

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

ANNUAL FINANCIAL REPORT
June 30, 2024

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

*School Board Members
June 30, 2024*

<u>Name</u>	<u>Office</u>	<u>Date Term Expires</u>
Shane Hillard	President	12/31/2024
David Dixon	Vice-President	12/31/2026
Mike Iott	Secretary	12/31/2024
Janelle Young	Treasurer	12/31/2026
Jeff Bunge	Trustee	12/31/2026
Kristi Mock	Trustee	12/31/2024
Jason Vida	Trustee	12/31/2024

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

*Table of Contents
June 30, 2024*

Independent Auditor's Report	1-3
Independent Auditor's 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	4-5
Management's Discussion and Analysis	6-14
Basic Financial Statements:	
District-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Notes to Financial Statements	21-51
Required Supplemental Information:	
General Fund:	
Budgetary Comparison Schedule	52
Schedule of School District's Proportionate Share of Net Pension Liability	53
Schedule of School District's Pension Contributions.....	54
Schedule of School District's Proportionate Share of Net OPEB Liability	55
Schedule of School District's OPEB Contributions	56
Notes to Required Supplemental Information.....	57
Other Supplemental Information:	
General Fund:	
Schedule of Revenues - Budget and Actual	58
Schedule of Expenditures - Budget and Actual	59-62

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

Table of Contents (Continued)
June 30, 2024

Other Supplemental Information:

2015 Refunding School Bond	
Debt Retirement Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	63
Capital Projects Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	64
Nonmajor Governmental Funds:	
Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	66
Food Service Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	67
Student and School Activity Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	68
Sinking Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	69
Summary of 2023 Tax Levy.....	70
Schedule of Technology Enhancement Millage - Budget and Actual.....	71
Schedule of Athletics - Budget and Actual	72
Federal Financial Assistance Programs:	
Schedule of Expenditures of Federal Awards	73-76
Notes to Schedule of Expenditures of Federal Awards.....	77-78
Schedule of Findings and Questioned Costs	79-80
Summary Schedule of Prior Audit Findings.....	81



CALKINS HEHL RAFKO
— CERTIFIED PUBLIC ACCOUNTANTS —

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whiteford Agricultural School District (the “School District”) in the Counties of Monroe and Lenawee, Michigan, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements as listed in the table of contents.

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 as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Whiteford Agricultural School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Whiteford Agricultural School District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may rise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Whiteford Agricultural School District's basic financial statements. The other supplementary information, as identified in the table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2024, on our consideration of the Whiteford Agricultural School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Whiteford Agricultural School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Whiteford Agricultural School District's internal control over financial reporting and compliance.



Monroe, Michigan
October 29, 2024



CALKINS HEHL RAFKO

— CERTIFIED PUBLIC ACCOUNTANTS —

Independent Auditor's 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, in accordance with the 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, 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, 2024, and the related notes to the financial statements, which collectively comprise Whiteford Agricultural School District's basic financial statements, and have issued our report thereon dated October 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Whiteford Agricultural School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Whiteford Agricultural School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Whiteford Agricultural School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Whiteford Agricultural School District's financial statements are free from 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 financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Whiteford Agricultural School District's Response to Findings

Whiteford Agriculture School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Whiteford Agricultural School District's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Monroe, Michigan
October 29, 2024

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

*Management's Discussion and Analysis
Year Ended June 30, 2024*

This section of Whiteford Agricultural School District in the Counties of Monroe and Lenawee, Michigan (Whiteford Schools or the School District) annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year ended June 30, 2024. 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, the Special Revenue Funds, the Debt Service Fund, and the Capital Projects 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 Position 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 funds - the General Fund and the Capital Projects Fund with all other funds presented in one column as nonmajor funds. The remaining statement, the Statement of Fiduciary Net Position, 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
Pension and OPEB Schedules
(Required Supplemental Information)*

Other Supplemental Information

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

*Management's Discussion and Analysis
Year Ended June 30, 2024*

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities. 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 position and changes in them. The change in net position 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 Position 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 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.

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 Position and the Statement of Activities) and governmental funds in a reconciliation format in the financial section.

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

*Management's Discussion and Analysis
Year Ended June 30, 2024*

District–Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2024 and 2023.

Table 1

Comparative Statement of Net Position

	June 30, 2024	June 30, 2023
Current and other assets	\$9,752,266	\$6,751,716
Capital assets, net	20,371,865	19,073,036
Total Assets	30,124,131	25,824,752
Deferred Outflows of Resources	5,498,013	6,307,960
Current and other liabilities	3,582,889	3,335,423
Long-term liabilities	29,265,905	29,842,748
Total Liabilities	32,848,794	33,178,171
Deferred Inflows of Resources	4,402,964	2,704,576
Net Position		
Investment in capital assets	4,327,094	5,506,116
Restricted for technology enhancement	117,943	149,583
Restricted for debt service	400,250	319,380
Restricted for food service	271,871	130,988
Restricted for capital outlay	2,037,817	236,832
Unrestricted (deficit)	(8,784,589)	(10,092,934)
Total Net Position	(\$1,629,614)	(\$3,750,035)

As depicted in Table 1, the School District's net position was a deficit of 1,629,614 at June 30, 2024. Of this amount, a negative \$8,684,589 was unrestricted. This amount represents the *accumulated* results of all past years' operations. The operating results of the General Fund and the changes in the net pension liability will have a significant impact on the change in unrestricted net position 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 position for the fiscal years ended June 30, 2024 and 2023.

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

*Management's Discussion and Analysis
Year Ended June 30, 2024*

District–Wide Financial Analysis - Concluded

Table 2

Comparative Statement of Changes in Net Position

	June 30, 2024	June 30, 2023
Revenues		
Program revenues:		
Charges for services	\$114,283	\$220,728
Operating grants and contributions	3,204,363	2,640,026
	3,318,646	2,860,754
General revenues:		
Property taxes	2,714,090	2,509,757
State foundation allowance	6,795,010	6,257,496
Other general revenues	585,051	611,374
	10,094,151	9,378,627
Total Revenues	13,412,797	12,239,381
Functions/Program Expenses		
Instruction	5,787,200	6,758,621
Support services	4,178,311	4,274,364
Food service	359,063	465,643
Community services	716	0
Payments to not for profit entities	0	19,200
Interest on long-term debt	451,209	519,207
Depreciation and amortization	515,877	472,894
	11,292,376	12,509,929
Increase (Decrease) in Net Position	2,120,421	(270,548)
Beginning Net Position	(3,750,035)	(3,479,487)
Ending Net Position	(\$1,629,614)	(\$3,750,035)

As indicated in Table 2, the cost of *all governmental* activities this year was \$11,292,376. Of this amount, \$3,318,646 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 an increase in net position this year of \$2,120,421. Revenues increased by \$1,173,416, which is mostly due to an increase in Federal and State grants related to the COVID-19 pandemic. There was a decrease of total expenses of \$1,217,553, which is mostly attributable to the increase in pension expenses from changes in the deferred outflows, deferred inflows, and the net pension liability. A reconciliation of the change in fund balances to the change in net position appears on page 20.

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

*Management's Discussion and Analysis
Year Ended June 30, 2024*

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 \$6,924,046, which is an increase of \$2,616,911 from last year. The changes by each fund are as follows:

	General Fund	Capital Projects Fund	Food Service Fund	School and Student Activity Fund	Debt Retirement Fund	Sinking Fund	Total
Fund balances- beginning of year	\$3,331,824	\$234,005	\$130,988	\$217,269	\$390,222	\$2,827	\$4,307,135
Increase (decrease)	585,514	1,803,812	140,883	(7,279)	96,808	(2,827)	2,616,911
Fund balances- End of year	<u>\$3,917,338</u>	<u>\$2,037,817</u>	<u>\$271,871</u>	<u>\$209,990</u>	<u>\$487,030</u>	<u>\$0</u>	<u>\$6,924,046</u>

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

	June 30, 2024	June 30, 2023	Percent Change
Revenues			
Local sources	\$1,323,670	\$1,248,551	6.0%
State sources	8,972,298	8,109,819	10.6%
Federal sources	291,815	430,950	(32.3)%
Interdistrict and other sources	570,333	436,375	(30.7)%
Lease proceeds	496,089	0	100.0%
	<u>\$11,654,205</u>	<u>\$10,225,695</u>	14.0%

Property tax revenues increased \$80,00 due to changes in property values. State foundation allowance increased \$537,00 due to an increase in FTE's and state foundation allowance, student mental health grant increased \$98,000, and MPSERS decreased \$100,000. New state grants including Educator Compensation \$42,000, Literacy Improvements \$52,000, MI Kids Back on Track \$97,000, and District transportation Costs \$76,000 were added.

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

*Management’s Discussion and Analysis
Year Ended June 30, 2024*

Fund Financial Analysis – Concluded

Federal Esser III grant totaled \$237,000 but federal grants in total decreased \$261,000. Interdistrict and other source revenue increased \$73,600 in county special education, \$29,000 in insurance reimbursements, and \$25,000 in technology millage funds. Bus lease proceeds totaled \$496,089 due to entering into a 4-year lease agreement for 6 general education buses and a 3-year lease agreement for 1 special education bus.

Fund Financial Analysis – Concluded

Expenditures	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percent Change</u>
Instruction	\$6,267,645	\$6,043,766	3.7%
Support services	4,332,144	3,663,060	18.3%
Athletics	330,521	324,166	2.0%
Community services	716	0	100.0%
Payments to not for profit entities	0	19,200	(100.0)%
Debt service	137,665	99,465	38.4%
	<u>\$11,068,691</u>	<u>\$10,149,657</u>	9.1%

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 \$9,882,191 versus the final budget of \$11,356,020; difference of \$1,473,829. Major components of the original budget for revenues versus final projections are indicated below:

- Local revenue budget changes include:
 - Increase of \$37,000 for property taxes due to changes in property values.
 - Addition of \$32,500 in investment income due to the increase in bank interest rates.
 - Miscellaneous revenue recognizing expense reimbursements and Chromebook insurance in the amount of \$15,000.
 - Grant revenue of \$10,000 earmarked for the purchase of Chromebooks.

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

*Management's Discussion and Analysis
Year Ended June 30, 2024*

Beginning Budget versus Ending Budget (Concluded)

- State revenues budget changes include:
 - The foundation allowance increased \$345,000, originally budgeted 800 FTE's; actual FTE's were 818.23, increase of 18.23. The budgeted FTE count was based on assumptions that student count would align with FY23 ending general ed blended student count.
 - The foundation was not announced by the time the beginning budget was adopted; adopted budget included a \$458/student increase which increased the foundation allowance from \$9,150 to \$9,608.
 - Increases in the MPSERS funds totaling \$281,500 were added.
 - All grants are typically budgeted in full. Additional revenues added to the budget for new grants or carryover totaled approximately \$478,000: District Transportation Cost Reimbursement \$76,000, Student Loan Repayment \$14,400, Educator Compensation \$42,000, Robotics \$5,700, Benchmark Assessments \$7,000, CTE added Costs funds \$15,300, CTE Equipment \$47,600, 31aa Student Mental Health \$189,000, Targeted Literacy \$10,500 and carryover for Targeted Literacy \$22,000 and At Risk \$48,600.
- Federal revenue adjustments totaled (\$3,500) and include:
 - Decrease in allocations for Title I, Title II, and Title IV grants, \$2,500, \$850, \$150.
 - Budget was added for Homeless \$815.
 - Decrease in allocation for Medicaid \$800.
- Other revenue budget changes include: an increase in the projected county special education reimbursement in the amount of \$6,600, a carryover of \$150,000 and increase of \$25,000 in technology millage, and \$32,500 in insurance reimbursements.

