
Livonia Public Schools

Draft Audit Meeting
October 14, 2024

Independent Auditor's Report

To the Board of Education
Livonia Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2024 and the respective changes in its financial position and, where applicable, its 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 the School District 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 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 the School District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS and *Government 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.

To the Board of Education
Livonia Public Schools

In performing an audit in accordance with GAAS and *Government 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 internal control 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 the School District'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 the School District'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 other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 about 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 the School District's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Education
Livonia Public Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Draft

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

Year Ended June 30, 2024

	General Fund	Special Education Fund	Formerly Major - 2021 Bond Series I Fund	2021 Bond Series II Fund	Nonmajor Funds	Total Governmental Funds
Revenue						
Local sources	\$ 34,250,470	\$ -	\$ -	\$ -	\$ 34,230,070	\$ 68,480,540
State sources	146,729,639	10,671,702	-	-	3,839,020	161,240,361
Federal sources	13,027,516	-	-	-	3,425,534	16,453,050
Interdistrict sources	11,839,905	10,742,917	-	-	-	22,582,822
Net realized/unrealized investment earnings	1,761,065	-	-	3,314,201	1,146,406	6,221,672
Total revenue	207,608,595	21,414,619	-	3,314,201	42,641,030	274,978,445
Expenditures						
Current:						
Instruction	120,345,045	10,343,492	-	-	-	130,688,537
Support services	76,961,239	7,498,386	-	165,063	3,302,359	87,927,047
Athletics	2,015,924	-	-	-	-	2,015,924
Food services	-	-	-	-	5,515,724	5,515,724
Community services	3,027,539	-	-	-	-	3,027,539
Debt service:						
Principal	-	-	-	-	11,805,000	11,805,000
Interest	-	-	-	-	10,866,081	10,866,081
Other debt costs	-	-	-	-	3,877	3,877
Capital outlay	4,115,514	118,461	-	42,242,766	18,431,741	64,908,482
Total expenditures	206,465,261	17,960,339	-	42,407,829	49,924,782	316,758,211
Excess of Revenue Over (Under) Expenditures	1,143,334	3,454,280	-	(39,093,628)	(7,283,752)	(41,779,766)
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	-	-	-	-	652,334	652,334
Transfers in (Note 8)	2,159,664	-	-	-	1,640,336	3,800,000
Transfers out (Note 8)	(1,500,000)	(2,000,000)	-	-	(300,000)	(3,800,000)
Total other financing sources (uses)	659,664	(2,000,000)	-	-	1,992,670	652,334
Net Change in Fund Balances	1,802,998	1,454,280	-	(39,093,628)	(5,291,082)	(41,127,432)
Fund Balances - Beginning of year, as previously reported	31,542,115	159,380	10,894,354	70,339,195	15,001,619	127,936,663
Change within Financial Reporting Entity (Note 2)	-	-	(10,894,354)	-	10,894,354	-
Fund Balances - Beginning of year, as adjusted or restated	31,542,115	159,380	-	70,339,195	25,895,973	127,936,663
Fund Balances - End of year	<u>\$ 33,345,113</u>	<u>\$ 1,613,660</u>	<u>\$ -</u>	<u>\$ 31,245,567</u>	<u>\$ 20,604,891</u>	<u>\$ 86,809,231</u>

