Southfield Public Schools

Federal Awards Supplemental Information
June 30, 2025

Southfield Public Schools

Contents

Independent Auditor's Reports

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance 1

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 2-3

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance 4-6

Schedule of Expenditures of Federal Awards 7-9

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards 10

Notes to Schedule of Expenditures of Federal Awards 11

Schedule of Findings and Questioned Costs 12-13

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Southfield Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Southfield Public Schools (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 24, 2025, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 24, 2025.

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

December 12, 2025

PRAXITY™
Empowering Business Globally

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Education
Southfield Public Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Southfield Public Schools (the "School District"), which comprise the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of Southfield Public Schools (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as Finding 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The School District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the finding identified in our audit and described in the accompanying schedule of findings. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

PRAXITY™
Empowering Business Globally

To Management and the Board of Education
Southfield Public Schools

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 24, 2025

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Southfield Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southfield Public Schools' (the "School District") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2025. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal programs.

PRAXITY™
Empowering Business Globally

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Education
Southfield Public Schools

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

December 12, 2025

Southfield Public Schools

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture -										
Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities):										
National School Lunch Program Commodities	N/A	10.555	$ 191,262	$ -	$ -	$ -	$ 191,262	$ 191,262	$ -	$ -
National School Lunch Program Bonus Commodities	N/A	10.555	140	-	-	-	140	140	-	-
Noncash Assistance Commodities subtotal			191,402	-	-	-	191,402	191,402	-	-
Cash Assistance - Summer Food Service Program for Children (SFSP):										
Extended SFSP 2023-2024	240900	10.559	46,131	8,208	8,208	-	46,131	37,923	-	-
Extended SFSP 2024-2025	250900	10.559	65,497	-	-	-	-	65,497	65,497	-
SFSP subtotal			111,628	8,208	8,208	-	46,131	103,420	65,497	-
School Breakfast Program 2023-2024	241970	10.553	734,331	666,964	31,124	-	98,491	67,367	-	-
School Breakfast Program 2024-2025	251970	10.553	532,672	-	-	-	435,249	532,672	97,423	-
School Breakfast subtotal			1,267,003	666,964	31,124	-	533,740	600,039	97,423	-
National School Lunch Program 2023-2024	241960	10.555	1,546,731	1,381,275	58,761	-	224,217	165,456	-	-
National School Lunch Program 2024-2025	251960	10.555	1,261,202	-	-	-	1,042,471	1,261,202	218,731	-
National School Lunch Program 2024-2025	251980	10.555	9,093	-	-	-	7,000	9,093	2,093	-
National School Lunch Program subtotal			2,817,026	1,381,275	58,761	-	1,273,688	1,435,751	220,824	-
Total National School Lunch program (incl. commodities)			3,008,428	1,381,275	58,761	-	1,465,090	1,627,153	220,824	-
Fresh Fruit and Vegetable Program	250950	10.582	80,950	-	-	-	69,298	80,950	11,652	-
Total Child Nutrition Cluster			4,468,009	2,056,447	98,093	-	2,114,259	2,411,562	395,396	-
Special Education Cluster - U.S. Department of Education -										
Passed through the Oakland County ISD:										
Special Education - Grants to States:										
IDEA, Part B, 2023-2024	240450	84.027	1,503,788	1,495,257	469,415	-	477,946	8,531	-	-
IDEA, Part B, 2024-2025	250450	84.027	1,472,381	-	-	-	948,724	1,302,638	353,914	-
Total Special Education - Grants to States			2,976,169	1,495,257	469,415	-	1,426,670	1,311,169	353,914	-