Expenditures – The original budget for expenditures was \$10,522,976 compared to the final budget of \$11,033,870; an increase of \$510,894. Major components of the original budget for expenditures versus final projections are noted below:

- The budget was adjusted for the corresponding increases relating to the grant awards mentioned above.
- The budget was increased approximately \$77,000 for an increase in Title Aides hours and days worked above the Title grant funding.
- The budget was adjusted \$21,000 for an increase in legal and election expenses.
- Adjustments in Athletics included:
 - Addition of \$6,100 for contracted coaches.
 - Addition of \$5,000 for athletic officials.
 - Addition of \$8,000 to purchase new football helmets and safety gear.
- Adjustments in Debt Service include:
 - Addition of \$137,665 for 6 general education and 1 special education leased bus.

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

*Management's Discussion and Analysis
Year Ended June 30, 2024*

Final Budget versus Actual Figures

Revenues – General Fund actual revenue was \$11,654,205 versus a budget of \$11,356,020, a difference of \$298,185 (2.7%). This difference is mainly attributed to the following:

- Whiteford Property Tax \$16,000 from prior year pre denials
- UAAL 147A 1 & 2 cost offset \$51,000
- Literacy and Improvement & PD Grant received at year end in the amount of \$52,000.
- MI Kids Back on Track Grant received at year end in the amount of \$97,000
- Some grants were not fully expended therefore all revenue not recognized (Esser 11t, Technology Millage, 61s Voc Ed, and Early Literacy).

Expenditures – General Fund actual expenditures of \$11,068,691 versus a budget of \$11,033,870; a difference of \$34,821 (0.3%). This difference is mainly attributed to the following:

- All grants are budgeted in full however revenues are only recognized for corresponding expenditures.
- Retirement costs were budgeted slightly higher than actual in an attempt to cover all employee plans and matching obligations.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2024, the School District had \$27,209,129 invested in a broad range of capital assets, including land, land improvements, buildings and improvements, buses and other vehicles, machinery and equipment, and intangible right-to-use assets. This amount includes a net increase (including additions and disposals) of \$1,759,863 in capital assets. This year's additions consisted of general bond projects, 7 leased buses, a lab renovation, trailers, parking lot improvements, a cultivator, fencing, a planter, a smart boot system, and ice maker, an asphalt path, and signage. Projects that were not completed before year end include the general bond projects. Depreciation and amortization for this year totaled \$515,877. Detailed information regarding capital assets is included in Note 6 to the financial statements.

Debt

At June 30, 2024, the School District had \$14,775,000 in outstanding bonds. The unamortized premium on the bonds is \$911,347. 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 of \$342,732 include accrued vacation, sick and severance pay. More detailed information about long-term liabilities is presented in Note 11 to the Financial Statements.

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

*Management's Discussion and Analysis
Year Ended June 30, 2024*

Development of the 2024-254 Fiscal Year Budget

Our elected officials and administration consider many factors when setting the School District's 2024-25 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. For the 2025 fiscal year, the District projected a blended pupil count of 836 students, which is approximately 18 FTE's more than the previous year's actual figure and a foundation increase of \$251/student. Approximately 78% of total revenue is from the foundation allowance and property tax levy.

The School District has been actively scrutinizing processes and procedures in an attempt to control costs and keep the budget in line with projected revenues. 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 appropriations to school districts.

The budget for the 2024-25 fiscal year was adopted on June 25, 2024. Once the final student count and related per pupil funding is validated, the School District will amend the budget accordingly and will continue to do so periodically throughout the fiscal year as changes to the revenue and expenditure budgets are needed.

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 LENAWEЕ, MICHIGAN**

*Statement of Net Position
June 30, 2024*

	Governmental Activities
Assets	
Cash and cash equivalents	\$5,510,513
Investments	2,008,143
Accounts/taxes receivable	20,532
Due from other governmental units	1,858,635
Deposit	5,050
Inventories	4,184
Prepaid expenses	96,115
Net OPEB asset	249,094
Capital assets, net	20,371,865
Total Assets	30,124,131
Deferred Outflows of Resources	
Deferred amount of pension expense	4,311,295
Deferred amount of OPEB expense	1,186,718
Total Deferred Outflows of Resources	5,498,013
Liabilities	
Accounts payable	1,158,862
Salaries payable	549,284
Other liabilities	460,120
Accrued interest payable	86,780
Due to other governmental units	261,874
Unearned revenue	148,986
Long-term liabilities:	
Net pension liability	13,795,385
Long-term debt - due within one year	795,000
Long-term debt - due in more than one year	14,322,732
Unamortized premium on bond issuance	911,347
Lease commitments - due within one year	121,983
Lease commitments - due in more than one year	236,441
Total Liabilities	32,848,794
Deferred Inflows of Resources	
Deferred amount of net pension liability	1,423,054
Deferred amount of State aid funding for pension	878,907
Deferred amount of net OPEB liability	2,101,003
Total Deferred Inflows of Resources	4,402,964
Net Position	
Net investment in capital assets	4,327,094
Restricted for technology enhancement	117,943
Restricted for debt service	400,250
Restricted for food service	271,871
Restricted for capital outlay	2,037,817
Unrestricted (deficit)	(8,784,589)
Total Net Position	(\$1,629,614)

See accompanying notes to the basic financial statements

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

*Statement of Activities
Year Ended June 30, 2024*

Functions/Programs	Program Revenues			Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary government - Governmental activities:				
Instruction	\$5,787,200	\$8,030	\$1,818,284	(\$3,960,886)
Support services	4,178,311	79,287	910,223	(3,188,801)
Food services	359,063	26,966	475,856	143,759
Community services	716	0	0	(716)
Interest on long-term debt	451,209	0	0	(451,209)
Depreciation and amortization (Unallocated)	515,877	0	0	(515,877)
 Total Governmental Activities	<u>\$11,292,376</u>	<u>\$114,283</u>	<u>\$3,204,363</u>	<u>(7,973,730)</u>
 General Revenues:				
Taxes:				
Property taxes, levied for general operations				1,107,027
Property taxes, levied for technology				283,117
Property taxes, levied for debt retirement				1,323,945
Property taxes, levied for sinking				1
State of Michigan aid, unrestricted				6,795,010
Interest and investment earnings				95,765
Other				489,286
			Total General Revenues	10,094,151
			Change in Net Position	2,120,421
			Net Position - Beginning of year	(3,750,035)
			Net Position - End of year	(\$1,629,614)

See accompanying notes to the basic financial statements

FUND FINANCIAL STATEMENTS

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

*Governmental Funds
Balance Sheet
June 30, 2024*

	General	Debt Retirement Fund 2015 Refunding School Bond	Capital Projects Fund Capital Projects	Other Nonmajor Governmental Funds	Totals
Assets					
Cash and cash equivalents	\$3,412,749	\$435,671	\$1,010,151	\$651,942	\$5,510,513
Investments	0	0	2,008,143	0	2,008,143
Accounts/taxes receivable	20,418	0	0	114	20,532
Due from other governmental units	1,853,735	0	0	4,900	1,858,635
Due from other funds	149,314	51,359	0	223	200,896
Deposit	5,050	0	0	0	5,050
Inventory	0	0	0	4,184	4,184
Prepaid expenditures	92,243	0	0	3,872	96,115
Total Assets	\$5,533,509	\$487,030	\$3,018,294	\$665,235	\$9,704,068
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$151,226	\$0	\$943,423	\$64,213	\$1,158,862
Salaries payable	549,284	0	0	0	549,284
Other liabilities	460,096	0	0	24	460,120
Unearned revenue	142,332	0	0	6,654	148,986
Due to other governmental units	261,874	0	0	0	261,874
Due to other funds	51,359	0	37,054	112,483	200,896
Total Liabilities	1,616,171	0	980,477	183,374	2,780,022
Fund Balances					
Nonspendable:					
Prepaid expenditures	92,243	0	0	3,872	96,115
Inventory	0	0	0	4,184	4,184
Restricted for:					
Technology enhancement	117,943	0	0	0	117,943
Food service	0	0	0	263,815	263,815
2015 School bond debt retirement	0	487,030	0	0	487,030
Capital outlay	0	0	2,037,817	0	2,037,817
Committed to:					
Special projects	42,988	0	0	0	42,988
Student and school activity	0	0	0	209,990	209,990
Unassigned	3,664,164	0	0	0	3,664,164
Total Fund Balances	3,917,338	487,030	2,037,817	481,861	6,924,046
Total Liabilities and Fund Balances	\$5,533,509	\$487,030	\$3,018,294	\$665,235	\$9,704,068

See accompanying notes to the basic financial statements

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

*Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Year Ended June 30, 2024*

Total Fund Balances - Governmental Funds	\$6,924,046
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and are not reported in the funds:</p>	
Cost of the capital assets	\$27,209,129
Accumulated depreciation	(6,837,264)
	20,371,865
Deferred outflows of resources from subsequent pension expense from measurement date	4,311,295
Deferred outflows of resources from subsequent OPEB expense from measurement date	1,186,718
Deferred inflows of resources resulting from net pension liability	(1,423,054)
Deferred inflows of resources resulting from State school aid for pension	(878,907)
Deferred inflows of resources resulting from net OPEB liability	(2,101,003)
<p>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:</p>	
Net pension liability	(13,795,385)
Net OPEB asset	249,094
Bonds payable plus bond premiums	(15,686,347)
Lease commitments	(358,424)
Compensated absences	(342,732)
Accrued interest	(86,780)
	(30,020,574)
Total Net Position - Governmental Activities	(\$1,629,614)

See accompanying notes to the basic financial statements

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

*Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2024*

	General	Debt Retirement Fund 2015 Refunding School Bond	Capital Projects Fund Capital Projects	Other Nonmajor Governmental Funds	Totals
Revenues					
Local sources	\$1,323,670	\$1,333,439	\$45,679	\$312,942	\$3,015,730
State sources	8,972,298	11,022	0	286,144	9,269,464
Federal sources	291,815	0	0	189,712	481,527
Interdistrict and other sources	570,333	0	0	0	570,333
Total Revenues	11,158,116	1,344,461	45,679	788,798	13,337,054
Expenditures					
Instruction	6,267,645	0	0	0	6,267,645
Support services	4,332,144	0	0	655,140	4,987,284
Capital outlay	0	0	1,249,419	2,881	1,252,300
Debt service	137,665	1,247,653	0	0	1,385,318
Athletics	330,521	0	0	0	330,521
Community services	716	0	0	0	716
Total Expenditures	11,068,691	1,247,653	1,249,419	658,021	14,223,784
Excess (Deficiency) of Revenues Over Expenditures	89,425	96,808	(1,203,740)	130,777	(886,730)
Other Financing Sources (Uses)					
General obligation refunding bonds issued	0	0	2,875,000	0	2,875,000
Premium on bond	0	0	132,552	0	132,552
Lease proceeds	496,089	0	0	0	496,089
Total Other Financing Sources (Uses)	496,089	0	3,007,552	0	3,503,641
Net Change in Fund Balances	585,514	96,808	1,803,812	130,777	2,616,911
Fund Balances - Beginning of year	3,331,824	390,222	234,005	351,084	4,307,135
Fund Balances - End of year	<u>\$3,917,338</u>	<u>\$487,030</u>	<u>\$2,037,817</u>	<u>\$481,861</u>	<u>\$6,924,046</u>

