

**WHITEFORD TOWNSHIP**  
Ottawa Lake, Michigan

ANNUAL FINANCIAL REPORT  
June 30, 2024

WHITEFORD TOWNSHIP

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June 30, 2024

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**CALKINS HEHL RAFKO**  
— CERTIFIED PUBLIC ACCOUNTANTS —

Independent Auditor's Report

To the Township Board  
Whiteford Township  
Ottawa Lake, Michigan 49267

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whiteford Township, Michigan as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Whiteford Township, Michigan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whiteford Township, Michigan as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Township, Michigan, 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 the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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### ***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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards, 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 Township, Michigan'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 Township, Michigan'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 and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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 Township, Michigan's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and were derived from and relate 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Collins Herb Rafko*

Monroe, Michigan  
November 13, 2024

# WHITEFORD TOWNSHIP

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

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This section of Whiteford Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the Township'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 Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Capital Projects Fund, and Proprietary 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 Township financially as a whole. The ***Government-Wide Financial Statements***, which include the Statement of Net Position and the Statement of Activities, provide information about the activities of the Township 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 Township's operations in more detail than the ***Government-Wide Financial Statements*** by providing information about the Township's most significant funds - the General Fund, the Fire Department Fund, the Capital Projects Fund, the Water Fund, the Sewer I Fund, and the Sewer II Fund. 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

*Government-Wide Financial Statements*      *Fund Financial Statements*

*Notes to the Basic Financial Statements*

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

*Other Supplemental Information*

## WHITEFORD TOWNSHIP

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

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### Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities, which appear first in the Township's financial statements, report information on the Township 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 government-wide statements report the Township's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The government-wide financial statements of the Township are divided into two categories:

**Governmental activities** - The governmental activities for the Township, which encompass Township services, include general government services, public safety, public works, community and economic development, and recreation and cultural services. Property taxes, state shared revenue, and licenses and permits provide most of the funding.

**Business-type activities** - The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's water and sewer systems are treated as business-type activities.

### Fund Financial Statements

The Township's Fund Financial Statements (pages 14-26) provide detailed information about the most significant or "major" funds - not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's three types of funds, governmental, proprietary, and fiduciary use different accounting approaches as described below:

**Governmental funds** - Many of the Township'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 Township 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 Township'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 on pages 16 and 19.

**Proprietary funds** - Proprietary Funds are used to account for the business-type activities of the Township, which consists of the Water Fund, the Sewer I Fund, and the Sewer II Fund. These funds account for the services provided by the Township where the Township charges customers for the services it provides. These funds use accrual accounting; the same method used by private sector business.



**WHITEFORD TOWNSHIP**

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

**Fund Financial Statements - Concluded**

**Fiduciary funds** – This fund is used to account for the collection and disbursement of resources, namely property taxes, for the benefit of parties outside of the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances are reported in the statement of fiduciary net position and the statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the Township cannot use these assets to finance its operations.

**Government-Wide Financial Analysis**

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

**Table 1:**

**Condensed Statement of Net Position  
June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$2,790,074	\$2,668,607	\$5,124,744	\$5,086,762	\$7,914,818	\$7,755,369
Capital assets, net	3,610,865	3,491,072	10,258,190	10,667,485	13,869,055	14,158,557
<b>Total Assets</b>	<b>6,400,939</b>	<b>6,159,679</b>	<b>15,382,934</b>	<b>15,754,247</b>	<b>21,783,873</b>	<b>21,913,926</b>
Current and other liabilities	246,959	173,435	135,481	137,307	382,440	310,742
Long-term liabilities	734,227	842,911	4,394,000	4,479,000	5,128,227	5,321,911
<b>Total Liabilities</b>	<b>981,186</b>	<b>1,016,346</b>	<b>4,529,481</b>	<b>4,616,307</b>	<b>5,510,667</b>	<b>5,632,653</b>
Deferred Inflows of Resources	0	0	3,989,762	4,158,892	3,989,762	4,158,892
Net Position						
Net investment in capital assets	2,764,134	2,528,954	5,779,190	6,105,485	8,543,324	8,634,439
Restricted for:						
County road	348,889	237,176	0	0	348,889	237,176
Fire protection	717,349	573,210	0	0	717,349	573,210
Capital outlay	343,110	595,087	0	0	343,110	595,087
Liquor law enforcement	5,855	7,455	0	0	5,855	7,455
Public works	6,353	796	0	0	6,353	796
Debt service	1,769	1,351	0	0	1,769	1,351
Repair and replacement	0	0	168,898	149,388	168,898	149,388
Unrestricted	1,232,294	1,199,304	915,603	724,175	2,147,897	1,923,479
<b>Total Net Position</b>	<b>\$5,419,753</b>	<b>\$5,143,333</b>	<b>\$6,863,691</b>	<b>\$6,979,048</b>	<b>\$12,283,444</b>	<b>\$12,122,381</b>

**WHITEFORD TOWNSHIP**

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

**Government-Wide Financial Analysis – Continued**

As depicted in Table 1, the Township's net position was \$12.28 million at June 30, 2024. Of this amount, \$1,232,294 and \$915,603 were unrestricted for governmental activities and business-type activities, respectively. This amount represents the *accumulated* results of all past years' operations. The unrestricted net position balance is used for working capital and cash flow needs, as well as to provide for future uncertainties. It means that if we had to pay off all of our debts *today*, including all of our noncapital liabilities, we could with current resources. The operating results of the General Fund, the Water Fund, and the Sewer Funds 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 Township as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net position for the fiscal years ended June 30, 2024 and 2023.

**Table 2:**

	<b>Changes in Net Position</b>					
	<b>Years Ended June 30, 2024 and 2023</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>						
Program revenues						
Charges for services	\$352,695	\$390,103	\$442,532	\$390,182	\$795,227	\$780,285
Grants and contributions:						
Operating	20,597	23,834	0	0	20,597	23,834
	<u>373,292</u>	<u>413,937</u>	<u>442,532</u>	<u>390,182</u>	<u>815,824</u>	<u>804,119</u>
General revenues						
Property taxes	879,903	830,119	0	0	879,903	830,119
Federal grants	0	464,597	0	0	0	464,597
State grants	523,080	514,931	0	0	523,080	514,931
Special assessments	0	0	169,130	162,934	169,130	162,934
Interest and penalties	70,824	14,797	192,069	172,591	262,893	187,388
Gain on sale of capital asset	10,000	0	0	0	10,000	0
Other general revenues	142,791	64,008	10,030	58,147	152,821	122,155
Transfers in	0	0	7,500	15,000	7,500	15,000
	<u>1,626,598</u>	<u>1,888,452</u>	<u>378,729</u>	<u>408,672</u>	<u>2,005,327</u>	<u>2,297,124</u>
Total Revenues	1,999,890	2,302,389	821,261	798,854	2,821,151	3,101,243
<b>Functions/Program Expenses</b>						
Legislative	32,144	27,517	0	0	32,144	27,517
General government	503,547	452,885	0	0	503,547	452,885
Public safety	659,034	579,834	0	0	659,034	579,834
Public works	410,352	692,118	0	0	410,352	692,118
Community and economic development	3,962	3,864	0	0	3,962	3,864
Recreation and cultural	80,350	104,928	0	0	80,350	104,928
Interest on long-term debt	26,581	26,479	0	0	26,581	26,479
Water and sewer	0	0	936,618	976,519	936,618	976,519
Transfers out	7,500	15,000	0	0	7,500	15,000
	<u>1,723,470</u>	<u>1,902,625</u>	<u>936,618</u>	<u>976,519</u>	<u>2,660,088</u>	<u>2,879,144</u>
Total Expenses	1,723,470	1,902,625	936,618	976,519	2,660,088	2,879,144
<b>Increase (Decrease) in Net Position</b>	<u>\$276,420</u>	<u>\$399,764</u>	<u>(\$115,357)</u>	<u>(\$177,665)</u>	<u>\$161,063</u>	<u>\$222,099</u>

**WHITEFORD TOWNSHIP**

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

**Government-Wide Financial Analysis – Concluded**

As indicated in Table 2, the cost of *all governmental* activities this year was \$1,723,470. Of this amount, \$373,292 was subsidized with revenue generated from charges for services and operating grants and contributions with the remaining costs financed with general revenues, which consisted mainly of property taxes and state shared revenues. The Township's governmental activities experienced an increase in net position of \$276,420. The increase in net position differs from the change in fund balance. A reconciliation of the change in fund balances of the governmental funds to the change in net position appears on page 19.

As indicated in Table 2, the cost of all business-type activities this year was \$936,618. The water and sewer systems are financed by special assessments and charges for services.

**Fund Financial Analysis**

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

As the Township completed this year, the governmental funds reported a combined fund balance of \$2,655,619, which is an increase of \$41,240 from last year. The changes by the major fund are as follows:

	<u>General Fund</u>	<u>Fire Department Fund</u>	<u>Capital Projects Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
<b>Fund balances -</b>					
<b>Beginning of Year</b>	\$1,199,304	\$573,210	\$595,087	\$246,778	\$2,614,379
Increase (decrease)	<u>32,990</u>	<u>144,139</u>	<u>(251,977)</u>	<u>116,088</u>	<u>41,240</u>
<b>Fund balances -</b>					
<b>End of Year</b>	<u><u>\$1,232,294</u></u>	<u><u>\$717,349</u></u>	<u><u>\$343,110</u></u>	<u><u>\$362,866</u></u>	<u><u>\$2,655,619</u></u>

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percent Change</u>
<b>Revenues and other financing sources</b>			
Property taxes	\$345,023	\$325,865	5.9%
Licenses and permits	79,941	115,857	(31.0)%
Federal grant	0	464,597	(100.0)%
State grants	521,636	518,942	0.5%
Charges for services	263,409	264,901	(0.6)%
Interest and penalties	19,786	6,044	227.4%
Other revenue	142,791	64,008	123.1%
Lease proceeds	<u>0</u>	<u>40,652</u>	(100.0)%
<b>Total Revenues</b>	<u><u>\$1,372,586</u></u>	<u><u>\$1,800,866</u></u>	(23.8)%

**WHITEFORD TOWNSHIP**

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

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**Fund Financial Analysis – Concluded**

Revenues and other financing sources decreased \$428,280, or 23.8%. The most significant decreases were \$464,597 in federal grants due to the spending of the ARPA funds in the prior year, \$35,916 in licenses and permits due to decreases in building permits, and decreases in lease proceeds of \$40,652. Significant increases included increases in property taxes of \$19,158, interest and penalties of \$13,742, donations and grants of \$17,686, and insurance reimbursements of \$61,097.

