

Southfield Public Schools

Board presentation | Year ended June 30, 2025

Summary of Audit Results

Year Ended June 30, 2025

Basic Financial Statements:

- Unmodified Opinion
- Note 3: Reporting on 2025 Building & Site, 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
- GASB 101 Implementation

Single Audit (Draft):

- Draft form due to delay in compliance supplement
- Intent – Based on testing performed - Unmodified opinion
- Major programs tested: Education Stabilization Fund and Headstart

Required Communications Under AU 260:

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

Governmental Funds Balance Sheet

June 30, 2025

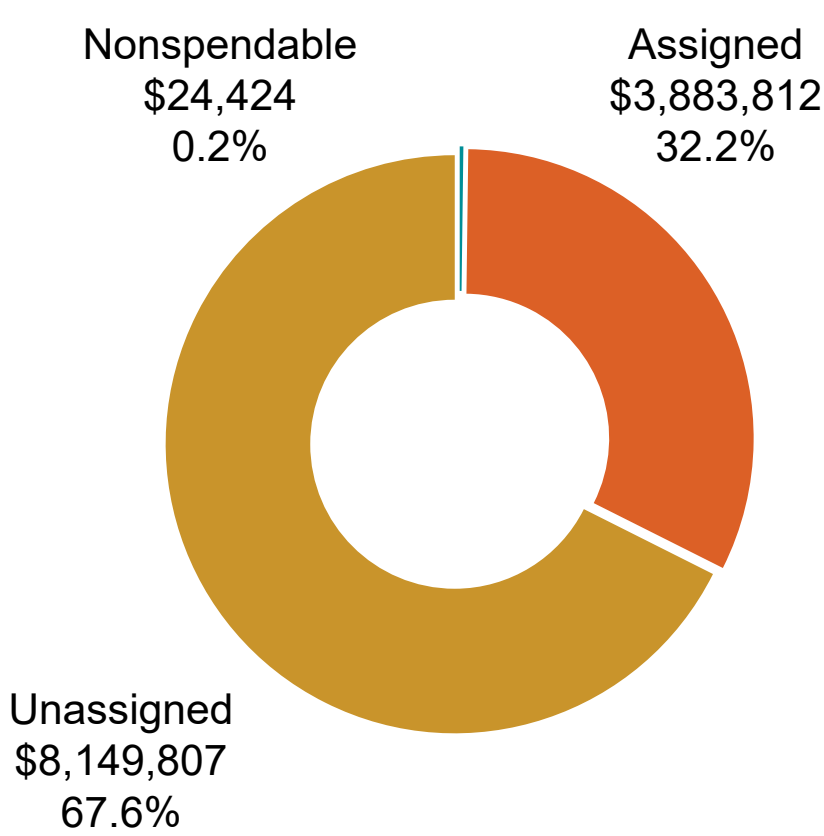
	General Fund	2023 Building & Site Fund	2025 Building & Site Fund	Non-Major Funds	Total Governmental Funds
Assets	$ 38,531,175	$ 42,985,111	$ 50,147,848	$ 8,548,823	$140,212,957
Liabilities	$ 26,473,132	$ 5,357,436	$ -	$ 424,510	$ 32,255,078
Fund Balances					
Nonspendable	24,424	-	-	-	24,424
Restricted	-	37,627,675	50,147,848	7,236,757	95,012,280
Committed	-	-	-	887,556	887,556
Assigned	3,883,812	-	-	-	3,883,812
Unassigned	8,149,807	-	-	-	8,149,807
Total fund balances	12,058,043	37,627,675	50,147,848	8,124,313	107,957,879
Total liabilities and fund balances	**$ 38,531,175**	**$ 42,985,111**	**$ 50,147,848**	**$ 8,548,823**	**$140,212,957**

*Non-Major Funds include Special Revenue Funds (Food Service Fund, Expendable Trust Fund, and Student Activities Fund), Debt Retirement Funds (2017 and 2023), and nonmajor Capital Projects Funds (Building & Site Fund, 2020 Building & Site Fund, and Sinking Fund)

