2024

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.

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L'Anse Creuse Public Schools
Net Position by Component - Governmental Activities
Last 10 Fiscal Years (Unaudited)

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	\$ (17,480,523)	\$ (33,563,536)	\$ (45,677,604)	\$ (51,777,649)	\$ (53,753,586)	\$ (54,588,283)	\$ (52,691,962)	\$ (49,436,681)	\$ (35,244,396)	\$ (32,670,011)
Restricted	4,463,521	3,215,822	538,351	2,932,443	2,539,999	2,609,352	2,784,106	2,784,106	2,784,106	6,423,333
Unrestricted	<u>(185,194,133)</u>	<u>(202,375,200)</u>	<u>(208,041,997)</u>	<u>(234,612,405)</u>	<u>(236,466,051)</u>	<u>(230,273,946)</u>	<u>(229,461,070)</u>	<u>(162,392,299)</u>	<u>(173,012,748)</u>	<u>(160,959,890)</u>
 Total primary governmental net position	 <u>\$ (198,211,135)</u>	 <u>\$ (232,722,914)</u>	 <u>\$ (253,181,250)</u>	 <u>\$ (283,457,611)</u>	 <u>\$ (287,679,638)</u>	 <u>\$ (282,252,877)</u>	 <u>\$ (279,368,926)</u>	 <u>\$ (209,044,874)</u>	 <u>\$ (205,473,038)</u>	 <u>\$ (187,206,568)</u>

Source: L'Anse Creuse Public Schools audited financial statements

L'Anse Creuse Public Schools
Changes in Governmental Net Position
Last 10 Fiscal Years (Unaudited)

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses - governmental activities										
Instruction	\$ 79,159,270	\$ 78,164,011	\$ 65,971,353	\$ 73,930,259	\$ 73,154,688	\$ 70,722,007	\$ 71,865,210	\$ 69,870,823	\$ 71,586,409	\$ 69,740,957
Support services	51,584,762	48,165,729	39,328,831	40,374,754	42,812,561	38,888,643	39,100,578	38,402,558	37,864,068	37,776,250
Athletics	2,576,158	2,240,729	1,233,136	1,299,994	1,252,356	1,184,341	1,336,811	1,309,020	1,288,005	1,217,079
Food services	5,571,019	4,931,819	4,291,274	4,013,212	4,092,525	3,678,136	3,576,016	3,617,619	3,524,938	3,686,494
Community services	1,861,161	2,499,083	1,455,326	1,503,290	1,721,928	1,940,061	2,022,427	1,873,620	1,838,853	1,865,625
Payments to other public schools	-	6,867	-	-	-	-	-	65,998	71,990	68,166
Interest on long-term debt and other expenses	5,652,432	8,063,693	6,574,552	9,873,999	9,577,638	9,956,684	10,415,358	9,090,419	15,079,454	11,289,345
Loss on sale of capital assets (unallocated)	-	51,678	1,559,115	1,117,966	72,908	743,897	1,827,440	-	3,803,944	-
Depreciation (unallocated)	-	8,413,545	8,482,403	8,705,017	8,674,148	8,765,498	8,786,497	9,284,816	9,876,872	10,063,160
Total expenses - governmental activities	146,404,802	152,537,154	128,895,990	140,818,491	141,358,752	135,879,267	138,930,337	133,514,873	144,934,533	135,707,076
Program revenue										
Charges for services:										
Instruction	-	-	-	-	-	-	142,750	152,250	135,000	-
Supporting services	2,766,865	1,684,719	2,156,348	-	2,397,719	-	-	-	-	-
Athletics	-	111,511	121,541	42,689	227,179	290,693	298,405	313,883	313,313	316,859
Food services	916,238	1,671,131	755,871	188,098	954,350	1,370,367	1,400,382	1,562,927	1,400,049	1,447,268
Community services	2,416,896	2,445,266	1,720,503	1,170,765	1,784,123	2,669,594	2,729,498	2,483,494	2,563,627	2,895,541
Capital grants and contributions	-	-	-	-	-	14,217	5,063	-	-	-
Operating grants and contributions	60,338,332	59,501,346	46,051,842	41,415,409	30,023,719	28,092,463	27,779,894	27,282,867	25,684,089	23,744,933
Total program revenue	66,438,331	65,413,973	50,806,105	42,816,961	35,387,090	32,437,334	32,355,992	31,795,421	30,096,078	28,404,601
Net expenses	(79,966,471)	(87,123,181)	(78,089,885)	(98,001,530)	(105,971,662)	(103,441,933)	(106,574,345)	(101,719,452)	(114,838,455)	(107,302,475)
General revenue										
Property taxes	41,679,284	38,996,077	36,754,262	36,277,970	34,091,493	32,788,952	31,570,020	30,804,299	30,300,644	29,960,228
Unrestricted state aid	71,553,758	68,096,602	65,712,626	65,429,412	64,038,093	66,321,353	65,573,565	65,865,945	65,417,081	67,894,784
Unrestricted federal revenue	-	-	-	-	-	-	40,271	43,438	39,103	38,009
Investment earnings	754,498	181,135	97,039	260,057	122,171	187,971	111,114	116,513	121,897	101,322
Gain on the sale of capital assets	-	-	-	-	-	-	-	-	-	171,957
Other	490,710	307,703	5,802,319	256,118	919,718	1,259,706	1,211,053	1,317,421	693,260	878,021
Total general revenue	114,478,250	107,581,517	108,366,246	102,223,557	99,171,475	100,557,982	98,506,023	98,147,616	96,571,985	99,044,321
Change in net position	\$ 34,511,779	\$ 20,458,336	\$ 30,276,361	\$ 4,222,027	\$ (6,800,187)	\$ (2,883,951)	\$ (8,068,322)	\$ (3,571,836)	\$(18,266,470)	\$ (8,258,154)