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percent Change</u>
<b>Expenditures and other financing uses</b>			
Legislative	\$32,144	\$27,517	16.8%
General government	501,208	471,822	6.2%
Public safety	353,848	293,693	20.5%
Public works	228,645	599,232	(61.8)%
Community and economic development	3,962	3,864	2.5%
Recreation and cultural	127,489	117,975	8.1%
Debt service	22,018	21,494	2.4%
Operating transfer out	70,282	123,556	(43.1)%
<b>Total Expenditures</b>	<u>\$1,339,596</u>	<u>\$1,659,153</u>	(19.3)%

Expenditures and other financing uses decreased \$319,557, or 19.3%. The most significant decreases were \$370,587 in public works due to ARPA spending in the prior year and \$53,274 in transfers out, due to transfers to the Capital Projects Fund for improvements in the prior year. Public safety increased \$60,156, mainly due to watermain breaks at the fire hall.

**General Fund Budgetary Highlights**

The Uniform Budget Act of the State of Michigan requires the Township Board 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 Township revises its budget as it attempts to deal with the 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 Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements.

The revisions made to the original budget were relatively minor. The original budget for revenues of \$1,237,050 was amended to \$1,297,050. The most significant amendments for revenue were insurance reimbursements for watermain breaks. The original budget for expenditures of \$1,337,558 was amended to \$1,545,606. The most significant amendments were for new computer servers of \$21,000 for the township hall, fire hall repairs of \$105,600, engineering fees of \$16,300, and park improvements of \$32,825.

## WHITEFORD TOWNSHIP

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

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#### **Capital Assets and Debt Administration**

##### **Capital Assets**

As of June 30, 2024, the Township had \$20,008,042 invested in a broad range of capital assets, including a refurbished building and building improvements, park improvements, equipment, furniture and fixtures, vehicles, water and sewer lines, and intangible assets. This amount represents an increase (including additions and disposals) of \$210,241 from last year. This year's additions included a fire building upgrades, a park fence, park swing sets, fire equipment (extraction equipment and breathing gear), and pavilions. Disposals of \$299,556 included construction in process, for a project that was discontinued, and the sale of a fire truck. Depreciation and amortization for governmental activities totaled \$359,460 and \$24,887, respectively, and depreciation for business-type activities totaled \$409,295. Detailed information regarding capital assets is included in Note 5 to the financial statements.

##### **Debt**

As of June 30, 2024, the Township had \$5,302,000 in bonds payable and \$19,911 in lease commitments. The bonds payable are comprised of capital improvement limited tax general obligation bonds, a general obligation limited tax note, and limited tax special assessment bonds. No new bonds were issued to finance the Township's ongoing capital improvements. Detailed information regarding the Township's debt and lease commitments is included in Notes 8 and 12 to the financial statements, respectively.

#### **Development of the 2025 Fiscal Year Budget**

Whiteford Township officials considered many factors when setting the Township's 2025 budget. The Township used the 2024 budget as a template by reviewing the previous fiscal year's spending patterns. Thought is also given to important factors affecting the budget, such as property taxes and state shared revenue, which account for 58% of the Township's budgeted revenues. Total budgeted revenues are \$1,546,500. Budgeted revenues increased by \$248,450. The increase in revenues is due primarily to donations for Stone Co Park and playground equipment. The budget for expenditures is \$1,497,123, which is an increase of \$61,458. The most significant increases were in transfers for capital projects and park expenditures. This budget will increase the carryforward fund balance by \$49,377.

#### **Contacting Whiteford Township**

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have questions about this report or need additional information, contact Whiteford Township, 8000 Yankee Road, Suite 100, Ottawa Lake, MI 49267.

## BASIC FINANCIAL STATEMENTS

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

**WHITEFORD TOWNSHIP**

*Statement of Net Position  
Year Ended June 30, 2024*

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$2,129,733	\$1,005,249	\$3,134,982
Investments	218,954	0	218,954
<b>Receivables:</b>			
Accounts and accrued interest	23,631	70,061	93,692
Special assessments	0	4,118,747	4,118,747
Due from other governmental units	161,441	0	161,441
Prepaid expenses	18,104	0	18,104
Internal balances	238,211	(238,211)	0
<b>Non-current assets:</b>			
Restricted cash	0	168,898	168,898
Capital assets, net	3,610,865	10,258,190	13,869,055
<b>Total Assets</b>	<b>6,400,939</b>	<b>15,382,934</b>	<b>21,783,873</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	65,562	24,872	90,434
Accrued liabilities	23,885	11,967	35,852
Accrued interest	3,820	13,642	17,462
Unearned revenue	45,008	0	45,008
Bonds payable - current portion	93,000	85,000	178,000
Lease obligations - current portion	15,684	0	15,684
<b>Non-current liabilities:</b>			
Lease obligations - non-current portion	4,227	0	4,227
Bonds payable - non-current portion	730,000	4,394,000	5,124,000
<b>Total Liabilities</b>	<b>981,186</b>	<b>4,529,481</b>	<b>5,510,667</b>
<b>Deferred Inflows of Resources</b>			
Special assessments	0	3,989,762	3,989,762
<b>Net Position</b>			
Net investment in capital assets	2,764,134	5,779,190	8,543,324
<b>Restricted for:</b>			
County road	348,889	0	348,889
Fire protection	717,349	0	717,349
Capital outlay	343,110	0	343,110
Liquor law enforcement	5,855	0	5,855
Public works	6,353	0	6,353
Debt service	1,769	0	1,769
Repair and replacement	0	168,898	168,898
Unrestricted	1,232,294	915,603	2,147,897
<b>Total Net Position</b>	<b>\$5,419,753</b>	<b>\$6,863,691</b>	<b>\$12,283,444</b>

See accompanying notes to the basic financial statements.



**WHITEFORD TOWNSHIP**

*Statement of Activities  
Year Ended June 30, 2024*

	Program Revenues			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions/Programs</b>				
Primary government:				
Governmental activities:				
Legislative	\$32,144	\$0	\$0	\$0
General government	503,547	128,799	0	0
Public safety	659,034	0	9,858	0
Public works	410,352	223,896	10,739	0
Community and economic development	3,962	0	0	0
Recreation and cultural	80,350	0	0	0
Interest on long-term debt	26,581	0	0	0
Total Governmental Activities	<u>1,715,970</u>	<u>352,695</u>	<u>20,597</u>	<u>0</u>
Business-type activities:				
Water and Sewer	936,618	442,532	0	0
Total Primary Government	<u>\$2,652,588</u>	<u>\$795,227</u>	<u>\$20,597</u>	<u>\$0</u>

General Revenues:  
 Property taxes  
 State grants  
 Special assessments  
 Interest and penalties  
 Gain on sale of capital asset  
 Other revenue

Transfers

Total General Revenues

**Change in Net Position**

Net Position - Beginning  
of year

Net Position - End of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and  
Changes in Net Position  
Primary Government

Governmental Activities	Business-type Activities	Total
(\$32,144)	\$0	(\$32,144)
(374,748)	0	(374,748)
(649,176)	0	(649,176)
(175,717)	0	(175,717)
(3,962)	0	(3,962)
(80,350)	0	(80,350)
(26,581)	0	(26,581)
(1,342,678)	0	(1,342,678)
0	(494,086)	(494,086)
(1,342,678)	(494,086)	(1,836,764)
879,903	0	879,903
523,080	0	523,080
0	169,130	169,130
70,824	192,069	262,893
10,000	0	10,000
142,791	10,030	152,821
(7,500)	7,500	0
1,619,098	378,729	1,997,827
276,420	(115,357)	161,063
5,143,333	6,979,048	12,122,381
<u>\$5,419,753</u>	<u>\$6,863,691</u>	<u>\$12,283,444</u>

## FUND FINANCIAL STATEMENTS

**WHITEFORD TOWNSHIP**

*Governmental Funds  
Balance Sheet  
June 30, 2024*

	General	Special	Capital Projects
		Revenue Funds	Fund
		Fire	Capital
		Department	Projects
<b>Assets</b>			
Cash and cash equivalents	\$814,792	\$717,349	\$293,575
Investments	88,997	0	66,750
Accounts receivable and accrued interest	23,631	0	0
Due from other funds	238,211	0	0
Due from other governmental units	161,441	0	0
Prepaid expenditures	18,104	0	0
<b>Total Assets</b>	<b>\$1,345,176</b>	<b>\$717,349</b>	<b>\$360,325</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$48,347	\$0	\$17,215
Accrued liabilities	19,527	0	0
Unearned revenue	45,008	0	0
<b>Total Liabilities</b>	<b>112,882</b>	<b>0</b>	<b>17,215</b>
<b>Fund Balances</b>			
Nonspendable:			
Prepaid expenditures	18,104	0	0
Restricted for:			
County road	0	0	0
Fire department	0	717,349	0
Liquor law enforcement	0	0	0
Public works	0	0	0
Committed to:			
Capital projects	0	0	343,110
Debt service	0	0	0
Unassigned	1,214,190	0	0
<b>Total Fund Balances</b>	<b>1,232,294</b>	<b>717,349</b>	<b>343,110</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$1,345,176</b>	<b>\$717,349</b>	<b>\$360,325</b>

See accompanying notes to the basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$367,224	\$2,192,940
0	155,747
0	23,631
0	238,211
0	161,441
0	18,104
<u>\$367,224</u>	<u>\$2,790,074</u>
\$0	\$65,562
4,358	23,885
0	45,008
<u>4,358</u>	<u>134,455</u>
0	18,104
348,889	348,889
0	717,349
5,855	5,855
6,353	6,353
0	343,110
1,769	1,769
0	1,214,190
<u>362,866</u>	<u>2,655,619</u>
<u>\$367,224</u>	<u>\$2,790,074</u>

**WHITEFORD TOWNSHIP**

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

<b>Total Fund Balances - Governmental Funds</b>		<b>\$2,655,619</b>
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	\$7,492,754	
Accumulated depreciation and amortization	<u>(3,881,889)</u>	3,610,865
Long-term liabilities, including lease obligations, bonds payable, and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Lease obligations	(19,911)	
Bonds payable	(823,000)	
Accrued interest	<u>(3,820)</u>	<u>(846,731)</u>
<b>Total Net Position - Governmental Activities</b>		<b><u><u>\$5,419,753</u></u></b>

See accompanying notes to the basic financial statements.