See accompanying notes to the basic financial statements

**WHITEFORD AGRICULTURAL SCHOOL DISTRICT IN
THE COUNTIES OF MONROE AND LENAWE, 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, 2024*

Total Net Change in Fund Balances - Governmental Funds	\$2,616,911
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/amortization expense	(\$515,877)
Capital outlay	<u>1,814,706</u>
	1,298,829
Repayment of bond principal and lease commitments are expenditures in the governmental funds, while the repayment reduces long-term liabilities in the statement of net position.	957,665
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in pension liability	2,187,493
Net change in the deferred inflow of resources related to the net pension liability	(1,521,666)
Net change between actual pension contributions and the cost of benefits earned net of employer contributions	(596,263)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows of resources related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in OPEB liability	1,104,155
Net change in the deferred inflows of resources related to the net OPEB liability	(176,722)
Net change between actual OPEB contributions and the cost of benefits earned, net of employer contributions	(213,684)
Bond issuance proceeds provide an other financing source in the governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(3,007,552)
Lease proceeds provide an other financing source in the governmental funds, but issuing lease commitments increases long-term liabilities in the statement of net position	(496,089)
Governmental funds report 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 position and these amounts are amortized over the life of the bonds	68,125
Accrued interest is recorded in the statement of activities when incurred, it is not reported in the governmental funds until paid	(15,938)
Net changes in the liability for compensated absences are reported as expenditures in governmental funds	<u>(84,843)</u>
Change in Net Position of Governmental Activities	<u><u>\$2,120,421</u></u>

See accompanying notes to the basic financial statements

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

*Notes to Financial Statements
Year Ended June 30, 2024*

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 ensure 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, sinking, 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 accordance 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. 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 position 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.

Individual major governmental funds are reported as separate columns in the fund financial statements.

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.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 2

Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

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

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.

The School District reports the following major governmental funds:

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 Capital Projects Fund accounts for property taxes levied for major capital improvements.

The 2015 Refunding School Bond Debt Retirement Fund accounts for property taxes levied for debt service.

The School District reports the following nonmajor governmental funds:

The Food Service Fund, the Student and School Activity Fund, and the Sinking Fund are the School District's nonmajor governmental funds. These funds are used to account for specific revenue sources that are restricted for a particular purpose.

Economic Dependency - The School District received approximately 80% of the General Fund revenue from the State of Michigan. Due to the significance of this revenue source to the School District, the School District is considered economically dependent.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position 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.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 2 **Summary of Significant Accounting Policies (Continued)**

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

Deposits and Investments (Concluded)

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, 2024, 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 lower of cost or net realizable value, 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 position 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 capital 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 record 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. 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

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 2

Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

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 position.

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.

Unavailable/Unearned Revenue - Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned.

Leases – The School District is a lessee for school buses. The School District recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities column in the district-wide financial statements.

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.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 2

Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

Fund Balance Non-spendable, Restricted, Committed, Assigned, and Unassigned – 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 category. The Superintendent or his/her designee has the authority to place funds under the assigned category. Restricted resources should be used first, followed by committed funds, assigned amounts, and then unassigned amounts. The School Board desired to maintain, in stable economic times, a fund balance of at least 15% of the District General Fund annual operating expenditures.

Deferred Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The School District has items that qualify for reporting in this category. They are pension and other post-employment benefits (OPEB) related items reported in the government-wide statement of net position. Deferred outflows are recognized for pension and OPEB related items. These items are expensed in the plan year in which they apply.

Deferred Inflows of Resources - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The School District reports items that qualify for reporting in this category. The first arises only under the modified accrual basis of accounting. Unavailable revenue is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year end. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. The second is future resources yet to be recognized in relation to the pension and OPEB actuarial calculation. These future resources arise from the differences in the estimates used by the actuary to calculate the pension and OPEB liability and the actual results. The third is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period.

Net Position - Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets 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. The components of net position 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. Net position is unrestricted when other net position does not meet the definition of net investment in capital assets or is restricted and is available for general use. Restricted resources should be used first, followed by unrestricted amounts.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 2

Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Concluded)

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

D. Estimates - The preparation of financial statements in accordance 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 2024.

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.

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. Restricted Assets - The cash and investments for technology enhancement, debt service, and capital outlay are restricted for specific purposes. Restricted assets on the statement of net position and the governmental fund balance sheet represent cash that can only be used for which the revenue was received.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 2 **Summary of Significant Accounting Policies (Concluded)**

H. Reclassifications - Certain prior year amounts have been reclassified to conform with current year presentation.

I. Subsequent Events – The School District’s management evaluated subsequent events from June 30, 2024 through October 29, 2024, 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, 2024, 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. Expenditures exceeded final budgeted amounts in the following funds:

	Final Budget	Actual Expenditures	Variance
General Fund	\$11,033,870	\$11,068,691	(\$34,821)
Student and School Activity Fund	280,000	288,244	(8,244)
2015 Refunding School Bond Debt Retirement Fund	1,247,600	1,247,653	(53)

Note 4 **Deposits and Investments**

State statutes and the School District’s investment policy authorized 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, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District’s deposits are in accordance with statutory authority.

The School District’s deposits and investments are all on deposit with First Merchants Bank, Fifth Third Bank, Huntington Bank, UMB, and Flagstar.

The School District’s cash and investments are subject to several types of risk, which are examined in more detail in the following paragraphs:

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.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 4 Deposits and Investments (Continued)

- B. ***Credit risk*** – State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO’s). As of June 30, 2024, the School District did not have any investments that have this type of risk.
- 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 \$5,801,289 invested in checking accounts and money market accounts. The School District’s deposits are insured by the FDIC in the amount of \$1,250,000. Uninsured deposits are \$4,551,289.
- 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.

- F. ***Foreign currency risk*** - The School District is not authorized to invest in investments which have this type of risk.
- G. ***Fair Value Measurements*** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established, which requires an entity to maximize the use of observable and minimize the use of unobservable inputs

At June 30, 2024, the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Not Measured at Fair Value</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Rating</u>	<u>Rating Organization</u>
UMB U.S. Government and Agency Bonds	<u>\$0</u>	<u>\$2,008,143</u>	0.1220	AA+	Standard & Poor's
Portfolio Weighted Average Maturity			0.1220		

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 4 Deposits and Investments (Concluded)

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3: Prices determined using significant unobservable inputs. Unobservable inputs may be used in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period). Unobservable inputs reflect the organization’s own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The School District’s investments are all level 1. The School District does not have any level 2 or 3 investments.

As June 30, 2024, maturities of the School District’s debt securities were as follows:

	Investment Maturities (fair value by years)				
	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Agencies	\$2,008,143	\$2,008,143	\$0	\$0	\$0

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 5 Interfund Payables, Receivables, and Transfers

Interfund balances at June 30, 2024, consisted of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
General Fund:		
Capital Projects Fund	\$37,054	\$0
Food Service Fund	96,244	0
Student and School Activity Fund	16,016	0
Debt Retirement Fund	0	51,359
Capital Projects Fund:		
General Fund	0	37,054
Food Service Fund:		
General Fund	0	96,244
Student Activity Fund	223	0
Student Activity Fund:		
General Fund	0	16,016
Food Service Fund	0	223
Debt Retirement Fund:		
General Fund	51,359	0
Total	\$200,896	\$200,896

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.

The School District did not have any interfund transfers during the fiscal year ended June 30, 2024.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 6 Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$21,913	\$0	\$0	\$21,913
Construction in progress	11,021,242	1,219,210	206,761	12,033,691
	11,043,155	1,219,210	206,761	12,055,604
Capital assets being depreciated:				
Land improvements	1,789,076	52,438	0	1,841,514
Buildings and building improvements	11,934,926	18,012	0	11,952,938
Machinery and equipment	486,070	235,718	0	721,788
Vehicles	196,039	0	54,843	141,196
	14,406,111	306,168	54,843	14,657,436
Total capital assets	25,449,266	1,525,378	261,604	26,713,040
Less accumulated depreciation:				
Land improvements	(560,368)	(69,099)	0	(629,467)
Buildings and building improvements	(5,534,032)	(268,793)	0	(5,802,825)
Machinery and equipment	(115,669)	(43,322)	0	(158,991)
Vehicles	(166,161)	(4,947)	(54,843)	(116,265)
Total accumulated depreciation	(6,376,230)	(386,161)	(54,843)	(6,707,548)
Intangible right-to-use assets				
Leased buses	0	496,089	0	496,089
Less accumulated amortization	0	(129,716)	0	(129,716)
Net intangible right-to-use assets	0	366,373	0	366,373
Net capital assets	\$19,073,036	\$1,505,590	\$206,761	\$20,371,865

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

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 7 **Defined Benefit Pension Plans and Postemployment Benefits**

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

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

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

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

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

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

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 7 **Defined Benefit Pension Plans and Postemployment Benefits (Continued)**

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

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

Required contributions to the pension plan from the School District were \$1,536,180 for the year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the School District reported a liability of \$13,795,385 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled-forward from September 2022. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2023, the School District's proportion was 0.04262299 percent, which was an increase of 0.00012 percent from its proportion measured as of September 30, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of 2,010,614. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 7 **Defined Benefit Pension Plans and Postemployment Benefits (Continued)**
Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Concluded)

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between actual and expected experience	\$435,478	(\$21,132)
Changes of assumptions	1,869,337	(1,077,818)
Net differences between projected and actual earnings on pension plan investments	0	(282,298)
Changes in proportion and differences between school district contributions and proportionate share of contributions	292,436	(41,806)
School district's contributions subsequent to the measurement date	<u>1,714,044</u>	<u>0</u>
	<u>\$4,311,295</u>	<u>(\$1,423,054)</u>

\$1,714,044 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

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

	<u>Amount</u>
2024	\$496,404
2025	272,738
2026	603,683
2027	<u>(198,628)</u>
	<u>\$1,174,197</u>

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

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 7 **Defined Benefit Pension Plans and Postemployment Benefits (Continued)**
Actuarial Assumptions (Concluded)

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date:	September 30, 2022
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
- MIP and Basic Plans	6.00%, net of investment expenses
- Pension Plus Plan	6.00%, net of investment expenses
- Pension Plus 2 Plan	6.00%, net of investment expenses
Projected Salary Increases:	2.75 – 11.55%, including wage inflation at 2.75%
Cost-of-Living Pension Adjustments:	3% Annual Non-Compounded for MIP Members
Mortality:	
- Retirees	PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
- Active Members	PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 4.4406
- Recognition period for assets in years is 5.0000.
- Full actuarial assumptions are available in the 2023 MPSERS Comprehensive Annual Financial Report found on the ORS website at michigan.gov/orsschools.