Source: L'Anse Creuse Public Schools audited financial statements

L'Anse Creuse Public Schools
Fund Balances - Governmental Funds
Last 10 Fiscal Years (Unaudited)

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Post GASB 54:										
Nonspendable	\$ 1,239,939	\$ 1,276,828	\$ 1,654,025	\$ 1,036,404	\$ 714,325	\$ 630,759	\$ 475,460	\$ 551,291	\$ 524,197	\$ 388,700
Assigned	2,959,490	5,213,387	2,723,161	180,650	199,150	228,350	247,350	569,050	257,850	1,959,400
Unassigned	<u>14,762,805</u>	<u>11,967,618</u>	<u>13,091,082</u>	<u>10,561,292</u>	<u>5,078,534</u>	<u>4,097,100</u>	<u>4,021,264</u>	<u>5,063,178</u>	<u>5,535,299</u>	<u>5,776,827</u>
Total General Fund	<u>\$ 18,962,234</u>	<u>\$ 18,457,833</u>	<u>\$ 17,468,268</u>	<u>\$ 11,778,346</u>	<u>\$ 5,992,009</u>	<u>\$ 4,956,209</u>	<u>\$ 4,744,074</u>	<u>\$ 6,183,519</u>	<u>\$ 6,317,346</u>	<u>\$ 8,124,927</u>
All other governmental funds										
Post GASB 54:										
Nonspendable	\$ 68,732	\$ 60,715	\$ 85,594	\$ 57,704	\$ 88,715	\$ 24,912	\$ 46,113	\$ 40,019	\$ 47,431	\$ 45,223
Restricted	5,202,787	4,745,889	5,505,905	5,226,456	4,794,369	4,549,245	6,344,728	10,383,205	14,067,494	16,587,757
Committed	1,530,356	1,498,021	1,466,875	1,348,617	1,373,662	-	-	-	1,022,386	1,222,386
Assigned	-	-	-	-	-	-	-	4,316	4,102	4,102
Unassigned	<u>(3,618,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,183,642</u>	<u>\$ 6,304,625</u>	<u>\$ 7,058,374</u>	<u>\$ 6,632,777</u>	<u>\$ 6,256,746</u>	<u>\$ 4,574,157</u>	<u>\$ 6,390,841</u>	<u>\$ 10,427,540</u>	<u>\$ 15,141,413</u>	<u>\$ 17,859,468</u>

Source: L'Anse Creuse Public Schools audited financial statements

L'Anse Creuse Public Schools
Changes in Fund Balances - Governmental Funds
Last 10 Fiscal Years (Unaudited)