**WHITEFORD TOWNSHIP**

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

	General	Fire Department	Capital Projects Fund Capital Projects
<b>Revenues</b>			
Property taxes	\$345,023	\$267,440	\$0
Special assessments	0	0	0
Licenses and permits	79,941	0	0
State grants	521,636	8,330	0
Charges for services	263,409	0	0
Interest and penalties	19,786	25,135	22,142
Other revenue	142,791	0	0
<b>Total Revenues</b>	<b>1,372,586</b>	<b>300,905</b>	<b>22,142</b>
<b>Expenditures</b>			
Legislative	32,144	0	0
General government	501,208	0	0
Public safety	353,848	0	0
Public works	228,645	0	278,823
Community and economic development	3,962	0	0
Recreation and cultural	127,489	0	0
Capital outlay	0	0	212,062
Debt service	22,018	0	0
<b>Total Expenditures</b>	<b>1,269,314</b>	<b>0</b>	<b>490,885</b>
<b>Other Financing Sources</b>			
Sale of capital assets	0	10,000	0
Operating transfers in	0	0	216,766
Operating transfers out	(70,282)	(166,766)	0
<b>Total Other Financing Sources</b>	<b>(70,282)</b>	<b>(156,766)</b>	<b>216,766</b>
<b>Net Change in Fund Balances</b>	<b>32,990</b>	<b>144,139</b>	<b>(251,977)</b>
Fund Balances - Beginning of year	1,199,304	573,210	595,087
Fund Balances - End of year	<u>\$1,232,294</u>	<u>\$717,349</u>	<u>\$343,110</u>

See accompanying notes to the basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$267,440	\$879,903
9,345	9,345
0	79,941
13,711	543,677
0	263,409
3,761	70,824
0	142,791
294,257	1,989,890
0	32,144
0	501,208
6,459	360,307
69,346	576,814
0	3,962
0	127,489
0	212,062
115,146	137,164
190,951	1,951,150
0	10,000
115,564	332,330
(102,782)	(339,830)
12,782	2,500
116,088	41,240
246,778	2,614,379
<u>\$362,866</u>	<u>\$2,655,619</u>



**WHITEFORD TOWNSHIP**

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$41,240</b>
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 expense.		
Depreciation and amortization expense	<u>(\$384,347)</u>	
Capital outlay	<u>504,140</u>	119,793
Repayment of long-term debt is reported as expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond payment		90,000
Lease commitment reduction		24,969
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.		<u>418</u>
<b>Change in Net Position of Governmental Activities</b>		<b><u><u>\$276,420</u></u></b>

See accompanying notes to the basic financial statements.

**WHITEFORD TOWNSHIP**

*Proprietary Funds  
Statement of Net Position  
June 30, 2024*

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer I Fund	Sewer II Fund	
<b>Assets</b>				
Current Assets:				
Cash	\$858,477	\$38,699	\$108,073	\$1,005,249
Receivables:				
Accounts	48,825	7,866	13,370	70,061
Special assessments	3,679,202	0	439,545	4,118,747
Total Current Assets	4,586,504	46,565	560,988	5,194,057
Restricted Assets:				
Certificates of deposit	41,411	50,737	76,750	168,898
Capital Assets	9,708,384	22,114	2,784,790	12,515,288
Less: accumulated depreciation	(1,737,084)	(3,829)	(516,185)	(2,257,098)
Total capital assets	7,971,300	18,285	2,268,605	10,258,190
Total Assets	12,599,215	115,587	2,906,343	15,621,145

See accompanying notes to the basic financial statements.

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer I Fund	Sewer II Fund	
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$14,975	\$2,455	\$7,442	\$24,872
Accrued payroll liabilities	11,967	0	0	11,967
Accrued interest	9,432	0	4,210	13,642
Due to other funds	160,203	48,216	29,792	238,211
Bonds payable - current portion	72,000	0	13,000	85,000
Total Current Liabilities	268,577	50,671	54,444	373,692
Non-current liabilities:				
Bonds payable - non-current portion	3,899,000	0	495,000	4,394,000
Total Liabilities	4,167,577	50,671	549,444	4,767,692
<b>Deferred Inflows of Resources</b>				
Special assessments	3,565,517	0	424,245	3,989,762
<b>Net Position</b>				
Net investment in capital assets	4,000,300	18,285	1,760,605	5,779,190
Restricted	41,411	50,737	76,750	168,898
Unrestricted	824,410	(4,106)	95,299	915,603
Total Net Position	\$4,866,121	\$64,916	\$1,932,654	\$6,863,691

**WHITEFORD TOWNSHIP**

*Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Year Ended June 30, 2024*

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer I Fund	Sewer II Fund	
<b>Operating Revenues</b>				
Charges for services:				
Collection fees	\$328,733	\$48,232	\$65,567	\$442,532
Other revenue	150	0	0	150
<b>Total Operating Revenues</b>	<b>328,883</b>	<b>48,232</b>	<b>\$65,567</b>	<b>442,682</b>
<b>Operating Expenses</b>				
Sources of supply:				
Wages	114,679	0	0	114,679
Fringe benefits	12,096	0	0	12,096
Utilities	44,682	2,464	5,117	52,263
Operation and maintenance	50,151	40,756	51,506	142,413
Operating supplies	47,499	332	0	47,831
Depreciation	350,180	443	58,672	409,295
	619,287	43,995	115,295	778,577
Office and administration:				
Wages	0	4,800	4,800	9,600
Fringe benefits	0	367	367	734
Office supplies and maintenance	609	0	943	1,552
Contracted services	12,657	0	0	12,657
Professional fees	1,789	0	0	1,789
Miscellaneous	4,700	0	0	4,700
	19,755	5,167	6,110	31,032
<b>Total Operating Expenses</b>	<b>639,042</b>	<b>49,162</b>	<b>121,405</b>	<b>809,609</b>
<b>Total Operating Income (Loss)</b>	<b>(310,159)</b>	<b>(930)</b>	<b>(55,838)</b>	<b>(366,927)</b>
<b>Non-Operating Revenues (Expenses)</b>				
Special assessment	149,507	0	19,623	169,130
Interest revenue	175,708	970	15,391	192,069
Interest expense	(116,877)	0	(10,132)	(127,009)
Initial connection	9,880	0	0	9,880
<b>Total Non-Operating Revenues (Expenses)</b>	<b>218,218</b>	<b>970</b>	<b>24,882</b>	<b>244,070</b>
<b>Income (loss) before transfers</b>	<b>(91,941)</b>	<b>40</b>	<b>(30,956)</b>	<b>(122,857)</b>
<b>Other financing sources (uses)</b>				
Transfer in	0	7,500	0	7,500
<b>Change in Net Position</b>	<b>(91,941)</b>	<b>7,540</b>	<b>(30,956)</b>	<b>(115,357)</b>
Net Position - Beginning of Year	4,958,062	57,376	1,963,610	6,979,048
Net Position - End of Year	\$4,866,121	\$64,916	\$1,932,654	\$6,863,691

See accompanying notes to the basic financial statements.

**WHITEFORD TOWNSHIP**

*Proprietary Funds  
Statement of Cash Flows  
Year Ended June 30, 2024*

	Business-type Activities			Totals
	Enterprise Funds			
	Water Fund	Sewer I Fund	Sewer II Fund	
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$328,006	\$47,649	\$65,097	\$440,752
Payments to suppliers	(165,346)	(43,613)	(58,166)	(267,125)
Payments to employees	(126,412)	(5,167)	(5,167)	(136,746)
Net cash provided (used) by operating activities	36,248	(1,131)	1,764	36,881
<b>Cash Flows from Capital and Related Financing Activities</b>				
Principal payments on bonds payable	(70,000)	0	(13,000)	(83,000)
Interest paid	(117,038)	0	(10,240)	(127,278)
Special assessments	149,029	0	19,623	168,652
Initial connections	9,880	0	0	9,880
Net cash provided (used) for capital and related financing activities	(28,129)	0	(3,617)	(31,746)
<b>Cash Flows from Investing Activities</b>				
Interest income	175,708	970	15,391	192,069
<b>Cash Flows from Noncapital Financing Activities</b>				
Operating transfers in	0	7,500	0	7,500
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	183,827	7,339	13,538	204,704
Cash and Cash Equivalents - Beginning of Year	716,061	82,097	171,285	969,443
Cash and Cash Equivalents - End of Year	<u>\$899,888</u>	<u>\$89,436</u>	<u>\$184,823</u>	<u>\$1,174,147</u>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>				
Cash	\$858,477	\$38,699	\$108,073	\$1,005,249
Restricted Cash	41,411	50,737	76,750	168,898
Total Cash and Cash Equivalents	<u>\$899,888</u>	<u>\$89,436</u>	<u>\$184,823</u>	<u>\$1,174,147</u>

See accompanying notes to the basic financial statements.

