



Waterford School District

**Audit Results
June 30, 2024**

PRESENTED BY
Jessica Rolfe, CPA
Principal



YEO & YEO

BUSINESS SUCCESS
PARTNERS

Audit Overview

- Highest level of assurance service that a CPA performs
- Intended to provide a user comfort on the accuracy of financial statements
- Procedures are performed to obtain “reasonable assurance” (high but not absolute assurance) about whether the financial statements are free from material misstatement
- Reports any significant deficiencies or material weaknesses in the system of internal control that are identified during the audit
- Formal report that expresses an opinion on the financial statements



Audit Opinion

- Unmodified Opinion
 - Highest Level of Assurance
 - Financial records and statements are fairly and appropriately presented, and in accordance with accounting principles generally accepted in the United States of America; this includes 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.



Balance Sheet

Governmental Funds

	General Fund	Capital Project Fund 2020 Series II	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 6,339,385	\$ 36,654,057	\$ 9,172,523	\$ 52,165,965
Accounts receivable	441,350	-	139,554	580,904
Leases receivable	3,524,389	-	-	3,524,389
Due from other funds	1,405,268	8,976	8,227	1,422,471
Due from other governmental units	24,285,726	-	-	24,285,726
Inventory	-	-	49,247	49,247
Prepaid items	666,074	-	1,487	667,561
Total assets	<u>\$ 36,662,192</u>	<u>\$ 36,663,033</u>	<u>\$ 9,371,038</u>	<u>\$ 82,696,263</u>
Liabilities				
Accounts payable	\$ 1,893,431	\$ 6,242,577	\$ 116,271	\$ 8,252,279
Due to other funds	17,203	-	1,405,268	1,422,471
Payroll deductions and withholdings	3,929,637	-	-	3,929,637
Accrued expenditures	70,329	-	-	70,329
Accrued salaries payable	4,700,071	-	-	4,700,071
Unearned revenue	5,263,138	-	59,385	5,322,523
Total liabilities	<u>15,873,809</u>	<u>6,242,577</u>	<u>1,580,924</u>	<u>23,697,310</u>



Balance Sheet

Governmental Funds

	General Fund	Capital Project Fund 2020 Series II	Nonmajor Governmental Funds	Total Governmental Funds
Deferred inflows of resources				
Unavailable				
Grants Received	\$ 545,765	\$ -	\$ -	\$ 545,765
Leases	3,524,389	-	-	3,524,389
Total deferred inflows of resources	<u>4,070,154</u>	<u>-</u>	<u>-</u>	<u>4,070,154</u>
Fund Balance				
Non-spendable	\$ 666,074	\$ -	\$ 49,247	\$ 715,321
Restricted for				
Debt service	-	-	2,491,125	2,491,125
Capital projects	-	30,420,456	-	30,420,456
Special Education center programs	-	-	1,121,757	1,121,757
Food service	-	-	1,372,145	1,372,145
Committed - senior and student activity	-	-	1,578,494	1,578,494
Assigned - capital projects	-	-	1,177,346	1,177,346
Unassigned	16,052,155	-	-	16,052,155
Total fund balance	<u>16,718,229</u>	<u>30,420,456</u>	<u>7,790,114</u>	<u>54,928,799</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 36,662,192</u>	<u>\$ 36,663,033</u>	<u>\$ 9,371,038</u>	<u>\$ 82,696,263</u>



Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

	<u>Capital Project Funds</u>				
	<u>General Fund</u>	<u>2020 Series II</u>	<u>Formerly Major Fund 2021 Series I</u>	<u>Nonmajor Governmental Funds</u>	
Revenues and other sources	\$ 126,427,848	\$ 2,652,734		\$ 39,040,285	\$ 168,120,867
Expenditures and other uses	<u>125,610,451</u>	<u>33,356,643</u>		<u>37,680,420</u>	<u>196,647,514</u>
Change in fund balance	817,397	(30,703,909)		1,359,865	(28,526,647)
Fund Balance July 1, 2023	15,900,832	61,124,365	68,279	6,361,970	83,455,446
Change within financing reporting entity	<u>-</u>	<u>-</u>	<u>(68,279)</u>	<u>68,279</u>	<u>-</u>
Fund balance July 1, 2023	<u>15,900,832</u>	<u>61,124,365</u>		<u>6,430,249</u>	<u>83,455,446</u>
Fund balance June 30, 2024	<u>\$ 16,718,229</u>	<u>\$ 30,420,456</u>		<u>\$ 7,790,114</u>	<u>\$ 54,928,799</u>



