

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWE,  
MICHIGAN**  
Ottawa Lake, Michigan

ANNUAL FINANCIAL REPORT  
June 30, 2011

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*School Board Members  
June 30, 2011*

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<u>Name</u>	<u>Office</u>	<u>Date Term Expires</u>
Holly Bunge	President	6/30/2015
Dan Martin	Vice-President	6/30/2013
Karen Miller	Secretary	6/30/2015
Michelle Wing	Treasurer	6/30/2014
Rob Schnipke	Trustee	6/30/2012
Christine Bischoff	Trustee	6/30/2014
Tracy Malhoit	Trustee	6/30/2012

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEЕ, MICHIGAN**

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June 30, 2011*

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**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

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Independent Auditor's Report

Board of Education  
Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan  
Ottawa Lake, Michigan 49267

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan, as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, 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 Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2011 on our consideration of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Education

Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 12 and 34 through 39, be presented to supplement the basic financial statements. Such information, 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 historic 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Whiteford Agricultural School's financial statements as a whole. The accompanying other supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Codrey Hehl Wehlgauth + Carlton*

October 4, 2011



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Report on  
Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance  
with *Government Auditing Standards*

Board of Education  
Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan  
Ottawa Lake, Michigan 49267

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan, as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 4, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Whiteford Agricultural School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Whiteford Agricultural School's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of Whiteford Agricultural School's financial statements will not be prevented or detected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Education  
Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management, the School Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Coolay Hall Wahlgren & Carlton*

October 4, 2011



**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEЕ, MICHIGAN**

*Management's Discussion and Analysis  
Year Ended June 30, 2011*

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This section of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan (Whiteford Schools) annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year ended June 30, 2011. Please read it in conjunction with the School District's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, and Debt Service Funds.

**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 Whiteford Schools financially as a whole. The *District-Wide Financial Statements*, which include the Statement of Net Assets and the Statement of Activities, provide information about the activities of the School District as a whole and presents both a short-term and a long-term view of those finances. The *Fund Financial Statements* provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The *Fund Financial Statements* report the School District's operations in more detail than the *District-Wide Financial Statements* by providing information about the School District's most significant fund - the General Fund with all other funds presented in one column as nonmajor funds. The remaining statement, the Statement of Fiduciary Net Assets, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The following summary illustrates how the various parts of this annual report are arranged:

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

Basic Financial Statements

*District-Wide Financial Statements      Fund Financial Statements*

*Notes to the Basic Financial Statements*

*Budgetary Information for Major Funds  
(Required Supplemental Information)*

*Other Supplemental Information*

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENA WEE, MICHIGAN**

*Management's Discussion and Analysis  
Year Ended June 30, 2011*

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**District-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities (pages 13-14), which appear first in the School District's financial statements, report information on the School District as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The relationship between revenues and expenses indicates 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 non-financial 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 Assets and Statement of Activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, childcare and food services. Property taxes, unrestricted State Aid (foundation allowance revenue), and State and Federal grants finance most of these activities.

**Fund Financial Statements**

The School District's Fund Financial Statements (pages 15-19) provide detailed information about the most significant or "major" 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 other funds to control and manage money for particular purposes or to show that it is properly using revenues. The School District's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

**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 the modified accrual accounting method, 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 Assets and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 16 and 18.

**Fiduciary funds** - The School District is the trustee, or fiduciary for its student activity funds. All of the School District's fiduciary activities are reported in the Statement of Fiduciary Net Assets. 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.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Management's Discussion and Analysis  
Year Ended June 30, 2011*

**District–Wide Financial Analysis**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets as of June 30, 2011 and 2010.

**Table 1**

**Comparative Statement of Net Assets**

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Current and other assets	\$2,222,701	\$2,227,269
Capital assets	<u>7,050,848</u>	<u>7,202,262</u>
<b>Total Assets</b>	9,273,549	9,429,531
Current and other liabilities	1,194,684	981,465
Long-term liabilities	<u>6,807,132</u>	<u>7,086,966</u>
<b>Total Liabilities</b>	8,001,816	8,068,431
Net Assets		
Invested in capital assets, net of related debt	191,890	98,640
Restricted for technology enhancement	206,795	242,503
Restricted for debt service	164,439	182,880
Unrestricted	<u>708,609</u>	<u>837,077</u>
<b>Total Net Assets</b>	<u><u>\$1,271,733</u></u>	<u><u>\$1,361,100</u></u>

As depicted in Table 1, the School District's net assets were \$1,271,733 at June 30, 2011. Of this amount, \$708,609 was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted net asset balance is used for working capital and cash flow needs as well as to provide for future uncertainties. It means that if we had to pay off all of our bills *today*, including all of our noncapital liabilities (compensated absences for example), we would have \$708,609 left. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net assets for the fiscal years ended June 30, 2011 and 2010.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Management's Discussion and Analysis  
Year Ended June 30, 2011*

**District-Wide Financial Analysis - Concluded**

**Table 2**

**Comparative Statement of Changes in Net Assets**

	June 30, 2011	June 30, 2010
<b>Revenues</b>		
Program revenues:		
Charges for services	\$240,337	\$204,275
State grants and other revenue	397,107	608,679
Federal grants	297,735	368,289
	935,179	1,181,243
General revenues:		
Property taxes	1,681,973	1,659,180
State foundation allowance	4,099,060	3,979,403
Other general revenues	35,170	36,779
	5,816,203	5,675,362
Total Revenues	6,751,382	6,856,605
 <b>Functions/Program Expenses</b>		
Instruction	3,771,379	3,718,139
Support services	2,159,049	2,197,581
Athletics	150,969	158,502
Food service	210,771	210,065
Interest on long-term debt	347,369	345,881
Depreciation	201,212	216,555
Total Expenses	6,840,749	6,846,723
 <b>Increase (Decrease) in Net Assets</b>	<b>(\$89,367)</b>	<b>\$9,882</b>

As indicated in Table 2, the cost of *all governmental* activities this year was \$6,840,749. Of this amount, \$935,179 was subsidized with revenue generated from charges for services, grants, and other contributions with the remaining costs financed with general revenues.

The School District experienced a decrease in net assets this year of \$89,367. Reasons for this decrease include: a reduction in state grants and other revenue of \$211,572 and an increase in instruction costs of \$53,240. A reconciliation of the change in fund balances to the change in net assets appears on page 18.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Management's Discussion and Analysis  
Year Ended June 30, 2011*

**Fund Financial Analysis**

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

As the School District completed this year, the governmental funds reported a combined fund balance of \$1,408,919, which is a decrease of \$163,313 from last year. The changes by major and nonmajor funds are as follows:

	<b>General Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>
<b>Fund balances - Beginning of year</b>	\$1,389,352	\$182,880	\$1,572,232
Increase (decrease)	(144,872)	(18,441)	(163,313)
<b>Fund balances – End of year</b>	\$1,244,480	\$164,439	\$ 1,408,919

The School District's General Fund balance decrease is due to many factors. The tables that follow assist in illustrating the financial activities of the General Fund.