**WHITEFORD TOWNSHIP**

*Proprietary Funds  
Statement of Cash Flows  
Year Ended June 30, 2024*

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer I Fund	Sewer II Fund	
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income (loss)	(\$310,159)	(\$930)	(\$55,838)	(\$366,927)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	350,180	443	58,672	409,295
Changes in operating assets and liabilities:				
(Increase) decrease accounts receivable	(9,063)	(583)	(470)	(10,116)
(Increase) decrease prepaid expenses	8,186	0	0	8,186
Increase (decrease) accounts payable	(3,259)	(61)	(600)	(3,920)
Increase (decrease) accrued payroll liabilities	363	0	0	363
<b>Net Cash Provided by Operating Activities</b>	<b>\$36,248</b>	<b>(\$1,131)</b>	<b>\$1,764</b>	<b>\$36,881</b>

See accompanying notes to the basic financial statements.

**WHITEFORD TOWNSHIP**

*Custodial Fund*  
*Statement of Fiduciary Net Position*  
*June 30, 2024*

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	<u>Tax Collection</u>
<b>Assets</b>	
Cash and cash equivalents	\$18,387
<b>Liabilities</b>	
Due to other governmental units	<u>\$18,387</u>
<b>Net Position</b>	
Committed for other governments	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

**WHITEFORD TOWNSHIP**

*Custodial Fund*  
*Statement of Changes in Fiduciary Net Position*  
*Years Ended June 30, 2024*

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	<u>Tax Collection</u>
<b>Additions</b>	
Property taxes collected for other governments	\$7,695,365
<b>Deductions</b>	
Property taxes distributed to other governments	<u>7,695,365</u>
Net increase in net position	0
<b>Net position committed for other governments:</b>	
Beginning of year	<u>0</u>
End of year	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.



## 4HITEFORD TOWNSHIP

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

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### Note 1

#### Description of the Township and Reporting Entity

The Township operates under a locally elected five member Board form of government and provides the following services: public safety, roads and drains, recreation and culture, public improvements, planning and zoning, water and sewer services, and general administrative services.

#### 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 Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township does not have any component units.

### Note 2

#### Summary of Significant Accounting Policies

The financial statements of Whiteford Township 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 Township's accounting policies.

#### Basis of Presentation

##### A. Government-Wide and Fund Financial Statements

The government-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 government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities which rely, to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, sales of property, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major governmental funds and the individual enterprise funds are reported as separate columns in the fund financial statements.

**WHITEFORD TOWNSHIP**

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

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Note 2

Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. 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 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. Governmental fund 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.

On the governmental funds' statements, property taxes, 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 Township.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

The Township reports the following major governmental funds:

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

The Fire Department Fund is a special revenue fund. The Fire Department Fund accounts for proceeds from a tax millage to be used for the purpose of capital expenditures including equipment purchases and debt reduction.

The Capital Projects Fund accounts for capital improvements and other capital expenditures.

The Township reports the following major proprietary funds:

The Water Fund, the Sewer I Fund, and the Sewer II Fund account for the provision of water and sewer services to residents of the Township.

WHITEFORD TOWNSHIP

Notes to Financial Statements  
Year Ended June 30, 2024

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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

The Township reports the following nonmajor funds:

The County Road Fund, the Liquor Law Enforcement Fund, the Private Roads Fund, and the Debt Service Fund are the Township’s nonmajor governmental funds. These funds are restricted for a particular purpose.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Water Fund and the Sewer Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Assets, Liabilities, and Net Position or Equity

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

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on July 1 and December 1 of the following year. Summer taxes are considered delinquent July 31 and winter taxes are considered delinquent February 14 of the following year.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. water lines, sewer lines, roads etc.) are reported in the applicable governmental or business-type activities columns of the government-wide financial statements. Capital assets are defined by the Township as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when actual cost information is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. 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 and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Buildings Improvements	20-50 years
Machinery and Equipment	3-10 years
Vehicles	5-8 years
Water Lines	50 years
Sewer Lines	50 years

# WHITEFORD TOWNSHIP

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

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Note 2

## Summary of Significant Accounting Policies (Continued)

### Basis of Presentation (Continued)

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

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net position. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Accrued Liabilities and Long-Term Obligations - In the government-wide financial statements and proprietary fund financial statements, long-term debts, notes, and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund types statement of net position.

Once payables and accrued liabilities are incurred they are reported as obligations of the funds. In general, they are paid in a timely manner. However, claims and judgments 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 that are paid from governmental funds 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.

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.

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 Township Board has the authority to place funds under the committed and assigned categories. Restricted resources should be used first, followed by committed funds, assigned amounts, and then unassigned amounts. The Township Board will maintain a minimum unassigned fund balance in the General Fund that is at least 50% of annual budgeted expenditures.

# WHITEFORD TOWNSHIP

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

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

### Basis of Presentation (Continued)

#### C. Assets, Liabilities, and Net Position or Equity (Concluded)

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

- 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 Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2024.
- F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by the Township's Board.

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

1. Prior to June 30, the fiscal officer submits to Township 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 deemed necessary are approved by the Township Board.
  5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
  6. 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 - Restricted assets on the statement of net position indicate restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes. The following are the various net position restrictions as of June 30, 2024: county road, fire department, liquor law enforcement, public works, and capital outlay.

## WHITEFORD TOWNSHIP

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

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Note 2      Summary of Significant Accounting Policies (Concluded)  
Basis of Presentation (Concluded)

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

I. Subsequent Events - The Township's management evaluated subsequent events from June 30, 2024 through November 13, 2024, the date the financial statements were available to be issued.

Note 3      Stewardship, Accountability and Compliance

The Township 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 Township'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.

Note 4      Deposits and Investments

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At June 30, 2024, Whiteford Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers' acceptances of the United States banks.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Board has adopted an investment policy authorizing certain types of investments and authorized these depositories: First Merchants Bank, KeyBank, Metamora State Bank, and Blissfield State Bank.

*Interest rate risk.* The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit risk.* The Township will minimize 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 Township's investment policy.

**WHITEFORD TOWNSHIP**

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

Note 4      Deposits and Investments (Continued)

*Concentration of credit risk.* The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

*Foreign currency risk.* The Township is not authorized to invest in investments which have this type of risk.

*Custodial credit risk.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$3,580,940 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$2,883,980. The Township has uninsured deposits of \$696,960. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

Cash is restricted in the proprietary fund financial statements for the following:

	<u>Water Fund</u>	<u>Sewer I Fund</u>	<u>Sewer II Fund</u>	<u>Total</u>
Repair and replacement	<u>\$41,411</u>	<u>\$50,737</u>	<u>\$76,750</u>	<u>\$168,898</u>
Total restricted cash	<u><u>\$41,411</u></u>	<u><u>\$50,737</u></u>	<u><u>\$76,750</u></u>	<u><u>\$168,898</u></u>

At June 30, 2024, the Township investments were measured as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Standard &amp; Poor's Rating</u>	<u>Percentage</u>
U.S. treasury securities	<u>\$88,997</u>	<u>0.0027</u>	AA+	<u>100.0%</u>
Total	<u><u>\$88,997</u></u>			<u><u>100.0%</u></u>
Portfolio weighted average maturity		<u><u>0.0027</u></u>		

1 day maturity equals 0.0027, 1 year equals 1.0000

*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 required an entity to maximize the use of observable and minimize the use of unobservable inputs.

## WHITEFORD TOWNSHIP

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

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Note 4     Deposits and Investments (Concluded)

There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical securities

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

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

The Township's investment in U.S. Treasury Securities is valued at a level 1 in the fair value hierarchy.



**WHITEFORD TOWNSHIP**

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

**Note 5**     **Capital Assets**

A summary of changes in capital assets follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Assets not being depreciated:				
Land	\$767,692	\$0	\$0	\$767,692
Construction in process	5,657	0	(5,657)	0
	<u>773,349</u>	<u>0</u>	<u>(5,657)</u>	<u>767,692</u>
Capital assets being depreciated:				
Buildings and building improvements	1,634,960	28,420	0	1,663,380
Park improvements	353,154	75,295	0	428,449
Land improvements	566,190	205,225	0	771,415
Equipment	848,453	200,857	0	1,049,310
Furniture and fixtures	25,425	0	0	25,425
Vehicles	3,017,149	0	(293,899)	2,723,250
	<u>6,445,331</u>	<u>509,797</u>	<u>(293,899)</u>	<u>6,661,229</u>
Total capital assets	<u>7,218,680</u>	<u>509,797</u>	<u>(299,556)</u>	<u>7,428,921</u>
Less accumulated depreciation for:				
Buildings and building improvements	(1,083,935)	(52,413)	0	(1,136,348)
Park improvements	(99,000)	(25,341)	0	(124,341)
Land improvements	(21,858)	(33,106)	0	(54,964)
Equipment	(650,979)	(57,860)	0	(708,839)
Furniture and fixtures	(25,425)	0	0	(25,425)
Vehicles	(1,890,961)	(190,740)	(293,899)	(1,787,802)
	<u>(3,772,158)</u>	<u>(359,460)</u>	<u>(293,899)</u>	<u>(3,837,719)</u>
Total accumulated depreciation	<u>(3,772,158)</u>	<u>(359,460)</u>	<u>(293,899)</u>	<u>(3,837,719)</u>
Intangible right-to-use assets				
Right-to-use asset - buildings	40,652	0	0	40,652
Right-to-use asset - leased equipment	23,181	0	0	23,181
	<u>63,833</u>	<u>0</u>	<u>0</u>	<u>63,833</u>
Less accumulated amortization	<u>(19,283)</u>	<u>(24,887)</u>	<u>0</u>	<u>(44,170)</u>
Net intangible right-to-use assets	<u>44,550</u>	<u>(24,887)</u>	<u>0</u>	<u>19,663</u>
Net capital assets	<u>\$3,491,072</u>	<u>\$125,450</u>	<u>(\$5,657)</u>	<u>\$3,610,865</u>

