

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

Ottawa Lake, Michigan

ANNUAL FINANCIAL REPORT

June 30, 2025

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

*School Board Members
June 30, 2025*

<u>Name</u>	<u>Office</u>	<u>Date Term Expires</u>
Shane Hillard	President	12/31/2028
David Dixon	Vice-President	12/31/2026
Jeff Bunge	Secretary	12/31/2026
Janelle Young	Treasurer	12/31/2026
Brandon Iott	Trustee	12/31/2028
Jason Vida	Trustee	12/31/2028
Thomas Wenzel	Trustee	12/31/2028

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

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June 30, 2025*

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IN THE COUNTIES OF MONROE AND LENAWEE, MICHIGAN**

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2025, 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 accompanying financial statements 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, 2025, 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, and 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*, are presented for purposes of additional analysis and are 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 23, 2025, 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 23, 2025



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, 2025, 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 23, 2025.

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.

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. 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.

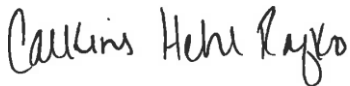
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

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*.

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 23, 2025

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

*Management's Discussion and Analysis
Year Ended June 30, 2025*

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, 2025. 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 LENAWEE, MICHIGAN**

*Management's Discussion and Analysis
Year Ended June 30, 2025*

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 LENAWEE, MICHIGAN**

*Management's Discussion and Analysis
Year Ended June 30, 2025*

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, 2025 and 2024.

Table 1

Comparative Statement of Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Current and other assets	\$8,974,323	\$9,752,266
Capital assets, net	<u>21,596,064</u>	<u>20,371,865</u>
Total Assets	<u>30,570,387</u>	<u>30,124,131</u>
Deferred Outflows of Resources	4,437,070	5,498,013
Current and other liabilities	2,187,513	3,582,889
Long-term liabilities	<u>26,783,612</u>	<u>29,265,905</u>
Total Liabilities	<u>28,971,125</u>	<u>32,848,794</u>
Deferred Inflows of Resources	6,124,741	4,402,964
Net Position		
Investment in capital assets	6,530,346	4,327,094
Restricted for technology enhancement	163,086	117,943
Restricted for debt service	515,926	400,250
Restricted for food service	319,231	271,871
Restricted for capital outlay	452,785	2,037,817
Unrestricted (deficit)	<u>(8,069,783)</u>	<u>(8,784,589)</u>
Total Net Position	<u><u>(\$88,409)</u></u>	<u><u>(\$1,629,614)</u></u>

As depicted in Table 1, the School District's net position was a deficit of \$88,409 at June 30, 2025. Of this amount, a negative \$8,069,783 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, 2025 and 2024.

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

*Management's Discussion and Analysis
Year Ended June 30, 2025*

District-Wide Financial Analysis - Concluded

Table 2

Comparative Statement of Changes in Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Revenues		
Program revenues:		
Charges for services	\$146,217	\$114,283
Operating grants and contributions	<u>2,931,859</u>	<u>3,204,363</u>
	3,078,076	3,318,646
General revenues:		
Property taxes	2,798,571	2,714,090
State foundation allowance	6,886,403	6,795,010
Other general revenues	<u>598,432</u>	<u>585,051</u>
	<u>10,283,406</u>	<u>10,094,151</u>
Total Revenues	13,361,482	13,412,797
Functions/Program Expenses		
Instruction	5,539,892	5,787,200
Support services	3,981,278	4,178,311
Food service	437,864	359,063
Community services	0	716
Interest on long-term debt	527,845	451,209
Depreciation and amortization	<u>490,182</u>	<u>515,877</u>
Total Expenses	<u>10,977,061</u>	<u>11,292,376</u>
Increase (Decrease) in Net Position	2,384,421	2,120,421
Beginning Net Position	<u>(2,472,830)</u>	<u>(3,750,035)</u>
Ending Net Position	<u><u>(\$88,409)</u></u>	<u><u>(\$1,629,614)</u></u>

As indicated in Table 2, the cost of *all governmental* activities this year was \$10,977,061. Of this amount, \$3,078,076 was subsidized with revenue generated from charges for services, grants, and other contributions with the remaining costs financed with general revenues.

The School District experienced a decrease in net position this year of \$88,409. Revenues decreased by \$51,315, which is mostly due to a decrease in Federal and State grants related to the COVID-19 pandemic. There was a decrease of total expenses of \$315,315, which is mostly attributable to the decrease in pension and OPEB expenses from changes in the deferred outflows, deferred inflows, and the net pension liability and net OPEB asset. 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 LENAWEE, MICHIGAN**

*Management's Discussion and Analysis
Year Ended June 30, 2025*

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 \$5,574,017, which is a decrease of \$1,350,029 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	Total
Fund balances- beginning of year	\$3,917,338	\$2,037,817	\$271,871	\$209,990	\$487,030	\$6,924,046
Increase (decrease)	64,267	(1,585,032)	47,360	24,205	99,171	(1,350,029)
Fund balances- End of year	<u>\$3,981,605</u>	<u>\$452,785</u>	<u>\$319,231</u>	<u>\$234,195</u>	<u>\$586,201</u>	<u>\$5,574,017</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, 2025	June 30, 2024	Percent Change
Revenues			
Local sources	\$1,354,514	\$1,323,670	2.3%
State sources	9,025,772	8,972,298	0.6%
Federal sources	43,425	291,815	(85.1)%
Interdistrict and other sources	600,204	570,333	5.2%
Lease proceeds	<u>0</u>	<u>496,089</u>	(100.0)%
	<u>\$11,023,915</u>	<u>\$11,654,205</u>	(5.4)%

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

*Management's Discussion and Analysis
Year Ended June 30, 2025*

Fund Financial Analysis – Concluded

Donation revenues increased \$20,000 for a new softball scoreboard and field trips and Chromebook insurance revenues increased \$4,200 and \$5,000, respectively. State foundation allowance increased \$91,769 due to an increase in FTE's and State foundation allowance but restricted state aid decreased \$38,298 with the loss of the 27L Educator Compensation grant and the redistribution of MPSERS funds. Federal Esser III funds expired, which decreased federal revenues over \$237,000 and the CTE Perkins grant was eliminated in the amount of \$9,558. County Special Ed revenue increased \$28,291. No lease proceeds were recognizable this year effectively reducing revenues \$496,089.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Percent Change</u>
Expenditures			
Instruction	\$6,581,309	\$6,267,645	5.0%
Support services	3,670,524	4,332,144	(15.3)%
Athletics	415,873	330,521	25.8%
Community services	0	716	-100.0%
Prior period adjustments	149,277	0	100.0%
Debt service	137,665	137,665	0.0%
Operating transfer out	<u>5,000</u>	<u>0</u>	100.0%
	<u><u>\$10,959,648</u></u>	<u><u>\$11,068,691</u></u>	(1.1)%

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:

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

*Management's Discussion and Analysis
Year Ended June 30, 2025*

Beginning Budget versus Ending Budget

Revenues – The original budget for revenues was \$10,802,741 versus the final budget of \$11,129,857; difference of \$327,116. Major components of the original budget for revenues versus final projections are indicated below:

- Local revenue budget changes include:
 - Changes in property tax values resulting in a decrease of \$37,721.
 - Addition of \$39,000 in investment income resulting from an increase in bank interest rates.
 - Increase of \$20,000 from a donation made to offset the cost of a new softball scoreboard
 - Miscellaneous revenue recognizing instructional reimbursements of \$900, additional field trip reimbursements of \$3,000 and added Chromebook insurance in the amount of \$1,625.
 - Increase in athletic admission revenue of \$15,572.
- State revenue budget changes include:
 - The foundation allowance decreased \$227,308, originally budgeted 836.02 FTE's; actual FTE's were 829.59, a decrease of 6.43. The budgeted FTE count was based on assumptions that student count would align with FY24 ending general ed blended student count with an added 17 TK students.
 - The foundation was not announced at the time the beginning budget was adopted; adopted budget included a \$241/student increase which increased the foundation allowance from \$9,608 to \$9,849. The actual foundation for FY25 came in with a \$0 increase.
 - Increase in Special Ed Headlee funds of \$33,126
 - Increases in the MPSERS funds totaling \$99,646 were added.
 - Recognized \$9,157 in ORS employer forfeiture revenue.
 - All grants are budgeted in full. Additional revenues added to the budget for new grants or carryover totaled approximately \$280,398: District Transportation Cost Reimbursement \$87,783, Robotics \$4,457, Benchmark Assessments \$11,282, CTE added Costs funds \$6,825, CTE Equipment \$24,201, Professional Development \$51,951, 31aa Student Mental Health \$93,998, Targeted Literacy \$14,301, and a removal of \$14,400 Student Loan Repayment.
- Federal revenue adjustments include:
 - Increase in allocations for Title I and Title II grants, \$3,113 and \$1,395 respectively.
 - Budget was added for Homeless \$100.
 - Increase in allocation for Medicaid \$1,500.
- Other revenue budget changes include: an increase in the projected county special education reimbursement in the amount of \$28,291, an increase of \$47,832 in technology millage, and \$6,102 in insurance reimbursements.