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue										
Local revenue	\$ 48,375,079	\$ 44,749,353	\$ 41,563,427	\$ 38,819,694	\$ 39,734,983	\$ 37,877,227	\$ 36,756,569	\$ 36,577,123	\$ 35,777,717	\$ 35,433,857
State revenue	112,663,040	103,192,241	90,597,248	87,747,176	84,662,389	85,985,840	85,216,719	84,439,549	82,575,542	82,380,390
Federal revenue	11,357,361	17,129,189	19,640,778	13,444,588	7,888,603	6,967,151	6,659,706	7,039,193	6,716,623	7,457,640
Interdistrict revenue	7,697,901	7,896,243	7,370,898	6,328,521	2,309,586	2,165,098	2,172,279	1,862,371	1,922,260	1,839,696
Total revenue	180,093,381	172,967,026	159,172,351	146,339,979	134,595,561	132,995,316	130,805,273	129,918,236	126,992,142	127,111,583
Expenditures										
Instruction	85,072,389	84,785,290	77,210,787	71,688,833	68,115,412	69,462,876	69,867,880	69,173,154	69,471,311	69,846,745
Supporting services	58,102,999	50,578,025	46,178,160	39,224,340	39,667,977	38,274,245	37,960,217	38,125,653	36,825,408	37,968,530
Athletics	-	2,352,952	1,447,893	1,262,953	1,160,371	1,165,630	1,297,824	1,299,581	1,252,674	1,245,132
Food services	5,985,975	5,178,820	5,038,622	3,898,863	3,791,928	3,620,026	3,471,722	3,591,534	3,428,244	3,686,494
Community services	1,964,900	2,624,244	1,708,780	1,460,454	1,595,453	1,909,410	1,963,444	1,860,110	1,788,411	1,873,423
Debt service										
Principal	16,811,205	59,074,353	39,890,000	117,620,000	41,030,000	12,145,000	11,505,000	109,331,550	12,100,000	15,565,000
Interest and other	6,664,458	7,941,586	6,468,313	9,487,884	10,296,251	10,959,551	11,368,074	10,047,494	11,761,132	9,151,628
Capital Outlay	8,121,852	5,544,540	952,044	2,797,226	89,047	1,360,331	4,444,675	3,680,075	4,445,277	5,625,405
Payments to other public schools	-	6,867	-	-	-	-	-	65,998	71,990	68,166
Total expenditures	182,723,778	218,086,677	178,894,599	247,440,553	165,746,439	138,897,069	141,878,836	237,175,149	141,144,447	145,030,523
Excess of expenditures over revenue	(2,630,397)	(45,119,651)	(19,722,248)	(101,100,574)	(31,150,878)	(5,901,753)	(11,073,563)	(107,256,913)	(14,152,305)	(17,918,940)
Other financing sources (uses)										
Proceeds from sale of capital assets	13,815	28,464	325,000	19,513	17,640	361,390	259,923	24,801	3,278,240	171,957
Transfers in	1,442,524	2,711,370	1,439,918	300,656	320,283	3,026,147	200,122	1,234,692	674,838	335,788
Transfers out	(1,442,524)	(2,711,370)	(1,439,918)	(300,656)	(320,283)	(3,026,147)	(200,122)	(1,234,692)	(674,838)	(335,788)
Debt issuance	-	45,327,003	25,512,767	180,909,042	85,478,201	3,935,814	5,337,496	101,952,885	6,348,429	127,830,000
Debt premium or discount	-	-	-	-	-	-	-	431,527	-	15,300,918
Debt defeasance	-	-	-	(73,665,613)	(53,000,000)	-	-	-	-	(133,369,895)
Total other financing sources (uses)	13,815	45,355,467	25,837,767	107,262,942	32,495,841	4,297,204	5,597,419	102,409,213	9,626,669	9,932,980
Net change in fund balances	(2,616,582)	235,816	6,115,519	6,162,368	1,344,963	(1,604,549)	(5,476,144)	(4,847,700)	(4,525,636)	(7,985,960)
Fund balances - beginning of the year	24,762,458	24,526,642	18,411,123	12,248,755	10,903,792	11,134,915	16,611,059	21,458,759	25,984,395	33,970,355
Fund balances - end of year	\$ 22,145,876	\$ 24,762,458	\$ 24,526,642	\$ 18,411,123	\$ 12,248,755	\$ 9,530,366	\$ 11,134,915	\$ 16,611,059	\$ 21,458,759	\$ 25,984,395
Debt service as a percentage of noncapital expenditures	15.5%	46.1%	35.2%	44.0%	44.9%	20.2%	20.0%	20.2%	21.2%	21.6%
				**	*			**		

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 10 Fiscal Years (Unaudited)

Taxable Value by Property Type									
Real Property									
Tax Year	Residential	Commercial	Industrial	Agricultural and Other	Personal Property	Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a Percentage of Actual
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
2022	2,150,915,156	475,497,271	265,256,198	342,753	141,385,900	3,033,397,278	24.64	7,694,151,474	39
2023	2,523,682,265	548,584,374	287,384,228	377,881	145,581,400	3,505,610,148	24.64	9,315,376,664	38

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: L'Anse Creuse Public Schools audited financial statements

L'Anse Creuse Public Schools
Direct and Overlapping Property Tax Rates
Last 10 Fiscal Years (Unaudited)

