



plante moran

Audit. Tax. Consulting.
Wealth Management.

Southfield Public Schools

Board presentation | Year ended June 30, 2023



Summary of Audit Results

Year Ended June 30, 2023

Basic Financial Statements:

- Unmodified Opinion
- Note 3: Reporting on 2023 Building & Site and 2020 Building & Site bond compliance under Section 1351a of State of Michigan School Code
- Note 3: Reporting on Sinking Fund compliance under Section 1212 of State of Michigan School Code
- No findings noted

Single Audit:

- Unmodified opinion
- Major programs tested: Education Stabilization Fund, Child Nutrition Cluster, and Title I
- Federal program audit finding related to on-site monitoring for Child Nutrition Cluster
- No questioned costs

Required Communications Under AU 260:

- Significant accounting policies disclosed in Note 2
- Significant accounting estimates: MPSERS Pension and OPEB liabilities
- No difficulties encountered in performing the audit



Governmental Funds Balance Sheet

June 30, 2023

	<u>General Fund</u>	<u>2023 Building and Site Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Assets	\$ 31,070,053	\$ 74,890,536	\$ 9,498,678	\$ 115,459,267
Liabilities and Deferred Inflows of Resources	18,831,083	49,060	1,235,828	20,115,971
Fund Balance:				
Nonspendable	94,362	-	-	94,362
Restricted	-	74,841,476	7,033,747	81,875,223
Committed	-	-	1,229,103	1,229,103
Assigned	3,341,773	-	-	3,341,773
Unassigned	<u>8,802,835</u>	<u>-</u>	<u>-</u>	<u>8,802,835</u>
Total Fund Balance	<u>12,238,970</u>	<u>74,841,476</u>	<u>8,262,850</u>	<u>95,343,296</u>
Total Liabilities & Fund Balance	<u>\$ 31,070,053</u>	<u>\$ 74,890,536</u>	<u>\$ 9,498,678</u>	<u>\$ 115,459,267</u>