Expenditures – The original budget for expenditures was \$11,572,564 compared to the final budget of \$11,619,300; an increase of \$46,736. 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 \$76,991 for the ORS 3% Employee Premium Subsidy Reimbursement.

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

*Management's Discussion and Analysis
Year Ended June 30, 2025*

Beginning Budget versus Ending Budget - Concluded

- The budget was adjusted \$30,000 for an increase in elementary contracted substitutes needed.
- Adjustments in Athletics included:
 - Removal of budgeted amount of \$27,200 for a sports trainer.
 - Decrease of \$15,813 for contracted coaches.
 - Decrease in benefits with reduction of contracted coaches, sports trainer, and UAAL \$33,989
 - Addition of \$4,365 for athletic officials.
 - Addition of \$25,620 for new softball scoreboard (\$20,000 donation recognized in revenue to offset expense)
 - Addition of \$13,356 to purchase new football helmets and safety gear.

Final Budget versus Actual Figures

Revenues – General Fund actual revenue was \$11,023,915 versus a budget of \$11,129,857, a difference of \$105,942 (0.95%). This difference is mainly attributed to the following:

- Some grants were not fully expended therefore all revenue not recognized (At Risk, Literacy Improvement & PD, and Early Literacy).

Expenditures – General Fund actual expenditures of \$10,954,648 versus a budget of \$11,619,300; a difference of \$664,652 (5.72%). 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, 2025, the School District had \$28,914,651 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 \$1,705,522 in capital assets. This year's additions consisted of general bond projects, John Deere gator with attachments, scissor lift, softball scoreboard, cashier line, convection oven, reach in refrigerator, and merchandiser. Projects that were not completed before year end include the general bond projects. Depreciation and amortization for this year totaled \$490,182. Detailed information regarding capital assets is included in Note 6 to the financial statements.

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

*Management's Discussion and Analysis
Year Ended June 30, 2025*

Capital Asset and Debt Administration - Concluded

Debt

At June 30, 2025, the School District had \$13,980,000 in outstanding bonds. The unamortized premium on the bonds is \$849,277. 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 \$1,374,620 include accrued vacation, sick and severance pay. More detailed information about long-term liabilities is presented in Note 11 to the Financial Statements.

Development of the 2025-2026 Fiscal Year Budget

Our elected officials and administration consider many factors when setting the School District's 2025-26 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 2026 fiscal year, the District projected a blended pupil count of 845 students, which is approximately 14 FTE's more than the previous year's actual figure and a foundation increase of \$392/student. Approximately 89% 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 2025-26 fiscal year was adopted on June 24, 2025. 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 LENAWE, MICHIGAN**

*Statement of Net Position
June 30, 2025*

	Governmental Activities
Assets	
Cash and cash equivalents	\$5,359,106
Accounts/taxes receivable	16,318
Due from other governmental units	1,654,906
Deposit	5,050
Inventories	6,168
Prepaid expenses	7,454
Net OPEB asset	1,925,321
Capital assets, net	21,596,064
Total Assets	30,570,387
Deferred Outflows of Resources	
Deferred amount of pension expense	3,745,544
Deferred amount of OPEB expense	691,526
Total Deferred Outflows of Resources	4,437,070
Liabilities	
Accounts payable	197,284
Salaries payable	599,240
Other liabilities	387,121
Accrued interest payable	70,275
Due to other governmental units	132,905
Unearned revenue	158,435
Long-term liabilities:	
Net pension liability	10,985,527
Long-term debt - due within one year	515,000
Long-term debt - due in more than one year	14,839,620
Unamortized premium on bond issuance	849,277
Lease commitments - due within one year	127,253
Lease commitments - due in more than one year	109,188
Total Liabilities	28,971,125
Deferred Inflows of Resources	
Deferred amount of net pension liability	3,060,767
Deferred amount of State aid funding for pension	495,731
Deferred amount of net OPEB liability	2,568,243
Total Deferred Inflows of Resources	6,124,741
Net Position	
Net investment in capital assets	6,530,346
Restricted for technology enhancement	163,086
Restricted for debt service	515,926
Restricted for food service	319,231
Restricted for capital outlay	452,785
Unrestricted (deficit)	(8,069,783)
Total Net Position	(\$88,409)

See accompanying notes to the basic financial statements

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

*Statement of Activities
Year Ended June 30, 2025*

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary government -				
Governmental activities:				
Instruction	\$5,539,892	\$12,243	\$2,073,840	(\$3,453,809)
Support services	3,981,278	104,665	389,692	(3,486,921)
Food services	437,864	29,309	468,326	59,771
Interest on long-term debt	527,845	0	0	(527,845)
Depreciation and amortization (Unallocated)	490,182	0	0	(490,182)
Total Governmental Activities	<u>\$10,977,061</u>	<u>\$146,217</u>	<u>\$2,931,859</u>	(7,898,985)
General Revenues:				
Taxes:				
Property taxes, levied for general operations				1,085,727
Property taxes, levied for technology				313,217
Property taxes, levied for debt retirement				1,399,627
State of Michigan aid, unrestricted				6,886,403
Interest and investment earnings				127,777
Other				470,655
				<u>10,283,406</u>
Change in Net Position				2,384,421
Net Position - Beginning of year, restated				<u>(2,472,830)</u>
Net Position - End of year				<u>(\$88,409)</u>

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, 2025*

	General	Debt Retirement Fund 2015 Refunding School Bond	Capital Projects Fund Capital Projects	Other Nonmajor Governmental Funds	Totals
Assets					
Cash and cash equivalents	\$3,691,735	\$474,647	\$484,839	\$707,885	\$5,359,106
Accounts/taxes receivable	9,141	0	0	7,177	16,318
Due from other governmental units	1,603,056	0	0	51,850	1,654,906
Due from other funds	178,468	111,554	0	223	290,245
Deposit	5,050	0	0	0	5,050
Inventory	0	0	0	6,168	6,168
Prepaid expenditures	6,850	0	0	604	7,454
Total Assets	<u>\$5,494,300</u>	<u>\$586,201</u>	<u>\$484,839</u>	<u>\$773,907</u>	<u>\$7,339,247</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$127,214	\$0	\$0	\$70,070	\$197,284
Salaries payable	599,240	0	0	0	599,240
Other liabilities	387,116	0	0	5	387,121
Unearned revenue	154,666	0	0	3,769	158,435
Due to other governmental units	132,905	0	0	0	132,905
Due to other funds	111,554	0	32,054	146,637	290,245
Total Liabilities	1,512,695	0	32,054	220,481	1,765,230
Fund Balances					
Nonspendable:					
Prepaid expenditures	6,850	0	0	604	7,454
Inventory	0	0	0	6,168	6,168
Restricted for:					
Technology enhancement	163,086	0	0	0	163,086
Food service	0	0	0	312,459	312,459
2015 School bond debt retirement	0	586,201	0	0	586,201
Capital outlay	0	0	452,785	0	452,785
Committed to:					
Special projects	7,864	0	0	0	7,864
Student and school activity	0	0	0	234,195	234,195
Unassigned	3,803,805	0	0	0	3,803,805
Total Fund Balances	<u>3,981,605</u>	<u>586,201</u>	<u>452,785</u>	<u>553,426</u>	<u>5,574,017</u>
Total Liabilities and Fund Balances	<u>\$5,494,300</u>	<u>\$586,201</u>	<u>\$484,839</u>	<u>\$773,907</u>	<u>\$7,339,247</u>