	<b>June 30, 2011</b>	<b>June 30, 2010</b>	<b>Percent Change</b>
<b>Revenues</b>			
Local sources	\$1,027,708	\$1,023,566	0.4 %
State sources	4,335,653	4,301,063	0.8 %
Federal sources	227,658	303,784	(25.1)%
Interdistrict and other sources	393,382	497,977	(21.0)%
	\$5,984,401	\$6,126,390	(2.3)%

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Management's Discussion and Analysis  
Year Ended June 30, 2011*

**Fund Financial Analysis – Concluded**

<b>Expenditures</b>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Percent Change</u>
Instruction	\$3,751,617	\$3,733,155	0.5 %
Support services	2,203,907	2,201,335	0.1 %
Athletics	150,969	158,502	(4.8)%
Operating transfers out	<u>22,780</u>	<u>25,397</u>	(10.3)%
	<u>\$6,129,273</u>	<u>\$6,118,389</u>	0.2 %

**General Fund Budgetary Highlights**

The Uniform Budget Act of the State of Michigan requires the Board of Education to adopt the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements. Revisions to the General Fund original budget were as follows:

**Beginning Budget versus Ending Budget**

**Revenues** – The original budget for revenues was \$5,718,376 versus the final budget of \$5,907,878, an increase of \$189,502. Major components of the original budget for revenues versus final projections are discussed below:

- Adjust for state aid proration. Original budget reflected a blended count of 703.66 FTE's at \$7,060/pupil; final budget reflects actual blended count of 722.73 FTE's at \$7,343/pupil, less a reduction of state aid in the amount of \$170 /pupil under section 11d of the State Aid Act for a total of \$122,864, less a reduction of \$116/pupil under section 22b of the State Aid Act for a total of \$83,653 which was then covered by ARRA stimulus funds, plus additional funds of \$222/pupil for Ed Jobs fund. The District recognized half of the Ed Jobs fund revenues this fiscal for a total of \$79,735; the balance will be recognized in FY 12.
- Adjust for increase in Title I allocation of \$1,743 and \$42,485 for Title I carryover.
- Adjustment of \$11,886 for At Risk allocation and carryover.
- Adjustment of \$3,295 for increase in Title II allocation and \$21,902 for Title II Part A Carryover.
- Decrease of \$27,438 in Special Ed Headlee funds and \$80,245 in Special Ed funds received through the ISD.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Management's Discussion and Analysis  
Year Ended June 30, 2011*

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**Expenditures** – The original budget for expenditures was \$6,589,229 compared to the final budget of \$6,274,922; a decrease of \$314,307. Major components of the original budget for expenditures versus final projections are discussed below:

- Reduced Special Education budget by \$82,000 for change in salaries and benefits for new hire and reduce unemployment budget for previous year layoffs.
- Adjust for decrease in budget of approximately \$43,000 for Other business services due mainly to the reduction in interest rate for the state aid note.
- Adjust for decrease in Operations and Maintenance budget of approximately \$95,000 comprised mainly of reductions in utility costs (phone, gas, electric) and funds budgeted for unforeseen emergency repairs.
- Decrease in Transportation expenditures of approximately \$41,000 due mainly to reduction in salaries, changes in employee benefit eligibility and fuel use.

**Final Budget versus Actual Figures**

**Revenues** – General Fund actual revenue was \$5,984,401 versus a budget of \$5,907,878; a difference of \$76,523 due mainly to additional property tax income received.

**Expenditures** – Final budget for expenditures was \$6,274,922 compared to actual expenditures of \$6,129,273, a difference of \$145,649. This difference is mainly attributed to the following:

- Instructional expenditures for basic programs were \$42,662 less than budgeted due mainly to estimations in benefits costs.
- Approximately \$73,000 in Title I and Title II grant funds budgeted were not spent and will become carryover in FY 12.
- Approximately \$11,700 technology millage funds budgeted were not spent and will become carryover in FY 12.

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2011 the School District had \$10,916,093 invested in a broad range of capital assets, including land, land improvements, buildings and improvements, buses and other vehicles, furniture and equipment. This amount includes additions of \$49,798 in capital assets. This year's additions included a purchase of a bus and a Taski scrubber. The District did not have any disposals of capital assets. Depreciation for this year totaled \$201,212. Detailed information regarding capital assets is included in Note 5 to the Financial Statements.

**Debt**

At June 30, 2011, the School District had \$7,140,619 in outstanding bonds. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. The School District's outstanding general obligation debt is significantly below the statutorily imposed limit.

Other obligations include accrued vacation, sick and severance pay. More detailed information about long-term liabilities is presented in Note 10 to the Financial Statements.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Management's Discussion and Analysis  
Year Ended June 30, 2011*

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**Development of the 2011-12 Fiscal Year Budget**

Our elected officials and administration consider many factors when setting the School District's 2011-12 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 2012 fiscal year is 10 percent of the February 2011 and 90 percent of the September 2011 student counts. The 2011-12 budget was adopted June 13, 2011. The budget was set assuming total proration to the state foundation allowance of \$716 /pupil (a reduction from the previous fiscal year of \$470/pupil), and used a blended enrollment of 716.58 students which is approximately 6 FTE's less than the previous year's actual figure. Approximately 85% of total revenue is from the foundation allowance and property tax levy.

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 revenues to fund its appropriation to school districts. Once the final student count and related per pupil funding is validated, the School District will amend the budget accordingly.

**Contacting Whiteford Schools Business Office**

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors and creditors with a general overview of the School District's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office, 6655 Consear Road, Ottawa Lake, MI 49267.



## BASIC FINANCIAL STATEMENTS

DISTRICT - WIDE FINANCIAL STATEMENTS

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Statement of Net Assets  
June 30, 2011*

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$1,318,072
Accounts/taxes receivable	2,377
Due from other governmental units	899,562
Inventories	1,977
Prepaid expenses	713
Capital assets, net	<u>7,050,848</u>
Total Assets	<u>9,273,549</u>
<b>Liabilities</b>	
Accounts payable	122,248
Salaries payable	362,630
Other liabilities	233,127
Accrued interest payable	51,030
State aid note payable	94,284
Deferred revenue	1,493
Long-term liabilities:	
Due within one year	329,872
Due in more than one year	7,053,174
Plus:	
Unamortized premium on bonds	32,708
Less:	
Unamortized bond issuance costs	(72,432)
Unamortized advanced amount on refunding	<u>(206,318)</u>
Total Liabilities	<u>8,001,816</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	191,890
Restricted for technology enhancement	206,795
Restricted for debt service	164,439
Unrestricted	<u>708,609</u>
Total Net Assets	<u><u>\$1,271,733</u></u>

See accompanying notes to the basic financial statements



## FUND FINANCIAL STATEMENTS

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEЕ, MICHIGAN**

*Governmental Funds  
Balance Sheet  
June 30, 2011*

	General	Other Nonmajor Governmental Funds	Totals
<b>Assets</b>			
Cash and cash equivalents	\$1,122,155	\$195,917	\$1,318,072
Accounts/taxes receivable	2,377	0	2,377
Due from other governmental units	898,443	1,119	899,562
Due from other funds	10,758	1,852	12,610
Inventory	0	1,977	1,977
Prepaid expense	115	598	713
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$2,033,848</u>	<u>\$201,463</u>	<u>\$2,235,311</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$97,506	\$24,742	\$122,248
Salaries payable	362,630	0	362,630
Other liabilities	231,603	1,524	233,127
State aid note payable	94,284	0	94,284
Deferred revenue	1,493	0	1,493
Due to other funds	1,852	10,758	12,610
	<hr/>	<hr/>	<hr/>
Total Liabilities	789,368	37,024	826,392
<b>Fund Balances</b>			
Nonspendable:			
Prepaid expense	115	0	115
Restricted for:			
Technology enhancement	206,795	0	206,795
2001 School bond debt retirement	0	164,439	164,439
Unassigned	1,037,570	0	1,037,570
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,244,480</u>	<u>164,439</u>	<u>1,408,919</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$2,033,848</u>	<u>\$201,463</u>	<u>\$2,235,311</u>

See accompanying notes to the basic financial statements

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEЕ, MICHIGAN**

*Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
Year Ended June 30, 2011*

**Total Fund Balances - Governmental Funds** \$1,408,919

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds:

Cost of the capital assets	\$10,916,093	
Accumulated depreciation	(3,865,245)	
		7,050,848