Livonia Public Schools

**Required Supplementary Information
Budgetary Comparison Schedules
General Fund**

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 31,649,366	\$ 33,717,196	\$ 34,190,844	\$ 473,648
State sources	131,743,679	135,104,197	134,830,467	(273,730)
Federal sources	29,587	58,785	58,785	-
Interdistrict sources	9,424,279	11,333,996	11,667,227	333,231
Net realized/unrealized investment earnings	1,200,000	1,673,904	1,761,065	87,161
Total revenue	174,046,911	181,888,078	182,508,388	620,310
Expenditures				
Current:				
Instruction:				
Basic programs	86,489,142	90,163,302	89,813,858	(349,444)
Added needs	16,851,620	17,545,233	17,211,023	(334,210)
Support services:				
Pupil	7,439,601	9,068,470	8,967,554	(100,916)
Instructional staff	8,071,914	8,922,647	8,834,124	(88,523)
General administration	994,846	937,895	904,538	(33,357)
School administration	11,974,639	12,215,132	12,073,390	(141,742)
Business	2,386,580	2,376,084	2,329,715	(46,369)
Operations and maintenance	19,340,354	21,213,689	21,201,341	(12,348)
Pupil transportation services	8,870,311	9,380,340	9,295,934	(84,406)
Central	5,469,698	5,816,589	5,755,279	(61,310)
Athletics	3,554,611	2,978,312	2,233,726	(744,586)
Community services	2,939,220	3,102,263	3,084,910	(17,353)
Total expenditures	174,382,536	183,719,956	181,705,392	(2,014,564)
Excess of Revenue (Under) Over Expenditures	(335,625)	(1,831,878)	802,996	2,634,874
Other Financing Sources (Uses)				
Transfers in	2,607,912	2,550,000	2,500,002	(49,998)
Transfers out	(1,500,000)	(1,500,000)	(1,500,000)	-
Total other financing sources	1,107,912	1,050,000	1,000,002	(49,998)
Net Change in Fund Balance	772,287	(781,878)	1,802,998	2,584,876
Fund Balance - Beginning of year	31,542,115	31,542,115	31,542,115	-
Fund Balance - End of year	\$ 32,314,402	\$ 30,760,237	\$ 33,345,113	\$ 2,584,876

Required Supplementary Information
Budgetary Comparison Schedules
General Fund - Funded Projects

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 37,800	\$ 114,764	\$ 59,626	\$ (55,138)
State sources	8,639,346	16,538,691	11,899,172	(4,639,519)
Federal sources	14,829,599	13,190,790	12,968,731	(222,059)
Interdistrict sources	-	270,645	172,678	(97,967)
Total revenue	23,506,745	30,114,890	25,100,207	(5,014,683)
Expenditures				
Current:				
Instruction	12,915,497	18,724,018	14,943,818	(3,780,200)
Support services	9,985,451	10,811,175	9,314,125	(1,497,050)
Community services	177,019	161,004	501,926	340,922
Total expenditures	23,077,967	29,696,197	24,759,869	(4,936,328)
Excess of Revenue Over Expenditures	428,778	418,693	340,338	(78,355)
Other Financing Uses - Transfers out	(428,778)	(418,693)	(340,338)	78,355
Net Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) - Beginning of year	-	-	-	-
Fund Balance (Deficit) - End of year	\$ -	\$ -	\$ -	\$ -

Livonia Public Schools

**Governmental Funds
Balance Sheet**

June 30, 2024

	General Fund	Special Education Fund	2021 Bond Series II Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents (Note 4)	\$ 24,160,176	\$ -	\$ -	\$ 3,116	\$ 24,163,292
Investments (Note 4)	27,273,767	-	-	-	27,273,767
Receivables:					
Property taxes receivable	74,714	-	-	-	74,714
Other receivables	21,638	-	-	13,488	35,126
Due from other governments	32,036,244	477,955	-	59,649	32,573,848
Due from other funds (Note 8)	-	8,767,699	1,426,950	8,942,611	19,137,260
Inventory	1,624	-	-	47,698	49,322
Prepaid expenses and other assets	443,968	1,654	-	-	445,622
Restricted assets (Note 5)	-	-	45,471,237	13,984,255	59,455,492
Total assets	\$ 84,012,131	\$ 9,247,308	\$ 46,898,187	\$ 23,050,817	\$ 163,208,443
Liabilities					
Accounts payable	\$ 1,181,077	\$ 36,218	\$ 15,652,620	\$ 2,320,960	\$ 19,190,875
Due to other governmental units	5,871,685	5,946,091	-	-	11,817,776
Due to other funds (Note 8)	19,731,548	-	-	-	19,731,548
Accrued liabilities and other	19,029,316	1,561,339	-	7,932	20,598,587
Unearned revenue (Note 6)	4,853,392	-	-	117,034	4,970,426
Total liabilities	50,667,018	7,543,648	15,652,620	2,445,926	76,309,212
Deferred Inflows of Resources - Unavailable revenue (Note 6)	-	90,000	-	-	90,000
Total liabilities and deferred inflows of resources	50,667,018	7,633,648	15,652,620	2,445,926	76,399,212
Fund Balances					
Nonspendable - Inventory and prepaid expense	445,592	1,654	-	47,698	494,944
Restricted:					
Debt service	-	-	-	4,145,109	4,145,109
Capital projects	-	-	31,245,567	8,188,673	39,434,240
Food service	-	-	-	1,493,594	1,493,594
Committed - Student activities	-	-	-	1,781,389	1,781,389
Assigned:					
Subsequent year's budget	1,430,252	-	-	-	1,430,252
Capital projects	-	-	-	4,948,428	4,948,428
Center programs	-	1,612,006	-	-	1,612,006
Unassigned	31,469,269	-	-	-	31,469,269
Total fund balances	33,345,113	1,613,660	31,245,567	20,604,891	86,809,231
Total liabilities, deferred inflows of resources, and fund balances	\$ 84,012,131	\$ 9,247,308	\$ 46,898,187	\$ 23,050,817	\$ 163,208,443