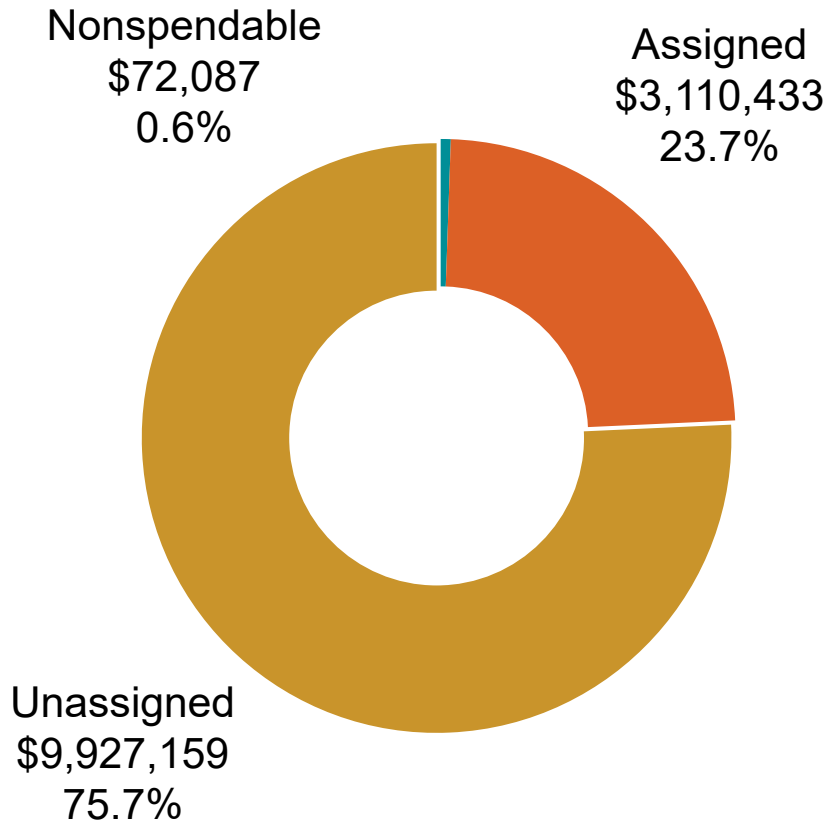
General Fund Equity

Years Ended June 30

2025 = $12,058,043



2024 = $13,109,679



Importance of Fund Equity

- Minimizes 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

Year Ended June 30, 2025

	General Fund	2023 Building & Site Fund	2025 Building & Site Fund	Non-Major Funds	Total Governmental Funds
Revenue	$102,095,643	$ 3,303,214	$ 227,848	$ 22,833,066	$128,459,771
Expenditures	105,318,278	25,311,989	198,993	23,531,137	154,360,397
Excess of Revenue Over (Under) Expenditures	(3,222,635)	(22,008,775)	28,855	(698,071)	(25,900,626)
Other Financing Sources (Uses)	2,170,999	-	50,118,993	(22,106)	52,267,886
Net Change in Fund Balances	(1,051,636)	(22,008,775)	50,147,848	(720,177)	26,367,260
Fund Balances - Beginning of year	13,109,679	59,636,450	-	8,844,490	81,590,619
Fund Balances - End of year	**$ 12,058,043**	**$ 37,627,675**	**$ 50,147,848**	**$ 8,124,313**	**$107,957,879**