		Millage Rates - Direct School Direct Taxes						Overlapping Taxes										
		Operating			Total Direct Taxes			City of						Township of				
Fiscal Year Ended	Tax Year	Homestead	Non-homestead	Debt*	Homestead	Non-homestead	Macomb County	Macomb College	Intermediate School District	State Education	Huron - Clinton Metro Authority	Mount Clemens	St. Clair Shores	Clinton	Chesterfield	Harrison	Macomb	Other**
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
2022	2023	-	17.64	7.00	7.00	24.64	4.3852	1.4077	4.6300	6.0000	0.2070	24.7628	23.4090	15.5728	9.3090	9.5000	6.0947	1.2401
2023	2024	-	17.64	7.00	7.00	24.64	4.3890	1.4077	4.7100	6.0000	0.2070	24.6728	23.6240	15.5728	9.3090	9.5000	6.0547	1.2401

* 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, 2024 (Unaudited)**

Taxpayer	2023 Taxable Value	Rank	Percentage of Total	2014 Taxable Value	Rank	Percentage of Total
DTE Energy	\$48,385,659	1	35.4%	\$21,631,719	1	19.1%
Harbour Apartments	\$22,663,393	2	16.6%			
Consumers Energy	\$12,637,682	3	9.3%			
Chesterfield Care 2017, LLC	\$10,596,500	4	7.8%			
Aspen Creek / Chesterfield Farms Apartments	\$9,764,976	5	7.2%	\$9,629,800	6	8.5%
Tower Automotive	\$7,466,834	6	5.5%	\$14,348,500	3	12.7%
PMAT Waterside Chesterfield, LLC	\$7,325,900	7	5.4%			
Eastwood Village Apt.	\$6,336,525	8	4.6%			
HJH Chesterfield	\$5,882,765	9	4.3%			
Walmart	\$5,553,400	10	4.1%			
Meijer, Inc.				\$5,450,289	9	4.8%
Chesterfield Association / Waterside Marketplace LLC				\$13,423,950	5	11.9%
Axalta / Mt. Clemens Coating				\$21,162,936	2	18.7%
Schaller Corporation / ISI				\$8,400,291	7	7.4%
USM / Emhart Corporation / Emhart Teknologies				\$13,633,113	4	12.1%
Menards				\$4,850,955	10	4.3%
Viking/Paragon Properties/Chesterfield				\$587,600	8	0.5%

Source: Municipalities within the school district boundaries

**L'Anse Creuse Public Schools
Property Tax Levies and Collection
Last 10 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
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%
2022	2023	\$ 38,485,476	\$ 38,322,954	99.6%	\$ 34,620	\$ 38,357,574	99.7%
2023	2024	\$ 38,485,476	\$ 42,407,011	110.2%	\$ 35,154	\$ 42,442,165	110.3%

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

L'Anse Creuse Public Schools
Ratios of Outstanding Debt
Last 10 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		Total Debt as a Percentage of Taxable Value	Population	Net General Bonded Debt		Per Capita Personal Income (C)	Ratio of Total Debt to Personal Income
							as a Percentage of Taxable Value	Total Debt as a Percentage of Taxable Value			per Capita	per Capita		
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%	70,809 (B)	3,149	3,511	33,327	10.53%	
2023	203,810,000	-	203,810,000	25,785,304	229,595,304	3,033,397,278	6.72%	7.57%	72,096 (B)	2,827	3,185	34,880	9.13%	
2024	187,750,000	-	187,750,000	24,939,309	212,689,309	3,505,610,148	5.36%	6.07%	72,126 (B)	2,603	2,949	34,930	8.44%	

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, 2024 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
City of Mount Clemens	\$ 3,328,835	4.02%	\$ 133,819
City of St. Clair Shores	31,395,882	0.09%	28,256
Chesterfield Township	25,359,965	52.49%	13,311,446
Clinton Township	64,085,393	14.49%	9,285,973
Harrison Township	16,484,252	100.00%	16,484,252
Macomb Township	44,988,689	8.78%	3,950,007
Macomb County	629,612,664	9.18%	57,798,443
Clinton-Macomb Public Library	27,026,809	11.49%	<u>3,105,380</u>
Total overlapping debt			104,097,576
Direct School District Debt:			
General obligation bonds			187,750,000
School Loan Revolving Fund			<u>24,939,309</u>
Total direct and overlapping debt			<u><u>\$ 316,786,885</u></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 10 Fiscal Years (Unaudited)