June 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash and investments (Note 4)	\$ 51,437,059
Receivables:	
Property taxes receivable	74,714
Other receivables	35,126
Due from other governments	32,573,848
Inventory	49,322
Prepaid expenses and other assets	686,721
Restricted assets - Cash and cash equivalents (Note 4)	59,455,492
Net OPEB asset (Note 10)	6,195,296
Capital assets - Net (Note 7)	<u>382,357,869</u>
Total assets	532,865,447
Deferred Outflows of Resources	
Deferred pension costs (Note 10)	100,281,441
Deferred OPEB costs (Note 10)	<u>22,321,948</u>
Total deferred outflows of resources	122,603,389
Liabilities	
Accounts payable	19,441,344
Due to other governmental units	11,817,776
Accrued liabilities and other	22,325,172
Unearned revenue (Note 6)	4,970,426
Noncurrent liabilities:	
Due within one year: (Note 9)	
Compensated absences	532,132
Current portion of bonds and related premiums	13,586,658
Due in more than one year (Note 9)	285,227,002
Net pension liability (Note 10)	<u>350,200,637</u>
Total liabilities	708,101,147
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the measurement date (Note 10)	21,523,770
Deferred pension cost reductions (Note 10)	40,083,446
Deferred OPEB cost reductions (Note 10)	<u>50,841,834</u>
Total deferred inflows of resources	<u>112,449,050</u>
Net Position (Deficit)	
Net investment in capital assets	120,842,336
Restricted:	
Debt service	2,527,747
Capital projects	4,844,932
Net OPEB Asset	6,195,296
Unrestricted	<u>(299,491,672)</u>
Total net position (deficit)	<u>\$ (165,081,361)</u>

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

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? _____ Yes X 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:

CFDA Number	Name of Federal Program or Cluster	Opinion
84.027, 84.173	IDEA - Special Education 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