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, 2025*

Total Fund Balances - Governmental Funds		\$5,574,017
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	\$28,914,651	
Accumulated depreciation and amortization	<u>(7,318,587)</u>	
		21,596,064
Deferred outflows of resources from subsequent pension expense from measurement date		3,745,544
Deferred outflows of resources from subsequent OPEB expense from measurement date		691,526
Deferred inflows of resources resulting from net pension liability		(3,060,767)
Deferred inflows of resources resulting from State school aid for pension		(495,731)
Deferred inflows of resources resulting from net OPEB liability		(2,568,243)
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:		
Net pension liability	(10,985,527)	
Net OPEB asset	1,925,321	
Bonds payable plus bond premiums	(14,829,277)	
Lease commitments	(236,441)	
Compensated absences	(1,374,620)	
Accrued interest	<u>(70,275)</u>	
		<u>(25,570,819)</u>
Total Net Position - Governmental Activities		<u>(\$88,409)</u>

See accompanying notes to the basic financial statements

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

*Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2025*

	General	Debt Retirement Fund 2015 Refunding School Bond	Capital Projects Fund Capital Projects	Other Nonmajor Governmental Funds	Totals
Revenues					
Local sources	\$1,354,514	\$1,407,833	\$70,137	\$314,195	\$3,146,679
State sources	9,025,772	9,156	0	310,361	9,345,289
Federal sources	43,425	0	0	157,965	201,390
Interdistrict and other sources	600,204	0	0	0	600,204
Total Revenues	11,023,915	1,416,989	70,137	782,521	13,293,562
Expenditures					
Instruction	6,581,309	0	0	0	6,581,309
Support services	3,670,524	0	0	710,956	4,381,480
Capital outlay	0	0	1,660,169	0	1,660,169
Prior period adjustments	149,277	0	0	0	149,277
Debt service	137,665	1,317,818	0	0	1,455,483
Athletics	415,873	0	0	0	415,873
Total Expenditures	10,954,648	1,317,818	1,660,169	710,956	14,643,591
Excess (Deficiency) of Revenues Over Expenditures	69,267	99,171	(1,590,032)	71,565	(1,350,029)
Other Financing Sources (Uses)					
Operating transfers in	0	0	5,000	0	5,000
Operating transfers out	(5,000)	0	0	0	(5,000)
Total Other Financing Sources (Uses)	(5,000)	0	5,000	0	0
Net Change in Fund Balances	64,267	99,171	(1,585,032)	71,565	(1,350,029)
Fund Balances - Beginning of year	3,917,338	487,030	2,037,817	481,861	6,924,046
Fund Balances - End of year	\$3,981,605	\$586,201	\$452,785	\$553,426	\$5,574,017

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, 2025*

Total Net Change in Fund Balances - Governmental Funds	(\$1,350,029)
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	(\$490,182)
Capital outlay	<u>1,714,381</u>
	1,224,199
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.	916,983
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	2,809,858
Net change in the deferred inflow of resources related to the net pension liability	(1,254,537)
Net change between actual pension contributions and the cost of benefits earned net of employer contributions	(565,751)
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	1,676,227
Net change in the deferred inflows of resources related to the net OPEB liability	(467,240)
Net change between actual OPEB contributions and the cost of benefits earned, net of employer contributions	(495,192)
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	62,070
Accrued interest is recorded in the statement of activities when incurred, it is not reported in the governmental funds until paid	16,505
Net changes in the liability for compensated absences are reported as expenditures in governmental funds	<u>(188,672)</u>
Change in Net Position of Governmental Activities	<u>\$2,384,421</u>

See accompanying notes to the basic financial statements

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

Basis of Presentation (Concluded)

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

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

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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 and the Student and School Activity 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 82% 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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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)

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

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

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

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2025, 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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

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

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

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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)
Accrued Liabilities and Long-Term Obligations (Continued)

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.

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 School District's 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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

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

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.

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 2025.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

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.
- 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, 2025 through October 23, 2025, 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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

Note 3 **Stewardship, Accountability and Compliance (Continued)**

During the year ended June 30, 2025, 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 did not exceed final budgeted amounts.

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.
- 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, 2025, 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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

Note 4 Deposits and Investments (Continued)

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 \$5,587,501 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 \$4,337,501.

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

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

*Notes to Financial Statements
Year Ended June 30, 2025*

Note 5 Interfund Payables, Receivables, and Transfers

Interfund balances at June 30, 2025, consisted of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund:		
Capital Projects Fund	\$32,054	\$0
Food Service Fund	120,498	0
Student and School Activity Fund	25,916	0
Debt Retirement Fund	0	111,554
Capital Projects Fund:		
General Fund	0	32,054
Food Service Fund:		
General Fund	0	120,498
Student Activity Fund	223	0
Student Activity Fund:		
General Fund	0	25,916
Food Service Fund	0	223
Debt Retirement Fund:		
General Fund	<u>111,554</u>	<u>0</u>
Total	<u><u>\$290,245</u></u>	<u><u>\$290,245</u></u>

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.

Interfund transfers at June 30, 2025, consisted of the following:

	<u>Transfer Out:</u>
	<u>General Fund</u>
<u>Transfer In:</u>	
Capital Projects Fund	<u><u>\$5,000</u></u>

The transfer from the Capital Projects Fund to the General Fund represents monies collected in one fund and supported administratively by another fund.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

Note 6 Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$21,913	\$0	\$0	\$21,913
Construction in progress	12,033,691	1,613,487	0	13,647,178
	12,055,604	1,613,487	0	13,669,091
Capital assets being depreciated:				
Land improvements	1,841,514	0	0	1,841,514
Buildings and building improvements	11,952,938	0	0	11,952,938
Machinery and equipment	721,788	100,894	8,859	813,823
Vehicles	141,196	0	0	141,196
	14,657,436	100,894	8,859	14,749,471
Total capital assets	26,713,040	1,714,381	8,859	28,418,562
Less accumulated depreciation:				
Land improvements	(629,467)	(73,306)	0	(702,773)
Buildings and building improvements	(5,802,825)	(237,050)	0	(6,039,875)
Machinery and equipment	(158,991)	(45,163)	(8,859)	(195,295)
Vehicles	(116,265)	(4,947)	0	(121,212)
Total accumulated depreciation	(6,707,548)	(360,466)	(8,859)	(7,059,155)
Intangible right-to-use assets				
Leased buses	496,089	0	0	496,089
Less accumulated amortization	(129,716)	(129,716)	0	(259,432)
Net intangible right-to-use assets	366,373	(129,716)	0	236,657
Net capital assets	\$20,371,865	\$1,224,199	\$0	\$21,596,064

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

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

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, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2024.