Depreciation and amortization expense was charged to governmental functions as follows:

General government	\$28,143
Public safety	294,942
Public works	33,106
Recreation and cultural	28,156
	<u>384,347</u>
Total governmental activities	<u>\$384,347</u>

**WHITEFORD TOWNSHIP**

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

Note 5     Capital Assets (Concluded)

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<b>Business-type Activities:</b>				
Capital assets being depreciated:				
Sewer lines	2,757,156	0	0	2,757,156
Sewer land improvements	3,000	0	0	3,000
Sewer equipment	46,748	0	0	46,748
Water lines	6,604,557	0	0	6,604,557
Water land improvements	135,856	0	0	135,856
Water buildings and improvements	1,385,141	0	0	1,385,141
Water equipment	1,582,830	0	0	1,582,830
Total capital assets	<u>12,515,288</u>	<u>0</u>	<u>0</u>	<u>12,515,288</u>
Less accumulated depreciation for:				
Water lines	(719,185)	(180,348)	0	(899,533)
Sewer lines	(440,947)	(55,143)	0	(496,090)
Land improvements	(33,916)	(8,384)	0	(42,300)
Equipment	(387,188)	(98,185)	0	(485,373)
Building	(266,567)	(67,235)	0	(333,802)
Total accumulated depreciation	<u>(1,847,803)</u>	<u>(409,295)</u>	<u>0</u>	<u>(2,257,098)</u>
Net capital assets	<u>\$10,667,485</u>	<u>(\$409,295)</u>	<u>\$0</u>	<u>\$10,258,190</u>

**WHITEFORD TOWNSHIP**

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

Note 6      Interfund Payables and Receivables  
Such balances at June 30, 2024 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Water Fund	\$160,203	\$0
Sewer I Fund	48,216	0
Sewer II Fund	29,792	0
Water Fund:		
General Fund	0	160,203
Sewer I Fund:		
General Fund	0	48,216
Sewer II Fund:		
General Fund	0	29,792
	<u>\$238,211</u>	<u>\$238,211</u>

Interfund balances reflect temporary loans and reimbursements due in the normal course of interfund activity.

Note 7      Interfund Transfers  
Interfund transfers for the year ended June 30, 2024 consisted of the following:

	<u>Transfers Out</u>			<u>Total</u>
	<u>General Fund</u>	<u>Fire Department</u>	<u>County Road</u>	
<u>Transfers In</u>				
Capital Projects Fund	\$50,000	\$166,766	\$0	\$216,766
Debt Service Fund	12,782	0	102,782	115,564
Sewer I Fund	7,500	0	0	7,500
Total	<u>\$70,282</u>	<u>\$166,766</u>	<u>\$102,782</u>	<u>\$339,830</u>

The transfers from the General Fund to the Capital Projects Fund were for computer servers and park improvements. The transfer from the Fire Department Fund to the Capital Projects Fund was for fire extraction and breathing equipment. The transfers from the General Fund and the County Road Fund to the Debt Service Fund was for debt payments. The transfer from the General Fund to the Sewer I Fund was to cover expenses.

**WHITEFORD TOWNSHIP**

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

**Note 8**      Long-Term Debt

The following is a summary of long-term debt outstanding as of June 30, 2024:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
Governmental activities:					
2022 Capital Improvement Bond Limited Tax General Obligation Bonds	2.800%	5/11/22	5/1/32	<u>\$1,000,000</u>	<u>\$823,000</u>
				1,000,000	823,000
Business-type activities:					
Contract Liability for:					
2017 Special Assessment Bond, Series A-1, Limited Tax General Obligation Water System Bonds.	2.000%	6/22/17	6/1/57	1,091,000	957,000
2017 Special Assessment Bond, Series A-2, Limited Tax General Obligation Water System Bonds.	2.000%	6/22/17	6/1/57	528,000	421,000
2017 Special Assessment Bond, Series B, Limited Tax General Obligation Water System Bonds.	3.375%	6/22/17	6/1/57	3,013,000	2,593,000
Contract Liability for:					
2013 Special Assessment Bond, Series A, Limited Tax General Obligation Sewer System Bonds.	2.000%	8/20/13	8/1/54	<u>618,000</u>	<u>508,000</u>
				<u>5,250,000</u>	<u>4,479,000</u>
				<u>\$6,250,000</u>	<u>\$5,302,000</u>

**WHITEFORD TOWNSHIP**

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

Note 8     Long-Term Debt (Continued)

The following is a summary of changes in long-term debt as of June 30, 2024:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
2022 Capital Improvement Bond (Limited Tax General Obligation) Bonds: \$1,000,000 issue dated May 11, 2022, maturing in annual amounts from \$87,000 to \$114,000 and bearing an interest rate of 2.800%.	\$913,000	\$0	\$90,000	\$823,000	\$93,000
Total governmental activities	\$913,000	\$0	\$90,000	\$823,000	\$93,000

**WHITEFORD TOWNSHIP**

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

**Note 8      Long-Term Debt (Continued)**

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Business-type activities:					
2013 Special Assessment Bonds, Series A (limited tax): \$618,000 issue dated August 20, 2013, maturing in annual amounts from \$2,000 to \$21,000 and bearing an interest rate of 2.000%.	\$521,000	\$0	\$13,000	\$508,000	\$13,000
2017 Special Assessment Bonds, Series A-1 (limited tax): \$1,091,000 issue dated June 22, 2017, maturing in annual amounts from \$18,000 to \$41,000 and bearing an interest rate of 2.000%.	977,000	0	20,000	957,000	21,000
2017 Special Assessment Bonds, Series A-2 (limited tax): \$528,000 issue dated June 22, 2017, maturing in annual amounts from \$9,000 to \$19,000 and bearing an interest rate of 2.000%.	430,000	0	9,000	421,000	9,000
2017 Special Assessment Bonds, Series B (limited tax): \$3,013,000 issue dated June 22, 2017, maturing in annual amounts from \$37,000 to \$136,000 and bearing an interest rate of 3.375%.	<u>2,634,000</u>	<u>0</u>	<u>41,000</u>	<u>2,593,000</u>	<u>42,000</u>
Total business-type activities	<u>4,562,000</u>	<u>0</u>	<u>83,000</u>	<u>4,479,000</u>	<u>85,000</u>
Total long-term debt	<u>\$5,475,000</u>	<u>\$0</u>	<u>\$173,000</u>	<u>\$5,302,000</u>	<u>\$178,000</u>

WHITEFORD TOWNSHIP

Notes to Financial Statements  
Year Ended June 30, 2024

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Note 8 Long-Term Debt (Continued)  
2022 Capital Improvement Bonds (Limited Tax General Obligation)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>		<u>Total Principal and Interest</u>
	<u>May 1</u>	<u>November 1</u>	<u>May 1</u>	<u>Due Annually</u>
2025	\$93,000	\$11,522	\$11,522	\$116,044
2026	95,000	10,220	10,220	115,440
2027	98,000	8,890	8,890	115,780
2028	101,000	7,518	7,518	116,036
2029	104,000	6,104	6,104	116,208
2030	107,000	4,648	4,648	116,296
2031	111,000	3,150	3,150	117,300
2032	114,000	1,596	1,596	117,192
	<u>\$823,000</u>	<u>\$53,648</u>	<u>\$53,648</u>	<u>\$930,296</u>

**WHITEFORD TOWNSHIP**

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

**Note 8**     **Long-Term Debt (Continued)**  
**2013 Special Assessment Bonds, Series A (Limited Tax)**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>		<u>Total Principal and Interest Due Annually</u>
	<u>August 1</u>	<u>August 1</u>	<u>February 1</u>	
2025	\$13,000	\$5,080	\$4,950	\$23,030
2026	14,000	4,950	4,810	23,760
2027	14,000	4,810	4,670	23,480
2028	14,000	4,670	4,530	23,200
2029	15,000	4,530	4,380	23,910
2030	15,000	4,380	4,230	23,610
2031	15,000	4,230	4,080	23,310
2032	15,000	4,080	3,930	23,010
2033	15,000	3,930	3,780	22,710
2034	15,000	3,780	3,630	22,410
2035	15,000	3,630	3,480	22,110
2036	16,000	3,480	3,320	22,800
2037	16,000	3,320	3,160	22,480
2038	16,000	3,160	3,000	22,160
2039	17,000	3,000	2,830	22,830
2040	17,000	2,830	2,660	22,490
2041	17,000	2,660	2,490	22,150
2042	17,000	2,490	2,320	21,810
2043	18,000	2,320	2,140	22,460
2044	18,000	2,140	1,960	22,100
2045	18,000	1,960	1,780	21,740
2046	19,000	1,750	1,590	22,340
2047	19,000	1,590	1,400	21,990
2048	19,000	1,400	1,210	21,610
2049	19,000	1,210	1,020	21,230
2050	20,000	1,020	820	21,840
2051	20,000	820	620	21,440
2052	20,000	620	420	21,040
2053	21,000	420	210	21,630
2054	21,000	210	0	21,210
	<u>\$508,000</u>	<u>\$84,470</u>	<u>\$79,420</u>	<u>\$671,890</u>