See notes to schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2025

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipients
Clusters (continued):										
Special Education Cluster - U.S. Department of Education - Passed through the Oakland County ISD (continued):										
Special Education - Preschool Grants:										
IDEA Preschool 2023-2024	240460	84.173	$ 47,489	$ 37,318	$ 17,075	$ -	$ 27,245	$ 10,170	$ -	$ -
IDEA Preschool 2024-2025	250460	84.173	48,858	-	-	-	22,828	28,072	5,244	-
Total Special Education - Preschool Grants			96,347	37,318	17,075	-	50,073	38,242	5,244	-
Total Special Education Cluster			3,072,516	1,532,575	486,490	-	1,476,743	1,349,411	359,158	-
Medicaid Cluster - U.S. Department of Health and Human Services - Medical Assistance Program - Passed through Michigan Dept of Community Health -										
Medicaid Outreach AOP - 2024-2025	N/A	93.778	51,210	-	-	-	51,210	51,210	-	-
Head Start Cluster - U.S. Department of Health and Human Services -										
Head Start - Direct award:										
Project number 05CH011144	05CH011144	93.600	9,749,558	7,797,719	465,414	-	465,414	-	-	-
Project number 05CH012738	05CH012738	93.600	2,023,247	-	-	-	1,479,450	1,713,970	234,520	-
Total Head Start Cluster			11,772,805	7,797,719	465,414	-	1,944,864	1,713,970	234,520	-
Total clusters			19,364,540	11,386,741	1,049,997	-	5,587,076	5,526,153	989,074	-
Other federal awards:										
U.S. Department of Agriculture -										
Passed through the Michigan Department of Education -										
Child and Adult Care Food Program:										
CACFP 2023-2024	241920	10.558	103,066	89,277	3,825	-	17,614	13,789	-	-
CACFP 2023-2024	242010	10.558	4,400	3,851	165	-	714	549	-	-
CACFP 2024-2025	251920	10.558	97,919	-	-	-	97,919	97,919	-	-
CACFP 2024-2025	252010	10.558	4,054	-	-	-	4,054	4,054	-	-
Total U.S. Department of Agriculture noncluster programs			209,439	93,128	3,990	-	120,301	116,311	-	-

See notes to schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2025

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
U.S. Department of Education:										
Passed through the Michigan Department of										
Education - Title I Grants to Local Educational Agencies:										
Title I, Part A Improving Basic Programs, 2023-2024	241530	84.010	$ 2,022,955	$ 1,122,591	$ 397,934	$ -	$ 444,208	$ 46,274	$ -	$ -
Title I, Part A Improving Basic Programs, 2024-2025	251530	84.010	1,898,945	-	-	-	1,298,515	1,578,291	279,776	-
Total Title I, Part A			3,921,900	1,122,591	397,934	-	1,742,723	1,624,565	279,776	-
English Language Acquisition State Grants:										
Title III English Learners 2023-2024	240580	84.365	53,802	91	91	-	34,506	34,415	-	-
Title III English Bilingual 2023-2024	240570	84.365	11,517	-	-	-	11,517	11,517	-	-
Title III English Learners 2024-2025	250580	84.365	43,456	-	-	-	15,134	18,413	3,279	-
Total Title III			108,775	91	91	-	61,157	64,345	3,279	-
Supporting Effective Instruction State Grants										
(Formerly Improving Teacher Quality):										
Title II, Part A - Teacher/Principal Training & Recruiting, 2023-2024	240520	84.367	526,278	161,535	44,281	-	90,091	45,810	-	-
Title II, Part A - Teacher/Principal Training & Recruiting, 2024-2025	250520	84.367	480,073	-	-	-	116,853	161,782	44,929	-
Total Title II, Part A			1,006,351	161,535	44,281	-	206,944	207,592	44,929	-
Student Support and Academic Enrichment Program:										
Title IV, Part A - Student Support and Academic Enrich, 2022-2023	240750	84.424	270,058	72,128	19,033	-	85,254	66,221	-	-
Title IV, Part A - Student Support and Academic Enrich, 2023-2024	250750	84.424	259,582	-	-	-	42,458	95,951	53,493	-
Total Title IV, Part A			529,640	72,128	19,033	-	127,712	162,172	53,493	-
Education Stabilization Fund (ESF):										
COVID-19 Esser III	213713	84.425U	14,093,965	9,877,552	506,836	-	4,723,243	4,216,407	-	-
COVID-19 MV ARP Homeless II	211012	84.425W	62,967	61,275	35,613	-	37,071	1,458	-	-
COVID-19 Section 11 bb ARP - GEER II	221037/2324	84.425R	83,612	-	-	-	80,974	80,974	-	-
Total Education Stabilization Fund			14,240,544	9,938,827	542,449	-	4,841,288	4,298,839	-	-
Total U.S. Department of Education noncluster programs			19,807,210	11,295,172	1,003,788	-	6,979,824	6,357,513	381,477	-
U.S. Department of the Treasury - Passed through Oakland County -										
Coronavirus State and Local Fiscal Coronavirus										
Relief Fund (CRF) - COVID-19 Mental Health Grant Program	222390	21.027	175,000	173,661	(1,339)	-	-	-	(1,339)	-
Total federal awards			**$ 39,556,189**	**$ 22,948,702**	**$ 2,056,436**	**$ -**	**$ 12,687,201**	**$ 11,999,977**	**$ 1,369,212**	**$ -**