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable	(7,140,619)	
Compensated absences/severance compensation	(242,427)	
Accrued interest	(51,030)	
Premium amortized over the life of the bonds	(32,708)	
Issuance costs amortized over the life of the bonds	72,432	
Advanced amount on refunding amortized over the life of the bonds	206,318	
		(7,188,034)

**Total Net Assets - Governmental Activities** \$1,271,733

See accompanying notes to the basic financial statements

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2011*

	General	Other Nonmajor Governmental Funds	Totals
<b>Revenues</b>			
Local sources	\$1,027,708	\$677,777	\$1,705,485
State sources	4,335,653	15,759	4,351,412
Federal sources	227,658	70,077	297,735
Interdistrict and other sources	393,382	0	393,382
<b>Total Revenues</b>	<b>5,984,401</b>	<b>763,613</b>	<b>6,748,014</b>
<b>Expenditures</b>			
Instruction	3,751,617	0	3,751,617
Support services	2,214,372	210,771	2,425,143
Debt service	0	594,063	594,063
Athletics	140,504	0	140,504
<b>Total Expenditures</b>	<b>6,106,493</b>	<b>804,834</b>	<b>6,911,327</b>
Excess (Deficiency) of Revenues Over Expenditures	(122,092)	(41,221)	(163,313)
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	0	22,780	22,780
Operating transfers out	(22,780)	0	(22,780)
<b>Total Other Financing Sources (Uses)</b>	<b>(22,780)</b>	<b>22,780</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(144,872)</b>	<b>(18,441)</b>	<b>(163,313)</b>
Fund Balances - Beginning of year	1,389,352	182,880	1,572,232
Fund Balances - End of year	<u>\$1,244,480</u>	<u>\$164,439</u>	<u>\$1,408,919</u>

See accompanying notes to the basic financial statements



**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2011*

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<b>Total Net Change in Fund Balances - Governmental Funds</b>	(\$163,313)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(\$201,212)
Capital outlay	<u>49,798</u>
	(151,414)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	275,237
Governmental funds report issuance costs, the advanced amount on refunding, and the bond premium when debt is first issued, but these costs increase long-term liabilities in the statement of net assets and these amounts are amortized over the life of the bonds.	(25,336)
Accrued interest is recorded in the statement of activities when incurred, it is not reported in the governmental funds until paid	161
Increases in the liability for compensated absences are reported as expenditures in the statement of activities, but not in the governmental funds	<u>(24,702)</u>
<b>Change in Net Assets of Governmental Activities</b>	<u><u>(\$89,367)</u></u>

See accompanying notes to the basic financial statements

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Fiduciary Fund  
Statement of Fiduciary Net Assets  
June 30, 2011*

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	<u>Agency Fund</u>
	<u>Student Activities</u>
<b>Assets</b>	
Cash and certificates of deposit	<u>\$134,133</u>
<b>Liabilities</b>	
Due to student groups	\$132,818
Due to general fund	1,315
Total Liabilities	<u>\$134,133</u>

See accompanying notes to the basic financial statements

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

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Note 1      Description of the School District and Reporting Entity

The School District operates under a locally elected seven member Board form of government and provides educational and supportive services as mandated by the State of Michigan and/or federal agencies. This Board of Education controls the School District's instructional and support facilities.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan (Whiteford Schools), this includes general operations, athletics, food service, debt, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt, or the levying of taxes. The School District has no component units.

Note 2      Summary of Significant Accounting Policies

The financial statements of the School District, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District's accounting policies.

Basis of Presentation

A. District-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the district-wide statements. All of the School District's district-wide activities are considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENA WEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

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Note 2      Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

District-Wide Statements - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 government 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 School District.

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 fund:

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

The School District reports the following nonmajor governmental funds:

The Food Service Fund, 2001 School Bond Debt Retirement Fund, and the Durant Debt Retirement Fund. These funds are used to account for specific revenue sources that are restricted for a particular purpose.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

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Note 2      Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments – Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Additionally, the School District's external investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice and penalty.

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

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. Taxes are considered delinquent February 15 of the following year. A portion of property taxes assessed are received by the School District from the State of Michigan in the form of a Foundation Allowance. The Foundation Allowance represents the difference between an amount guaranteed by the state and the per pupil tax revenue generated from an 18 mill levy (subject to Headlee rollback) on all non-homestead property. To meet the district per pupil guarantee, the state levies 6 mills on all taxable property on a statewide basis.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory - 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. United States Department of Agriculture Commodities inventory received by the Food Service Fund are recorded as expenditures when received.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

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Note 2      Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

Capital Assets (Concluded)

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvement	20 years
Buildings and building improvements	50 years
Machinery and equipment	5-20 years
Vehicles	8 years

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/due from." These amounts are eliminated in the governmental activities column of the statement of net assets.

Compensated Absences - Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's employment contracts.

The entire compensated absence liability is reported on the district-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "other liabilities" in the fund from which employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans are recognized as an expenditure on the governmental fund financial statements when due.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

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Note 2      Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Non-spendable, Restricted, Assigned, and Unassigned – For years beginning after June 15, 2011, Governmental Accounting Standards Board issued Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Under this statement, the fund balance is categorized as non-spendable, restricted, committed, assigned, or unassigned based on the relative strength of the spending constraints. The school board has the authority to place funds under the committed and assigned categories. Restricted resources should be used first, followed by committed funds, assigned amounts, and then unassigned amounts. The Board desired to maintain, in stable economic times, a fund balance of at least 10% of the District General Fund annual operating expenditures.

- D. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.
- E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2011.
- F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the function level. Any budgetary modifications may only be made by resolution of the Board of Education.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

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Note 2      Summary of Significant Accounting Policies (Concluded)

F. Budgetary Policies (Concluded)

The School District follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to June 30, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1.
2. A public hearing is conducted during June to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. During the year the budget is monitored, and amendments to the budget resolution are made when deemed necessary.

Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

- G. Subsequent Events – The School District’s management evaluated subsequent events from June 30, 2011 through October 4, 2011, the date the financial statements were available to be issued.

Note 3      Stewardship, Accountability and Compliance

The School District shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the School District’s actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

During the year ended June 30, 2011, the School District incurred expenditures in a budgetary function which was in excess of the amounts appropriated. There were no deficit fund balances for any of the School District’s funds required to be budgeted.

For the year ended June 30, 2011, expenditures exceeded final budgeted amounts in the following funds:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Food Service Fund	\$207,712	\$210,771	\$(3,059)
2001 School Bond Debt Retirement Fund	577,894	588,042	(10,148)



**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

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Note 4      Deposits and Investments

As of June 30, 2011, the School District's deposits and investments are all on deposit with Monroe Bank and Trust, Fifth Third Bank, Huntington Bank, Flagstar, and Michigan School District Liquid Asset Fund Plus.

- A. 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 School District's cash requirements.
- B. Credit risk. The School District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities listed in the School District's investment policy; and pre-qualifying the financial institutions, brokers/dealer, intermediaries and advisors with which the School District will do business in accordance with the School District's investment policy.
- C. Concentration of credit risk. The School District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the School District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.
- D. 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 the School District. The School District has \$1,467,867 invested in certificates of deposit, checking accounts, and money markets. The School District's deposits are insured by the FDIC in the amount of \$700,524. In addition, all funds in noninterest-bearing transaction accounts are insured in full by the FDIC. At June 30, 2011, the School District had an additional \$346,256 in deposits insured through this program. Uninsured deposits are \$421,087.
- E. Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer by; limiting investments to the types of securities listed in the School District's investment policy, and pre-qualifying the financial institutions, broker/dealer, intermediaries and advisors with which the School District will do business in accordance to the School District's investment policy.