**WHITEFORD TOWNSHIP**

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

**Note 8**     **Long-Term Debt (Continued)**  
2017 Special Assessment Bonds, Series A-1 (Limited Tax)

Year	Principal	Interest		Total Principal and Interest Due Annually
	June 1	December 1	June 1	
2025	\$21,000	\$9,570	\$9,570	\$40,140
2026	21,000	9,360	9,360	39,720
2027	22,000	9,150	9,150	40,300
2028	22,000	8,930	8,930	39,860
2029	22,000	8,710	8,710	39,420
2030	23,000	8,490	8,490	39,980
2031	23,000	8,260	8,260	39,520
2032	24,000	8,030	8,030	40,060
2033	24,000	7,790	7,790	39,580
2034	25,000	7,550	7,550	40,100
2035	25,000	7,300	7,300	39,600
2036	26,000	7,050	7,050	40,100
2037	26,000	6,790	6,790	39,580
2038	27,000	6,530	6,530	40,060
2039	27,000	6,260	6,260	39,520
2040	28,000	5,990	5,990	39,980
2041	28,000	5,710	5,710	39,420
2042	29,000	5,430	5,430	39,860
2043	30,000	5,140	5,140	40,280
2044	30,000	4,840	4,840	39,680
2045	31,000	4,540	4,540	40,080
2046	31,000	4,230	4,230	39,460
2047	32,000	3,920	3,920	39,840
2048	33,000	3,600	3,600	40,200
2049	33,000	3,270	3,270	39,540
2050	34,000	2,940	2,940	39,880
2051	35,000	2,600	2,600	40,200
2052	35,000	2,250	2,250	39,500
2053	36,000	1,900	1,900	39,800
2054	37,000	1,540	1,540	40,080
2055	38,000	1,170	1,170	40,340
2056	38,000	790	790	39,580
2057	41,000	410	410	41,820
	<u>\$957,000</u>	<u>\$180,040</u>	<u>\$180,040</u>	<u>\$1,317,080</u>

**WHITEFORD TOWNSHIP**

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

**Note 8**     Long-Term Debt (Continued)  
2017 Special Assessment Bonds, Series A-2 (Limited Tax)

Year	Principal	Interest		Total Principal and Interest
	June 1	December 1	June 1	Due Annually
2025	\$9,000	\$4,210	\$4,210	\$17,420
2026	9,000	4,120	4,120	17,240
2027	9,000	4,030	4,030	17,060
2028	10,000	3,940	3,940	17,880
2029	10,000	3,840	3,840	17,680
2030	10,000	3,740	3,740	17,480
2031	10,000	3,640	3,640	17,280
2032	11,000	3,540	3,540	18,080
2033	11,000	3,430	3,430	17,860
2034	11,000	3,320	3,320	17,640
2035	11,000	3,210	3,210	17,420
2036	11,000	3,100	3,100	17,200
2037	12,000	2,990	2,990	17,980
2038	12,000	2,870	2,870	17,740
2039	12,000	2,750	2,750	17,500
2040	13,000	2,630	2,630	18,260
2041	13,000	2,500	2,500	18,000
2042	13,000	2,370	2,370	17,740
2043	13,000	2,240	2,240	17,480
2044	14,000	2,110	2,110	18,220
2045	14,000	1,970	1,970	17,940
2046	14,000	1,830	1,830	17,660
2047	15,000	1,690	1,690	18,380
2048	15,000	1,540	1,540	18,080
2049	14,000	1,390	1,390	16,780
2050	14,000	1,250	1,250	16,500
2051	15,000	1,110	1,110	17,220
2052	15,000	960	960	16,920
2053	15,000	810	810	16,620
2054	16,000	660	660	17,320
2055	16,000	500	500	17,000
2056	17,000	340	340	17,680
2057	17,000	170	170	17,340
	<u>\$421,000</u>	<u>\$78,800</u>	<u>\$78,800</u>	<u>\$578,600</u>

**WHITEFORD TOWNSHIP**

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

**Note 8**      Long-Term Debt (Continued)  
2017 Special Assessment Bonds, Series B (Limited Tax)

Year	Principal June 1	Interest		Total Principal and Interest Due Annually
		December 1	June 1	
2025	\$42,000	\$43,757	\$43,757	\$129,514
2026	44,000	43,048	43,048	130,096
2027	45,000	42,306	42,306	129,612
2028	47,000	41,546	41,546	130,092
2029	49,000	40,753	40,753	130,506
2030	51,000	39,926	39,926	130,852
2031	52,000	39,066	39,066	130,132
2032	54,000	38,188	38,188	130,376
2033	56,000	37,277	37,277	130,554
2034	58,000	36,332	36,332	130,664
2035	60,000	35,353	35,353	130,706
2036	63,000	34,341	34,341	131,682
2037	65,000	33,278	33,278	131,556
2038	67,000	32,181	32,181	131,362
2039	70,000	31,050	31,050	132,100
2040	72,000	29,869	29,869	131,738
2041	75,000	28,654	28,654	132,308
2042	77,000	27,388	27,388	131,776
2043	80,000	26,089	26,089	132,178
2044	83,000	24,739	24,739	132,478
2045	86,000	23,338	23,338	132,676
2046	89,000	21,887	21,887	132,774
2047	92,000	20,385	20,385	132,770
2048	95,000	18,833	18,833	132,666
2049	99,000	17,229	17,229	133,458
2050	102,000	15,559	15,559	133,118
2051	106,000	13,838	13,838	133,676
2052	109,000	12,049	12,049	133,098
2053	113,000	10,209	10,209	133,418
2054	117,000	8,303	8,303	133,606
2055	121,000	6,328	6,328	133,656
2056	125,000	4,286	4,286	133,572
2057	129,000	2,177	2,177	133,354
	<u>\$2,593,000</u>	<u>\$879,562</u>	<u>\$879,562</u>	<u>\$4,352,124</u>

**WHITEFORD TOWNSHIP**

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

**Note 8**

**Long-Term Debt (Concluded)**

The annual requirements to pay principal and interest on the long-term debt outstanding at June 30, 2024 are as follows:

<u>Fiscal Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$93,000	\$23,044	\$116,044
2026	95,000	\$20,440	115,440
2027	98,000	\$17,780	115,780
2028	101,000	\$15,036	116,036
2029	104,000	\$12,208	116,208
2030-2032	332,000	18,788	350,788
	<u>\$823,000</u>	<u>\$107,296</u>	<u>\$930,296</u>

<u>Fiscal Years</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$85,000	\$125,104	\$210,104
2026	88,000	122,816	210,816
2027	90,000	120,452	210,452
2028	93,000	118,032	211,032
2029	96,000	115,516	211,516
2030-2034	518,000	537,208	1,055,208
2035-2039	594,000	462,486	1,056,486
2040-2044	685,000	375,408	1,060,408
2045-2049	787,000	274,214	1,061,214
2050-2054	901,000	157,116	1,058,116
2055-2057	542,000	32,342	574,342
	<u>\$4,479,000</u>	<u>\$2,440,694</u>	<u>\$6,919,694</u>

WHITEFORD TOWNSHIP

Notes to Financial Statements  
Year Ended June 30, 2024

Note 9

Charges for Services

Charges for users of the Water and Sewer Enterprise Funds consist of the following:

Water Fund – For the Water Fund, all customers will be assessed a fixed monthly fee as part of the general operating costs of the system. This fee is established to maintain a state of readiness to meet peak demands on the system. The residential 1” meter size had a fixed monthly fee of \$49.75. This fee includes the first 4,500 gallons of water used, and consists of a \$41.40 base charge, a \$2.50 billing fee, and a \$5.85 repair, replacement, and improvement fee. Commercial customers were assessed a fixed monthly fee of \$60.10. This fee includes the first 4,500 gallons of water used, and consists of a \$51.75 base fee, a \$2.50 billing fee, and a \$5.85 repair, replacement, and improvement fee. Residential customers using more than 4,500 gallons per month shall pay a fixed rate of \$10.50 per thousand gallons, and commercial customers using more than 4,500 gallons per month shall pay a fixed rate of \$12.80 per thousand gallons.

Sewer I and Sewer II Enterprise Funds:

Sewer Service Charges - For Sewer I, customers using less than 4,500 gallons per month shall be charged a minimum monthly fee of \$200.04, which includes an administrative fee of \$6.00 and \$48.75 for repair, replacement, and improvement of the sewage system. All customers using more than 4,500 gallons per month shall pay \$200 plus a fixed rate of \$9.00 per thousand gallons. For Sewer II, customers are billed \$55.12 for each REU on a monthly basis, which includes an administrative fee of \$3.78 and \$7.36 for repair, replacement, and improvement of the sewage system.

Note 10

Property Taxes

The Township bills and collects its own property taxes and also taxes for the State of Michigan, County of Monroe, Bedford Public Schools, Blissfield Community Schools, Whiteford Agricultural Schools, Monroe County Community College, Monroe County Intermediate School District, and Lenawee County Intermediate School District. Collections are accounted for in the Tax Collection Custodial Fund. For the year ended June 30, 2024, the Township levied, on December 1, 2023, the following mills due and payable on February 14, 2024:

General Operating	0.9178
County Road	0.9696
Fire Department	<u>0.9696</u>
	<u>2.8570</u>

Taxable values, which amounted to \$276,101,840 represent a percent of the fair market value of the assessed properties on December 31, 2023. The Township also collected taxes on properties covered under industrial facilities exemptions, which had a total taxable value of \$456,911.

For the year ended June 30, 2024, the Township also billed and retained \$89,877 as administrative fees for the above tax collection.

**WHITEFORD TOWNSHIP**

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

**Note 11**     Tax Abatements

The Township entered into property tax abatement agreements with local businesses under the Industrial Facilities Tax Exemption, P.A. 198 of 1974, M.C.L. 207.551 et seq and the New Personal Property Exemption, P.A. 328 of 1998, M.C.L. 211.9f, as amended. Under these exemptions, localities may grant property tax abatements of a business’s property tax bill for the purpose of attracting or retaining businesses within their jurisdiction, and to any business located within or promising to relocate to the Township.

For the year ended June 30, 2024, the Township abated property taxes totaling approximately \$653 under these programs.

**Note 12**     Lease Commitments

The Township entered into a lease agreement with Perry Pro Tech for the use a copy machine. The lease term is sixty-three months, ending August 1, 2026, with payments of \$428 per month. For purposes of discounting the future payments of the lease, the Township used an interest rate of 2.85%.

The Township entered into a lease with Michigan Technical Resource Park on January 1, 2023 through December 31, 2024, for office space with payments of \$1,835 per month. For purposes of discounting the future payments of the lease, the Township used an interest rate of 8.50%.