The long-term expected rate of return on plan assets - The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023, are summarized in the following table:

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 7 Defined Benefit Pension Plans and Postemployment Benefits (Continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.00%	5.8%
Private Equity Pools	16.00	9.6
International Equity Pools	15.00	6.8
Fixed Income Pools	13.00	1.3
Real Estate and Infrastructure Pools	10.00	6.4
Absolute Return Pools	9.00	4.8
Real Return/Opportunistic Pools	10.00	7.3
Short-term Investment Pools	2.00	0.3
	100.00%	

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

Rate of return – For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 8.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate - A discount rate of 6.00% was used to measure the total pension liability (6.00% for Pension Plus plan, 6.0% for the Pension Plus 2 plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00 for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District’s proportionate share of the net pension liability to changes in the discount rate - The following presents the School District’s proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan), as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Decrease (5.0%)	Current Single Discount Rate Assumption (6.0%)	1% Increase (7.0%)
\$18,637,525	\$13,795,385	\$9,764,129

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 7 Defined Benefit Pension Plans and Postemployment Benefits (Concluded)

MPSERS Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS ACFR, available on the ORS website at michigan.gov/orsschools.

Payable to the Pension Plan – At June 30, 2024, the School District reported a payable of approximately \$344,906 for the outstanding amount of pension contributions to the pension plan required for the year ended June 30, 2024.

Note 8 Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

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

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

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

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

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning on October 1, 2022 and ending September 30, 2038.

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

OPEB Contribution Rates

<u>Benefit Structure</u>	<u>Member</u>	<u>Employer</u>
Premium Subsidy	3.00%	8.07%
Personal Healthcare Fund (PHF)	0.00%	7.21%

Required contributions to the OPEB plan from School District were \$343,016 for the year ended September 30, 2023.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 8

Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB (Assets)/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2024, the School District reported an asset of \$249,094 for its proportionate share of the MPSERS net OPEB (asset)/liability. The net OPEB (asset)/liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net OPEB (asset)/liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2023, the School District's proportion was 0.04403306 percent, which was an increase of .003663 percent from its proportion measured as of October 1, 2022.

For the year ending June 30, 2024, the School District recognized OPEB income of \$348,501. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between actual and expected experience	\$0	(\$1,882,285)
Changes of assumptions	554,527	(66,776)
Net differences between projected and actual earnings on OPEB plan investments	759	0
Changes in proportion and differences between school district contributions and proportionate share of contributions	316,645	(151,942)
School district's contributions subsequent to the measurement date	<u>314,787</u>	<u>0</u>
	<u>\$1,186,718</u>	<u>(\$2,101,003)</u>

\$314,787 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) (Continued)**
OPEB (Assets)/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – (Continued)

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

	Amount
2024	(\$390,704)
2025	(375,117)
2026	(140,197)
2027	(165,419)
2028	(107,011)
Thereafter	(50,624)
	(\$1,229,072)

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date:	September 30, 2022
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.00% net of investment expenses
Projected Salary Increases:	2.75– 11.55%, including wage inflation at 2.75%
Health Cost Trend Rate:	Pre-65: 7.50% Year 1 graded to 3.5% Year 15 Post-65: 6.25% Year 1 graded to 3.5% Year 15
Mortality:	
- Retirees	PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Mortality:	
- Active Members	PubT-2010 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

**Note 8 Postemployment Benefits Other Than Pensions (OPEB) (Continued)
Actuarial Assumptions (Concluded)**

Other Assumptions:

Opt Out Assumptions 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.

Survivor Coverage 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree’s death.

Coverage Election at Retirement 75% of male and 60% of female future retirees are assumed to elect coverage for one or more dependents.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 6.5099.
- Recognition period for assets in years is 5.0000
- Full actuarial assumptions are available in the 2023 MPSERS Comprehensive Annual Financial Report found on the ORS website at michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of September 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Domestic Equity Pools	25.00%	5.8%
Private Equity Pools	16.00	9.6
International Equity Pools	15.00	6.8
Fixed Income Pools	13.00	1.3
Real Estate and Infrastructure Pools	10.00	6.4
Absolute Return Pools	9.00	4.8
Real Return/Oppportunistic Pools	10.00	7.3
Short-term Investment Pools	2.00	0.3
	100.00%	

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

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 8 Postemployment Benefits Other Than Pensions (OPEB) (Concluded)

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

Discount Rate - A discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School District’s proportionate share of the net OPEB (asset)/liability to changes in the discount rate - The following presents the School District’s proportionate share of the net OPEB (asset)/liability calculated using the discount rate of 6.00%, as well as what the School District’s proportionate share of the net OPEB (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$258,236	(\$249,094)	(\$685,095)

Sensitivity of the School District’s proportionate share of the net OPEB (asset)/liability to Healthcare Cost Trend Rate - The following presents the School District’s proportionate share of the net OPEB (asset)/liability calculated using assumed trend rates, as well as what the School District’s proportionate share of net OPEB (asset)/liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.00%	Current Healthcare Cost Trend Rate 6.00%	1% Increase 7.00%
(\$686,182)	(\$249,094)	\$223,978

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued 2023 MPSERS CAFR, available on the ORS website at michigan.gov/orsschools.

Payables to the OPEB Plan - At June 30, 2024, the School District reported a payable of approximately \$78,560 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 9 **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 4, 2021, at 0.9866 mill for an additional five years, 2021 to 2026. 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 10 **Unearned Revenue**

Governmental funds and governmental activities defer revenue recognition in connection with resources that have been received but not earned. At the end of the current fiscal year, the various components of unearned revenue are as follows:

General Fund:	
Barron Insurance Pressbox	\$11,250
Early Literacy Grant	30,009
Milk Means More	4,018
Donations for events	802
Pilot Stem iPad Grant	1,000
At Risk Grant	82,151
104i 2023 Benchmark Assessments	3,125
97j Early Student Behavioral Intervention	1,627
67F Fafsa Completion Challenge	2,300
27k Student Loan Repayment Program	6,050
Student Activity Fund:	
Football camp	1,335
Food Service Fund:	
Prepaid student balances	5,319
Total	\$148,986

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 11 Long-Term Debt

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

	Balance June 30, 2023	Additions	Payments	Balance June 30, 2024	Due in One Year
2015 Refunding Bonds	\$2,030,000	\$0	\$480,000	\$1,550,000	\$495,000
2020 Building and Site Bonds	3,685,000	0	0	3,685,000	0
2022 Building and Site Bonds	7,005,000	0	340,000	6,665,000	265,000
2024 Building and Site Bonds	0	2,875,000	0	2,875,000	35,000
Premium on bonds	846,920	132,552	68,125	911,347	0
Total bonds payable	13,566,920	3,007,552	888,125	15,686,347	795,000
Other Liabilities:					
Compensated absences payable	257,889	84,843	0	342,732	0
	\$13,824,809	\$3,092,395	\$888,125	\$16,029,079	\$795,000

On March 11, 2015, the School issued \$5,230,000 in general obligation bonds with an interest rate of 4 percent to advance refund \$5,760,000 of outstanding 2005 Series bonds with an average interest rate of 4.14 percent. The net proceeds of \$5,757,949 (after payment of \$89,097 in underwriting fees, insurance, and other issuance costs) plus an additional \$119,548 of 2005 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 2005 Series bonds. As a result, the 2005 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$530,000. 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 \$692,054 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$602,077.

Compensated absences payable represents benefits for vacation and sick leave at year end.

2005 School Building and Site Bonds - \$7,405,000 - Interest rate 3.0% to 4.25%

These bonds were approved by the voters of the School District on November 1, 2005. The proceeds were used for erecting, furnishing and equipping an addition to the elementary school; partially remodeling, refurbishing and equipping the elementary and middle high schools; and developing and improving the school site. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. On March 11, 2015, certain bonds totaling \$5,230,000 were defeased by the 2015 bond issue.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 11 Long-Term Debt (Continued)

2015 Refunding Bonds - \$5,230,000 - Interest rate 4.0%

These bonds dated March 11, 2015, were issued to defease \$5,760,000 of the 2005 School Building and Site Bonds. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. The principal and interest requirements to retire the 2015 bonds are as follows:

Fiscal Year	Interest Requirements		Bond	Total
	November 1	May 1	Maturities May 1	
2025	\$31,000	\$31,000	\$495,000	\$557,000
2026	21,100	21,100	515,000	557,200
2027	10,800	10,800	540,000	561,600
	\$62,900	\$62,900	\$1,550,000	\$1,675,800

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 11 Long-Term Debt (Continued)

2020 School Building and Site Bonds - \$4,555,000 - Interest rate 3.0%

These bonds were approved by the voters of the School District on November 5, 2019. The proceeds were used for erecting, furnishing and equipping an arts program addition and a multi-purpose gymnasium addition to the middle/high school; remodeling, furnishing and refurbishing, and equipping and re-equipping existing school buildings; acquiring and installing instructional technology in school buildings; erecting, furnishing, and equipping a new bus garage; and preparing, developing, improving, and equipping athletic fields and facilities and sites. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. The principal and interest requirements to retire the 2020 bonds are as follows:

Fiscal Year	Interest Requirements		Bond Maturities	Total Requirements
	November 1	May 1	May 1	
2025	\$55,275	\$55,275	\$0	\$110,550
2026	55,275	55,275	0	110,550
2027	55,275	55,275	0	110,550
2028	55,275	55,275	160,000	270,550
2029	52,875	52,875	165,000	270,750
2030	50,400	50,400	170,000	270,800
2031	47,850	47,850	175,000	270,700
2032	45,225	45,225	180,000	270,450
2033	42,525	42,525	185,000	270,050
2034	39,750	39,750	190,000	269,500
2035	36,900	36,900	195,000	268,800
2036	33,975	33,975	200,000	267,950
2037	30,975	30,975	205,000	266,950
2038	27,900	27,900	210,000	265,800
2039	24,750	24,750	215,000	264,500
2040	21,525	21,525	225,000	268,050
2041	18,150	18,150	235,000	271,300
2042	14,625	14,625	240,000	269,250
2043	11,025	11,025	245,000	267,050
2044	7,350	7,350	255,000	269,700
2045	3,525	3,525	235,000	242,050
	\$730,425	\$730,425	\$3,685,000	\$5,145,850

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 11 Long-Term Debt (Continued)

2022 School Building and Site Bonds - \$7,145,000 - Interest rate 3.0-4.0%

These bonds were approved by the voters of the School District on November 5, 2019. The proceeds were used for erecting, furnishing and equipping an arts program addition and a multi-purpose gymnasium addition to the middle/high school; remodeling, furnishing and refurbishing, and equipping and re-equipping existing school buildings; acquiring and installing instructional technology in school buildings; erecting, furnishing, and equipping a new bus garage; and preparing, developing, improving, and equipping athletic fields and facilities and sites. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. The principal and interest requirements to retire the 2022 bonds are as follows:

Fiscal Year	Interest Requirements		Bond	Total
	November 1	May 1	Maturities May 1	
2025	\$109,850	\$109,850	\$265,000	\$484,700
2026	104,550	104,550	0	209,100
2027	104,550	104,550	0	209,100
2028	104,550	104,550	320,000	529,100
2029	98,150	98,150	330,000	526,300
2030	91,550	91,550	345,000	528,100
2031	84,650	84,650	355,000	524,300
2032	77,550	77,550	360,000	515,100
2033	70,350	70,350	365,000	505,700
2034	64,875	64,875	370,000	499,750
2035	59,325	59,325	380,000	498,650
2036	53,625	53,625	385,000	492,250
2037	47,850	47,850	390,000	485,700
2038	42,000	42,000	400,000	484,000
2039	36,000	36,000	405,000	477,000
2040	29,925	29,925	415,000	474,850
2041	23,700	23,700	425,000	472,400
2042	17,325	17,325	440,000	474,650
2043	10,725	10,725	450,000	471,450
2044	3,975	3,975	165,000	172,950
2045	1,500	1,500	100,000	103,000
	<u>\$1,236,575</u>	<u>\$1,236,575</u>	<u>\$6,665,000</u>	<u>\$9,138,150</u>

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 11 Long-Term Debt (Continued)

2024 School Building and Site Bonds - \$2,875,000 - Interest rate 4.0-5.0%

These bonds were approved by the voters of the School District on November 5, 2019. The proceeds were used for erecting, furnishing and equipping an arts program addition and a multi-purpose gymnasium addition to the middle/high school; remodeling, furnishing and refurbishing, and equipping and re-equipping existing school buildings; acquiring and installing instructional technology in school buildings; erecting, furnishing, and equipping a new bus garage; and preparing, developing, improving, and equipping athletic fields and facilities and sites. The bonds will pledge the full faith, credit, and resources of the School District for payment of principal and interest thereon, and will be payable from an annual property tax millage. The principal and interest requirements to retire the 2024 bonds are as follows:

Fiscal Year	Interest Requirements		Bond	Total
	November 1	May 1	Maturities May 1	
2025	\$0	\$128,429	\$35,000	\$163,429
2026	59,800	59,800	0	119,600
2027	59,800	59,800	0	119,600
2028	59,800	59,800	65,000	184,600
2029	58,175	58,175	70,000	186,350
2030	56,425	56,425	70,000	182,850
2031	54,675	54,675	80,000	189,350
2032	52,675	52,675	95,000	200,350
2033	50,300	50,300	110,000	210,600
2034	47,550	47,550	110,000	205,100
2035	44,800	44,800	115,000	204,600
2036	42,500	42,500	120,000	205,000
2037	40,100	40,100	125,000	205,200
2038	37,600	37,600	130,000	205,200
2039	35,000	35,000	140,000	210,000
2040	32,200	32,200	150,000	214,400
2041	29,200	29,200	155,000	213,400
2042	26,100	26,100	160,000	212,200
2043	22,900	22,900	170,000	215,800
2044	19,500	19,500	475,000	514,000
2045	10,000	10,000	500,000	520,000
	<u>\$839,100</u>	<u>\$967,529</u>	<u>\$2,875,000</u>	<u>\$4,681,629</u>

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 11 Long-Term Debt (Concluded)

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 Requirements</u>
2025	\$520,679	\$795,000	\$1,315,679
2026	481,450	515,000	996,450
2027	460,850	540,000	1,000,850
2028	439,250	545,000	984,250
2029	418,400	565,000	983,400
2030-2034	1,752,700	3,160,000	4,912,700
2035-2039	1,186,600	3,615,000	4,801,600
2040-2044	576,450	4,205,000	4,781,450
2045	30,050	835,000	865,050
	<u>\$5,866,429</u>	<u>\$14,775,000</u>	<u>\$20,641,429</u>

Note 12 Lease Commitments

The following is a summary of changes in lease commitments:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due in One Year</u>
Hoeskstra Leasing LLC - A	\$0	\$427,764	\$114,102	\$313,662	\$99,987
Hoekstra Leasing LLC - B	0	68,325	23,563	44,762	21,996
Total lease commitments	<u>\$0</u>	<u>\$496,089</u>	<u>\$137,665</u>	<u>\$358,424</u>	<u>\$121,983</u>

On July 18, 2023, the School Districted entered into two separate leases with Hoekstra Leasing LLC for school buses. The terms of these leases are 36 months to 48 months, with annual payments ranging from \$109,188 to \$121,983, with interest rates ranging from 3.5-4.5%.

The leased buses and accumulated amortization of the right-to-use assets are outlined in Note 6. Minimum lease payments over the next 3 years are as follows:

	<u>Total</u>		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$121,983	\$15,682	\$137,665
2025	127,253	10,412	137,665
2026	109,188	4,913	114,101
Totals	<u>\$358,424</u>	<u>\$31,007</u>	<u>\$389,431</u>

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 13 **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 2023 property taxes were levied on December 1, 2023 on assessed valuations as of December 31, 2022. Taxes were collected beginning December 1, 2023 and payments were due by February 14, 2024. Taxable values are based on a percentage of the fair market value of the assessed property. See "Summary of 2023 Tax Levy" for more information.

Note 14 **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, 2024, the School District did incur claims of \$0.

Note 15 **Cafeteria Contract**

During the fiscal year ended June 30, 2024, the School District contracted with The Nutrition Group to cover all cafeterias within the School District. Pursuant to this agreement, The Nutrition Group manages the food service operations of the School District. All costs of The Nutrition Group have been reflected in the financial statements of the Food Service Fund.

Note 16 **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 are 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, 2024.

B. Litigation

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

Note 17 **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.

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

*Notes to Financial Statements
Year Ended June 30, 2024*

Note 18 **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.

Note 19 **Sinking Fund**

The Sinking Fund records capital project activities funded with Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of §1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

Note 20 **Capital Projects Fund**

The Capital Projects Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provision of §1351a of the Revised School Code.

Note 21 **New Accounting Standard**

In June 2022, the Governmental Accounting Standards Board issued GASB Statement Number 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The School District is required to implement this standard effective July 1, 2024; however, there will be no material effect to the financial statements as a whole.

REQUIRED SUPPLEMENTAL INFORMATION

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

*General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2024*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	\$1,227,038	\$1,308,829	\$1,323,670	\$14,841
State sources	7,799,356	8,963,522	8,972,298	8,776
Federal sources	357,942	364,384	291,815	(72,569)
Interdistrict and other sources	497,855	719,285	570,333	(148,952)
Total Revenues	9,882,191	11,356,020	11,158,116	(197,904)
Expenditures				
Instruction:				
Basic programs	5,134,559	5,262,163	5,166,911	95,252
Added needs	979,042	1,255,316	1,100,734	154,582
Support services:				
Pupil	428,357	444,720	460,496	(15,776)
Instructional staff	253,577	236,087	247,558	(11,471)
General administration	366,360	391,606	361,361	30,245
School administration	714,284	700,598	699,104	1,494
Business administration	272,613	283,304	288,559	(5,255)
Operation and maintenance	1,350,743	1,270,503	1,218,558	51,945
Pupil transportation	536,540	414,199	870,487	(456,288)
Central services	183,726	304,766	186,021	118,745
Athletics	303,175	332,943	330,521	2,422
Debt service	0	137,665	137,665	0
Total Expenditures	10,522,976	11,033,870	11,068,691	(34,821)
Excess (Deficiency) of Revenues Over Expenditures	(640,785)	322,150	89,425	(232,725)
Other Financing Sources (Uses)				
Lease proceeds	0	0	496,089	496,089
Net Change in Fund Balances	(640,785)	322,150	585,514	263,364
Fund Balances - Beginning of year	3,258,502	3,331,824	3,331,824	0
Fund Balances - End of year	\$2,617,717	\$3,653,974	\$3,917,338	\$263,364

WHITEFORD AGRICULTURAL SCHOOLS

*Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 9/30 of each year)*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. School District's proportion of net pension liability (%)	0.04262%	0.04250%	0.04261%	0.04047%	0.03862%	0.03721%	0.03625%	0.03453%	0.03206%	0.03296%
B. School District's proportion proportionate share of net pension liability	\$13,795,385	\$15,982,878	\$10,087,089	\$13,903,331	\$12,790,324	\$11,184,651	\$9,395,072	\$8,614,164	\$7,829,613	\$7,260,411
C. School District's covered-employee payroll	\$4,447,705	\$3,979,582	\$4,016,581	\$3,654,217	\$3,440,900	\$3,239,983	\$3,070,857	\$3,020,287	\$2,685,414	\$2,812,081
D. School District's proportionate share of net pension liability as a percentage of its covered-employee payroll (%)	32.24%	24.90%	39.82%	26.28%	26.90%	28.97%	32.69%	35.06%	34.30%	38.73%
E. Plan fiduciary net position as a percentage of total pension liability	60.77%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE September 30, 2014.

WHITEFORD AGRICULTURAL SCHOOLS

*Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 6/30 of each year)*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$1,536,180	\$1,449,449	\$1,279,290	\$1,112,284	\$1,026,010	\$1,013,114	\$850,360	\$775,318	\$618,396	\$964,921
B. Contributions in relation to statutorily required contributions*	1,536,180	1,449,449	1,279,290	1,112,284	1,026,010	1,013,114	850,360	775,318	618,396	964,921
C. Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. School District's covered-employee payroll	\$4,709,319	\$4,341,083	\$4,036,206	\$3,810,340	\$3,450,396	\$3,318,156	\$3,199,739	\$3,066,347	\$2,292,845	\$2,792,810
E. Contributions as a percentage of covered-employee payroll	32.62%	33.39%	31.70%	29.19%	29.74%	30.53%	26.58%	25.28%	26.97%	34.55%

*Contributions in relation to statutorily required contributions are the contributions a school district actually made to the system, as distinct from the statutorily required contributions.

WHITEFORD AGRICULTURAL SCHOOLS

*Schedule of the School District's Proportionate Share of the Net OPEB (Asset)/Liability
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 9/30 of each year)*

	2023	2022	2021	2020	2019	2018	2017
A. School District's proportion of net OPEB (asset)/liability (%)	0.04403%	0.04037%	0.04402%	0.04104%	0.03921%	0.03797%	0.03631%
B. School District's proportion proportionate share of net OPEB (asset)/liability	(\$249,094)	\$855,061	\$671,876	\$2,198,611	\$2,814,194	\$3,017,915	\$3,215,011
C. School District's covered-employee payroll	\$4,447,705	\$3,979,582	\$4,016,581	\$3,654,217	\$3,440,900	\$3,239,983	\$3,070,857
D. School District's proportionate share of net OPEB (asset)/liability as a percentage of its covered-employee payroll (%)	-1785.55%	465.41%	597.82%	166.21%	122.27%	107.36%	95.52%
E. Plan fiduciary net position as a percentage of total OPEB liability	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE September 30, 2017.

WHITEFORD AGRICULTURAL SCHOOLS

*Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 School District Fiscal Years (Amounts determined as of 6/30 of each year)*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
A. Statutorily required contributions	\$343,016	\$307,511	\$326,763	\$289,956	\$269,200	\$246,437	\$282,652
B. Contributions in relation to statutorily required contributions*	<u>343,016</u>	<u>307,511</u>	<u>326,763</u>	<u>289,956</u>	<u>269,200</u>	<u>246,437</u>	<u>282,652</u>
C. Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
D. School District's covered-employee payroll	\$4,709,319	\$4,341,083	\$4,036,206	\$3,810,340	\$3,450,396	\$3,318,156	\$3,199,739
E. Contributions as a percentage of covered-employee payroll	7.28%	7.08%	8.10%	7.61%	7.80%	7.43%	8.83%

*Contributions in relation to statutorily required contributions are the contributions a school district actually made to the system, as distinct from the statutorily required contributions.