The School District voluntarily invests certain excess funds in the Michigan Investment Liquid Asset Fund (MILAF). MILAF is an external pooled investment fund of "qualified" investments for Michigan school districts. MILAF is not regulated nor is it registered with the Securities Exchange Commission. MILAF reports that as of June 30, 2011, the fair value of the School District's investments is the same as the value of the pool shares. As of June 30, 2011, \$59,783 was held with MILAF.

- F. Foreign currency risk. The School District is not authorized to invest in investments which have this type of risk.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

Note 5      Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Assets not being depreciated:				
Land	\$21,913	\$0	\$0	\$21,913
Capital assets being depreciated:				
Land improvements	416,181	0	0	416,181
Buildings and building improvements	9,802,249	0	0	9,802,249
Machinery and equipment	128,425	5,784	0	134,209
Vehicles	497,527	44,014		541,541
 Total capital assets	 10,866,295	 49,798	 0	 10,916,093
 Less Accumulated Depreciation:				
Land improvements	(152,321)	(20,265)	0	(172,586)
Buildings and building improvements	(2,905,443)	(170,614)	0	(3,076,057)
Machinery and equipment	(123,682)	(3,077)	0	(126,759)
Vehicles	(482,587)	(7,256)		(489,843)
 Total accumulated depreciation	 (3,664,033)	 (201,212)	 0	 (3,865,245)
 Net capital assets	 \$7,202,262	 (\$151,414)	 \$0	 \$7,050,848

Depreciation expense was charged to governmental functions as an unallocated expense.

Note 6      Interfund Payables, Receivables, and Transfers

Interfund balances at June 30, 2011, consisted of the following individual fund receivables and payables:

	Due To		
Due From	General Fund	Food Service Fund	Total
2001 School Bond Debt Retirement	\$1,852	\$ -	\$ 1,852
General Fund	-	10,758	10,758
	\$1,852	\$10,758	\$12,610

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the following accounting system, and (3) payments between funds are made.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

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Note 6      Interfund Payables, Receivables, and Transfers (Concluded)  
Interfund transfers at June 30, 2011, consisted of the following:

	<u>Transfers Out</u> <u>General Fund</u>
<u>Transfers In:</u>	
Food Service Fund	<u>\$22,780</u>

Transfers from the General Fund represent the use of unrestricted funds to support programs accounted for in other funds.

Note 7      Defined Benefit Pension Plans and Postemployment Benefits

A. Plan Description

The School participates in the Michigan Public School Employees' Retirement System (MPSERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School. The MPSERS provides retirement, survivor and disability benefits to plan members and their beneficiaries. The MPSERS issues a publicly available financial report that includes financial statements and required supplementary information for the MPSERS. That report may be obtained by writing to the MPSERS at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909-7671 or online at [www.michigan.gov/documents/orsschools/CAFR](http://www.michigan.gov/documents/orsschools/CAFR).

B. Funding Policy

Employer contributions to the MPSERS result from the implementing effects of the School Finance Reform Act. Under these procedures, each school district is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The pension benefit rate was 16.94 percent for the period July 1, 2010 through September 30, 2010, 19.41 percent for the period October 1, 2010 through October 31, 2010, and 20.66 percent for the period November 1, 2010 through June 30, 2011 of the covered payroll to the plan. New employees hired on or after July 1, 2010 are in the Pension Plus hybrid plan. The pension rate for the Pension Plus hybrid plan was 15.44% for the period July 1, 2010 through September 30, 2010, 17.91% for the period October 1, 2010 through October 31, 2010, and 19.16% for the period November 1, 2010 through June 30, 2011 of the covered payroll for the plan. Basic plan members make no contributions, but member investment plan (MIP) members contribute at rates ranging from 3 percent to 4.3 percent of gross wages. The School's contributions to the MPSERS pension plan for the years ended June 30, 2011, 2010, and 2009 were \$669,389, \$601,104, and \$604,857, respectively.

C. Postemployment Benefits

Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage. Retirees electing continuing coverage, contribute a monthly portion of the premium based on various factors specified by the retirement system for the health, dental, and vision coverages. Required contributions for postemployment health care benefits are included as part of the School's total contribution to the MPSERS pension plan discussed above.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

Note 8      Enhancement Millage for Technology

Voters of Monroe County passed an enhancement millage based on the taxable value of all property in the Monroe County Intermediate School District. The technology millage was renewed on May 2, 2006, at 0.9866 mill for an additional five years, 2007 to 2011. The intermediate school district will distribute the tax collections to the local school districts based on pupil membership count. The tax millage received by the local school districts will be used for technology enhancements and related expenses.

Note 9      Short-Term Debt Activity

The School District has various options for short-term financing including tax anticipation notes, state aid anticipation notes, and lines of credit. The School District entered into a short-term financing arrangement during the fiscal year ended June 30, 2011. This arrangement was for a state aid anticipation note, secured against the state aid fund allowance, through the Michigan Municipal Bond Authority. Short-term debt activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
State aid anticipation note	\$ <u>80,000</u>	\$ <u>750,000</u>	\$ <u>735,716</u>	\$ <u>94,284</u>

The short-term financing was utilized for cash-flow purposes based on the timing of School District revenues through state aid allowances.

Note 10      Long-Term Debt

Following is a summary of changes in long-term debt:

	Balance June 30, 2010	Additions	Payments	Balance June 30, 2011	Due in One Year
School Improvement Bonds					
Series 1998	\$40,856	\$0	\$5,237	\$35,619	\$29,872
2001 School Bonds	210,000	0	210,000	0	0
2005 Refunding Bonds	7,165,000	0	60,000	7,105,000	300,000
	7,415,856	0	275,237	7,140,619	329,872
Compensated absences payable	217,725	24,702	0	242,427	0
	\$7,633,581	\$24,702	\$275,237	\$7,383,046	\$329,872

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

Note 10      Long-Term Debt (Continued)

On October 5, 2005, the School issued \$7,405,000 in general obligation bonds with an average interest rate of 4.14 percent to advance refund \$7,070,000 of outstanding 2001 Series bonds with an average interest rate of 5.04 percent. The net proceeds of \$7,342,778 (after payment of \$113,454 in underwriting fees, insurance, and other issuance costs) plus an additional \$50,387 of 2001 Bond Debt Fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 Series bonds. As a result, the 2001 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$323,165. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2027 using an effective-interest method. The School completed the advance refunding to reduce its total debt service payments over the next 22 years by \$600,511 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$314,183.

Compensated absences payable represents benefits for vacation, sick leave and severance as of year end.

School Improvement Bonds, Series 1998 - Interest rate 4.8%

These Bonds were issued as a settlement of the Durant issue between the School District and the State of Michigan. The bonds are a legal obligation of the School District. The liability created by these bonds will be reduced each year by an annual State of Michigan appropriation for debt service on the bonds, and this annual appropriation is the only revenue source for making the annual debt service payments on the bonds. If the State of Michigan fails to appropriate the funds, there is no obligation for the School District to make the payment. If there is a failure to appropriate the funds for debt service in any year, the School District will write off the debt service for that fiscal year only. During the year ended June 30, 2007, the State of Michigan revised (the second revision) the annual debt service payment schedule. The payments for years ending 2003, 2004, 2005, 2007, and 2008 will be paid in 2012.