The leased equipment, building space, and the related accumulated amortization of the right-to-use assets are outlined in Note 5.

Obligations of governmental activities under operating leases at June 30, 2024 were as follows:

	Balance July 1, 2023	Additions	Retired	Balance June 30, 2024	Due Within One Year
Governmental activities:					
Perry Pro Tech	\$13,974	\$0	\$4,804	\$9,170	\$4,943
Michigan Technical Resource Park	30,906	0	20,165	10,741	10,741
Total lease commitments	\$44,880	\$0	\$24,969	\$19,911	\$15,684

The annual requirements to pay principal and interest on the lease commitments at June 30, 2024 are as follows:

Fiscal Year	Perry Pro Tech		
	Principal	Interest	Total
2025	\$4,943	\$197	\$5,140
2026	4,227	56	4,283
Totals	\$9,170	\$253	\$9,423

**WHITEFORD TOWNSHIP**

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

Note 12    Lease Commitments (Concluded)

<u>Michigan Technical Resource Park</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Fiscal Year</u> 2025	<u>\$10,741</u>	<u>\$268</u>	<u>\$11,009</u>
	<u>Total</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Fiscal Year</u> 2025	<u>\$15,684</u>	<u>\$465</u>	<u>\$16,149</u>
2026	<u>4,227</u>	<u>56</u>	<u>4,283</u>
<b>Totals</b>	<b><u>\$19,911</u></b>	<b><u>\$521</u></b>	<b><u>\$20,432</u></b>

Note 13    Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman’s compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

Note 14    Building Department

The Township tracks building permit fees and their related costs in the General Fund. Fees for the fiscal year ending June 30, 2024 of \$79,941, did not exceed the related costs and administrative overhead.

Note 15    Deficit Net Position

A net position deficit of \$4,106 exists in the Sewer I Fund resulting from collections of repairs, replacement, and improvement charges that have a restricted use. It is expected that sewer use charges and transfers from the General Fund will provide a positive net position in fiscal year 2025.

REQUIRED SUPPLEMENTAL INFORMATION



**WHITEFORD TOWNSHIP**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes:				
Property taxes	\$276,000	\$276,000	\$253,415	(\$22,585)
Administrative fees	75,000	75,000	89,877	14,877
Penalties and interest on tax	3,500	3,500	1,731	(1,769)
	<u>354,500</u>	<u>354,500</u>	<u>345,023</u>	<u>(9,477)</u>
Licenses and permits:				
Business	100	100	0	(100)
Non-business	89,000	89,000	79,941	(9,059)
	<u>89,100</u>	<u>89,100</u>	<u>79,941</u>	<u>(9,159)</u>
State grants:				
State shared revenue	500,000	500,000	503,248	3,248
Local community stabilization share	7,000	7,000	7,649	649
Right of way	10,000	10,000	10,739	739
	<u>517,000</u>	<u>517,000</u>	<u>521,636</u>	<u>4,636</u>
Charges for services:				
Franchise fees	22,000	22,000	18,863	(3,137)
Rentals	8,000	8,000	29,995	21,995
Cemetery	85,100	85,100	74,309	(10,791)
Haul route fees	120,000	120,000	140,242	20,242
	<u>235,100</u>	<u>235,100</u>	<u>263,409</u>	<u>28,309</u>
Interest	2,500	2,500	19,786	17,286
Other revenue:				
Donations and grants	28,600	28,600	66,485	37,885
Other revenue	11,250	71,250	76,306	5,056
	<u>39,850</u>	<u>99,850</u>	<u>142,791</u>	<u>42,941</u>
Total Revenues	1,238,050	1,298,050	1,372,586	74,536
<b>Expenditures</b>				
Legislative:				
Township board	29,471	32,419	32,144	275
General government:				
Supervisor	85,414	85,420	66,826	18,594
Elections	25,625	41,525	41,312	213
Board of review	1,515	2,395	2,379	16
Assessor	43,927	43,927	43,283	644
Clerk	100,747	103,863	79,941	23,922
Treasurer	88,628	89,654	86,178	3,476
Township hall and grounds	169,875	208,036	181,289	26,747
	<u>515,731</u>	<u>574,820</u>	<u>501,208</u>	<u>73,612</u>

**WHITEFORD TOWNSHIP**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Expenditures (Concluded)</b>				
Public safety:				
Police department	\$63,100	\$63,100	\$56,628	\$6,472
Fire department	217,125	327,353	242,914	84,439
Building inspection	62,970	64,040	54,306	9,734
	<u>343,195</u>	<u>454,493</u>	<u>353,848</u>	<u>100,645</u>
Public works:				
Street lights	12,000	12,175	12,141	34
Roads and drains	131,130	131,040	112,974	18,066
Cemetery	102,700	102,960	100,011	2,949
Water and sewer	560	1,850	1,814	36
Engineer	0	1,705	1,705	0
	<u>246,390</u>	<u>249,730</u>	<u>228,645</u>	<u>21,085</u>
Community and economic development:				
Zoning enforcement	2,372	4,067	3,962	105
Recreation and cultural:				
Park	<u>106,735</u>	<u>139,560</u>	<u>127,489</u>	<u>12,071</u>
Debt service				
Principal	0	0	20,165	(20,165)
Interest	0	0	1,853	(1,853)
	<u>0</u>	<u>0</u>	<u>22,018</u>	<u>(22,018)</u>
Total Expenditures	<u>1,243,894</u>	<u>1,455,089</u>	<u>1,269,314</u>	<u>185,775</u>
Excess (Deficiency) of Revenues over Expenditures	(5,844)	(157,039)	103,272	260,311
<b>Other Financing Sources (Uses)</b>				
Operating transfer out	<u>(78,891)</u>	<u>(73,626)</u>	<u>(70,282)</u>	<u>3,344</u>
<b>Net Change in Fund Balance</b>	<u>(84,735)</u>	<u>(230,665)</u>	<u>32,990</u>	<u>263,655</u>
Fund Balance - Beginning of year	<u>1,199,304</u>	<u>1,199,304</u>	<u>1,199,304</u>	<u>0</u>
Fund Balance - End of year	<u>\$1,114,569</u>	<u>\$968,639</u>	<u>\$1,232,294</u>	<u>\$263,655</u>

**WHITEFORD TOWNSHIP**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes:				
Property taxes	\$276,035	\$276,035	\$267,440	(\$8,595)
State grants:				
Volunteer fire assistance grant	5,000	5,000	4,999	(1)
Local community stabilization share	3,100	3,100	3,331	231
	<u>8,100</u>	<u>8,100</u>	<u>8,330</u>	<u>230</u>
Other revenue:				
Interest	2,500	2,500	25,135	22,635
Total Revenue	<u>286,635</u>	<u>286,635</u>	<u>300,905</u>	<u>14,270</u>
<b>Expenditures</b>				
Public safety:				
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	286,635	286,635	300,905	14,270
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	0	0	10,000	10,000
Operating transfers out	<u>(50,000)</u>	<u>(166,770)</u>	<u>(166,766)</u>	<u>4</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(166,770)</u>	<u>(156,766)</u>	<u>10,004</u>
<b>Net Change in Fund Balance</b>	236,635	119,865	144,139	24,274
Fund Balance - Beginning of year	<u>573,210</u>	<u>573,210</u>	<u>573,210</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$809,845</u></u>	<u><u>\$693,075</u></u>	<u><u>\$717,349</u></u>	<u><u>\$24,274</u></u>

OTHER SUPPLEMENTAL INFORMATION

**WHITEFORD TOWNSHIP**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Interest	\$250	\$250	\$22,142	\$21,892
<b>Expenditures</b>				
Public works	450,000	438,750	278,823	159,927
Capital outlay	50,000	212,250	212,062	188
	<u>500,000</u>	<u>651,000</u>	<u>490,885</u>	<u>160,115</u>
Excess (Deficiency) of Revenues over Expenditures	(499,750)	(650,750)	(468,743)	182,007
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	50,000	216,766	216,766	0
<b>Net Change in Fund Balance</b>	(449,750)	(433,984)	(251,977)	182,007
Fund Balance - Beginning of year	<u>1,112,559</u>	<u>595,087</u>	<u>595,087</u>	<u>0</u>
Fund Balance - End of year	<u>\$662,809</u>	<u>\$161,103</u>	<u>\$343,110</u>	<u>\$182,007</u>

**WHITEFORD TOWNSHIP**

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

	Special Revenue Funds			Debt Service Fund
	County Road	Liquor Law Enforcement	Private Roads	Debt Service
<b>Assets</b>				
Cash	\$348,889	\$6,393	\$6,353	\$5,589
Total Assets	<u>\$348,889</u>	<u>\$6,393</u>	<u>\$6,353</u>	<u>\$5,589</u>
<b>Liabilities</b>				
Accrued liabilities	\$0	\$538	\$0	\$3,820
<b>Fund Balances</b>				
Restricted for:				
Liquor law enforcement	0	5,855	0	0
Public works	348,889	0	6,353	0
Committed to:				
Debt service	0	0	0	1,769
Total Fund Balances	<u>348,889</u>	<u>5,855</u>	<u>6,353</u>	<u>1,769</u>
Total Liabilities and Fund Balances	<u>\$348,889</u>	<u>\$6,393</u>	<u>\$6,353</u>	<u>\$5,589</u>

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Total Nonmajor  
Governmental  
Funds