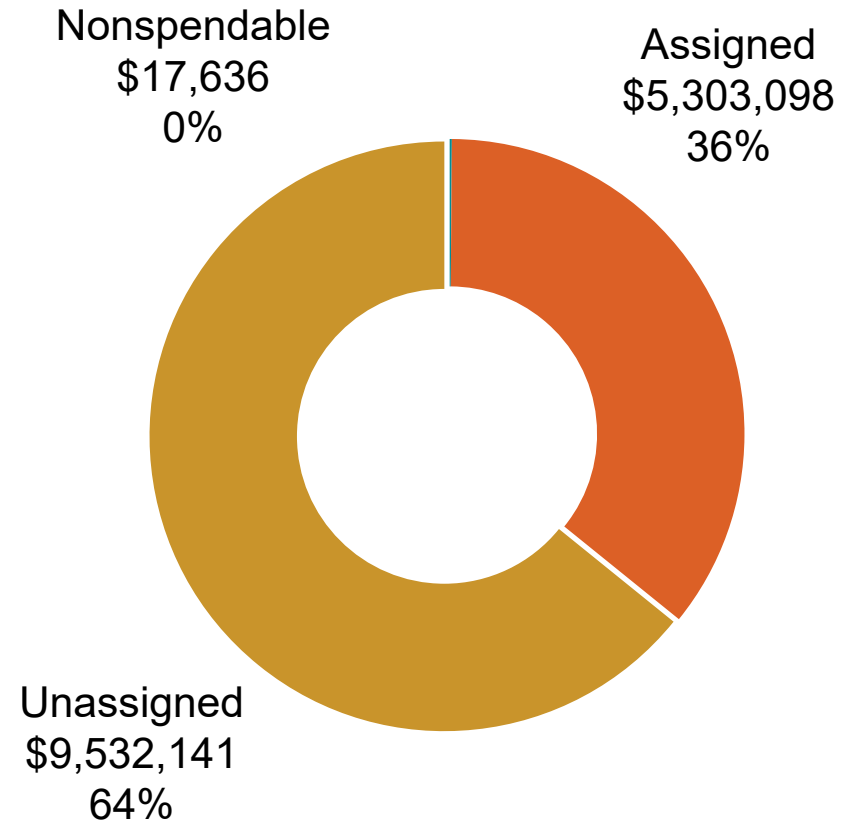
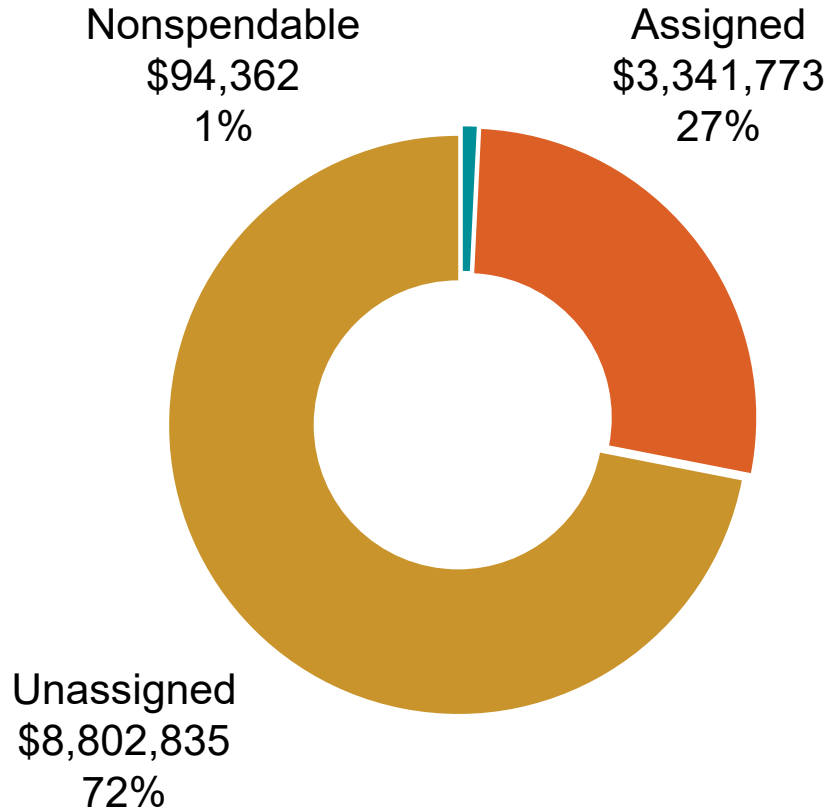


General Fund Equity

As of June 30,

2023 = \$12,238,970

2022 = \$14,852,875





Importance of Fund Equity

- Minimized need to borrow to meet cash flow
- Prevents operating with a structural deficit
- Allows for cash flow flexibility
- Contingency for the unexpected
- Helps with maintaining credit ratings
- MSBO recommends fund balance at 15-20% of total expenditures
- District minimum fund balance policy of 10%
- Early Warning Legislation – monitoring trigger, fund balance below 5% of general fund revenue



Governmental Funds Combined Statement of Revenue, Expenditures, and Changes in Fund Balances