<u>Fiscal Year</u>	<u>Interest Requirements May 1</u>	<u>Bond Maturities May 1</u>	<u>Total Requirements</u>
2012	\$10,582	\$29,872	\$40,454
2013	274	5,747	6,021
	<u>\$10,856</u>	<u>\$35,619</u>	<u>\$46,475</u>

2001 School Building and Site Bonds - \$8,115,000 - Interest rate 4.0% to 5.125%

These bonds were approved by the voters of the School District on March 20, 2001. The proceeds are to be used for erecting, furnishing and equipping an addition to the elementary school; partially remodeling, refurbishing and reequipping the elementary and middle high schools; and developing and improving the school site. The bonds are to be paid by an annual property tax millage. On October 5, 2005, certain bonds totaling \$7,070,000 were defeased by the 2005 bond issue. The remaining outstanding bonds were paid in full during this fiscal year.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

**Note 10**     Long-Term Debt (Concluded)

2005 Refunding Bonds - \$7,405,000 - Interest rate 3.0% to 4.25%

These bonds dated November 1, 2005, were issued to defease \$7,070,000 of the 2001 School Building and Site Bonds. The bonds are to be paid by an annual property tax millage. The principal and interest requirements to retire the 2005 bonds are as follows:

<u>Fiscal Year</u>	<u>Interest Requirements</u>		<u>Bond</u> <u>Maturities</u>	<u>Total</u> <u>Requirements</u>
	<u>November 1</u>	<u>May 1</u>	<u>May 1</u>	
2012	\$147,797	\$147,797	\$300,000	\$595,594
2013	141,797	141,797	330,000	613,594
2014	133,547	133,547	350,000	617,094
2015	124,797	124,797	365,000	614,594
2016	117,497	117,497	380,000	614,994
2017	109,897	109,897	400,000	619,794
2018	101,897	101,897	415,000	618,794
2019	93,597	93,597	430,000	617,194
2020	84,997	84,997	450,000	619,994
2021	75,997	75,997	465,000	616,994
2022	66,697	66,697	485,000	618,394
2023	56,997	56,997	505,000	618,994
2024	46,644	46,644	525,000	618,288
2025	35,816	35,816	545,000	616,632
2026	24,508	24,508	570,000	619,016
2027	12,537	12,537	590,000	615,074
	<u>\$1,375,019</u>	<u>\$1,375,019</u>	<u>\$7,105,000</u>	<u>\$9,855,038</u>

Annual principal and interest requirements to maturity for the above bond obligations are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u> <u>Requirement</u>
2012	\$306,176	\$329,872	\$636,048
2013	283,868	335,747	619,615
2014	267,094	350,000	617,094
2015	249,594	365,000	614,594
2016	234,994	380,000	614,994
2017-2021	932,770	2,160,000	3,092,770
2022-2026	461,324	2,630,000	3,091,324
2027	25,074	590,000	615,074
	<u>\$2,760,894</u>	<u>\$7,140,619</u>	<u>\$9,901,513</u>

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

Note 11     Lease Commitments – Operating Leases

The School District has, as of June 30, 2011, contractual agreements specifying the following annual lease payment obligations:

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$21,615
2013	18,988
2014	<u>11,107</u>
	<u>\$51,710</u>

Note 12     Property Taxes

Property taxes are recorded as revenue when levied and received by the various governmental units that collect the School District's taxes. The School District's 2010 property taxes were levied on December 1, 2010 on assessed valuations as of December 31, 2009. Taxes were collected beginning December 1, 2010 and payments were due by February 14, 2011. Taxable values are based on a percentage of the fair market value of the assessed property. The following is a summary of the 2010 property tax levy:

	<u>Taxable Value</u>	<u>Mills Levied</u>	<u>Taxes Levied</u>
General Fund:			
Non-Homestead	\$49,173,091	18.00	\$885,115
Commercial	5,154,264	6.00	30,925
2001 Debt Retirement Fund:			
Regular	201,586,831	2.80	564,429
IFT	3,450,459	1.40	<u>4,831</u>
Total			<u>\$1,485,300</u>

Note 13     Michigan Unemployment Tax

The School District is liable to the State for unemployment claims against the School District on a reimbursement basis. For the year ended June 30, 2011, the School District incurred claims of \$19,955.

Note 14     Cafeteria Contract

During the fiscal year ended June 30, 2011, the School District contracted with Sodexo Management, Inc. (Sodexo) to cover all cafeterias within the School District. Pursuant to this agreement, Sodexo manages the food service operations of the School District. All costs of Sodexo have been reflected in the financial statements of the Food Service Fund.

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Notes to Financial Statements  
Year Ended June 30, 2011*

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Note 15     Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2011.

B. Litigation

There are currently no matters in litigation with the School District as defendant.

Note 16     Risk Management and Insurance Pool

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (worker's compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for medical claims, self-funds worker's compensation claims subject to stop loss insurance, and participates in the SET-SEG risk pool for general liability, and property/casualty claims. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

The SET-SEG shared risk pool program in which the School District participates operates as a common risk sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 17     Governmental Regulation

Substantially all of the School District's facilities are subject to federal, state, and local provisions regulating the discharge of material into the environment. Compliance with these provisions has not had, nor does the School District expect such compliance to have, any material effect upon the capital expenditures, net revenue in excess of expenditures or financial condition of the school district. Management believes that its current practices and procedures for the control and disposition of such wastes comply with applicable federal and state requirements.



REQUIRED SUPPLEMENTAL INFORMATION

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*General Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2011*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Local sources	\$999,954	\$924,290	\$1,027,708	\$103,418
State sources	4,220,926	4,295,327	4,335,653	40,326
Federal sources	65,449	301,015	227,658	(73,357)
Interdistrict and other sources	432,047	387,246	393,382	6,136
<b>Total Revenues</b>	<b>5,718,376</b>	<b>5,907,878</b>	<b>5,984,401</b>	<b>76,523</b>
<b>Expenditures</b>				
Instruction:				
Basic programs	3,404,742	3,376,626	3,333,964	42,662
Added needs	498,342	451,774	417,653	34,121
Support services:				
Pupil	284,071	235,787	240,063	(4,276)
Instructional staff	195,982	201,258	163,986	37,272
General administration	249,013	242,101	235,320	6,781
School administration	408,934	407,999	407,259	740
Business administration	133,439	89,586	84,991	4,595
Operation and maintenance	696,152	593,969	591,617	2,352
Pupil transportation	463,295	437,072	429,281	7,791
Central services	73,351	72,027	61,855	10,172
Athletics	162,096	143,391	140,504	2,887
<b>Total Expenditures</b>	<b>6,569,417</b>	<b>6,251,590</b>	<b>6,106,493</b>	<b>145,097</b>
Excess (Deficiency) of Revenues Over Expenditures	(851,041)	(343,712)	(122,092)	221,620
<b>Other Financing Sources (Uses)</b>				
Operating transfer out	(19,812)	(23,332)	(22,780)	552
<b>Total Other Financing Sources (Uses)</b>	<b>(19,812)</b>	<b>(23,332)</b>	<b>(22,780)</b>	<b>552</b>
<b>Net Change in Fund Balances</b>	<b>(870,853)</b>	<b>(367,044)</b>	<b>(144,872)</b>	<b>222,172</b>
Fund Balances - Beginning of year	1,001,065	1,389,352	1,389,352	0
Fund Balances - End of year	<u>\$130,212</u>	<u>\$1,022,308</u>	<u>\$1,244,480</u>	<u>\$222,172</u>