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE September 30, 2017.

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

*Notes to Required Supplemental Information
Year Ended June 30, 2024*

Pension Information

Benefit Changes

There were no changes of benefit terms for the pension plan year ended 2023.

Assumption Changes

There were no changes of assumptions for the pension plan year ended 2023, except for the following:

- **2023 - Mortality:**
 - Retirees – PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active Members – PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
- **2022 - Mortality:**
 - Retirees – RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active Members – RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

OPEB Information

Benefit Changes

There were no changes of benefit terms for the OPEB plan year ended 2023.

Assumption Changes

There were no changes of assumptions for the OPEB plan year ended 2023, except for the following:

- **2023 – Health Cost Trend Rate**
 - Pre-65: 7.50% Year 1 graded to 3.50% Year 15
 - Post-65: 6.25% Year 1 graded to 3.50% Year 15
- **2022 – Health Cost Trend Rate**
 - Pre-65: 7.75% Year 1 graded to 3.50% Year 15; 3.0% Year 120
 - Post-65: 5.25% Year 1 graded to 3.50% Year 15; 3.0% Year 120
- **2023 - Mortality:**
 - Retirees – PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active Members – PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
- **2022 - Mortality:**
 - Retirees – RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active Members – RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

OTHER SUPPLEMENTAL INFORMATION

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

*General Fund
Schedule of Revenues-Budget and Actual
Year Ended June 30, 2024*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Local Sources			
Property taxes	\$1,090,883	\$1,107,027	\$16,144
Investment income	42,700	48,852	6,152
Contributions	7,500	10,248	2,748
Athletics	79,178	79,287	109
Other revenue	88,568	78,256	(10,312)
Total Local Sources	1,308,829	1,323,670	14,841
State Sources			
Unrestricted grants:			
Proposal A obligation	3,247,316	3,210,533	(36,783)
Discretionary payment	3,584,474	3,584,477	3
Restricted grants:			
Special education-Headlee obligation	252,477	252,477	0
At risk	0	184,355	184,355
MPERS rate offset/UAAL/reform	1,127,066	1,167,510	40,444
Student mental health	189,052	191,894	2,842
Other state grants	480,331	332,370	(147,961)
Transfer from intermediate school district:			
Vocational education	82,806	48,682	(34,124)
Total State Sources	8,963,522	8,972,298	8,776
Federal Sources			
Title I	18,522	21,302	2,780
Title IIA	9,126	10,535	1,409
Title IV	10,000	10,000	0
Medicaid outreach grant	1,200	2,084	884
ESSER III	314,798	237,526	(77,272)
Transfer from intermediate school district:			
Perkins	9,923	9,558	(365)
Homeless Students' Assistance	815	810	(5)
Total Federal Sources	364,384	291,815	(72,569)
Interdistrict and Other Sources			
County special education tax	241,744	241,744	0
Technology enhancement millage	432,069	283,117	(148,952)
Transportation	6,638	6,638	0
Insurance reimbursements	38,834	38,834	0
Lease proceeds	0	496,089	496,089
Total Interdistrict and Other Sources	719,285	1,066,422	347,137
Total Revenues	\$11,356,020	\$11,654,205	\$298,185

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

*General Fund
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2024*

	Salaries	Employee Benefits	Purchased Services
Instruction			
Basic Programs:			
Elementary	\$1,020,667	\$872,594	\$74,405
Middle School	641,745	525,266	17,192
High School	958,114	759,328	91,668
Summer School	2,450	1,398	0
	<u>2,622,976</u>	<u>2,158,586</u>	<u>183,265</u>
Added Needs:			
Special education	328,662	265,844	1,206
Compensatory education	185,978	126,634	137
Vocational education	71,580	63,466	8,461
	<u>586,220</u>	<u>455,944</u>	<u>9,804</u>
Total Instruction	3,209,196	2,614,530	193,069
Support Services			
Pupil:			
Guidance	134,946	116,748	96
Health	0	0	540
Social work services	81,506	72,196	583
Other pupil services	30,133	17,148	1,715
	<u>246,585</u>	<u>206,092</u>	<u>2,934</u>
Instructional Staff:			
Improvement of instruction	40,155	36,226	20,274
Library	3,271	1,844	4,060
Technology assisted	22,824	13,096	105,266
	<u>66,250</u>	<u>51,166</u>	<u>129,600</u>
General Administration:			
Board of Education	2,670	205	44,351
Executive administration	167,888	133,371	5,500
	<u>170,558</u>	<u>133,576</u>	<u>49,851</u>
School Administration:			
Office of the principal	385,140	302,667	6,344
Other school administration	0	0	1,405
	<u>385,140</u>	<u>302,667</u>	<u>7,749</u>
Business Administration:			
Fiscal services	146,044	115,351	4,494
Internal services	0	0	383
Other business services	0	0	11,088
	<u>146,044</u>	<u>115,351</u>	<u>15,965</u>

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Variance with Final Budget Positive (Negative)
\$75,990	\$40,109	\$0	\$2,083,765	\$2,084,095	\$330
17,996	22,698	795	1,225,692	1,256,586	30,894
21,710	1,468	21,318	1,853,606	1,856,062	2,456
0	0	0	3,848	65,420	61,572
<u>115,696</u>	<u>64,275</u>	<u>22,113</u>	<u>5,166,911</u>	<u>5,262,163</u>	<u>95,252</u>
96	0	0	595,808	593,881	(1,927)
2,621	0	0	315,370	445,809	130,439
14,419	27,094	4,536	189,556	215,626	26,070
<u>17,136</u>	<u>27,094</u>	<u>4,536</u>	<u>1,100,734</u>	<u>1,255,316</u>	<u>154,582</u>
132,832	91,369	26,649	6,267,645	6,517,479	249,834
0	0	0	251,790	238,289	(13,501)
0	0	0	540	270	(270)
0	0	4,885	159,170	155,836	(3,334)
0	0	0	48,996	50,325	1,329
<u>0</u>	<u>0</u>	<u>4,885</u>	<u>460,496</u>	<u>444,720</u>	<u>(15,776)</u>
528	0	0	97,183	95,146	(2,037)
0	0	0	9,175	9,173	(2)
14	0	0	141,200	131,768	(9,432)
<u>542</u>	<u>0</u>	<u>0</u>	<u>247,558</u>	<u>236,087</u>	<u>(11,471)</u>
271	0	3,544	51,041	69,750	18,709
1,599	99	1,863	310,320	321,856	11,536
<u>1,870</u>	<u>99</u>	<u>5,407</u>	<u>361,361</u>	<u>391,606</u>	<u>30,245</u>
1,733	0	820	696,704	697,918	1,214
995	0	0	2,400	2,680	280
<u>2,728</u>	<u>0</u>	<u>820</u>	<u>699,104</u>	<u>700,598</u>	<u>1,494</u>
3,620	1,887	5,370	276,766	271,513	(5,253)
0	0	0	383	446	63
0	0	322	11,410	11,345	(65)
<u>3,620</u>	<u>1,887</u>	<u>5,692</u>	<u>288,559</u>	<u>283,304</u>	<u>(5,255)</u>

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

*General Fund
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2024*

	Salaries	Employee Benefits	Purchased Services
Support Services (Concluded)			
Operations Building Services:			
Operations and maintenance	\$143,448	\$137,950	\$479,307
Security services	0	0	104,066
	<u>143,448</u>	<u>137,950</u>	<u>583,373</u>
Pupil Transportation	182,520	121,384	31,065
Central Services:			
Communication services	0	0	10,210
Staff services	62,285	45,222	16,034
Technology	0	0	38,825
	<u>62,285</u>	<u>45,222</u>	<u>65,069</u>
Athletics	<u>89,965</u>	<u>67,704</u>	<u>147,496</u>
Total Support Services	1,492,795	1,181,112	929,036
Community Services			
Community Activities	<u>0</u>	<u>0</u>	<u>0</u>
Total Community Services	0	0	0
Debt Service			
Principal	0	0	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>
Total Interdistrict and Other Uses	0	0	0
Total Expenditures	<u>\$4,701,991</u>	<u>\$3,795,642</u>	<u>\$1,122,105</u>

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Variance with Final Budget Positive (Negative)
\$182,291	\$75,832	\$150	\$1,018,978	\$1,068,842	\$49,864
0	95,514	0	199,580	201,661	2,081
<u>182,291</u>	<u>171,346</u>	<u>150</u>	<u>1,218,558</u>	<u>1,270,503</u>	<u>51,945</u>
36,319	497,205	1,994	870,487	414,199	(456,288)
1,232	0	0	11,442	16,282	4,840
533	0	150	124,224	124,923	699
1,122	384	10,024	50,355	163,561	113,206
<u>2,887</u>	<u>384</u>	<u>10,174</u>	<u>186,021</u>	<u>304,766</u>	<u>118,745</u>
6,889	15,085	3,382	330,521	332,943	2,422
<u>237,146</u>	<u>590,492</u>	<u>32,504</u>	<u>4,662,665</u>	<u>4,378,726</u>	<u>(283,939)</u>
716	0	0	716	0	(716)
<u>716</u>	<u>0</u>	<u>0</u>	<u>716</u>	<u>0</u>	<u>(716)</u>
0	0	137,665	137,665	137,665	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	137,665	137,665	137,665	0
<u>\$370,694</u>	<u>\$681,861</u>	<u>\$196,818</u>	<u>\$11,068,691</u>	<u>\$11,033,870</u>	<u>(\$34,821)</u>

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

*2015 Refunding School Bond Debt Retirement Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Property taxes	\$1,356,845	\$1,287,093	\$1,323,945	\$36,852
Investment income	5,000	8,005	9,494	1,489
Total Local Sources	1,361,845	1,295,098	1,333,439	38,341
State Sources:				
State payment in lieu of tax	5,766	11,022	11,022	0
Total Revenues	1,367,611	1,306,120	1,344,461	38,341
Expenditures				
Debt service:				
Principal	820,000	820,000	820,000	0
Interest and fiscal charges	425,050	425,050	425,050	0
Other	2,050	2,550	2,603	(53)
Total Expenditures	1,247,100	1,247,600	1,247,653	(53)
Net Change in Fund Balances	120,511	58,520	96,808	38,288
Fund Balance - Beginning of year	214,228	390,222	390,222	0
Fund Balance - End of year	\$334,739	\$448,742	\$487,030	\$38,288

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

*Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024*

	Original Budget	Final Budget	Actual	Positive (Negative) Budget
Revenues				
Local Sources:				
Investment income	\$30,000	\$45,000	\$32,409	(\$12,591)
Gain (loss) on investments	0	0	13,270	13,270
Total Revenues	30,000	45,000	45,679	679
Expenditures				
Building improvements services:				
Purchased services	69,650	273,936	1,112,104	(838,168)
Supplies and materials	0	500	0	500
Capital outlay	1,120,442	1,178,052	132,429	1,045,623
Other	1,100	96,291	4,886	91,405
Total Expenditures	1,191,192	1,548,779	1,249,419	299,360
Net Change in Fund Balances	(1,161,192)	(1,503,779)	(1,203,740)	300,039
Other Financing Sources (Uses)				
General obligation bonds issued	0	2,875,000	2,875,000	0
Premium on bond	0	132,552	132,552	0
Total Other Financing Sources (Uses)	0	3,007,552	3,007,552	0
Net Change in Fund Balances	(1,161,192)	1,503,773	1,803,812	300,039
Fund Balance - Beginning of year	1,161,192	234,005	234,005	0
Fund Balance - End of year	\$0	\$1,737,778	\$2,037,817	\$300,039