June 30, 2023

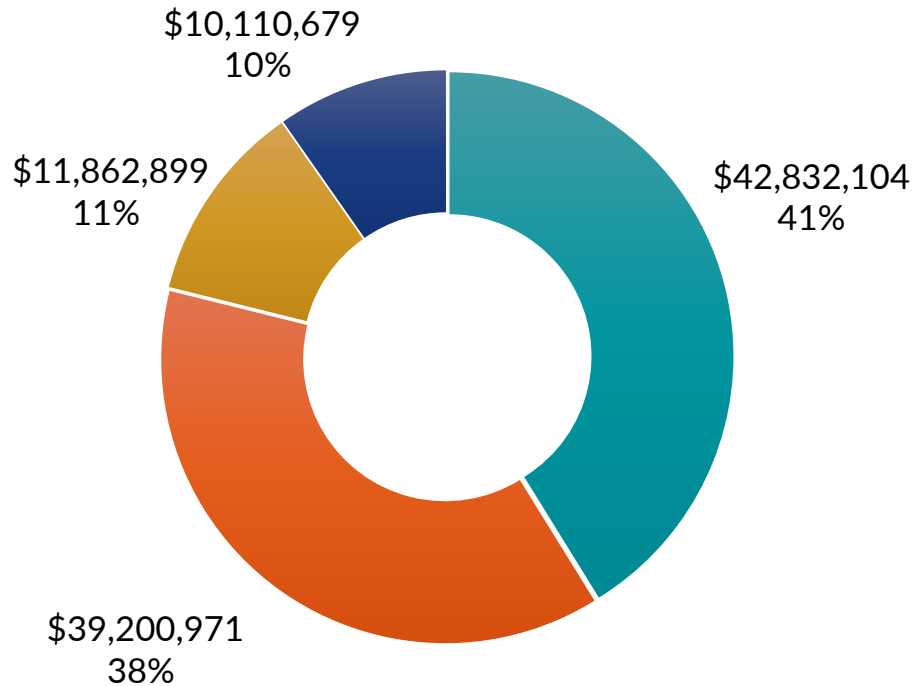
	<u>General Fund</u>	<u>2023 Building & Site Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenue	\$104,006,653	\$ 591,366	\$ 11,988,349	\$ 116,586,368
Expenditures	<u>106,498,558</u>	<u>902,684</u>	<u>14,358,412</u>	<u>121,759,654</u>
Excess of Expenditures Over Revenue	(2,491,905)	(311,318)	(2,370,063)	(5,173,286)
Other Financing Sources (Uses)	<u>(122,000)</u>	<u>75,152,794</u>	<u>172,000</u>	<u>75,202,794</u>
Net Change in Fund Balances	(2,613,905)	74,841,476	(2,198,063)	70,029,508
Fund Balances – July 1, 2022	<u>14,852,875</u>	<u>-</u>	<u>10,460,913</u>	<u>25,313,788</u>
Fund Balances – June 30, 2023	<u>\$ 12,238,970</u>	<u>\$ 74,841,476</u>	<u>\$ 8,262,850</u>	<u>\$ 95,343,296</u>
District Fund Balance as a Percentage of Expenditures	11.49%			
2022 State Average Fund Balance as a Percentage of Expenditures	20.30%			