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*General Fund  
Schedule of Revenues-Budget and Actual  
Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Local Sources</b>			
Property taxes	\$837,167	\$933,972	\$96,805
Tuition	3,562	3,576	14
Earnings on investments	2,500	2,757	257
Contributions	6,975	6,975	0
Athletics	71,065	72,487	1,422
Other revenue	3,021	7,941	4,920
Total Local Sources	924,290	1,027,708	103,418
<b>State Sources</b>			
Unrestricted grants:			
Proposal A obligation	2,804,985	2,846,233	41,248
Discretionary payment	1,229,187	1,252,827	23,640
Restricted grants:			
Special education-Headlee obligation	193,471	193,471	0
At risk	41,886	17,331	(24,555)
Other state grants	15,595	15,588	(7)
Transfer from intermediate school district:			
Vocational education added costs	10,203	10,203	0
Total State Sources	4,295,327	4,335,653	40,326
<b>Federal Sources</b>			
Title I	91,060	54,197	(36,863)
Title IIA	44,092	7,008	(37,084)
Title IID ARRA	1,075	1,075	0
ARRA State fiscal stabilization fund	83,653	83,653	0
Education jobs fund	79,735	79,735	0
Medicaid outreach grant	1,400	1,990	590
Total Federal Sources	301,015	227,658	(73,357)
<b>Interdistrict and Other Sources</b>			
Transfer from intermediate school district:			
County special education tax	144,755	144,755	0
Technology enhancement millage	173,000	178,945	5,945
Cooperative program	57,704	57,895	191
Insurance reimbursements	11,787	11,787	0
Total Interdistrict and Other Sources	387,246	393,382	6,136
Total Revenues	\$5,907,878	\$5,984,401	\$76,523

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*General Fund  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2011*

	Salaries	Employee Benefits	Purchased Services
<b>Instruction</b>			
Basic Programs:			
Elementary	\$820,131	\$430,412	\$32,107
Middle School	484,611	266,231	13,060
High School	738,358	405,302	26,736
	<u>2,043,100</u>	<u>1,101,945</u>	<u>71,903</u>
Added Needs:			
Special education	202,480	85,942	4,476
Compensatory education	49,103	13,888	0
Vocational education	32,840	18,239	1,549
	<u>284,423</u>	<u>118,069</u>	<u>6,025</u>
Total Instruction	2,327,523	1,220,014	77,928
<b>Support Services</b>			
Pupil:			
Guidance	80,175	49,987	312
Health	0	0	179
Speech	59,184	35,365	67
Other pupil services	8,516	2,657	2,506
	<u>147,875</u>	<u>88,009</u>	<u>3,064</u>
Instructional Staff:			
Improvement of instruction	1,732	493	5,560
Library	21,602	6,107	898
Technology assisted	38,671	18,389	6,386
	<u>62,005</u>	<u>24,989</u>	<u>12,844</u>
General Administration:			
Board of Education	2,180	182	21,811
Executive administration	134,931	67,100	5,193
	<u>137,111</u>	<u>67,282</u>	<u>27,004</u>
School Administration:			
Office of the principal	252,297	145,687	4,733
Other school administration	0	0	104
	<u>252,297</u>	<u>145,687</u>	<u>4,837</u>
Business Administration:			
Fiscal services	6,567	11,336	57
Other business services	0	0	6,751
	<u>6,567</u>	<u>11,336</u>	<u>6,808</u>

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Variance with Final Budget Positive (Negative)
\$22,495	\$11,002	\$0	\$1,316,147	\$1,328,709	\$12,562
2,820	22,297	545	789,564	803,894	14,330
20,164	26,074	11,619	1,228,253	1,244,023	15,770
<u>45,479</u>	<u>59,373</u>	<u>12,164</u>	<u>3,333,964</u>	<u>3,376,626</u>	<u>42,662</u>
1,046	0	0	293,944	289,976	(3,968)
251	0	0	63,242	99,223	35,981
7,839	0	0	60,467	62,575	2,108
<u>9,136</u>	<u>0</u>	<u>0</u>	<u>417,653</u>	<u>451,774</u>	<u>34,121</u>
54,615	59,373	12,164	3,751,617	3,828,400	76,783
340	0	0	130,814	125,057	(5,757)
89	0	0	268	700	432
274	0	0	94,890	95,535	645
0	0	412	14,091	14,495	404
<u>703</u>	<u>0</u>	<u>412</u>	<u>240,063</u>	<u>235,787</u>	<u>(4,276)</u>
0	0	0	7,785	34,711	26,926
0	0	0	28,607	31,261	2,654
2,189	44,555	17,404	127,594	135,286	7,692
<u>2,189</u>	<u>44,555</u>	<u>17,404</u>	<u>163,986</u>	<u>201,258</u>	<u>37,272</u>
535	0	2,328	27,036	30,916	3,880
602	0	458	208,284	211,185	2,901
<u>1,137</u>	<u>0</u>	<u>2,786</u>	<u>235,320</u>	<u>242,101</u>	<u>6,781</u>
2,860	0	900	406,477	406,999	522
678	0	0	782	1,000	218
<u>3,538</u>	<u>0</u>	<u>900</u>	<u>407,259</u>	<u>407,999</u>	<u>740</u>
759	0	51,722	70,441	72,302	1,861
0	0	7,799	14,550	17,284	2,734
<u>759</u>	<u>0</u>	<u>59,521</u>	<u>84,991</u>	<u>89,586</u>	<u>4,595</u>

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*General Fund  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2011*

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>
<b>(Concluded)</b>			
<b>Support Services</b>			
Operation and maintenance	\$196,998	\$145,622	\$99,713
Pupil transportation	188,431	75,475	55,338
Central Services:			
Communication services	3,976	1,119	4,511
Staff services	582	165	4,031
Technology	26,313	11,952	3,644
	<u>30,871</u>	<u>13,236</u>	<u>12,186</u>
Athletics	<u>86,727</u>	<u>23,187</u>	<u>16,489</u>
Total Support Services	<u>1,108,882</u>	<u>594,823</u>	<u>238,283</u>
Total Expenditures	3,436,405	1,814,837	316,211
<b>Other Financing Uses</b>			
Fund modifications:			
Operating transfer out:			
Transfer to Food Service	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Other Financing Uses	<u><u>\$3,436,405</u></u>	<u><u>\$1,814,837</u></u>	<u><u>\$316,211</u></u>

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Variance with Final Budget Positive (Negative)
\$142,501	\$5,784	\$999	\$591,617	\$593,969	\$2,352
65,603	44,014	420	429,281	437,072	7,791
297	0	0	9,903	10,373	470
101	0	0	4,879	13,509	8,630
85	0	5,079	47,073	48,145	1,072
<u>483</u>	<u>0</u>	<u>5,079</u>	<u>61,855</u>	<u>72,027</u>	<u>10,172</u>
<u>9,992</u>	<u>0</u>	<u>4,109</u>	<u>140,504</u>	<u>143,391</u>	<u>2,887</u>
<u>226,905</u>	<u>94,353</u>	<u>91,630</u>	<u>2,354,876</u>	<u>2,423,190</u>	<u>68,314</u>
281,520	153,726	103,794	6,106,493	6,251,590	145,097
<u>0</u>	<u>0</u>	<u>22,780</u>	<u>22,780</u>	<u>23,332</u>	<u>552</u>
<u>0</u>	<u>0</u>	<u>22,780</u>	<u>22,780</u>	<u>23,332</u>	<u>552</u>
<u>\$281,520</u>	<u>\$153,726</u>	<u>\$126,574</u>	<u>\$6,129,273</u>	<u>\$6,274,922</u>	<u>\$145,649</u>

## OTHER SUPPLEMENTAL INFORMATION



**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENA WEE, MICHIGAN**

*Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2011*

	Special Revenue Fund	Debt Retirement Funds		Total Nonmajor Governmental Funds
	Food Service	2001 School Bond	Durant	
<b>Assets</b>				
Cash and cash equivalents	\$22,924	\$172,993	\$0	\$195,917
Due from other governmental units	1,119	0	0	1,119
Due from other funds	0	1,852	0	1,852
Inventory	1,977	0	0	1,977
Prepaid expenses	598	0	0	598
<b>Total Assets</b>	<b>\$26,618</b>	<b>\$174,845</b>	<b>\$0</b>	<b>\$201,463</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$14,336	\$10,406	\$0	\$24,742
Other liabilities	1,524	0	0	1,524
Due to other funds	10,758	0	0	10,758
<b>Total Liabilities</b>	<b>26,618</b>	<b>10,406</b>	<b>0</b>	<b>37,024</b>
<b>Fund Balances</b>				
Reserved for debt service	0	164,439	0	164,439
<b>Total Fund Balances</b>	<b>0</b>	<b>164,439</b>	<b>0</b>	<b>164,439</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$26,618</b>	<b>\$174,845</b>	<b>\$0</b>	<b>\$201,463</b>