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Agency Name/Pass-through Agency/Federal Program Title	Grant/Project Number	Assistance Listing Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2023	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2024	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:										
Entitlement commodities 2023-24	N/A	10.555	\$ 227,948	\$ -	\$ -	\$ -	\$ 227,948	\$ 227,948	\$ -	\$ -
Bonus commodities 2023-24	N/A	10.555	437	-	-	-	437	437	-	-
Noncash assistance (commodities) subtotal			228,385	-	-	-	228,385	228,385	-	-
Cash assistance:										
National School Breakfast Program September 2023-24	231970	10.553	75,847	-	-	-	75,847	75,847	-	-
National School Breakfast Program October thru June 2023-24	241970	10.553	625,696	-	-	-	625,696	625,696	-	-
School Breakfast subtotal		10.553	701,543	-	-	-	701,543	701,543	-	-
National School Lunch Program September 2023-24	231960	10.555	246,397	-	-	-	246,397	246,397	-	-
National School Lunch Program October thru June 2023-24	241960	10.555	1,777,307	-	-	-	1,777,307	1,777,307	-	-
Supply Chain Assistance	220910	10.555	588,216	451,793	(136,423)	-	-	-	136,423	-
Supply Chain Assistance	240910	10.555	315,398	-	-	-	315,398	315,398	-	-
National School Lunch program (incl. commodities) subtotal		10.555	3,155,703	451,793	(136,423)	-	2,567,487	2,703,910	-	-
Total Child Nutrition Cluster			3,857,246	451,793	(136,423)	-	3,269,030	3,405,453	-	-
Special Education Cluster - U.S. Department of Education:										
Special Education Grants to States - Passed through Wayne County RESA - IDEA Flowthrough:										
IDEA Flowthrough - Regular 2324	240450	84.027A	3,629,672	-	-	-	3,629,672	3,629,672	-	-
IDEA Flowthrough CPE - Regular 2324	240450	84.027A	546,152	-	-	-	546,152	546,152	-	-
Special Education Preschool:										
IDEA Preschool 2223	230460	84.173A	250,996	250,091	-	-	905	905	-	-
IDEA Preschool 2324	240460	84.173A	236,357	-	-	-	236,357	236,357	-	-
COVID-19 American Rescue Plan - IDEA Preschool 2122	221285	84.173X	141,196	-	-	-	1,172	1,172	-	-
IDEA - Passed through Wayne County RESA subtotal			4,804,373	250,091	-	-	4,414,258	4,414,258	-	-
Passed through Marquette-Alger RESA - IDEA, Part B - IDEA Grant Funded Initiatives										
IDEA, Part B - IDEA Grant Funded Initiatives	240470	84.027A	2,400	-	-	-	2,400	2,400	-	-
Total Special Education Cluster			4,806,773	250,091	-	-	4,416,658	4,416,658	-	-
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through Wayne County RESA - Medicaid Outreach 2324										
Medicaid Outreach 2324		93.778	58,785	-	-	-	58,785	58,785	-	-
Total cluster programs			8,722,804	701,884	(136,423)	-	7,744,473	7,880,896	-	-
Other federal programs:										
U.S. Department of Education - Passed through Michigan Department of Education:										
Title I Grants to Local Educational Agencies										
Title I, Part A 2223	231530	84.010	1,468,367	1,341,153	167,756	-	167,756	-	-	-
Title I, Part A 2324	241530	84.010	1,543,382	-	-	-	1,351,929	1,515,965	164,036	-
Total Title I, Part A			3,011,749	1,341,153	167,756	-	1,519,685	1,515,965	164,036	-
Title II - Supporting Effective Instruction State Grants:										
Title II, Part A Supporting Effective Instruction 2223	230520	84.367	392,569	346,570	30,959	-	30,959	-	-	-
Title II, Part A Supporting Effective Instruction 2324	240520	84.367	321,544	-	-	-	281,090	296,350	15,260	-
Total Title II, Part A			714,113	346,570	30,959	-	312,049	296,350	15,260	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2024