<u>Benefit Structure</u>	<u>Member</u>	<u>Employer</u>
Basic	0.0 - 4.0%	23.03%
Member Investment Plan	3.0 - 7.0%	23.03%
Pension Plus	3.0 - 6.4%	19.17%
Pension Plus 2	6.2%	20.10%
Defined Contribution	0.0%	13.90%

Required contributions to the pension plan from the School District were \$1,876,025 for the year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the School District reported a liability of \$10,985,527 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled-forward from September 2023. 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, 2024, the School District's proportion was 0.04487182 percent, which was an increase of 0.002249 percent from its proportion measured as of September 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense of \$1,246,188. At June 30, 2025, the School 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 LENAWEE, MICHIGAN**

*Notes to Financial Statements
Year Ended June 30, 2025*

**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	\$298,045	(\$119,359)
Changes of assumptions	1,145,306	(804,892)
Net differences between projected and actual earnings on pension plan investments	0	(2,096,504)
Changes in proportion and differences between school district contributions and proportionate share of contributions	610,900	(40,012)
School district's contributions subsequent to the measurement date	<u>1,691,293</u>	<u>0</u>
	<u><u>\$3,745,544</u></u>	<u><u>(\$3,060,767)</u></u>

\$1,691,293 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>
2025	(\$129,647)
2026	221,797
2027	(622,904)
2028	<u>(475,762)</u>
	<u><u>(\$1,006,516)</u></u>

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

Actuarial Assumptions (Concluded)

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, 2023
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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

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 pension liability as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023, 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: 4.4612
- Recognition period for assets in years is 5.0000.
- Full actuarial assumptions are available in the 2024 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, 2024, 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%	5.3%
Private Equity Pools	16.00	9.0
International Equity Pools	15.00	6.5
Fixed Income Pools	13.00	2.2
Real Estate and Infrastructure Pools	10.00	7.1
Absolute Return Pools	9.00	5.2
Real Return/Opportunistic Pools	10.00	6.9
Short-term Investment Pools	2.00	1.4
	<u>100.00%</u>	

* Long-term rates of return are net of administrative expenses and 2.3% inflation.

Rate of return – For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 15.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

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%)
<u> </u>	<u> </u>	<u> </u>
<u>\$16,104,900</u>	<u>\$10,985,527</u>	<u>\$6,722,663</u>

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, 2025, the School District owed \$344,906 related to required pension plan payments. Amounts accrued at year end for accounting purposes are reported in the financial statements as accrued expenses. These amounts represent current payments for June paid in July, accruals for summer pay (primarily teachers), and contributions due funded from state aid revenue section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization rate contributions.

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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

Plan Description (Continued) - 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.

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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

Contributions (Continued) - 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, 2023 valuation will be amortized over a 15-year period beginning on October 1, 2023 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2024.

OPEB Contribution Rates

<u>Benefit Structure</u>	<u>Member</u>	<u>Employer</u>
Premium Subsidy	3.00%	8.31%
Personal Healthcare Fund (PHF)	0.00%	7.06%

Required contributions to the OPEB plan from School District were \$371,792 for the year ended September 30, 2024.

OPEB (Assets)/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2025, the School District reported an asset of \$1,925,321 for its proportionate share of the MPSERS net OPEB (asset)/liability. The net OPEB (asset)/liability was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation rolled forward from September 2023. The School District's proportion of the net OPEB (asset)/liability was determined by dividing each employers' 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, 2024, the School District's proportion was 0.04472916 percent, which was an increase of .0006961 percent from its proportion measured as of October 1, 2023.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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) - For the year ending June 30, 2025, the School District recognized OPEB income of \$627,073. At June 30, 2025, 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	(\$2,040,252)
Changes of assumptions	420,518	(48,335)
Net differences between projected and actual earnings on OPEB plan investments	0	(364,485)
Changes in proportion and differences between school district contributions and proportionate share of contributions	241,051	(115,171)
School district's contributions subsequent to the measurement date	<u>29,957</u>	<u>0</u>
	<u><u>\$691,526</u></u>	<u><u>(\$2,568,243)</u></u>

\$29,957 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 LENAWEE, MICHIGAN**

*Notes to Financial Statements
Year Ended June 30, 2025*

**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
2025	(\$605,356)
2026	(366,336)
2027	(391,446)
2028	(332,465)
2029	(175,859)
Thereafter	(35,212)
	<u>(\$1,906,674)</u>

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date:	September 30, 2023
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: 7.25% Year 1 graded to 3.5% Year 15 Post-65: 6.50% 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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

Actuarial Assumptions (Concluded)

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. |
|------------------|---|

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, 2024, is based on the results of an actuarial valuation date of September 30, 2023, 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: 6.2834.
- Recognition period for assets in years is 5.0000
- Full actuarial assumptions are available in the 2024 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:

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.00%	5.3%
Private Equity Pools	16.00	9.0
International Equity Pools	15.00	6.5
Fixed Income Pools	13.00	2.2
Real Estate and Infrastructure Pools	10.00	7.1
Absolute Return Pools	9.00	5.2
Real Return/Opportunistic Pools	10.00	6.9
Short-term Investment Pools	2.00	1.4
	100.00%	

* Long-term rates of return are net of administrative expenses and 2.3% inflation.

Rate of Return - For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 15.45%. 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%
(\$1,487,904)	(\$1,925,321)	(\$2,303,514)

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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

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	Current Healthcare Cost Trend Rate	1% Increase
5.00%	6.00%	7.00%
<u>(\$2,303,518)</u>	<u>(\$1,925,321)</u>	<u>(\$1,519,706)</u>

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2024 MPSERS CAFR, available on the ORS website at michigan.gov/orsschools.

Payables to the OPEB Plan - At June 30, 2025, the School District owed \$78,560 related to required OPEB plan payments. Amounts accrued at year end for accounting purposes are reported in the financial statements as accrued expenses. These amounts represent current payments for June paid in July and accruals for summer pay (primarily for teachers).

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.

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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	\$3,750
Early Literacy Grant	21,196
Milk Means More	4,018
Donations for events	2,450
Pilot Stem iPad Grant	1,000
At Risk Grant	94,740
31aa Mental Health & Safety	5,445
104A Benchmark	3,807
35J Literacy Grant	17,113
147g MPSERS Healthcare Reimbursement	1,147
Food Service Fund:	
Prepaid student balances	3,769
Total	<u><u>\$158,435</u></u>

Note 11 Long-Term Debt

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

	Balance June 30, 2024	Additions	Payments	Balance June 30, 2025	Due in One Year
2015 Refunding Bonds	\$1,550,000	\$0	\$495,000	\$1,055,000	\$515,000
2020 Building and Site Bonds	3,685,000	0	0	3,685,000	0
2022 Building and Site Bonds	6,665,000	0	265,000	6,400,000	0
2024 Building and Site Bonds	2,875,000	0	35,000	2,840,000	0
Premium on bonds	911,347	0	62,070	849,277	0
Total bonds payable	15,686,347	0	857,070	14,829,277	515,000
Other Liabilities:					
Compensated absences payable	1,185,948	188,672	0	1,374,620	0
	<u><u>\$16,872,295</u></u>	<u><u>\$188,672</u></u>	<u><u>\$857,070</u></u>	<u><u>\$16,203,897</u></u>	<u><u>\$515,000</u></u>

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

*Notes to Financial Statements
Year Ended June 30, 2025*

Note 11 Long-Term Debt (Continued)

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 District 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. The beginning balance was restated from \$342,732 to \$1,185,948 for the implementation of GASB 101, *Compensated Absences*. Compensated absences are calculated based on formulas and conditions specified in various union contracts.

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, refurnishing 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.

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 Maturities	Total Requirements
	November 1	May 1	May 1	
2026	\$21,100	\$21,100	\$515,000	\$557,200
2027	10,800	10,800	540,000	561,600
	<u>\$31,900</u>	<u>\$31,900</u>	<u>\$1,055,000</u>	<u>\$1,118,800</u>

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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	
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
	<u>\$675,150</u>	<u>\$675,150</u>	<u>\$3,685,000</u>	<u>\$5,035,300</u>

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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 Maturities	Total Requirements
	November 1	May 1	May 1	
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>\$1,126,725</u>	<u>\$1,126,725</u>	<u>\$6,400,000</u>	<u>\$8,653,450</u>

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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:

<u>Fiscal Year</u>	<u>Interest Requirements</u>		<u>Bond</u>	<u>Total</u>
	<u>November 1</u>	<u>May 1</u>	<u>Maturities</u> <u>May 1</u>	
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>\$839,100</u>	<u>\$2,840,000</u>	<u>\$4,518,200</u>

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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>
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	396,750	585,000	981,750
2031-2035	1,638,000	3,265,000	4,903,000
2036-2040	1,071,850	3,715,000	4,786,850
2041-2045	439,200	4,250,000	4,689,200
	<u>\$5,345,750</u>	<u>\$13,980,000</u>	<u>\$19,325,750</u>

Note 12 Lease Commitments

The following is a summary of changes in lease commitments:

	<u>Balance June 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2025</u>	<u>Due in One Year</u>
Hoekstra Leasing LLC - A	\$313,662	\$0	\$99,987	\$213,675	\$104,487
Hoekstra Leasing LLC - B	44,762	0	21,996	22,766	22,766
Total lease commitments	<u>\$358,424</u>	<u>\$0</u>	<u>\$121,983</u>	<u>\$236,441</u>	<u>\$127,253</u>

On July 18, 2023, the School District 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>
2025	\$127,253	\$10,412	\$137,665
2026	109,188	4,913	114,101
Totals	<u>\$236,441</u>	<u>\$15,325</u>	<u>\$251,766</u>

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

*Notes to Financial Statements
Year Ended June 30, 2025*

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 2024 property taxes were levied on December 1, 2023 on assessed valuations as of December 31, 2023. Taxes were collected beginning December 1, 2023 and payments were due by February 14, 2025. Taxable values are based on a percentage of the fair market value of the assessed property. See "Summary of 2024 Tax Levy" for more information.