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Calculation of Debt Limit:										
State equalized valuation (SEV)	\$ 4,657,688,332	\$ 3,847,075,737	\$ 3,615,692,600	\$ 3,434,885,537	\$ 3,215,309,259	\$ 2,984,916,333	\$ 2,886,621,523	\$ 2,762,629,561	\$ 2,609,504,548	\$ 2,383,555,843
15% of SEV	698,653,250	577,061,361	542,353,890	515,232,831	482,296,389	447,737,450	432,993,228	414,394,434	391,425,682	357,533,376
Calculation of Debt Subject to Limit:										
Total debt	187,750,000	203,810,000	223,005,000	262,895,000	219,445,000	270,029,346	272,620,000	284,125,000	205,875,000	217,975,000
Less debt not subject to limit - State qualified debt issuance	<u>(187,750,000)</u>	<u>(203,810,000)</u>	<u>(223,005,000)</u>	<u>(262,895,000)</u>	<u>(219,445,000)</u>	<u>(270,029,346)</u>	<u>(272,620,000)</u>	<u>(284,125,000)</u>	<u>(205,875,000)</u>	<u>(217,975,000)</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	<u>\$ 698,653,250</u>	<u>\$ 577,061,361</u>	<u>\$ 542,353,890</u>	<u>\$ 515,232,831</u>	<u>\$ 482,296,389</u>	<u>\$ 447,737,450</u>	<u>\$ 432,993,228</u>	<u>\$ 414,394,434</u>	<u>\$ 391,425,682</u>	<u>\$ 357,533,376</u>
Net debt subject to limit as % of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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
Demographics and Economic Statistics
Last 10 Fiscal Years (Unaudited)**

Fiscal Year	Population	Median Household Income	Median Age	Total Personal Income	Per Capita Personal Income	Unemployment Rate
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
2023	893,289	43,882	40.9	31,157,920,320	34,880	3.6
2024	875,967	47,704	41.0	33,009,064,461	37,683	3.6

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
Year Ended June 30, 2024 (Unaudited)**

Taxpayer	Estimated 2023 Employees	Rank	Percentage of Total Employment	Estimated 2014 Employees	Rank	Percentage of Total Employment
General Motors Co.	23,507	1	5.07%	15,578	1	4.08%
Stellantis NV (FCA US LLC / Chrysler Group)	15,548	2	3.35%	11,985	2	3.14%
U.S. Government	6,950	3	1.50%	6,503	3	1.70%
Ford Motor Company	3,579	4	0.77%	4,135	4	1.08%
Ascension Michigan (formerly St. John)	2,784	5	0.60%	3,285	5	0.86%
Utica Community Schools	2,711	6	0.58%	2,711	7	0.71%
Macomb County	2,454	7	0.53%	2,199	8	0.58%
Henry Ford Health System	2,201	8	0.47%	3,161	6	0.83%
McLaren Health Care Corp.	1,859	9	0.40%	1,314	10	0.34%
General Dynamics Land Systems	1,823	10	0.39%	1,622	9	0.42%
Total principal employers	<u>63,416</u>			<u>52,493</u>		
Total employment Macomb County	<u>463,525</u>			<u>382,035</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 10 Fiscal Years (Unaudited)

Fiscal Year Ended June 30	General Government Function/Program				Total
	Instruction	Support Services	Community Services	Food Services	
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
2023	792	284	21	61	1,158
2024	846	399	10	57	1,312

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

**L'Anse Creuse Public Schools
Operating Indicators
Last 10 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
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%
2023	9,414	143,034,844	15,194	143,739,569	15,269	570	46%
2024	9,315	146,207,866	15,696	146,420,366	9,329	585	46%

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 10 Fiscal Years (Unaudited)**

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instructional buildings:										
Elementary:										
Number of buildings	9	9	9	9	9	9	9	9	9	10
Square footage	567,936	567,936	567,936	567,936	567,936	567,936	567,936	567,936	567,936	614,018
Capacity	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,595	3,595	4,560
Enrollment	4,006	4,006	4,128	4,112	4,242	4,220	4,270	4,306	4,293	4,472
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	2,190	2,190	2,155	2,341	2,405	2,495	2,500	2,515	2,583	2,617
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	3,247	3,247	3,102	3,147	3,106	3,219	3,262	3,336	3,434	3,446
Other:										
Number of buildings	6	6	6	6	6	6	6	7	8	8
Square footage	291,365	291,365	291,365	291,365	291,365	291,365	291,365	285,288	300,328	300,328
Capacity	355	355	355	355	355	355	355	722	722	722
Enrollment	392	392	257	211	261	323	328	393	362	499
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	82	91	81	84	88	88	88	92	99	101
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

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