General Fund Revenue

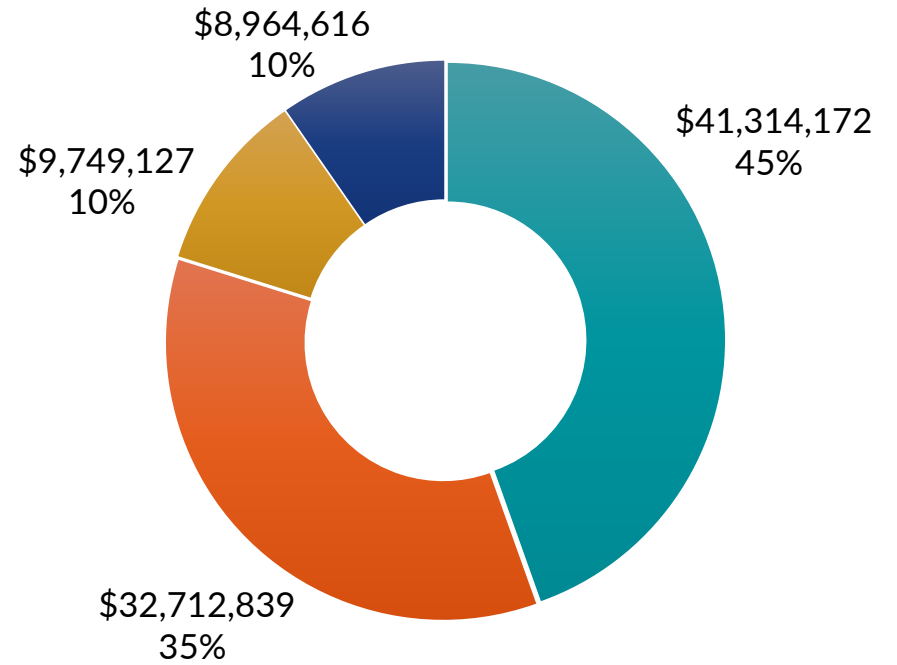
Year Ended June 30,

2023 = \$104,006,653



- Local Sources
- State Sources
- Federal Sources
- Interdistrict Sources

2022 = \$92,740,754



- Local Sources
- State Sources
- Federal Sources
- Interdistrict Sources

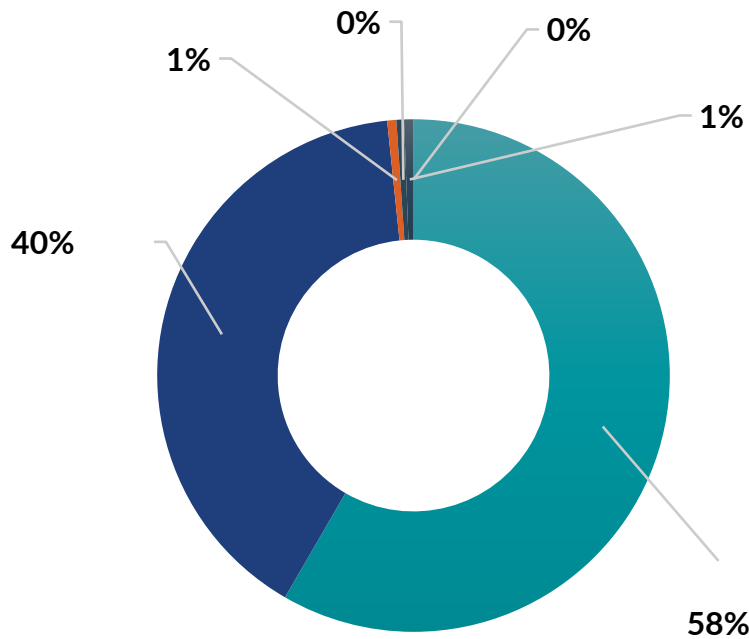


General Fund Expenditures

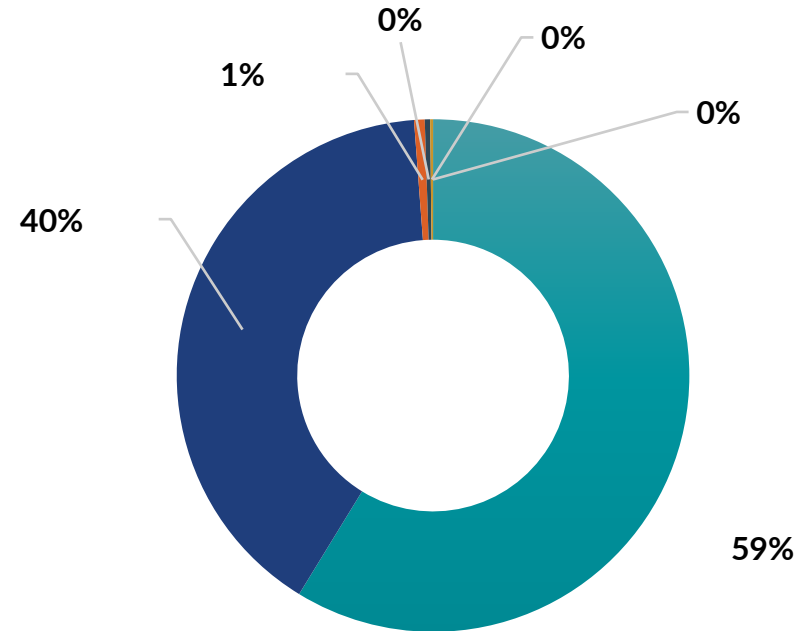
Year Ended June 30

2023 = \$106,498,558

2022 = \$94,685,726



- Instruction
- Athletics
- Capital Outlay
- Support
- Community Services
- Other



- Instruction
- Athletics
- Capital Outlay
- Support
- Community Services
- Other