Note 14 **Cafeteria Contract**

During the fiscal year ended June 30, 2025, 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 15 **Contingencies**

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2025.

B. Litigation

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

Note 16 **Risk Management and Insurance Pool**

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

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

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

*Notes to Financial Statements
Year Ended June 30, 2025*

Note 17 **Governmental Regulation**

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

Note 18 **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 19 **Prior Period Adjustments**

During the year ended June 30, 2025, the School District had prior period adjustments in the General Fund of \$149,277 due to unspent grants recognized as revenue in the prior year. This caused an overstatement of net position and fund balance by \$149,277 for the year ended June 30, 2024.

Note 20 **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. As a result of this implementation, beginning balances were restated on the government-wide statement of net position. The restatement of the beginning of the year net position is as follows:

	Governmental Activities
Net position as previously stated July 1, 2024	(\$1,629,614)
Compensated absences	(843,216)
	<hr/>
Net position as restated July 1, 2024	(\$2,472,830)

REQUIRED SUPPLEMENTAL INFORMATION

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

*General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2025*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	\$1,300,533	\$1,356,376	\$1,354,514	(\$1,862)
State sources	8,842,760	9,023,269	9,025,772	2,503
Federal sources	35,602	41,710	43,425	1,715
Interdistrict and other sources	623,846	708,502	600,204	(108,298)
Total Revenues	10,802,741	11,129,857	11,023,915	(105,942)
Expenditures				
Instruction:				
Basic programs	5,857,110	5,663,040	5,504,467	158,573
Added needs	1,096,344	1,198,535	1,076,842	121,693
Support services:				
Pupil	409,649	219,602	196,033	23,569
Instructional staff	413,406	381,299	363,077	18,222
General administration	398,848	408,743	391,664	17,079
School administration	641,222	647,600	660,915	(13,315)
Business administration	321,643	403,360	284,640	118,720
Operation and maintenance	1,190,909	1,209,519	1,148,876	60,643
Pupil transportation	418,057	389,418	369,839	19,579
Central services	235,218	392,818	255,480	137,338
Athletics	452,493	419,562	415,873	3,689
Prior period adjustments	0	148,139	149,277	(1,138)
Debt service	137,665	137,665	137,665	0
Total Expenditures	11,572,564	11,619,300	10,954,648	664,652
Excess (Deficiency) of Revenues Over Expenditures	(769,823)	(489,443)	69,267	558,710
Other Financing Sources (Uses)				
Transfer out	0	0	(5,000)	(5,000)
Net Change in Fund Balances	(769,823)	(489,443)	64,267	553,710
Fund Balances - Beginning of year	3,653,974	3,917,338	3,917,338	0
Fund Balances - End of year	<u>\$2,884,151</u>	<u>\$3,427,895</u>	<u>\$3,981,605</u>	<u>\$553,710</u>

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)*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of net pension liability (%)	0.04487%	0.04262%	0.04250%	0.04261%	0.04047%	0.03862%	0.03721%	0.03625%	0.03453%	0.03206%
B. School District's proportion proportionate share of net pension liability	\$10,985,527	\$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
C. School District's covered-employee payroll	\$4,757,622	\$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
D. School District's proportionate share of net pension liability as a percentage of its covered-employee payroll (%)	43.31%	32.24%	24.90%	39.82%	26.28%	26.90%	28.97%	32.69%	35.06%	34.30%
E. Plan fiduciary net position as a percentage of total pension liability	74.44%	60.77%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

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)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	\$1,876,025	\$1,536,180	\$1,449,449	\$1,279,290	\$1,112,284	\$1,026,010	\$1,013,114	\$850,360	\$775,318	\$618,396
B. Contributions in relation to statutorily required contributions*	<u>1,876,025</u>	<u>1,536,180</u>	<u>1,449,449</u>	<u>1,279,290</u>	<u>1,112,284</u>	<u>1,026,010</u>	<u>1,013,114</u>	<u>850,360</u>	<u>775,318</u>	<u>618,396</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>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
D. School District's covered-employee payroll	\$4,944,663	\$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
E. Contributions as a percentage of covered-employee payroll	37.94%	32.62%	33.39%	31.70%	29.19%	29.74%	30.53%	26.58%	25.28%	26.97%

*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)*

	2024	2023	2022	2021	2020	2019	2018	2017
A. School District's proportion of net OPEB (asset)/liability (%)	0.04473%	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	(\$1,925,321)	(\$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	\$4,757,622	\$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 (%)	-247.11%	-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	143.08%	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)*

	2025	2024	2023	2022	2021	2020	2019	2018
A. Statutorily required contributions	\$371,792	\$343,016	\$307,511	\$326,763	\$289,956	\$269,200	\$246,437	\$282,652
B. Contributions in relation to statutorily required contributions*	371,792	343,016	307,511	326,763	289,956	269,200	246,437	282,652
C. Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. School District's covered-employee payroll	\$4,944,663	\$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	7.52%	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 LENAWE, MICHIGAN**

*Notes to Required Supplemental Information
Year Ended June 30, 2025*

Pension Information

Benefit Changes

There were no changes of benefit terms for the pension plan year ended 2024.

Assumption Changes

There were no changes of assumptions for the pension plan year ended 2024.

OPEB Information

Benefit Changes

There were no changes of benefit terms for the OPEB plan year ended 2024.

Assumption Changes

There were no changes of assumptions for the OPEB plan year ended 2024, except for the following:

- **2024 – Health Cost Trend Rate**
 - Pre-65: 7.25% Year 1 graded to 3.50% Year 15
 - Post-65: 6.50% Year 1 graded to 3.50% Year 15
- **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

OTHER SUPPLEMENTAL INFORMATION

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

*General Fund
Schedule of Revenues-Budget and Actual
Year Ended June 30, 2025*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Local Sources			
Property taxes	\$1,087,392	\$1,085,727	(\$1,665)
Investment income	49,000	51,668	2,668
Contributions	29,000	28,353	(647)
Athletics	117,639	104,665	(12,974)
Other revenue	73,345	84,101	10,756
Total Local Sources	<u>1,356,376</u>	<u>1,354,514</u>	<u>(1,862)</u>
State Sources			
Unrestricted grants:			
Proposal A obligation	3,214,131	3,252,145	38,014
Discretionary payment	3,636,529	3,634,258	(2,271)
Restricted grants:			
Special education-Headlee obligation	258,038	291,164	33,126
At risk	308,067	215,252	(92,815)
MPERS rate offset/UAAAL/reform	1,129,281	1,204,926	75,645
Student mental health	145,948	88,553	(57,395)
Other state grants	290,249	298,448	8,199
Transfer from intermediate school district:			
Vocational education	41,026	41,026	0
Total State Sources	<u>9,023,269</u>	<u>9,025,772</u>	<u>2,503</u>
Federal Sources			
Title I	18,857	18,857	0
Title IIA	9,753	9,753	0
Title IV	10,000	10,000	0
Medicaid outreach grant	3,000	4,708	1,708
Transfer from intermediate school district:			
Homeless Students' Assistance	100	107	7
Total Federal Sources	<u>41,710</u>	<u>43,425</u>	<u>1,715</u>
Interdistrict and Other Sources			
County special education tax	270,035	270,035	0
Technology enhancement millage	429,865	313,217	(116,648)
Transportation	2,500	1,548	(952)
Insurance reimbursements	6,102	15,404	9,302
Total Interdistrict and Other Sources	<u>708,502</u>	<u>600,204</u>	<u>(108,298)</u>
 Total Revenues	 <u><u>\$11,129,857</u></u>	 <u><u>\$11,023,915</u></u>	 <u><u>(\$105,942)</u></u>