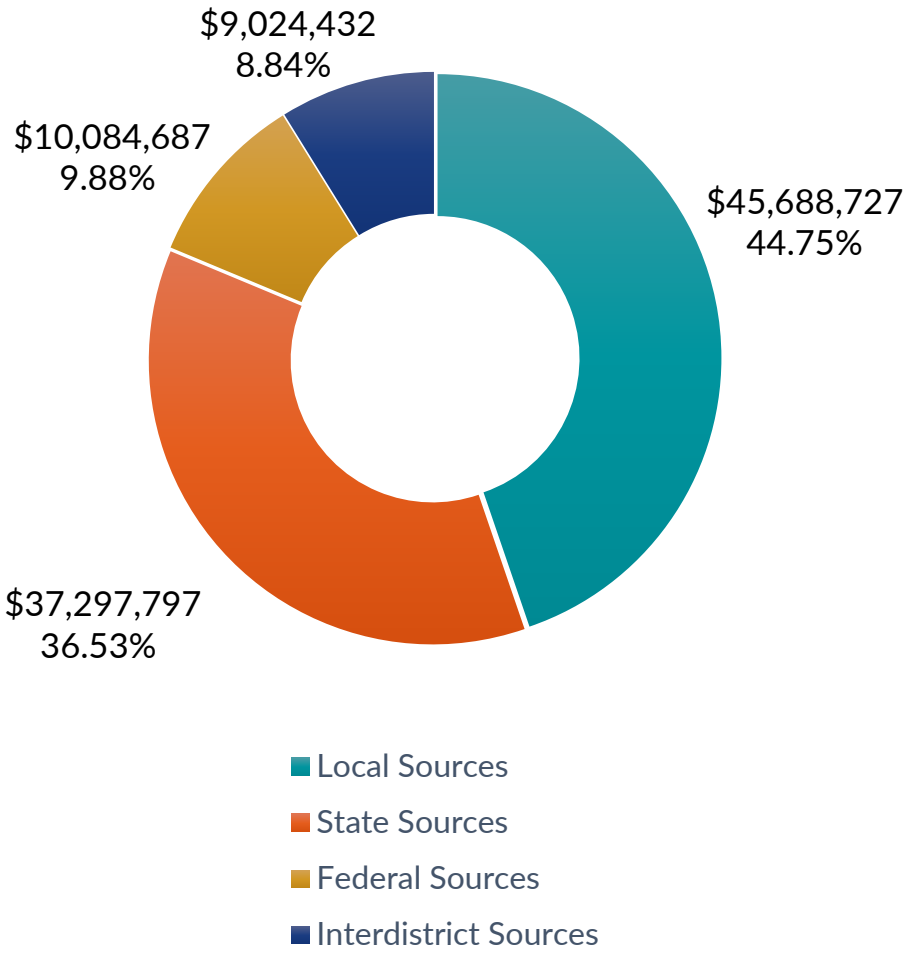
District Fund Balance as a Percentage of Expenditures	11.45%
2024 State Average Fund Balance as a Percentage of Expenditures	24.70%

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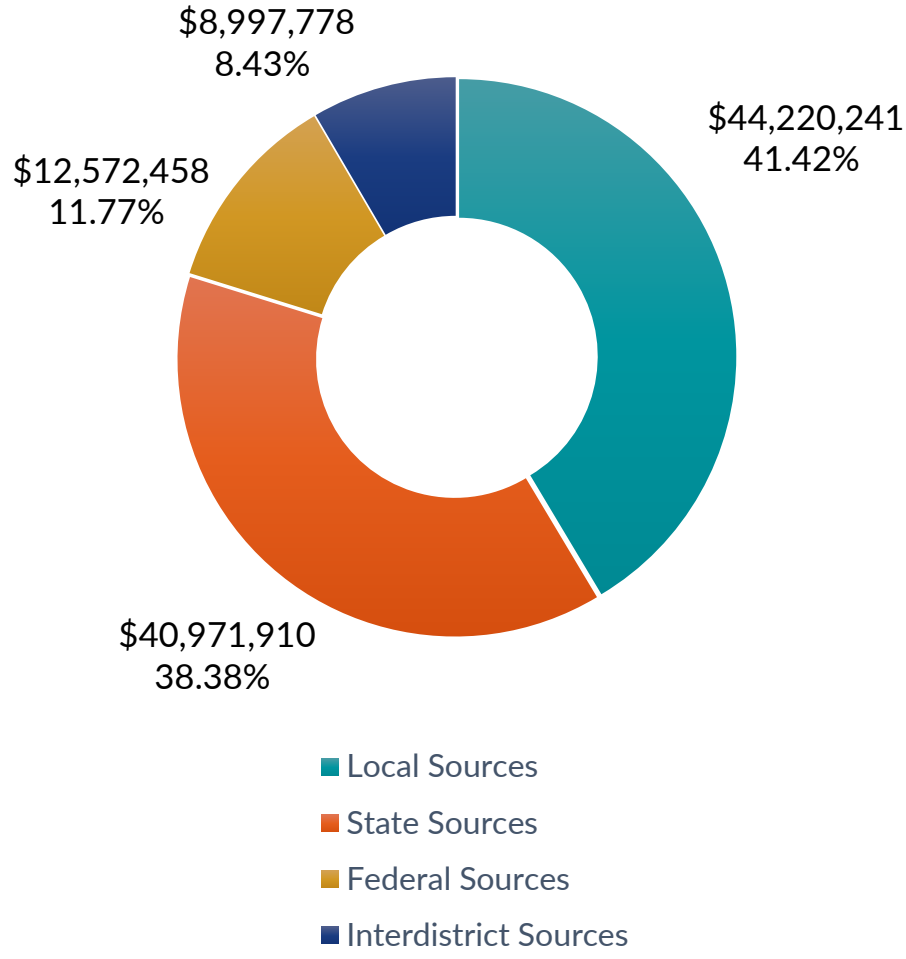
General Fund Revenue