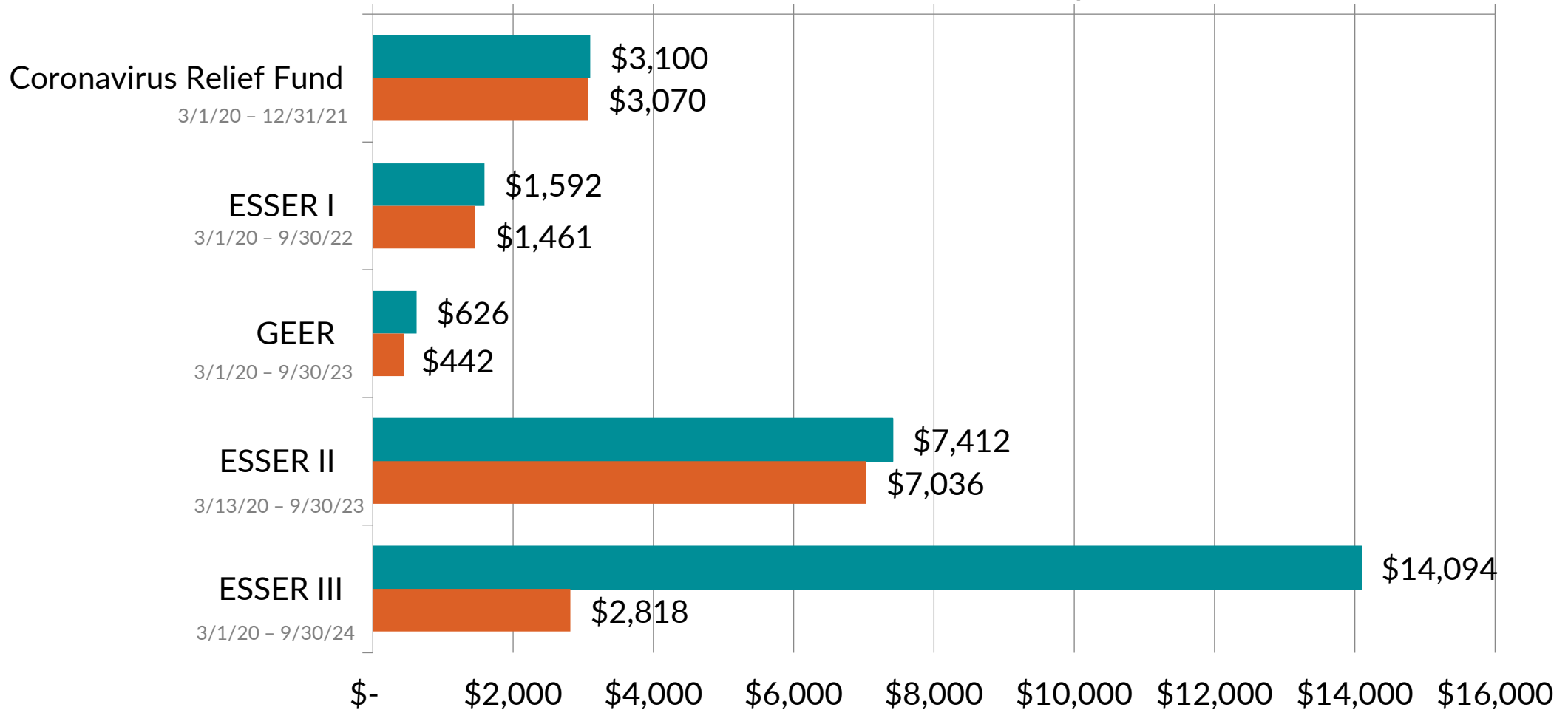


Non-recurring COVID-19 Relief Funding Awards & Expenditures as of June 30, 2023 (in thousands)