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

*General Fund
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025*

	Salaries	Employee Benefits	Purchased Services
Instruction			
Basic Programs:			
Elementary	\$1,192,772	\$918,822	\$96,314
Middle School	635,383	485,494	22,285
High School	1,031,416	766,887	116,201
Transitional Kindergarten	41,334	29,229	659
Summer School	1,400	706	0
	<u>2,902,305</u>	<u>2,201,138</u>	<u>235,459</u>
Added Needs:			
Special education	356,252	255,592	5,408
Compensatory education	174,204	101,263	277
Vocational education	79,012	59,435	6,664
	<u>609,468</u>	<u>416,290</u>	<u>12,349</u>
Total Instruction	3,511,773	2,617,428	247,808
Support Services			
Pupil:			
Guidance	85,638	63,123	3,033
Health	0	0	135
Social work services	0	(1,742)	1,810
Other pupil services	25,642	13,040	0
	<u>111,280</u>	<u>74,421</u>	<u>4,978</u>
Instructional Staff:			
Improvement of instruction	110,251	78,759	31,248
Library	5,030	2,479	5,131
Technology assisted	24,307	12,969	20,196
	<u>139,588</u>	<u>94,207</u>	<u>56,575</u>
General Administration:			
Board of Education	3,270	252	52,714
Executive administration	191,003	131,429	5,975
	<u>194,273</u>	<u>131,681</u>	<u>58,689</u>
School Administration:			
Office of the principal	369,044	279,476	4,592
Other school administration	0	0	708
	<u>369,044</u>	<u>279,476</u>	<u>5,300</u>
Business Administration:			
Fiscal services	149,654	107,796	6,372
Internal services	0	0	334
Other business services	0	0	13,792
	<u>149,654</u>	<u>107,796</u>	<u>20,498</u>

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Variance with Final Budget Positive (Negative)
\$37,886	\$18,691	\$24	\$2,264,509	\$2,330,553	\$66,044
17,194	4,466	820	1,165,642	1,201,981	36,339
27,319	1,587	52,309	1,995,719	2,049,986	54,267
5,269	0	0	76,491	78,716	2,225
0	0	0	2,106	1,804	(302)
87,668	24,744	53,153	5,504,467	5,663,040	158,573
0	0	0	617,252	634,282	17,030
5,452	0	0	281,196	385,532	104,336
6,605	25,000	1,678	178,394	178,721	327
12,057	25,000	1,678	1,076,842	1,198,535	121,693
99,725	49,744	54,831	6,581,309	6,861,575	280,266
158	0	0	151,952	160,438	8,486
0	0	0	135	63	(72)
0	0	5,196	5,264	6,560	1,296
0	0	0	38,682	52,541	13,859
158	0	5,196	196,033	219,602	23,569
947	0	0	221,205	229,147	7,942
0	0	0	12,640	11,264	(1,376)
0	43,782	27,978	129,232	140,888	11,656
947	43,782	27,978	363,077	381,299	18,222
323	0	3,676	60,235	70,698	10,463
1,139	0	1,883	331,429	338,045	6,616
1,462	0	5,559	391,664	408,743	17,079
1,252	3,612	450	658,426	644,985	(13,441)
1,781	0	0	2,489	2,615	126
3,033	3,612	450	660,915	647,600	(13,315)
562	190	5,840	270,414	276,542	6,128
0	0	0	334	334	0
0	0	100	13,892	126,484	112,592
562	190	5,940	284,640	403,360	118,720

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

*General Fund
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025*

	Salaries	Employee Benefits	Purchased Services
Support Services (Concluded)			
Operations Building Services:			
Operations and maintenance	\$146,376	\$127,015	\$524,245
Security services	0	0	104,658
	<u>146,376</u>	<u>127,015</u>	<u>628,903</u>
Pupil Transportation	195,222	110,444	26,724
Central Services:			
Communication services	0	0	12,791
Staff services	64,736	45,508	22,336
Technology	0	0	11,316
	<u>64,736</u>	<u>45,508</u>	<u>46,443</u>
Athletics	<u>132,432</u>	<u>82,120</u>	<u>140,200</u>
Total Support Services	1,502,605	1,052,668	883,652
Prior Period Adjustments	0	0	0
Debt Service			
Principal	0	0	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>
Total Interdistrict and Other Uses	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$5,014,378</u>	<u>\$3,670,096</u>	<u>\$1,131,460</u>
Other Financing Uses			
Fund modifications:			
Operating transfer out:			
Transfer to capital projects	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Other Financing Uses	<u>\$5,014,378</u>	<u>\$3,670,096</u>	<u>\$1,131,460</u>

Supplies and Materials	Capital Outlay	Other Expenses	Totals	Final Budget	Variance with Final Budget Positive (Negative)
\$189,897	\$30,131	\$470	\$1,018,134	\$1,081,162	\$63,028
472	25,612	0	130,742	128,357	(2,385)
190,369	55,743	470	1,148,876	1,209,519	60,643
34,669	0	2,780	369,839	389,418	19,579
2,557	0	0	15,348	15,425	77
180	0	150	132,910	138,886	5,976
1,533	615	93,758	107,222	238,507	131,285
4,270	615	93,908	255,480	392,818	137,338
7,501	48,037	5,583	415,873	419,562	3,689
242,499	126,367	147,864	4,086,397	4,471,921	385,524
0	0	149,277	149,277	148,139	(1,138)
0	0	121,983	121,983	133,535	11,552
0	0	15,682	15,682	4,130	(11,552)
0	0	137,665	137,665	137,665	0
<u>\$342,224</u>	<u>\$176,111</u>	<u>\$489,637</u>	<u>\$10,954,648</u>	<u>\$11,619,300</u>	<u>\$664,652</u>
0	0	5,000	5,000	0	(5,000)
<u>\$342,224</u>	<u>\$176,111</u>	<u>\$494,637</u>	<u>\$10,959,648</u>	<u>\$11,619,300</u>	<u>\$659,652</u>

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

*2015 Refunding School Bond Debt Retirement Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2025*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Property taxes	\$1,387,207	\$1,398,980	\$1,399,627	\$647
Investment income	8,000	6,751	8,206	1,455
Total Local Sources	1,395,207	1,405,731	1,407,833	2,102
State Sources:				
State payment in lieu of tax	6,677	9,156	9,156	0
Total Revenues	1,401,884	1,414,887	1,416,989	2,102
Expenditures				
Debt service:				
Principal	795,000	795,000	795,000	0
Interest and fiscal charges	520,679	520,679	520,679	0
Other	2,550	2,560	2,139	421
Total Expenditures	1,318,229	1,318,239	1,317,818	421
Net Change in Fund Balances	83,655	96,648	99,171	2,523
Fund Balance - Beginning of year	448,742	487,030	487,030	0
Fund Balance - End of year	\$532,397	\$583,678	\$586,201	\$2,523

**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, 2025*

	Original Budget	Final Budget	Actual	Positive (Negative) Budget
Revenues				
Local Sources:				
Investment income	\$45,000	\$53,000	\$63,280	\$10,280
Gain (loss) on investments	0	0	6,857	6,857
Total Revenues	45,000	53,000	70,137	17,137
Expenditures				
Building improvements services:				
Purchased services	63,708	76,734	72,109	4,625
Supplies and materials	500	0	0	0
Capital outlay	1,717,820	1,587,876	1,587,874	2
Other	750	250	186	64
Total Expenditures	1,782,778	1,664,860	1,660,169	4,691
Net Change in Fund Balances	(1,737,778)	(1,611,860)	(1,590,032)	21,828
Other Financing Sources (Uses)				
Operating transfers in	0	0	5,000	(5,000)
Net Change in Fund Balances	(1,737,778)	(1,611,860)	(1,585,032)	16,828
Fund Balance - Beginning of year	1,737,778	2,037,817	2,037,817	0
Fund Balance - End of year	\$0	\$425,957	\$452,785	\$16,828