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2011*

	Special Revenue Funds	Debt Retirement Funds		Total Nonmajor Governmental Funds
	Food Service	2011 School Bond	Durant	
<b>Revenues</b>				
Local sources	\$108,176	\$569,601	\$0	\$677,777
State sources	9,738	0	6,021	15,759
Federal sources	70,077	0	0	70,077
<b>Total Revenues</b>	<b>187,991</b>	<b>569,601</b>	<b>6,021</b>	<b>763,613</b>
<b>Expenditures</b>				
Food service	210,771	0	0	210,771
Debt service	0	588,042	6,021	594,063
<b>Total Expenditures</b>	<b>210,771</b>	<b>588,042</b>	<b>6,021</b>	<b>804,834</b>
Excess (Deficiency) of Revenues Over Expenditures	(22,780)	(18,441)	0	(41,221)
<b>Other Financing Uses</b>				
Operating transfer in	22,780	0	0	22,780
<b>Net Change in Fund Balances</b>	<b>0</b>	<b>(18,441)</b>	<b>0</b>	<b>(18,441)</b>
Fund Balances - Beginning of year	0	182,880	0	182,880
Fund Balances - End of year	<u>\$0</u>	<u>\$164,439</u>	<u>\$0</u>	<u>\$164,439</u>

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Food Service Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Year Ended June 30, 2011*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Local Sources:				
Food sales	\$113,250	\$108,222	\$107,669	(\$553)
Other	1,350	565	507	(58)
Total Local Sources	114,600	108,787	108,176	(611)
State Sources:				
Restricted grants	9,661	9,737	9,738	1
Federal Sources:				
Restricted grants	56,576	57,856	58,925	1,069
Commodities	8,000	8,000	11,152	3,152
Total Federal Sources	64,576	65,856	70,077	4,221
Total Revenues	188,837	184,380	187,991	3,611
<b>Expenditures</b>				
Purchases services	122,417	119,229	119,490	(261)
Supplies and materials	85,052	87,023	89,809	(2,786)
Other	1,180	1,460	1,472	(12)
Total Expenditures	208,649	207,712	210,771	(3,059)
Excess (Deficiency) of Revenue Over Expenditures	(19,812)	(23,332)	(22,780)	552
<b>Other Financing Sources (Uses)</b>				
Operating transfer in	19,812	23,332	22,780	(552)
<b>Net Change in Fund Balances</b>	0	0	0	0
Fund Balance - Beginning of year	0	0	0	0
Fund Balance - End of year	\$0	\$0	\$0	\$0

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*2001 School Bond Debt Retirement Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Year Ended June 30, 2011*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Local Sources:				
Property taxes	\$570,896	\$554,039	\$569,056	\$15,017
Investment income	1,000	550	545	(5)
Total Revenues	571,896	554,589	569,601	15,012
<b>Expenditures</b>				
Debt service:				
Principal	270,000	270,000	270,000	0
Interest and fiscal charges	307,144	307,144	307,144	0
Other	1,000	750	10,898	(10,148)
Total Expenditures	578,144	577,894	588,042	(10,148)
<b>Net Change in Fund Balances</b>	(6,248)	(23,305)	(18,441)	4,864
Fund Balance - Beginning of year	179,464	182,880	182,880	0
Fund Balance - End of year	<u>\$173,216</u>	<u>\$159,575</u>	<u>\$164,439</u>	<u>\$4,864</u>

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Durant Debt Retirement Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Year Ended June 30, 2011*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
State Sources:				
Durant settlement	\$6,021	\$6,021	\$6,021	\$0
Total Revenues	6,021	6,021	6,021	0
<b>Expenditures</b>				
Debt service:				
Principal	5,237	5,237	5,237	0
Interest	784	784	784	0
Total Expenditures	6,021	6,021	6,021	0
<b>Net Change in Fund Balances</b>	0	0	0	0
Fund Balance - Beginning of year	0	0	0	0
Fund Balance - End of year	\$0	\$0	\$0	\$0

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Student Activities Agency Fund  
Statement of Changes in Assets and Liabilities  
June 30, 2011*

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>Assets</b>				
Cash	\$109,572	\$167,468	\$142,907	\$134,133
<b>Liabilities</b>				
Due to student groups	\$109,572	\$148,572	\$125,326	\$132,818
Due to general fund	0	18,896	17,581	1,315
Total liabilities	\$109,572	\$167,468	\$142,907	\$134,133

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Student Activities Agency Fund  
Summary of Receipts and Disbursements  
Year Ended June 30, 2011*

	Due to (From) Student Groups July 1, 2010	Receipts	Disbursements	Due to (From) Student Groups June 30, 2011
Due to School District:				
Athletic Officials	\$2,141	\$3,125	\$3,083	\$2,183
CATS	297	0	125	172
Elementary Activity	1,010	4,823	4,834	999
Employee Recognition	300	0	0	300
Families in Need Program	55	1,899	500	1,454
High School - Audio Visual	951	3,789	2,865	1,875
S.E. Work Experience	1	0	0	1
Senior Citizens	1,349	608	304	1,653
Interest	0	0	58	(58)
Michigan Sales Tax	0	2,594	2,554	40
Kindergarten	356	732	972	116
First Grade	742	467	380	829
Second Grade	421	1,301	1,349	373
Third Grade	54	617	355	316
Fourth Grade	192	3,491	3,405	278
Fifth Grade	2,250	1,463	3,296	417
Sixth Grade	0	2,233	1,136	1,097
Graduated-carryover	4,344	554	0	4,898
Class of 2011	2,251	3,186	5,437	0
Class of 2012	491	7,567	6,494	1,564
Class of 2013	139	2,028	1,110	1,057
Class of 2014	0	1,175	800	375
Bobcat Archery	0	1,729	1,350	379
Varsity Baseball	386	1,837	1,923	300
Basketball - Boys	1,873	2,774	4,300	347
Cheerleaders	1,159	0	202	957
Cross Country	265	3,164	3,101	328
Varsity Football	53	19,162	10,210	9,005
Hubbard Concessions	1,015	10,256	9,560	1,711
High School Girls Track	108	1,795	1,813	90
Basketball-Girls	839	2,375	1,660	1,554
Volleyball	1,836	1,504	2,825	515
Cheerleaders-MS	17	0	0	17
Basketball-J.V. Boys	1,779	1,500	2,518	761
Binder Scholarship	2,524	0	0	2,524
Bischoff Scholarship	13,143	0	100	13,043
Lennard Scholarship	256	0	100	156
Seegert Scholarship	29,795	0	1,500	28,295
Van Hove Scholarship	1,665	0	100	1,565

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Student Activities Agency Fund  
Summary of Receipts and Disbursements  
Year Ended June 30, 2011*