Budgetary Comparison

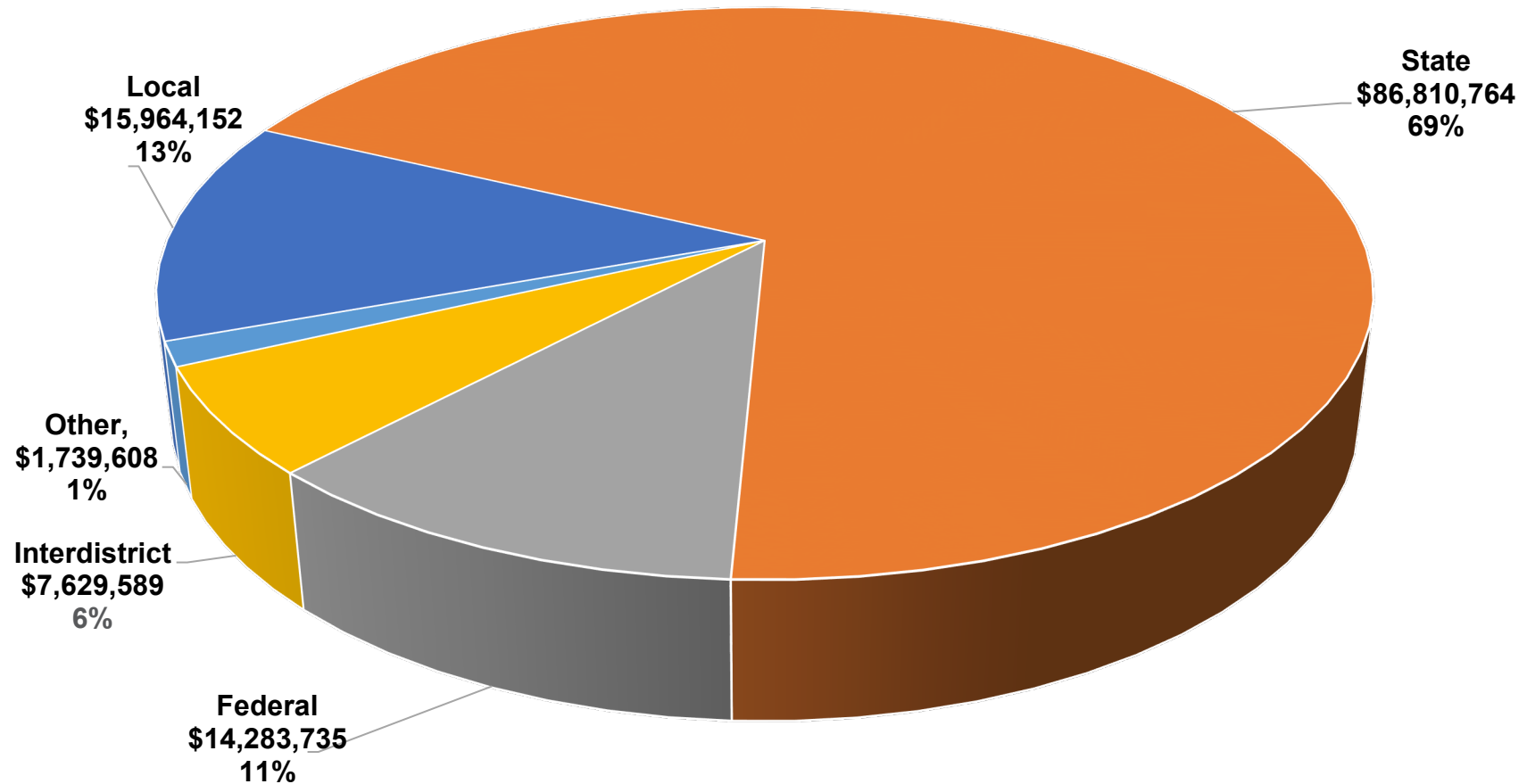
General Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Percent Accurate</u>
Revenues and other sources	\$ 111,362,553	\$ 123,964,069	\$ 126,427,848	98.09%
Expenditures and other uses	<u>110,610,793</u>	<u>122,963,022</u>	<u>125,610,451</u>	97.89%
	<u>\$ 751,760</u>	<u>\$ 1,001,047</u>	<u>\$ 817,397</u>	