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

*Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025*

	Special Revenue		Total Nonmajor Governmental Funds
	Food Service	Student and School Activity	
Assets			
Cash and cash equivalents	\$441,064	\$266,821	\$707,885
Accounts receivable	842	6,335	7,177
Due from other governmental units	51,850	0	51,850
Due from other funds	223	0	223
Inventory	6,168	0	6,168
Prepaid expenditures	604	0	604
Total Assets	<u>\$500,751</u>	<u>\$273,156</u>	<u>\$773,907</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$57,248	\$12,822	\$70,070
Other liabilities	5	0	5
Unearned revenue	3,769	0	3,769
Due to other funds	120,498	26,139	146,637
Total Liabilities	181,520	38,961	220,481
Fund Balances			
Nonspendable:			
Prepaid expenditures	604	0	604
Inventory	6,168	0	6,168
Restricted for:			
Food service	312,459	0	312,459
Committed to:			
Student and school activity	0	234,195	234,195
Total Fund Balances	<u>319,231</u>	<u>234,195</u>	<u>553,426</u>
Total Liabilities and Fund Balances	<u>\$500,751</u>	<u>\$273,156</u>	<u>\$773,907</u>

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

*Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2025*

	Special Revenue Fund		Total Nonmajor Governmental Funds
	Food Service	Student and School Activity	
Revenues			
Local sources	\$33,932	\$280,263	\$314,195
State sources	310,361	0	310,361
Federal sources	157,965	0	157,965
Total Revenues	502,258	280,263	782,521
Expenditures			
Food service	454,898	0	454,898
Support services	0	256,058	256,058
Total Expenditures	454,898	256,058	710,956
Net Change in Fund Balances	47,360	24,205	71,565
Fund Balances - Beginning of year	271,871	209,990	481,861
Fund Balances - End of year	\$319,231	\$234,195	\$553,426

**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, 2025*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Food sales	\$27,275	\$28,671	\$29,309	\$638
Interest income	5,000	4,250	4,623	373
Total Local Sources	32,275	32,921	33,932	1,011
State Sources:				
Restricted grants	284,617	307,541	310,361	2,820
Federal Sources:				
Restricted grants	137,150	137,503	137,588	85
Commodities	29,200	36,018	20,377	(15,641)
Total Federal Sources	166,350	173,521	157,965	(15,556)
Total Revenues	483,242	513,983	502,258	(11,725)
Expenditures				
Food Services:				
Purchases services	177,808	186,433	184,125	2,308
Supplies and materials	220,848	240,366	214,378	25,988
Capital outlay	215,187	161,282	53,905	107,377
Other	2,875	2,355	2,490	(135)
Total Expenditures	616,718	590,436	454,898	135,538
Net Change in Fund Balances	(133,476)	(76,453)	47,360	123,813
Fund Balance - Beginning of year	267,320	271,871	271,871	0
Fund Balance - End of year	\$133,844	\$195,418	\$319,231	\$123,813

**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, 2025*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Sources:				
Student and school activities	\$270,000	\$290,000	\$280,263	(\$9,737)
Expenditures				
Student and School Activities:				
Student and school activities	280,000	295,000	256,058	38,942
Net Change in Fund Balance	(10,000)	(5,000)	24,205	29,205
Fund Balance - Beginning of year	207,269	209,990	209,990	0
Fund Balance - End of year	\$197,269	\$204,990	\$234,195	\$29,205

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

*Summary of 2024 Tax Levy
Year Ended June 30, 2025*

	Millage Rate	Taxable Value	Levy
Whiteford Township			
General Fund operating - non-homestead	18.0000	\$57,308,847	\$1,031,559
General Fund operating - commercial	6.0000	6,044,421	36,267
2015 Debt Retirement	1.8900	272,792,791	515,578
2015 Debt Retirement - IFT	0.9450	479,557	453
2019 Debt Retirement	3.0400	272,792,791	829,290
2019 Debt Retirement - IFT	1.5200	479,557	729
			2,413,876
Summerfield Township			
General Fund operating - non-homestead	18.0000	347,330	6,252
2015 Debt Retirement	1.8900	2,262,067	4,275
2019 Debt Retirement	3.0400	2,262,067	5,859
			16,386
Riga Township			
General Fund operating - non-homestead	18.0000	733,878	13,210
General Fund operating - commercial	6.0000	731	4
2015 Debt Retirement	1.8900	8,817,901	16,666
2019 Debt Retirement	3.0400	8,817,901	26,806
			56,686
Total			\$2,486,948
Summary			
General Fund operating - non-homestead		58,390,055	\$1,051,021
General Fund operating - commercial		6,044,421	36,271
2015 Debt Retirement		283,872,759	536,519
2015 Debt Retirement - IFT		479,557	453
2019 Debt Retirement		283,872,759	861,955
2019 Debt Retirement - IFT		479,557	729
			\$2,486,948

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

*Schedule of Technology Enhancement Millage
Budget and Actual
Year Ended June 30, 2025*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Technology enhancement millage	\$432,069	\$313,217	(\$118,852)
Expenditures			
Instruction:			
Salaries	34,808	53,034	(18,226)
Fringe benefits	23,686	36,910	(13,224)
Purchase services	14,476	7,956	6,520
Supplies	4,154	6,632	(2,478)
Capital outlay	64,452	23,533	40,919
Total Instruction	141,576	128,065	44,961
Support:			
Salaries	39,026	24,307	14,719
Fringe benefits	26,614	10,153	16,461
Purchase services	93,866	9,856	84,010
Supplies	118,349	14	118,335
Capital outlay	0	3,548	(3,548)
Other	0	92,131	(92,131)
Total Support	277,855	140,009	137,846
Total Expenditures	419,431	268,074	182,807
Net Change in Fund Balance	12,638	45,143	301,659
Restricted for Technology Enhancement:			
Fund Balance - Beginning of Year	162,221	117,943	(44,278)
Fund Balance - End of Year	\$174,859	\$163,086	\$257,381

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

*Schedule of Athletics
Budget and Actual
Year Ended June 30, 2025*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources:				
Admissions	\$49,224	\$64,796	\$64,965	\$169
Participation fees	35,908	39,500	39,700	200
Investment income	200	10	6	(4)
Other	4,518	13,333	9,456	(3,877)
Total Local Sources	89,850	117,639	114,127	(3,512)
State Sources:				
Restricted grants	27,750	14,434	0	(14,434)
Total Revenues	<u>\$117,600</u>	<u>\$132,073</u>	<u>\$114,127</u>	<u>(\$17,946)</u>
Expenditures				
Operations and maintenance:				
Security services				
Purchased services	\$1,500	\$1,000	\$914	\$86
Pupil Transportation:				
Salaries	7,157	6,244	5,925	319
Employee benefits	4,281	2,941	2,670	271
Athletics:				
Salaries	147,009	133,155	132,432	723
Employee benefits	117,551	84,571	82,120	2,451
Purchased services	165,408	143,765	140,200	3,565
Supplies and materials	13,143	10,876	7,501	3,375
Capital outlay	2,620	43,906	48,037	(4,131)
Other	6,279	5,934	5,583	351
Total Expenditures	<u>\$464,948</u>	<u>\$432,392</u>	<u>\$425,382</u>	<u>\$7,010</u>