Years Ended June 30

2025 = $102,095,643

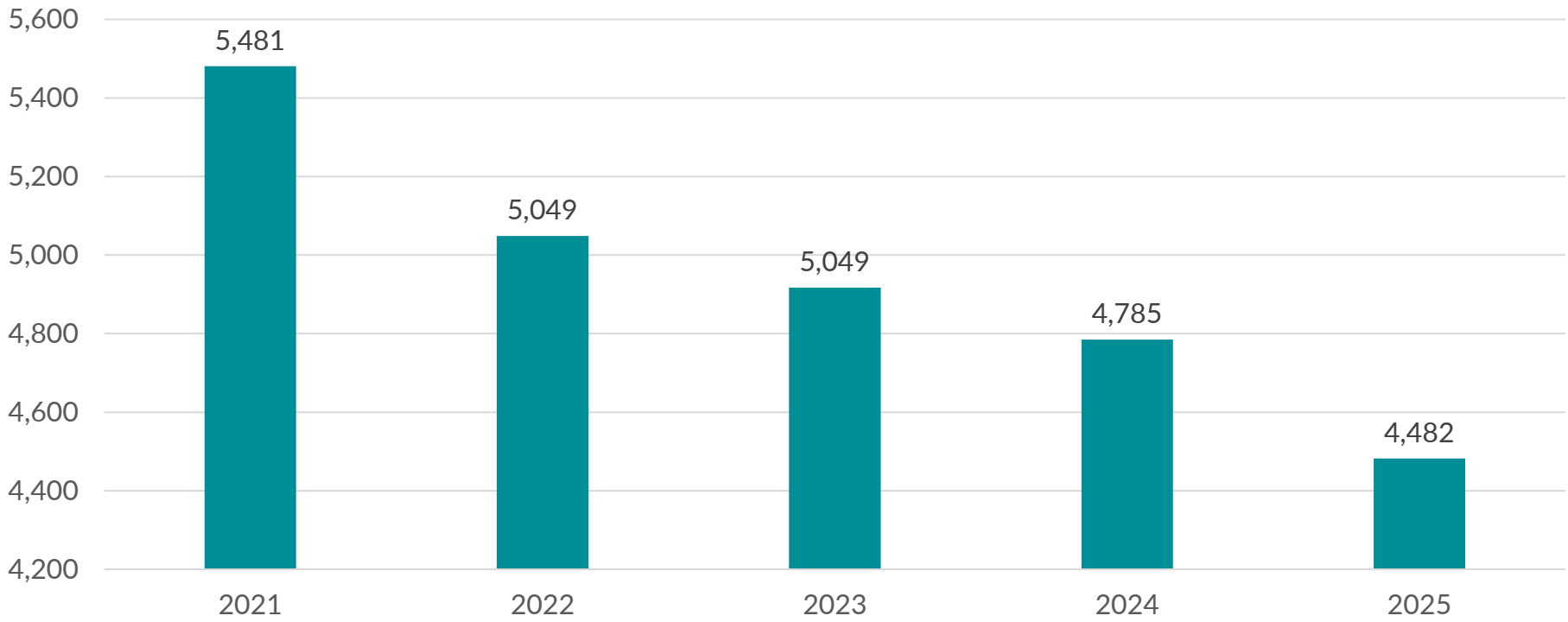


2024 = $106,762,387



State Aid Membership

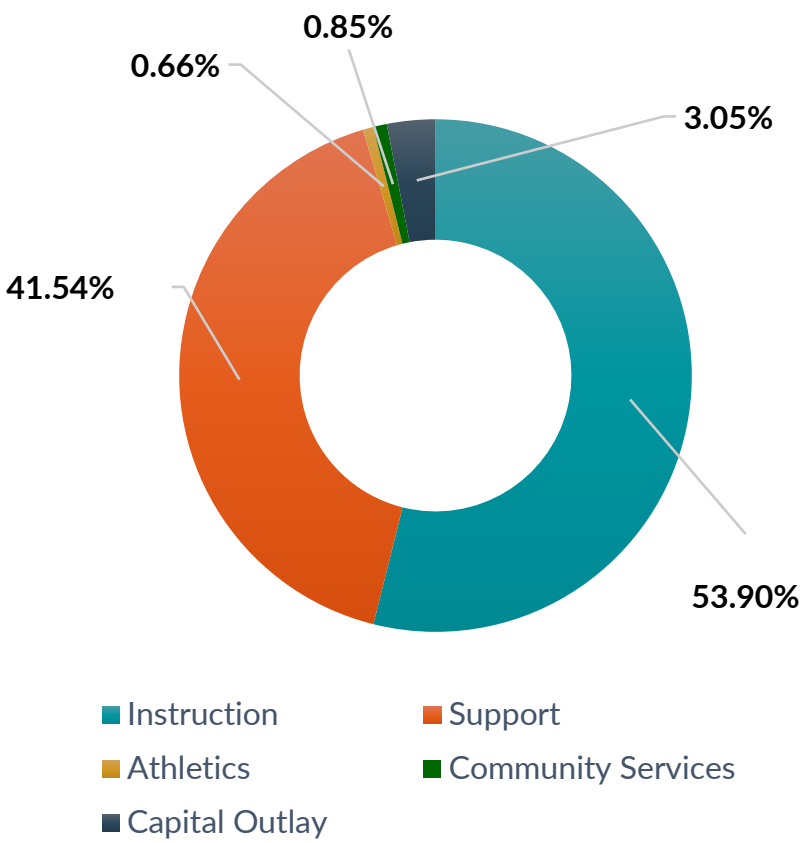
Years Ended June 30



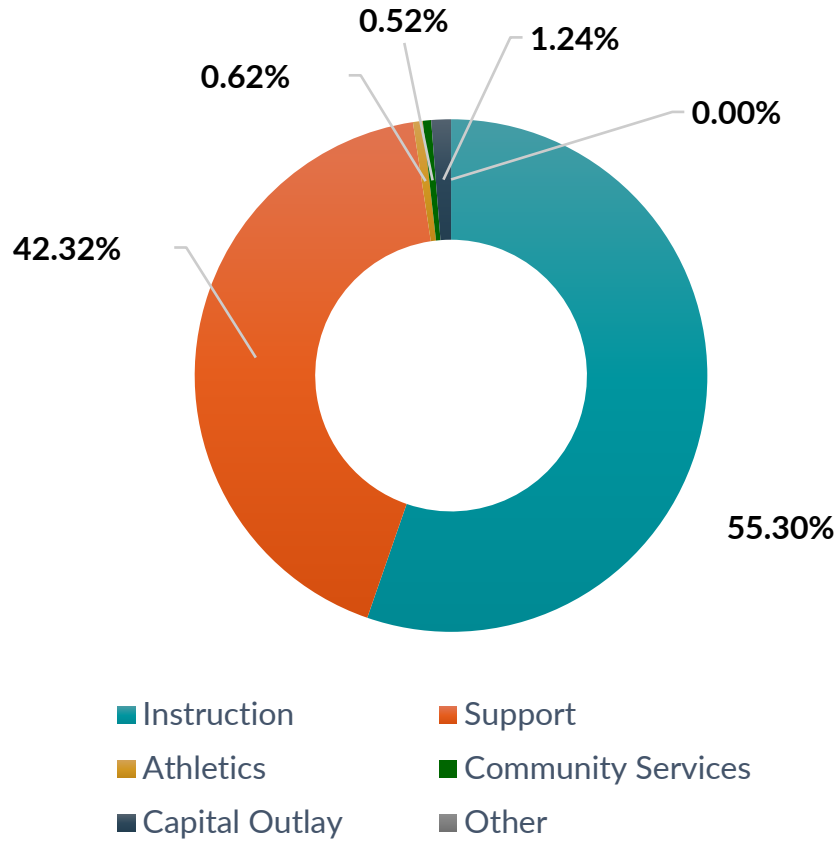
General Fund Expenditures

Years Ended June 30

2025 = $105,318,278



2024 = $105,891,878



General Fund Budget to Actual

Year Ended June 30, 2025

	Final Budget	Actual	Variance	% Variance
Revenue	$ 99,788,232	$ 102,095,643	$ 2,307,411	2.3%
Expenditures	103,159,769	105,318,278	2,158,509	2.1%
Excess of Expenditures Over Revenue	(3,371,537)	(3,222,635)	148,902	
Other Financing Uses	2,045,405	2,170,999	125,594	
Net Change in Fund Balances	$ (1,326,132)	$ (1,051,636)	$ 274,496	

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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