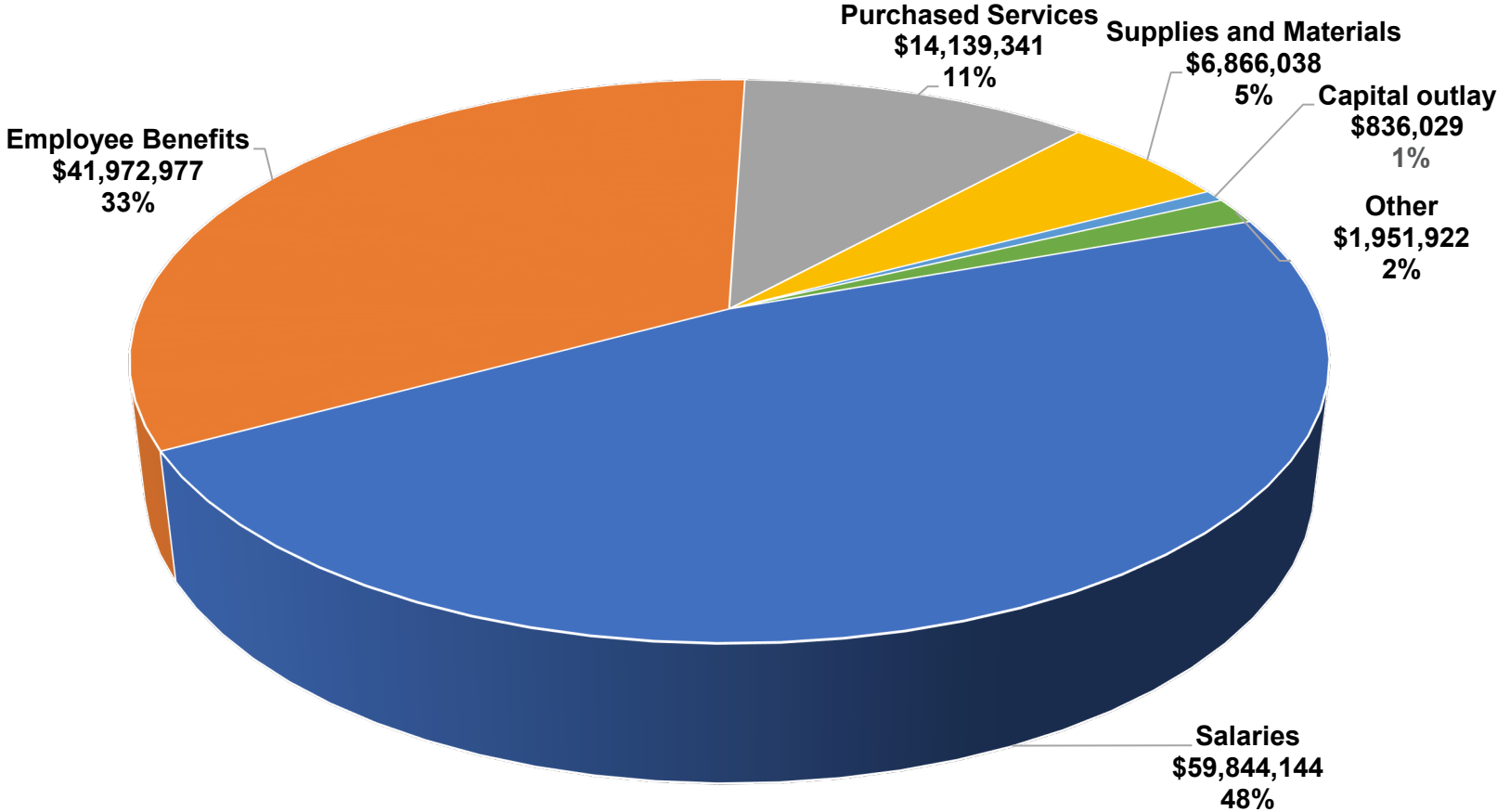
General Fund Revenue

(Includes Other Financing Sources)