	Due to (From) Student Groups July 1, 2010	Receipts	Disbursements	Due to (From) Student Groups June 30, 2011
(Concluded)				
Whiteford Community Scholarship	\$290	\$0	\$250	\$40
WRC Scholarship	1,000	500	1,000	500
Liz Lykowski Scholarship	1,420	900	300	2,020
Class of '76 Scholarship	0	1,075	750	325
Elementary Art	10	1,414	852	572
MS/HS Art	111	0	23	88
Band	1	0	0	1
Building Trades	3,205	220	0	3,425
Camp Fund	8,399	17,932	9,545	16,786
Challenge Day	3,935	3,185	3,137	3,983
Choir-All	83	0	0	83
Crafting For Literacy	1,151	870	847	1,174
Science Fair	152	244	0	396
Honor Society	234	602	600	236
Horticulture Club	518	0	249	269
Elementary Journalism	219	2,153	0	2,372
High School Journalism	1,430	9,952	10,990	392
Middle School Journalism	479	1,478	1,605	352
Elementary Library	271	4,386	3,645	1,012
High School Library	4,074	101	0	4,175
Life Management	785	484	843	426
Put-in-Bay	3,378	6,022	2,000	7,400
MS Red Ribbon week	22	523	377	168
Solar Sprint	1,379	230	563	1,046
Spanish Club	200	0	0	200
Elementary Student Council	33	168	176	25
Student Council - High School	1,699	5,882	4,653	2,928
Student Council - Middle School	735	2,203	2,602	336
Legacy Account	302	300	0	602
<b>Total Due to Student Groups</b>	<b>\$109,572</b>	<b>\$148,572</b>	<b>\$125,326</b>	<b>\$132,818</b>



**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Summary of 2010 Tax Levy  
Year Ended June 30, 2011*

	Millage Rate	Taxable Value	Levy
<b>Whiteford Township</b>			
General Fund operating - non-homestead	18.00	\$48,291,407	\$869,245
General Fund operating - commercial	6.00	5,107,364	30,644
2001 Debt Retirement Fund	2.80	192,732,575	539,635
2001 Debt Retirement Fund - IFT	1.40	3,450,459	4,831
			<u>1,444,355</u>
<b>Summerfield Township</b>			
General Fund operating - non-homestead	18.00	267,416	4,813
2001 Debt Retirement Fund	2.80	1,786,903	5,006
			<u>9,819</u>
<b>Riga Township</b>			
General Fund operating - non-homestead	18.00	614,268	11,057
General Fund operating - commercial	6.00	46,900	281
2001 Debt Retirement Fund	2.80	7,067,353	19,788
			<u>31,126</u>
Total			<u><u>\$1,485,300</u></u>
<b>Summary</b>			
General Fund operating - non-homestead		49,173,091	\$885,115
General Fund operating - commercial		5,154,264	30,925
2001 Debt Retirement Fund		201,586,831	564,429
2001 Debt Retirement Fund - IFT		3,450,459	4,831
			<u><u>\$1,485,300</u></u>

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEЕ, MICHIGAN**

*Schedule of Technology Enhancement Millage  
Budget and Actual  
Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Technology enhancement millage	\$173,000	\$178,945	\$5,945
Total Revenues	173,000	178,945	5,945
<b>Expenditures</b>			
Salaries	39,685	39,671	14
Fringe benefits	20,558	18,672	1,886
Purchase services	31,556	26,380	5,176
Supplies	11,022	8,598	2,424
Capital outlay	106,000	103,928	2,072
Other	17,500	17,404	96
Total Expenditures	226,321	214,653	11,668
<b>Net Change in Fund Balance</b>	(53,321)	(35,708)	17,613
Restricted for Technology Enhancement - Beginning of Year	207,130	242,503	35,373
Restricted for Technology Enhancement - End of Year	\$153,809	\$206,795	\$52,986

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

*Schedule of Athletics  
Budget and Actual  
Year Ended June 30, 2011*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Local Sources:				
Admissions	\$32,150	\$36,775	\$36,782	\$7
Participation fees	25,300	34,290	34,415	125
Other	0	0	1,290	1,290
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$57,450</u>	<u>\$71,065</u>	<u>\$72,487</u>	<u>\$1,422</u>
<b>Expenditures</b>				
Pupil Transportation:				
Salaries	\$12,100	\$7,017	\$7,999	(\$982)
Employee benefits	3,487	2,219	2,466	(247)
Athletics:				
Salaries	93,260	87,502	86,727	775
Employee benefits	25,691	23,792	23,187	605
Purchased services	12,833	17,288	16,489	799
Supplies and materials	13,975	10,700	9,992	708
Other	750	4,109	4,109	0
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$162,096</u>	<u>\$152,627</u>	<u>\$150,969</u>	<u>\$1,658</u>

## FEDERAL FINANCIAL ASSISTANCE PROGRAMS

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN  
THE COUNTIES OF MONROE AND LENAWE, MICHIGAN**

*Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011*

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
<u>U.S. Department of Education</u>		
Passed Through State Department of Education:		
Title I	101530-0910	\$93,946
Title I	111530-1011	91,060
Title II Part A	100520-0910	44,777
Title II Part A	110520-1011	43,814
ARRA Title I	101535-0910	26,449
ARRA Title II Part D	114295-1011	1,075
		301,121
ARRA State fiscal stabilization fund	102525-0910	206,519
ARRA State fiscal stabilization fund	112525-1011	147,474
		353,993
Education Jobs Fund	112545-1011	84.410A
		159,469
Total Passed Through State Dept. of Education		814,583
Passed Through Intermediate School Districts:		
Safe and Drug Free Schools	102860-0910	84.186A
		914
Total U.S. Department of Education		815,497
<u>U.S. Department of Health and Human Services</u>		
Passed Through Intermediate School District:		
Medicaid Outreach	93.778	1,990
<u>U.S. Department of Agriculture</u>		
Passed Through State Department of Education:		
National School Lunch Program		
101950 All Lunches	10.555	11,694
111950 All Lunches	10.555	10,897
101960 Free & Reduced	10.555	36,570
111960 Free & Reduced	10.555	35,615
		94,776
101970 Breakfast	10.553	5,999
111970 Breakfast	10.553	7,159
		13,158
		107,934
U.S.D.A. Donated Commodities		
Entitlements	10.555	10,676
Bonus	10.555	476
		11,152
Total U.S. Department of Agriculture		119,086
Total Federal Financial Assistance		\$936,573

Accrued (Deferred) Revenue July 1, 2010	Prior Year Expenditures (Memo Only)	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue June 30, 2011
\$8,664	\$51,462	\$0	\$8,664	\$0
0	0	54,197	45,275	8,922
585	5,181	0	585	0
0	0	7,008	3,438	3,570
2,113	0	0	2,113	0
0	0	1,075	1,002	73
11,362	56,643	62,280	61,077	12,565
99,044	206,419	0	99,044	0
0	0	83,653	42,007	41,646
99,044	206,419	83,653	141,051	41,646
0	0	79,735	40,990	38,745
110,406	263,062	225,668	243,118	92,956
914	0	0	914	0
\$111,320	\$263,062	225,668	\$244,032	\$92,956
\$0	\$0	1,990	\$1,360	\$630
\$0	\$10,636	1,058	\$1,058	\$0
0	0	10,897	10,897	0
0	32,828	3,742	3,742	0
0	0	35,615	35,615	0
0	43,464	51,312	51,312	0
0	5,545	454	454	0
0	0	7,159	7,159	0
0	5,545	7,613	7,613	0
\$0	\$49,009	58,925	\$58,925	\$0
\$0	\$0	10,676	\$10,676	\$0
0	0	476	476	0
\$0	\$0	11,152	\$11,152	\$0
		70,077		
		\$297,735		

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT  
IN THE COUNTIES OF MONROE AND LENAWEЕ, MICHIGAN**

*Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011*

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SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unqualified opinion on the financial statements of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan.
2. No significant deficiencies or significant deficiencies considered material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report.
3. No instances of noncompliance material to the financial statements of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan were disclosed during the audit.
4. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
5. The amounts reported on the Grant Section Auditors Report reconcile with this schedule.