See notes to schedule of expenditures of federal awards.

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Revenue from federal sources - As reported on financial statements (includes all funds)	$	12,612,559
Federal revenue for which the School District is considered a vendor rather than a subrecipient		(103,425)
Deferred revenue not reported for year ended June 30, 2024		(509,157)
Federal expenditures per the schedule of expenditures of federal awards	**$**	**11,999,977**

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Southfield Public Schools (the "School District") under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 - Grant Auditor Report

Management has utilized the Michigan Department of Education NexSys Grant Auditor Report (GAR) in preparing the schedule of expenditures of federal awards. Differences, if any, between the GAR and the schedule of expenditures of federal awards relate to the timing of payments and the fiscal year to which the payments relate.

Note 4 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
• Material weakness(es) identified?	X Yes	____ No	
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported	
Noncompliance material to financial statements noted?	____ Yes	X None reported	

Federal Awards

Internal control over major programs:			
• Material weakness(es) identified?	____ Yes	X No	
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported	
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	____ Yes	X No	

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
84.425R, 84.425U, 84.425W	Education Stabilization Fund	Unmodified
93.600	Headstart Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	X Yes	____ No	

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Reference Number	Finding
2025-001	**Finding Type** - Material weakness **Criteria** - The School District's internal control structure should ensure fixed asset records and capital projects activities are properly reconciled, monitored, and tracked throughout the year. Fixed assets should be calculated in accordance with U.S. generally accepted accounting principles. **Condition** - As part of its internal control process, the School District relies heavily on annual fixed asset reports provided by an external appraisal company and on a single individual to manually reconcile those reports to the School District's records. This reconciliation process is complex, particularly for construction in progress (CIP), and is not subject to a secondary review. As a result, errors in disposals, additions, and reclassifications were identified during the audit. **Context** - Fixed asset tracking is managed through annual reports from an external appraisal company and a manual reconciliation performed by one individual, without a second review by another individual at the School District. **Cause** - Insufficient flow of information between the finance, operations, and other support functions contributed to the School District not being able to have adequate and timely oversight over the accounting for construction project transactions. **Effect** - The School District relies heavily on external reports and a single individual for manual reconciliation of fixed asset records - processes that should be reviewed and monitored by another individual at the School District. As a result, fixed asset records were not accurately reconciled, leading to significant audit adjustments. Specifically, adjustments included increasing disposals of land and buildings by approximately $1.9 million, reclassifying $16.2 million from CIP into buildings and improvements, and adjusting CIP additions upward by $24.5 million while reducing building and improvement additions by $22.9 million, resulting in a net increase of $1.6 million to total additions. **Recommendation** - We recommend that the School District assess and revise its control processes and allocation of resources to ensure the School District fully executes its overall monitoring and oversight of the accounting for ongoing capital projects. **Views of Responsible Officials and Planned Corrective Actions** - Southfield Public Schools will have a designated individual review reconciliations, and will improve documentation and oversight of CIP activity.

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	