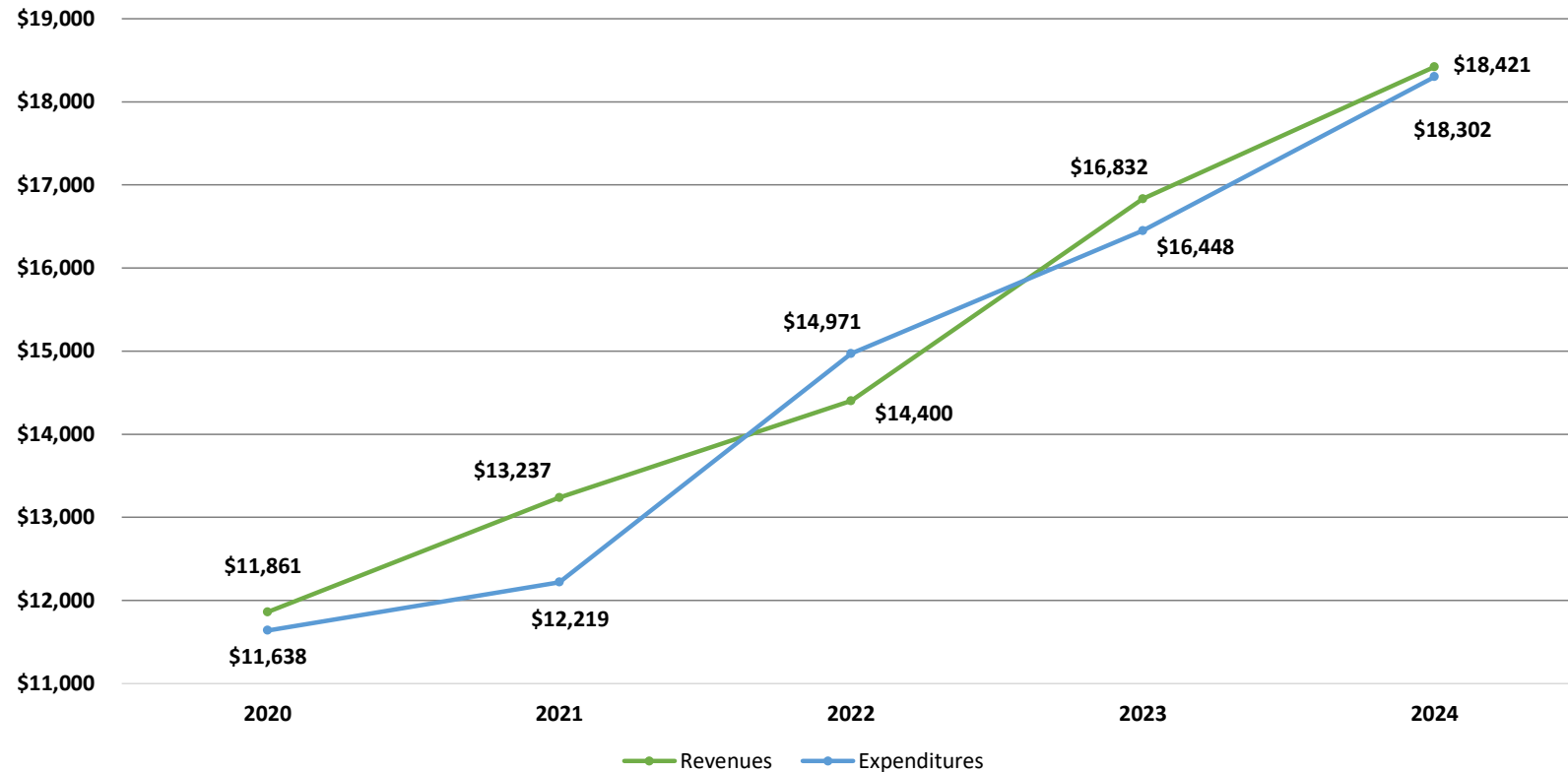
General Fund Expenditures

(Includes Other Financing Uses)