Federal Agency Name/Pass-through Agency/Federal Program Title	Grant/Project Number	Assistance Listing Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2023	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2024	Current Year Cash Transferred to Subrecipients
Other federal programs (continued):										
U.S. Department of Education - Passed through Michigan Department of Education (continued):										
Title III, English Language Acquisition State Grants:										
Title III, Immigrant Students 2022-2023	230570	84.365A	20,610	\$ 16,372	\$ 2,264	\$ -	\$ 2,264	\$ -	\$ -	\$ -
Title III, Immigrant Students 2023-2024	240570	84.365A	22,587	-	-	-	9,783	17,988	8,205	-
Title III, Limited English Proficient Students 2023-2024	240580	84.365A	71,372	-	-	-	55,837	55,837	-	-
Total Title III, English Language Acquisition State Grants			114,569	16,372	2,264	-	67,884	73,825	8,205	-
Title IV, Part A SSAE -										
Title IV, Part A Student Support and Academic Enrichment 2023-2024	240750	84.424A	121,485	-	-	-	106,426	106,426	-	-
Career and Technical Education - Basic Grants to States:										
Federal General Instruction 2022-2023	231130	84.002A	181,507	145,709	2,702	-	2,702	-	-	-
Federal General Instruction 2023-2024	241130	84.002A	185,876	-	-	-	87,593	95,586	7,993	-
Total Adult Education - Basic Grants to States			367,383	145,709	2,702	-	90,295	95,586	7,993	-
Education Stabilization Fund - U.S. Department of Education - Passed through Michigan Department of Education:										
COVID-19 Sec. 98c ESSER II - Per-Pupil Payments for Learning Loss	213782	84.425D	695,122	669,253	62,985	-	82,056	19,071	-	-
COVID-19 Sec. 23b(2)(a) ESSER II - Summer Programming K-8	213722	84.425D	677,050	467,886	467,886	-	637,595	169,709	-	-
COVID-19 Sec. 23b(2)(b) ESSER II - Credit Recovery 9-12	213742	84.425D	485,100	310,537	310,537	-	321,274	10,737	-	-
COVID-19 Section 11t Equalization Funds	213723	84.425U	5,538,520	2,338,090	201,798	-	2,216,941	3,200,430	1,185,287	-
COVID-19 MV American Rescue Plan/Homeless II	211012	84.425W	42,695	29,679	-	-	13,016	13,016	-	-
COVID-19 American Rescue Plan/ESSER III	213713	84.425U	9,779,121	7,126,847	245,907	-	2,898,181	2,652,274	-	-
Total Elementary and Secondary School Emergency Relief			17,217,608	10,942,292	1,289,113	-	6,169,063	6,065,237	1,185,287	-
U.S. Department of Education - Passed through Wayne County RESA -										
Carl D. Perkins Career and Technical Education Program:										
Carl D. Perkins Grant 2022-2023	233520	84.048A	253,085	253,085	19,494	-	19,494	-	-	-
Carl D. Perkins Grant 2023-2024	243520	84.048A	327,592	-	-	-	322,167	322,167	-	-
Total Perkins Career and Technical Education Program		84.048A	580,677	253,085	19,494	-	341,661	322,167	-	-
COVID-19 Special Education - Grants for Infants and Families:										
COVID-19 ARP IDEA PART C Early On Funds	221283	84.181X	64,248	-	-	-	25,415	25,415	-	-
COVID-19 Early on Federal 2023-2024	241340	84.181X	56,750	-	-	-	56,750	56,750	-	-
Total Early on Federal Program			120,998	-	-	-	82,165	82,165	-	-
Total U.S. Department of Education noncluster programs			22,248,582	13,045,181	1,512,288	-	8,689,228	8,557,721	1,380,781	-
U.S. Department of Agriculture - Passed through Michigan Department of Education-										
Local Food for Schools	230985	10.185	45,870	45,870	45,870	-	45,870	-	-	-
Total noncluster programs			22,294,452	13,091,051	1,558,158	-	8,735,098	8,557,721	1,380,781	-
Total federal awards			\$ 31,017,256	\$ 13,792,935	\$ 1,421,735	\$ -	\$ 16,479,571	\$ 16,438,617	\$ 1,380,781	\$ -

October __, 2024

To the Board of Education
Livonia Public Schools

We have audited the financial statements of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2024 and have issued our report thereon dated October __, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 1, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the School District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the School District's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the School District, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated October __, 2024 regarding our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 3, 2024.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the School District 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 fiscal year 2024.

We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 estimates affecting the financial statements were the School District's share of the MPSERS net liability for the pension and net asset for the other postemployment benefit (OPEB) plans recorded on the government-wide statements related to GASB Statement Nos. 68 and 75, respectively. The School District's estimates as of June 30, 2024 were \$350 million liability and \$6.2 million asset for the pension and OPEB plans, respectively, based on data received from the Office of Retirement Services. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was as follows:

The disclosure of the School District's participation in the Michigan Public Schools Employees' Retirement System in Note 10 to the financial statements describes the various estimates that were involved in the recording of these retirement expenses.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

For the purpose of this letter, professional standards define 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.

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.

We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the School District, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as this School District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

We noted no instances in which there were significant issues that were disclosed or were the subject of correspondence with management prior to or during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October __, 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 School District'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.

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

Very truly yours,

Plante & Moran, PLLC

Lisa M. Vargo, CPA

Draft