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\$367,224

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\$367,224

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\$4,358

5,855  
355,242

1,769

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362,866

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\$367,224

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**WHITEFORD TOWNSHIP**

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

	Special Revenue Funds			Debt Service Fund
	County Road	Liquor Law Enforcement	Private Roads	Debt Service
<b>Revenues</b>				
Taxes:				
Property taxes	\$267,440	\$0	\$0	\$0
Special assessments	0	0	9,345	0
State grants	8,852	4,859	0	0
Interest	3,761	0	0	0
<b>Total Revenues</b>	<b>280,053</b>	<b>4,859</b>	<b>9,345</b>	<b>0</b>
<b>Expenditures</b>				
Public safety	0	6,459	0	0
Public works	65,558	0	3,788	0
Debt service	0	0	0	115,146
<b>Total Expenditures</b>	<b>65,558</b>	<b>6,459</b>	<b>3,788</b>	<b>115,146</b>
Excess (Deficiency) of Revenues Over Expenditures	214,495	(1,600)	5,557	(115,146)
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	0	0	0	115,564
Operating transfers (out)	(102,782)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(102,782)</b>	<b>0</b>	<b>0</b>	<b>115,564</b>
<b>Net Change in Fund Balances</b>	<b>111,713</b>	<b>(1,600)</b>	<b>5,557</b>	<b>418</b>
Fund Balances - Beginning of year	237,176	7,455	796	1,351
Fund Balances - End of year	<u>\$348,889</u>	<u>\$5,855</u>	<u>\$6,353</u>	<u>\$1,769</u>



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Total Nonmajor  
Governmental  
Funds

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\$267,440  
9,345  
13,711  
3,761

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294,257

6,459  
69,346  
115,146

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190,951

---

103,306

115,564  
(102,782)

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12,782

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116,088

246,778

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\$362,866

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**WHITEFORD TOWNSHIP**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes:				
Property taxes	\$276,100	\$276,100	\$267,440	(\$8,660)
State grants:				
Local community stabilization share	8,400	8,400	8,852	452
Interest	30	30	3,761	3,731
Total Revenue	284,530	284,530	280,053	(4,477)
<b>Expenditures</b>				
Public works:				
Roads and drains	89,000	72,890	65,558	7,332
Excess (Deficiency) of Revenues over Expenditures	195,530	211,640	214,495	7,332
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	(86,673)	(102,783)	(102,782)	1
<b>Net Change in Fund Balance</b>	108,857	108,857	111,713	2,855
Fund Balance - Beginning of year	237,176	237,176	237,176	0
Fund Balance - End of year	<u>\$346,033</u>	<u>\$346,033</u>	<u>\$348,889</u>	<u>\$2,855</u>

**WHITEFORD TOWNSHIP**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
State grants	\$4,000	\$4,000	\$4,859	\$859
<b>Expenditures</b>				
Public safety:				
Liquor inspection	<u>3,768</u>	<u>6,460</u>	<u>6,459</u>	<u>1</u>
<b>Net Change in Fund Balance</b>	232	(2,460)	(1,600)	860
Fund Balance - Beginning of year	<u>7,455</u>	<u>7,455</u>	<u>7,455</u>	<u>0</u>
Fund Balance - End of year	<u>\$7,687</u>	<u>\$4,995</u>	<u>\$5,855</u>	<u>\$860</u>

**WHITEFORD TOWNSHIP**

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

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special assessment	\$9,000	\$9,000	\$9,345	\$345
<b>Expenditures</b>				
Public works:				
Road maintenance	<u>9,000</u>	<u>9,000</u>	<u>3,788</u>	<u>5,212</u>
<b>Net Change in Fund Balance</b>	0	0	5,557	5,557
Fund Balance - Beginning of year	<u>796</u>	<u>796</u>	<u>796</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$796</u></u>	<u><u>\$796</u></u>	<u><u>\$6,353</u></u>	<u><u>\$5,557</u></u>

**WHITEFORD TOWNSHIP**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Debt Service:				
Bond principal	90,000	90,000	90,000	0
Bond interest	25,564	25,564	25,146	418
	<u>115,564</u>	<u>115,564</u>	<u>115,146</u>	<u>418</u>
Excess (Deficiency) of Revenues over Expenditures	(115,564)	(115,564)	(115,146)	418
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	<u>115,564</u>	<u>115,564</u>	<u>115,564</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	0	418	418
Fund Balance - Beginning of year	<u>1,351</u>	<u>1,351</u>	<u>1,351</u>	<u>0</u>
Fund Balance - End of year	<u>\$1,351</u>	<u>\$1,351</u>	<u>\$1,769</u>	<u>\$418</u>

**WHITEFORD TOWNSHIP**

*Water Fund*

*Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position  
Years Ended June 30, 2024 and 2023*

	2024	2023
<b>Operating Revenues</b>		
Charges for services:		
Collection fees	\$328,733	\$285,455
Other revenues	150	12,370
	<u>328,883</u>	<u>297,825</u>
<b>Operating Expenses</b>		
Sources of supply:		
Wages	114,679	115,111
Fringe benefits	12,096	9,606
Utilities	44,682	30,785
Operations and maintenance	50,151	95,216
Operating supplies	47,499	45,951
Depreciation	350,180	349,797
	<u>619,287</u>	<u>646,466</u>
Office and administration:		
Office supplies and maintenance	609	440
Contracted services	12,657	12,287
Professional fees	1,789	1,521
Miscellaneous	4,700	1,523
	<u>19,755</u>	<u>15,771</u>
	<u>639,042</u>	<u>662,237</u>
	<u>639,042</u>	<u>662,237</u>
Net Operating Income (Loss)	(310,159)	(364,412)
<b>Non-Operating Revenues (Expenses)</b>		
Special assessment	149,507	147,788
Interest revenue	175,708	157,183
Interest expense	(116,877)	(118,660)
Initial connection	9,880	40,720
	<u>218,218</u>	<u>227,031</u>
Total Non-Operating Revenues (Expenses)	<u>218,218</u>	<u>227,031</u>
<b>Change in Net Position</b>	(91,941)	(137,381)
Net Position - Beginning of year	4,958,062	5,095,443
Net Position - End of year	<u>\$4,866,121</u>	<u>\$4,958,062</u>

**WHITEFORD TOWNSHIP**

*Sewer I Fund*

*Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position  
Years Ended June 30, 2024 and 2023*

	2024	2023
<b>Operating Revenues</b>		
Charges for services:		
Collection fees	\$48,232	\$41,245
<b>Operating Expenses</b>		
Sources of supply:		
Contracted services	0	417
Utilities	2,464	1,931
Operations and maintenance	40,756	37,497
Operating supplies	332	196
Depreciation	443	442
	<u>43,995</u>	<u>40,483</u>
Office and administration:		
Wages	4,800	4,800
Fringe benefits	367	367
Other	0	406
	<u>5,167</u>	<u>5,573</u>
 Total Operating Expenses	 <u>49,162</u>	 <u>46,056</u>
 Net Operating Income (Loss)	 (930)	 (4,811)
<b>Non-Operating Revenues (Expenses)</b>		
Interest revenue	970	404
 Income (loss) before transfers	 40	 (4,407)
<b>Other Financing Sources</b>		
Operating transfers in	7,500	15,000
<b>Change in Net Position</b>	7,540	10,593
Net Position - Beginning of year	<u>57,376</u>	<u>46,783</u>
Net Position - End of year	<u><u>\$64,916</u></u>	<u><u>\$57,376</u></u>

**WHITEFORD TOWNSHIP**

*Sewer II Fund*

*Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position  
Years Ended June 30, 2024 and 2023*

	2024	2023
<b>Operating Revenues</b>		
Charges for services:		
Collection fees	\$65,567	\$63,482
Other revenue	0	5,057
Total Operating Revenues	<u>65,567</u>	<u>68,539</u>
<b>Operating Expenses</b>		
Sources of supply:		
Utilities	5,117	5,960
Operating supplies	51,506	68,279
Depreciation	58,672	57,864
	<u>115,295</u>	<u>132,103</u>
Office and administration:		
Wages	4,800	4,800
Fringe benefits	367	367
Contracted services	0	417
Office supplies and maintenance	943	1,437
	<u>6,110</u>	<u>7,021</u>
Total Operating Expenses	<u>121,405</u>	<u>139,124</u>
Net Operating Income (Loss)	(55,838)	(70,585)
<b>Non-Operating Revenues (Expenses)</b>		
Special assessment	19,623	15,146
Interest revenue	15,391	15,004
Interest expense	(10,132)	(10,442)
Total Non-Operating Revenues (Expenses)	<u>24,882</u>	<u>19,708</u>
<b>Change in Net Position</b>	(30,956)	(50,877)
Net Position - Beginning of year	<u>1,963,610</u>	<u>2,014,487</u>
Net Position - End of year	<u>\$1,932,654</u>	<u>\$1,963,610</u>





CALKINS HEHL RAFKO  
— CERTIFIED PUBLIC ACCOUNTANTS —

Township Board  
Whiteford Township  
Ottawa Lake, Michigan 49267

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whiteford Township as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Whiteford Township's internal control over financial reporting (internal control) as a basis for designing auditing 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 the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The following is not a material weakness or significant deficiency, but a matter of noncompliance that was discovered during the audit:

Unrestricted Fund Net Position Fund Deficit

In accordance with Public Act 621 of 1978, no fund shall have a fund with an unrestricted deficit. As of June 30, 2024, the Sewer I Fund had an unrestricted deficit of \$4,106. We recommend reviewing the deficit elimination plan and making updates as necessary in order to eliminate the deficit.

This communication is intended solely for the information and use of the Township Board, management, others within the Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

November 13, 2024

One South Monroe Street Monroe, MI 48161

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CALKINS HEHL RAFKO  
— CERTIFIED PUBLIC ACCOUNTANTS —

November 13, 2024

To the Township Board  
Whiteford Township

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whiteford Township for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 3, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Whiteford Township are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2024 fiscal year. We noted no transactions entered into by Whiteford Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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. We evaluated the key factors and assumptions used to develop the useful lives of depreciable capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

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

*Difficulties Encountered in Performing the Audit*

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

One South Monroe Street Monroe, MI 48161

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To the Township Board  
Whiteford Township

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### *Corrected and Uncorrected Misstatements*

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

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 13, 2024.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### *Other Information in Documents Containing Audited Financial Statements*

We applied certain limited procedures to the major fund budget and actual statements, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

To the Township Board  
Whiteford Township

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*Restriction on Use*

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

Very truly yours,

*Callins Hehl Rapp*