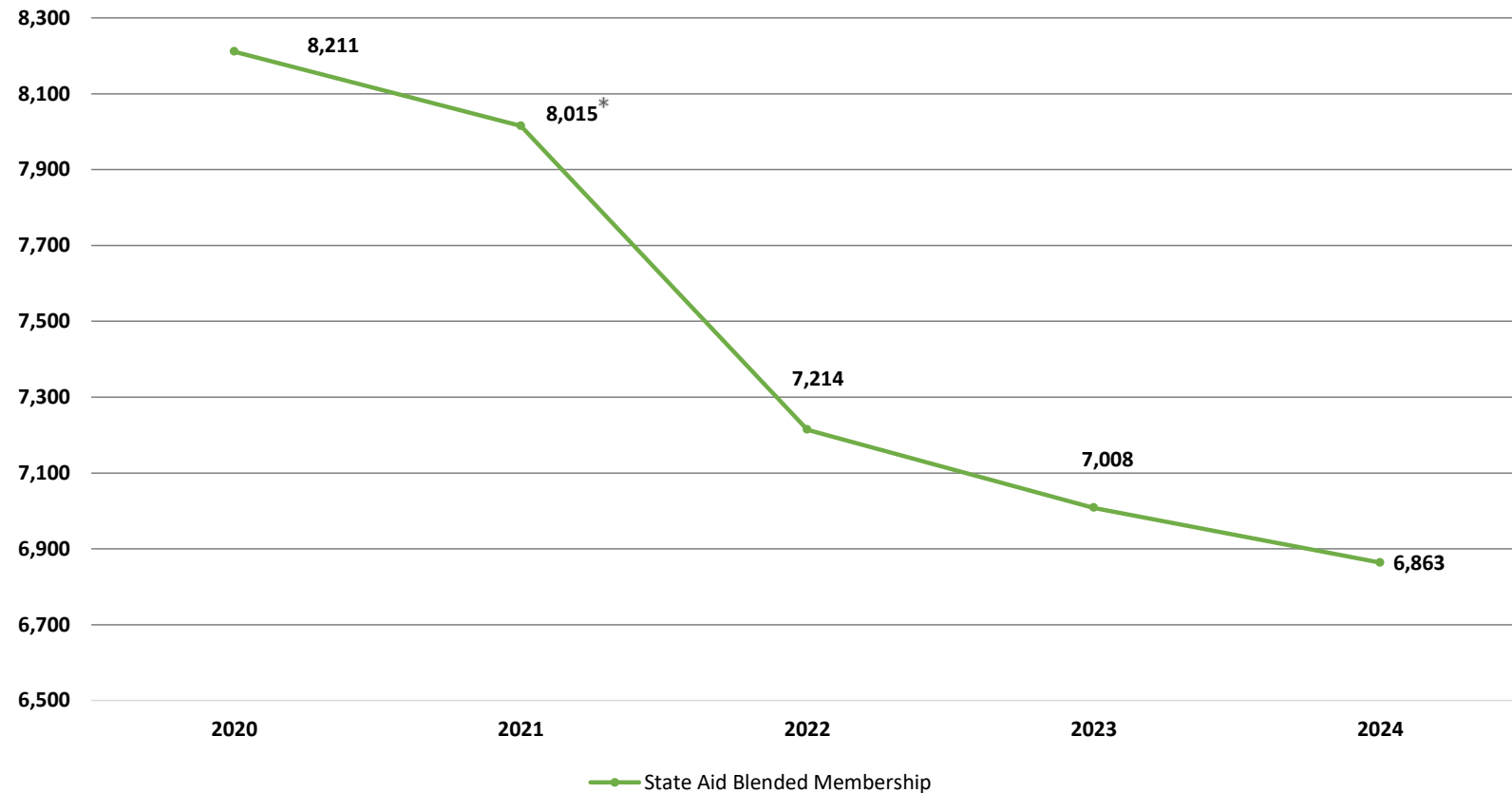


Per-Pupil Analysis of Revenues, Expenditures, and Transfers

General Fund



Five Year Enrollment Trend Analysis



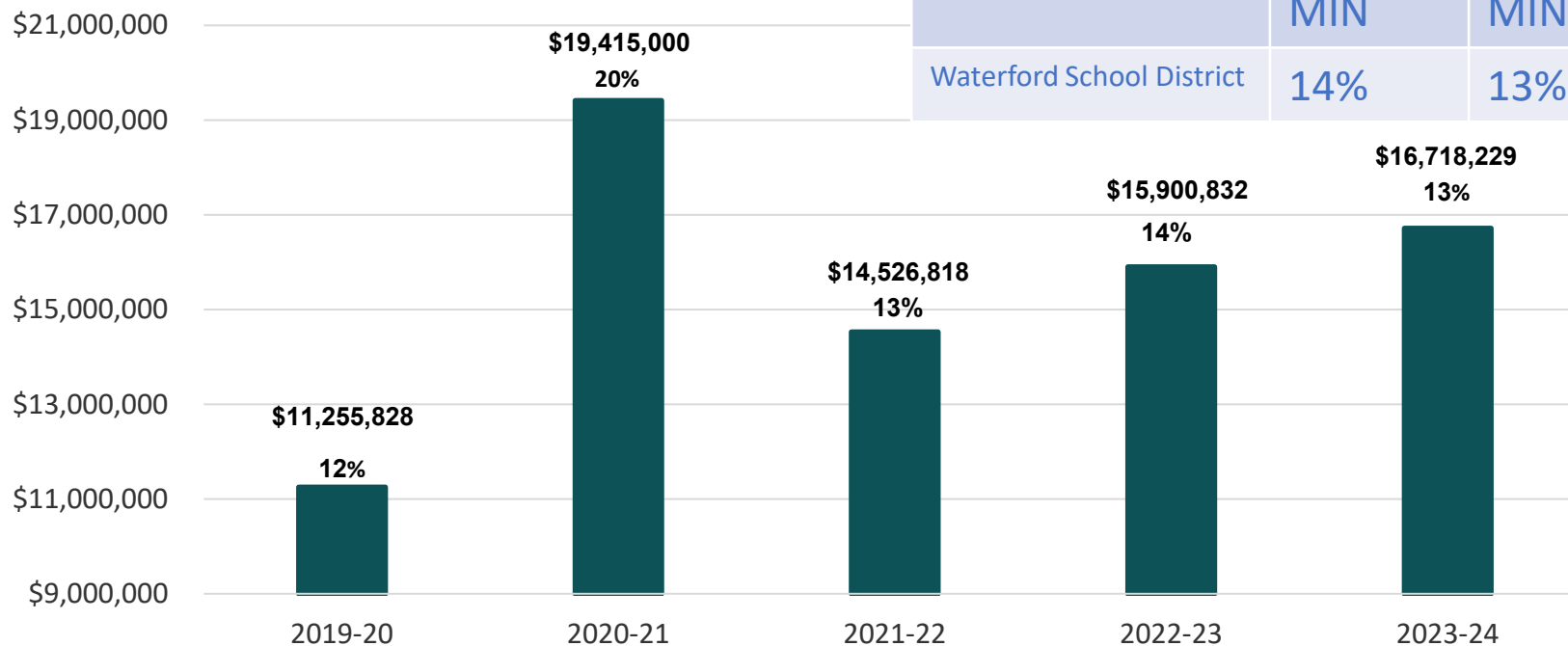
* State aid blended membership was based on the “super blend”, calculated on 25% of the 2020-21 student blend and 75% of the 2019-20 student blend due to COVID-19



Fund Balance as Percentage of Expenditures

General Fund

	2022-23	2021-22
Peers (5,000 - 9,999)	18.69%	18.19%
State	21.87%	20.02%
MDE Recommends	15% MIN	15% MIN
Waterford School District	14%	13%



Internal Controls and Compliance

Financial Statements

- No Material Weaknesses
- No Material Noncompliance
- Significant Deficiency and Noncompliance
 - Budget Overages



Single Audit Overview

- Financial and compliance audit that assesses whether a non-federal entity is spending federal funds properly
- Applies to non-federal entities that receive at least \$750,000 in federal financial assistance in a year
- Major Programs - Unmodified Opinion
 - Corona Virus State & Local Fiscal Recovery Funds
 - Education Stabilization Fund (ESSER)



Internal Controls and Compliance

Federal Awards

- No Material Weaknesses
- No Significant Deficiencies
- No Material Noncompliance



Governance Letter

- Required Communication
- Upcoming Standards
 - GASB 101 – Compensated Absences (6/30/25)
- Management Recommendations
 - IDEA Indirect Costs
 - Federal Grant Monitoring and Budgeting



Prior Year Follow-up

- Prior Year Findings
 - None
- Prior Year Management Recommendations
 - Budget Overages – Current Year Finding
 - Food Service Fund Balance – Resolved
 - Unavailable Revenue – Resolved



Report Card

- Financials Statements
 - Unmodified opinion ✓
 - General fund balance – within 1% of MDE recommendation ✓
- Single Audit
 - Unmodified opinion on major programs ✓
- Findings
 - No Material Weaknesses ✓
 - No Material Noncompliance ✓
 - Significant Deficiency – Budget Overages ✗
- Audit submitted timely to the state and feds ✓
- Management Recommendations ✓



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CONNECT



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