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

*Schedule of Expenditures of Federal Awards
June 30, 2025*

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal AL Number	Approved Grant Award Amount
<u>U.S. Department of Agriculture</u>		
Child Nutrition Cluster:		
Cash Assistance:		
School Breakfast Program 241970	10.553	\$25,308
School Breakfast Program 251970	10.553	23,700
		49,008
National School Lunch Program 241960	10.555	114,270
National School Lunch Program 251960	10.555	98,296
		212,566
Total Cash Assistance		261,574
Noncash Assistance (Commodities)		
National Lunch Program:		
Entitlement Commodities	10.555	36,018
Total Child Nutrition Cluster:		297,592
Total U.S. Department of Agriculture		297,592
<u>U.S. Department of Education</u>		
Passed Through State of Michigan Department of Education:		
Title I, Part A - Improving Basic Programs 241530-2324	84.010	21,032
Title I, Part A - Improving Basic Programs 251530-2425	84.010	18,857
		39,889
Title II, Part A - Supporting Effective Instruction 240520-2324	84.367	10,535
Title II, Part A - Supporting Effective Instruction 250520-2425	84.367	9,753
		20,288
Title IV, Part A - SSAE 240750-2325	84.424	10,000
Title IV, Part A - SSAE 250750-2425	84.424	10,000
		20,000
Education Stabilization Program (ESP):		
COVID 19 - ESSER II Summer Programming K-8 213722-2122	84.425D	143,000
COVID 19 - ESSER II Credit Recovery 9-12 213742-2122	84.425D	14,850
		157,850
COVID 19 - Section 11t 213723-2122	84.425U	531,863
		531,863
Total Passed Through State of Michigan Department of Education		769,890

The accompanying notes are an integral part of this Schedule.

Accrued (Deferred) Revenue July 1, 2024	Prior Year Expenditures (Memo Only)	Current Year Expenditures	Federal Funds/ Payments In-kind (Cash Basis)	Accrued (Deferred) Revenue June 30, 2025
\$0	\$22,661	\$2,647	\$2,647	\$0
0	0	23,700	23,700	0
0	22,661	26,347	26,347	0
0	101,325	12,945	12,945	0
0	0	98,296	98,296	0
0	101,325	111,241	111,241	0
0	123,986	137,588	137,588	0
0	17,716	20,377	20,377	0
0	141,702	157,965	157,965	0
0	141,702	157,965	157,965	0
21,302	21,032	0	21,302	0
0	0	18,857	18,857	0
21,302	21,032	18,857	40,159	0
10,535	10,535	0	10,535	0
0	0	9,753	9,753	0
10,535	10,535	9,753	20,288	0
10,000	10,000	0	10,000	0
0	0	10,000	10,000	0
10,000	10,000	10,000	20,000	0
91,966	119,187	0	91,966	0
5,527	8,415	0	5,527	0
97,493	127,602	0	97,493	0
29,354	451,652	0	29,354	0
29,354	451,652	0	29,354	0
168,684	620,821	38,610	207,294	0

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

*Schedule of Expenditures of Federal Awards
June 30, 2025*

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 Monroe County Intermediate School District:		
Perkins Vocational Assistance 243520-241226		\$9,558
Homeless Students' Assistance 242420-2324	84.196A	810
Homeless Students' Assistance 252420-2425	84.196A	107
		<u>917</u>
Total Passed Through Monroe County Intermediate School District		<u>10,475</u>
Total U.S. Department of Education		<u>780,365</u>
<u>U.S. Department of Health and Human Services</u>		
Medicaid Cluster		
Passed Through Monroe County Intermediate School District:		
Medical Assistance Program	93.778	4,708
Total Federal Financial Assistance		<u><u>\$1,082,665</u></u>

The accompanying notes are an integral part of this Schedule.

Accrued (Deferred) Revenue July 1, 2024	Prior Year Expenditures (Memo Only)	Current Year Expenditures	Federal Funds/ Payments In-kind (Cash Basis)	Accrued (Deferred) Revenue June 30, 2025
\$9,558	\$0	\$0	\$9,558	\$0
810	810	0	810	0
0	0	107	107	0
810	810	107	917	0
10,368	810	107	10,475	0
179,052	621,631	38,717	217,769	0
0	2,084	4,708	4,708	0
\$179,052	\$765,417	\$201,390	\$380,442	\$0

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

*Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025*

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, 2025. 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. There were no federal awards expended for loan or loan guarantee programs.
6. Whiteford Agricultural School District does not have any subrecipients.
7. 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	\$218,035
Additonal items not on NexSys report:	
Receipt of grant funding due to prior year reporting error:	
COVID 19 - ESSER II Summer Programming K-8	91,966
COVID 19 - ESSER II Credit Recovery 9-12	5,527
COVID-19 Section 11t	29,354
Non-cash assistance USDA Commodities	20,377
Passed through Monroe County Intermediate School District:	
Perkins Vocational Assistance	9,558
Homeless Students' Assistance	917
Medicaid Outreach	<u>4,708</u>
Total current year receipts (cash basis) per the schedule of expenditures of federal awards (SEFA)	<u><u>\$380,442</u></u>

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

*Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025*

8. Reconciliation to the Financial Statements:

General Fund	\$43,425
Special Revenue Fund:	
Food Service Fund	<u>157,965</u>
Total expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$201,390</u></u>

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

*Schedule of Findings and Questioned Costs
Year Ended June 30, 2025*

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 no significant deficiencies 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:

2025-001 Prior Period Adjustment

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

Repeat Finding: No

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

Condition: Prior to the audit, it came to our attention that a prior period adjustment would be necessary due to unspent grants recognized as revenue in the prior year. The School District received and recognized \$97,326 in Section 23G MI Kids Back on Track and \$51,951 in Section 35J Literacy Improvements and Professional Development grants through the July and August State Aide. The grants are restricted and therefore should not be recognized as revenue until expended. This caused an overstatement of net position and fund balance by \$149,277 for the year ended June 30, 2024.

Cause: The School District did not have adequate controls in place to identify and record year-end accruals.

Effect: This caused an overstatement of net position and fund balance by \$149,277 for the year ended June 30, 2024.

Recommendation: We recommend the School District implement year-end procedures to ensure grants are recorded appropriately.

View of Responsible Officials: Management agrees with the finding.

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

*Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024*

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.

Current Status: Corrective action was taken and no material adjustments were necessary during the fiscal year 2025 audit. This matter is considered resolved.

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.

Current Status: This matter is considered resolved.



"Home of the Bobcats"

Whiteford Agricultural School District

of the Counties of Lenawee and Monroe, Michigan

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 23, 2025

Whiteford Agricultural School District Corrective Action Plan Finding as of June 30, 2025

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

Finding Number: 2025-001

Corrective Action Planned: Management is responsible for maintaining accounting records in accordance with generally accepted accounting principles. A prior period adjustment in the amount of \$149,277 was necessary due to unspent grants being recognized as revenue in the prior year. This caused an overstatement of fund balance and net position of \$149,277 for the year ended June 30, 2024. Year-end procedures were implemented to ensure that grants are recorded appropriately.

Anticipated Completion Date: This matter is considered resolved, as the prior period adjustment was made prior to onset of the audit, and all grants were recorded appropriately for the fiscal year ended June 30, 2025.

Sincerely,

Marisa Tebbe-Cousino



To the Board of Education
Whiteford Agricultural Schools

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, 2025, and have issued our report thereon dated October 23, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 9, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of Whiteford Agricultural School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding material weaknesses and other matters noted during our audit in a separate letter to you dated October 23, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Cash disbursements
- Cash receipts
- Improper revenue recognition
- Management override of controls
- Federal grant compliance

Qualitative Aspects of Whiteford Agricultural School District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Whiteford Agricultural School District is included in Note 2 to the financial statements. Whiteford Agricultural School District adopted GASB 101, *Compensated Absences* during the year ended June 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the useful lives of depreciable capital assets 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.

Management's estimates of the pension and OPEB liabilities, deferred inflows of resources, and deferred outflows of resources, which are based on actuarial valuations and other financial data. We have evaluated the 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.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of pension and OPEB information in Notes 8 and 9, respectively, to the financial statements because of assumptions used in the calculations of these liabilities.

We have evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Whiteford Agricultural School District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Whiteford Agricultural School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Whiteford Agricultural School District's auditors.

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



October 23, 2025