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

*Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024*

	Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Food Service	Student and School Activity	Sinking	
Assets				
Cash and cash equivalents	\$411,273	\$240,669	\$0	\$651,942
Accounts receivable	0	114	0	114
Due from other governmental units	4,900	0	0	4,900
Due from other funds	223	0	0	223
Inventory	4,184	0	0	4,184
Prepaid expenditures	3,872	0	0	3,872
Total Assets	\$424,452	\$240,783	\$0	\$665,235
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$50,994	\$13,219	\$0	\$64,213
Other liabilities	24	0	0	24
Unearned revenue	5,319	1,335	0	6,654
Due to other funds	96,244	16,239	0	112,483
Total Liabilities	152,581	30,793	0	183,374
Fund Balances				
Nonspendable:				
Prepaid expenditures	3,872	0	0	3,872
Inventory	4,184	0	0	4,184
Restricted for:				
Food service	263,815	0	0	263,815
Debt service	0	0	0	0
Capital outlay	0	0	0	0
Committed to:				
Student and school activity	0	209,990	0	209,990
Total Fund Balances	271,871	209,990	0	481,861
Total Liabilities and Fund Balances	\$424,452	\$240,783	\$0	\$665,235

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

*Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2024*

	Special Revenue Fund		Capital Projects Fund	Total Nonmajor Governmental Funds
	Food Service	Student and School Activity	Sinking	
Revenues				
Local sources	\$31,923	\$280,965	\$54	\$312,942
State sources	286,144	0	0	286,144
Federal sources	189,712	0	0	189,712
Total Revenues	507,779	280,965	54	788,798
Expenditures				
Food service	366,781	0	0	366,781
Support services	115	288,244	0	288,359
Capital outlay	0	0	2,881	2,881
Total Expenditures	366,896	288,244	2,881	658,021
Net Change in Fund Balances	140,883	(7,279)	(2,827)	130,777
Fund Balances - Beginning of year	130,988	217,269	2,827	351,084
Fund Balances - End of year	\$271,871	\$209,990	\$0	\$481,861

**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, 2024*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Food sales	\$133,455	\$27,025	\$26,966	(\$59)
Interest income	5,070	5,070	4,957	(113)
Other	0	370	0	(370)
Total Local Sources	138,525	32,465	31,923	(542)
State Sources:				
Restricted grants	14,680	295,170	286,144	(9,026)
Federal Sources:				
Restricted grants	120,605	172,047	171,996	(51)
Commodities	13,283	15,689	17,716	2,027
Total Federal Sources	133,888	187,736	189,712	1,976
Total Revenues	287,093	515,371	507,779	(7,592)
Expenditures				
Operating Building Services:				
Supplies and materials	0	0	115	(115)
Food Services:				
Purchases services	148,512	165,792	163,379	2,413
Supplies and materials	134,369	197,942	188,096	9,846
Capital outlay	65,000	12,521	12,522	(1)
Other	2,624	2,784	2,784	0
Total Expenditures	350,505	379,039	366,781	12,258
Total Expenditures	350,505	379,039	366,896	12,143
Net Change in Fund Balances	(63,412)	136,332	140,883	4,551
Fund Balance - Beginning of year	178,052	130,988	130,988	0
Fund Balance - End of year	\$114,640	\$267,320	\$271,871	\$4,551

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

*Student and School Activity Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local Sources:				
Student and school activities	\$200,000	\$270,000	\$280,965	\$10,965
Expenditures				
Student and School Activities:				
Student and school activities	<u>210,000</u>	<u>280,000</u>	<u>288,244</u>	<u>(8,244)</u>
Net Change in Fund Balance	(10,000)	(10,000)	(7,279)	2,721
Fund Balance - Beginning of year	<u>247,707</u>	<u>217,269</u>	<u>217,269</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$237,707</u></u>	<u><u>\$207,269</u></u>	<u><u>\$209,990</u></u>	<u><u>\$2,721</u></u>

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

*Sinking Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2024*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Property taxes	\$0	\$0	\$1	\$1
Investment income	0	60	53	(7)
Total Local Sources	0	60	54	(6)
Expenditures				
Capital outlay:				
Capital outlay	6,125	2,887	2,881	6
Net Change in Fund Balances	(6,125)	(2,827)	(2,827)	0
Fund Balance - Beginning of year	6,125	2,827	2,827	0
Fund Balance - End of year	\$0	\$0	\$0	\$0

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

*Summary of 2023 Tax Levy
Year Ended June 30, 2024*

	Millage Rate	Taxable Value	Levy
Whiteford Township			
General Fund operating - non-homestead	18.0000	\$55,934,593	\$1,006,823
General Fund operating - commercial	6.0000	5,380,375	32,282
2015 Debt Retirement	2.0500	255,377,493	523,524
2015 Debt Retirement - IFT	1.0250	456,911	468
2019 Debt Retirement	2.8800	255,377,493	735,487
2019 Debt Retirement - IFT	1.4400	456,911	658
			2,299,242
Summerfield Township			
General Fund operating - non-homestead	18.0000	354,593	6,383
2015 Debt Retirement	2.0500	2,177,934	4,465
2019 Debt Retirement	2.8800	2,177,934	6,272
			17,120
Riga Township			
General Fund operating - non-homestead	18.0000	759,406	13,669
General Fund operating - commercial	6.0000	731	4
2015 Debt Retirement	2.0500	8,502,447	17,430
2019 Debt Retirement	2.8800	8,502,447	24,487
			55,590
Total			\$2,371,952
Summary			
General Fund operating - non-homestead		57,048,592	\$1,026,875
General Fund operating - commercial		5,380,375	32,286
2015 Debt Retirement		266,057,874	545,419
2015 Debt Retirement - IFT		456,911	468
2019 Debt Retirement		266,057,874	766,246
2019 Debt Retirement - IFT		456,911	658
			\$2,371,952

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

*Schedule of Technology Enhancement Millage
Budget and Actual
Year Ended June 30, 2024*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Technology enhancement millage	\$432,069	\$283,117	(\$148,952)
Expenditures			
Instruction:			
Salaries	34,808	34,858	(50)
Fringe benefits	23,686	24,324	(638)
Purchase services	14,476	14,219	257
Supplies	4,154	4,152	2
Capital outlay	64,452	64,050	402
Total Instruction	141,576	141,603	661
Support:			
Salaries	39,026	38,977	49
Fringe benefits	26,614	27,973	(1,359)
Purchase services	93,866	105,743	(11,877)
Supplies	118,349	461	117,888
Total Support	277,855	173,154	104,701
Total Expenditures	419,431	314,757	105,362
Net Change in Fund Balance	12,638	(31,640)	254,314
Restricted for Technology Enhancement:			
Fund Balance - Beginning of Year	149,583	149,583	0
Fund Balance - End of Year	\$162,221	\$117,943	\$254,314

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

*Schedule of Athletics
Budget and Actual
Year Ended June 30, 2024*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Admissions	\$71,100	\$43,270	\$43,044	(\$226)
Participation fees	34,220	35,908	36,243	335
Investment income	200	200	3	(197)
Other	994	14,618	10,301	(4,317)
Total Local Sources	106,514	93,996	89,591	(4,405)
State Sources:				
Restricted grants	14,745	15,983	0	(15,983)
Total Revenues	\$121,259	\$109,979	\$89,591	(\$20,388)
Expenditures				
Operations and maintenance:				
Security services				
Purchased services	\$2,000	\$1,500	\$1,240	\$260
Pupil Transportation:				
Salaries	5,675	5,933	7,336	(1,403)
Employee benefits	3,290	3,135	3,877	(742)
Purchased services	15	0	0	0
Central Services:				
Staff services:				
Purchased services	1,670	0	0	0
Athletics:				
Salaries	94,493	89,879	89,965	(86)
Employee benefits	64,174	66,405	67,704	(1,299)
Purchased services	129,785	140,410	147,496	(7,086)
Supplies and materials	9,343	11,234	6,889	4,345
Capital outlay	3,000	21,600	15,085	6,515
Other	2,379	3,414	3,382	32
Total Expenditures	\$315,824	\$343,510	\$342,974	\$536

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

*Schedule of Expenditures of Federal Awards
June 30, 2024*

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal AL Number	Approved Grant Award Amount
<u>U.S. Department of Agriculture</u>		
Passed Through State of Michigan Department of Education:		
Local Food for Schools	230985	10.185 \$3,740
Child Nutrition Cluster:		
Cash Assistance:		
School Breakfast Program	231970	10.553 13,675
School Breakfast Program	241970	10.553 22,661
		36,336
National School Lunch Program	231960	10.555 92,629
National School Lunch Program	241960	10.555 101,325
Supply Chain Assistance Funds	230910	10.555 12,096
Supply Chain Assistance Funds	220910	10.555 60,535
Supply Chain Assistance Funds	240910	10.555 824
		267,409
Total Cash Assistance		303,745
Noncash Assistance (Commodities)		
National Lunch Program:		
Entitlement Commodities	10.555	17,716
Total Child Nutrition Cluster:		321,461
Total U.S. Department of Agriculture		325,201
<u>U.S. Department of Education</u>		
Passed Through State of Michigan Department of Education:		
Title I, Part A - Improving Basic Programs		
Title I, Part A - Improving Basic Programs	231530-2223	84.010 17,713
Title I, Part A - Improving Basic Programs	241530-2324	84.010 21,302
		39,015
Title II, Part A - Supporting Effective Instruction		
Title II, Part A - Supporting Effective Instruction	230520-2223	84.367 8,437
Title II, Part A - Supporting Effective Instruction	240520-2324	84.367 10,535
		18,972
Title IV, Part A - SSAE		
Title IV, Part A - SSAE	230750-2223	84.424 10,000
Title IV, Part A - SSAE	240750-2324	84.424 10,000
		20,000

The accompanying notes are an integral part of this Schedule.