Total Awarded = \$26,824

Total Expended-to-Date = \$14,827

■ Awarded ■ Expended-to-Date





General Fund Budget to Actual

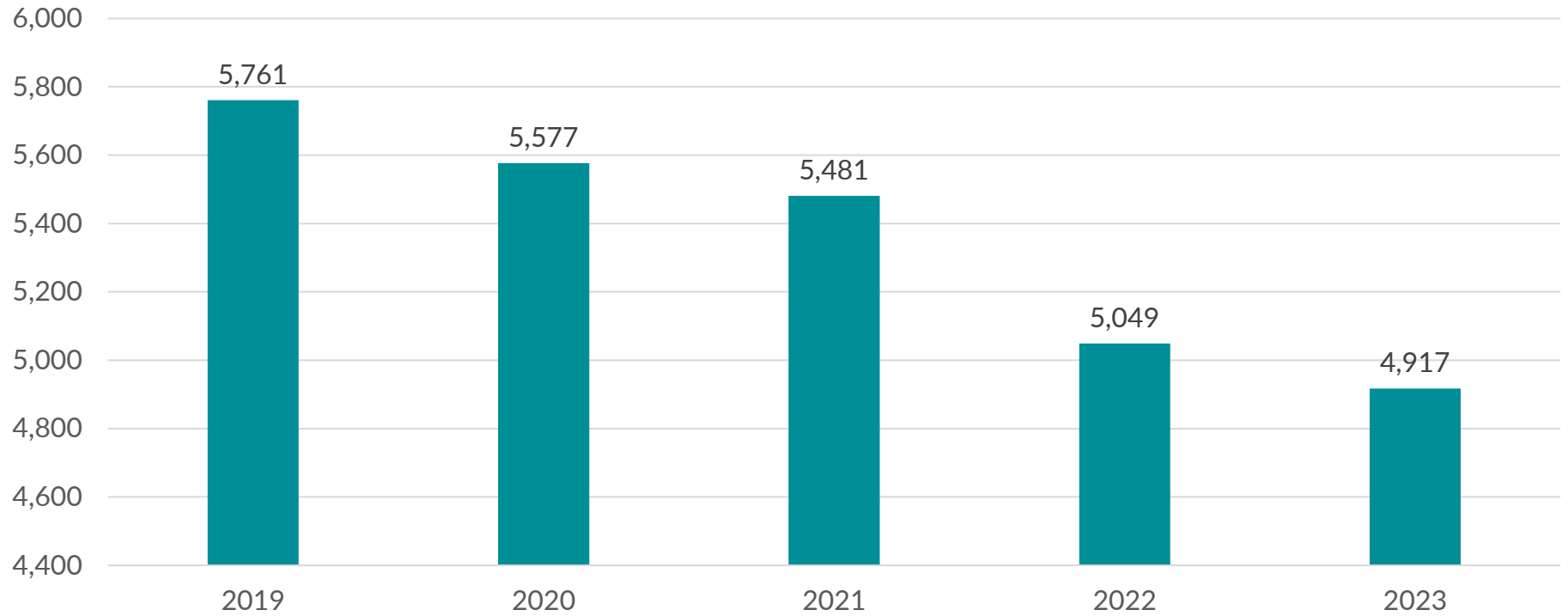
Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% Variance</u>
Revenue	\$ 98,733,309	\$ 104,006,653	\$ 5,273,344	5.3%
Expenditures	<u>99,504,104</u>	<u>106,498,558</u>	<u>(6,994,454)</u>	-7.0%
Excess of Expenditures Over Revenue	(770,795)	(2,491,905)	(1,721,110)	
Other Financing Uses	<u>-</u>	<u>(122,000)</u>	<u>(122,000)</u>	
Net Change in Fund Balances	<u>\$ (770,795)</u>	<u>\$ (2,613,905)</u>	<u>\$ (1,843,110)</u>	



State Aid Membership

Years Ended June 30, 2023





Government-wide Commentary

Prepared on the full-accrual basis of accounting

Incorporate capital assets and long-term debt

Also includes the net pension and OPEB liabilities

Focus of Presentation

- Government-wide Statements:
 - long-term focus
 - noncurrent assets and obligations (similar to commercial enterprises)
- Governmental Funds Statements:
 - short-term focus
 - current resources, and obligations that will be liquidated with current resources



Thank you.

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