Accrued (Deferred) Revenue July 1, 2023	Prior Year Expenditures (Memo Only)	Current Year Expenditures	Federal Funds/ Payments In-kind (Cash Basis)	Accrued (Deferred) Revenue June 30, 2024
\$3,740	\$3,740	\$0	\$3,740	\$0
588	11,824	1,851	2,439	0
0	0	22,661	22,661	0
588	11,824	24,512	25,100	0
2,931	81,367	11,262	14,193	0
0	0	101,325	101,325	0
(10,572)	1,524	10,572	0	0
0	37,034	23,501	23,501	0
0	0	824	824	0
(7,641)	119,925	147,484	139,843	0
(7,053)	131,749	171,996	164,943	0
0	0	17,716	17,716	0
(7,053)	131,749	189,712	182,659	0
(3,313)	135,489	189,712	186,399	0
17,713	17,713	0	17,713	0
0	0	21,302	0	21,302
17,713	17,713	21,302	17,713	21,302
8,437	8,437	0	8,437	0
0	0	10,535	0	10,535
8,437	8,437	10,535	8,437	10,535
10,000	10,000	0	10,000	0
0	0	10,000	0	10,000
10,000	10,000	10,000	10,000	10,000

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

*Schedule of Expenditures of Federal Awards
June 30, 2024*

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal AL Number	Approved Grant Award Amount
<u>U.S. Department of Education (Concluded)</u>		
Passed Through State of Michigan Department of Education (Concluded):		
Education Stabilization Program (ESP):		
COVID 19 - ESSER II Summer Programming K-8	213722-2122	\$143,000
COVID 19 - ESSER II Credit Recovery 9-12	213742-2122	14,850
COVID 19 - 98c Learning Loss	213782-2223	40,401
		<u>198,251</u>
COVID 19 - ESSER III	213713-2122	296,128
COVID 19 - Section 11t	213723-2122	531,863
		<u>827,991</u>
Total Passed Through State of Michigan Department of Education		1,104,229
Passed Through Monroe County Intermediate School District:		
Perkins Vocational Assistance	243520-241226	9,558
Homeless Students' Assistance	232320-2223	199
Homeless Students' Assistance	242420-2324	810
		<u>1,009</u>
Total Passed Through Monroe County Intermediate School District		<u>10,567</u>
Total U.S. Department of Education		<u>1,114,796</u>
<u>U.S. Department of Health and Human Services</u>		
Passed Through Monroe County Intermediate School District:		
Medicaid Outreach	93.778	2,084
Total Federal Financial Assistance		<u><u>\$1,442,081</u></u>

The accompanying notes are an integral part of this Schedule.

Accrued (Deferred) Revenue July 1, 2023	Prior Year Expenditures (Memo Only)	Current Year Expenditures	Federal Funds/ Payments In-kind (Cash Basis)	Accrued (Deferred) Revenue June 30, 2024
\$27,220	\$119,187	\$0	(\$64,746)	\$91,966
2,889	8,415	0	(2,638)	5,527
34,077	34,077	0	34,077	0
64,186	161,679	0	(33,307)	97,493
113,629	296,128	0	113,629	0
214,126	214,126	237,526	422,298	29,354
327,755	510,254	237,526	535,927	29,354
428,091	708,083	279,363	538,770	168,684
0	0	9,558	0	9,558
0	199	0	0	0
0	0	810	0	810
0	199	810	0	810
0	199	10,368	0	10,368
428,091	708,282	289,731	538,770	179,052
0	2,032	2,084	2,084	0
\$424,778	\$845,803	\$481,527	\$727,253	\$179,052

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

*Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024*

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Whiteford Agricultural School District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Whiteford Agricultural School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Whiteford Agricultural School District.
2. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as a reimbursement. Cash received is recorded on a cash basis. Revenues are recognized when qualifying expenditures have been incurred and all grant requirements have been met.
3. Whiteford Agricultural School District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.
4. The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with this schedule for USDA donated food commodities and are reported in the cash receipts column.
5. Certain federal programs require that the School District contribute non-federal funds (matching funds) to support the federally-funded programs. The School District has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.
6. There were no federal awards expended for loan or loan guarantee programs.
7. Whiteford Agricultural School District does not have any subrecipients.
8. Management has utilized the Michigan Department of Education NexSys Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards. The following shows a reconciliation of current year receipts per the Schedule of Expenditures of Federal Awards to current payments per the GAR.

Agency total current payments per Michigan Department of Education Grant Auditor Report - (GAR) NexSys	\$740,760
Additional items not on NexSys report:	
Payback of grant funding due to reporting error:	
COVID 19 - ESSER II Summer Programming K-12	(64,746)
COVID 19 - ESSER II Credit Recovery 9-12	(2,638)
Non-cash assistance USDA Commodities	17,716
COVID-19 98c Learning Loss	34,077
Passed through Monroe County Intermediate School District:	
Medicaid Outreach	2,084
Total current year receipts (cash basis) per the schedule of expenditures of federal awards (SEFA)	\$727,253

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

*Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024*

9. Reconciliation to the Financial Statements:

General Fund	\$291,815
Special Revenue Fund:	
Food Service Fund	<u>189,712</u>
Total expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$481,527</u></u>

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

*Schedule of Findings and Questioned Costs
Year Ended June 30, 2024*

SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Whiteford Agricultural School District were prepared in accordance with GAAP.
2. One material weakness and one significant deficiency relating to the audit of the financial statements are reported in the Independent Auditor's 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*.
3. No instances of noncompliance material to the financial statements of Whiteford Agricultural School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FINDINGS - FINANCIAL STATEMENTS AUDIT:

2024-001 Material Audit Adjustments

Finding Type: Material weakness in internal controls over financial reporting.

Repeat Finding: Yes (2023-001)

Criteria: Management is responsible for maintaining accounting records in accordance with generally accepted accounting principles (GAAP).

Condition: During the audit, we identified and proposed adjustments (which were approved and posted by management) in the General Fund to reconcile the MPSERS UAAL rate stabilization in the amount of \$207,600 and to record the lease proceeds and capital outlay for the new bus leases in the amount of \$496,089.

Cause: This condition was the effect of a lack of management oversight.

Effect: The journal entry posted to reconcile the MPSERS UAAL rate stabilization resulted in a decrease to fund balance/net position in the amount of \$207,600. The journal entry posted for the bus lease did not have an effect on fund balance/net position.

Recommendation: We recommend that the School District review its accounting procedures to make certain that account reconciliations are completed accurately, prior to the commencement of the annual audit. The School District should also review procedures when implementing accounting standards to ensure entries are posted properly. The necessary adjustments have been made to the School District's records and appropriately presented in the financial statements. Accordingly, no further corrective action is required at this time.

View of Responsible Officials: Management will conduct a review of the general ledger on an ongoing basis.

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

*Schedule of Findings and Questioned Costs
Year Ended June 30, 2024*

2024-002 Budgets

Finding Type: Significant deficiency in internal controls over financial reporting.

Repeat Finding: Yes (2023-002)

Criteria: The State of Michigan requires that budgets be adopted for the General Fund and all Special Revenues Funds, and that expenditures do not exceed amounts authorized.

Condition: During the audit, we noted that expenditures exceeded amounts authorized in the General Fund and the Student and School Activity Fund.

Cause: The School District failed to amend the budget to account for additional expenditures.

Effect: There was no financial statement effect to the fund balance.

Recommendation: We recommend that the School District amend the budgets to ensure that expenditures do not exceed amounts authorized. We also recommend that the School District implement procedures to record the student activities from the Student and School Activities Fund 61 ledger in Fund 29. This should be done on a monthly basis in order to ensure all expenditures are accounted for.

View of Responsible Officials: Management will conduct a review of budgets on an ongoing basis.

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

*Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023*

2023-001 Significant Audit Adjustments

Finding Type: Significant deficiency in internal controls over financial reporting.

Criteria: Management is responsible for maintaining accounting records in accordance with generally accepted accounting principles (GAAP).

Condition: During the audit, we identified and proposed an adjustment (which was approved and posted by management) in the Capital Projects Fund.

Cause: The School District's failure to reconcile accounts resulted in the following changes:

- Capital Projects Fund – Cash and liabilities were understated by approximately \$82,992.

Effect: There was no financial statement effect to the fund balance.

Recommendation: We recommend that the School District review its account procedures to make certain that account reconciliations are completed accurately, prior to the commencement of the annual audit. The necessary adjustments have been made to the School District's records and appropriately presented in the financial statements. Accordingly, no further corrective action is required at this time.

View of Responsible Officials: Management will conduct a review of the general ledger on an ongoing basis.

Current Status: The finding is not corrected. See current year finding 2024-001.

2023-002 Budgets

Finding Type: Significant deficiency in internal controls over financial reporting.

Criteria: The State of Michigan requires that budgets be adopted for the General Fund and all special revenues funds, and that expenditures do not exceed amounts authorized.

Condition: During the audit, we noted that expenditures exceeded amounts authorized in the Food Service Fund and the Student and School Activity Fund.

Cause: The School District failed to amend the budget to account for additional expenditures.

Effect: There was no financial statement effect to the fund balance.

Recommendation: We recommend that the School District amend the budget to ensure that expenditures do not exceed amounts authorized. Accordingly, no further corrective action is required at this time.

View of Responsible Officials: Management will conduct a review of budgets on an ongoing basis.

Current Status: The finding is not corrected. See current year finding 2024-002.



Whiteford Agricultural School District

of the Counties of Lenawee and Monroe, Michigan

"Home of the Bobcats"

6655 Consear Road
Ottawa Lake, MI 49267
734-856-1443

Superintendent/Business Office Fax: 734-854-6463
Middle School/High School Fax: 734-856-2564
Elementary School Fax: 734-856-4724

October 31, 2024

Whiteford Agricultural School District Corrective Action Plan Finding as of June 30, 2024

Contact Person Responsible: Scott Huard, Superintendent
Marisa Tebbe-Cousino, Director of Business and Finance

Finding Number: 2024-001

Corrective Action Planned: Management is responsible for maintaining accounting records in accordance with generally accepted accounting principles. During the audit, there were proposed adjustments related to the MPSERS UAAL rate stabilization and new buses leases, in the General Fund, (that was approved and posted by management) that were material to the financial statements. Management will conduct a review of the general ledger on an ongoing basis and make budgetary adjustments as appropriate.

Anticipated Completion Date: The necessary adjustments have been made to the School District's records and are appropriately presented in the financial statements. Accordingly, no further corrective action is deemed necessary.

Finding Number: 2024-002

Corrective Action Planned: Management is responsible for adopting budgets consistent with generally accepted accounting principles and State law for the General Fund and Special Revenue Funds. During the audit, it was noted that expenditures exceeded amounts authorized in the General Fund and the Student and School Activity Fund. The School District will review the general ledger and amend budgets as necessary to ensure expenditures do not exceed amounts authorized.

Anticipated Completion Date: The current year budgets are adopted and expenditures are within amounts authorized. Accordingly, no further corrective action is deemed necessary.

Sincerely,

Marisa Tebbe-Cousino



LEARNING • LIVING • GROWING • TOGETHER



CALKINS HEHL RAFKO
— CERTIFIED PUBLIC ACCOUNTANTS —

October 29, 2024

To the Board of Education
Whiteford Agricultural School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whiteford Agricultural School District for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 18, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Whiteford Agricultural School District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful lives of depreciable capital assets is based on the length of time those assets will provide economic benefit in the future.

Management's estimate of the accrued compensated absences is based on formulas and conditions specified in various contracts regarding vacation and sick leave benefits.

Managements' estimates of the net pension and OPEB liabilities are based on actuarial valuations and other financial data. We have evaluated key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

To the Board of Education
Whiteford Agricultural School District

-2-

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statement's taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 29, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Whiteford Agricultural School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Whiteford Agricultural School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, major fund budget and actual statements, and pension and OPEB schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

To the Board of Education
Whiteford Agricultural School District

-3-

We were engaged to report on the other supplemental information, as listed in the table of contents, and the federal financial assistance program schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the Board of Education and management of Whiteford Agricultural School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Collins Hehl Rappo