
Livonia Public Schools

Draft Audit Meeting
October 16, 2023

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, 2023 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, 2023 and the respective changes in its financial position and, where applicable, 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 October 13, 2023 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.

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Livonia Public Schools

Governmental Funds Balance Sheet

June 30, 2023

	General Fund	Special Education Fund	2021 Bond Series I Fund	2021 Bond Series II Fund	Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents (Note 4)	\$ 10,024,878	\$ -	\$ -	\$ -	\$ 3,116	\$ 10,027,994
Investments (Note 4)	33,608,237	-	-	-	-	33,608,237
Receivables:						
Property taxes receivable	302,721	-	-	-	5,640	308,361
Other receivables	185,428	-	-	-	9,488	194,916
Due from other governments	29,738,005	-	-	-	110,982	29,848,987
Due from other funds (Note 8)	-	6,639,703	702,108	-	7,660,910	15,002,721
Inventory	74,107	-	-	-	44,532	118,639
Prepaid expenses and other assets	623,070	-	-	-	-	623,070
Restricted assets (Note 5)	-	-	26,403,193	70,339,195	10,427,416	107,169,804
Total assets	\$ 74,556,446	\$ 6,639,703	\$ 27,105,301	\$ 70,339,195	\$ 18,262,084	\$ 196,902,729
Liabilities						
Accounts payable	\$ 881,389	\$ 23,350	\$ 16,210,947	\$ -	\$ 2,987,019	\$ 20,102,705
Due to other governmental units	7,807,303	5,070,943	-	-	-	12,878,246
Due to other funds (Note 8)	15,518,091	-	-	-	-	15,518,091
Accrued liabilities and other	17,723,684	1,386,030	-	-	5,555	19,115,269
Unearned revenue (Note 6)	1,083,864	-	-	-	253,458	1,337,322
Total liabilities	43,014,331	6,480,323	16,210,947	-	3,246,032	68,951,633
Deferred Inflows of Resources -						
Unavailable revenue (Note 6)	-	-	-	-	14,433	14,433
Total liabilities and deferred inflows of resources	43,014,331	6,480,323	16,210,947	-	3,260,465	68,966,066
Fund Balances						
Nonspendable - Inventory and prepaid expense	697,177	-	-	-	44,532	741,709
Restricted:						
Debt service	-	-	-	-	3,138,250	3,138,250
Capital projects	-	-	10,894,354	70,339,195	5,048,784	86,282,333
Food service	-	-	-	-	952,251	952,251
Committed - Student activities	-	-	-	-	1,766,882	1,766,882
Assigned:						
Capital projects	-	-	-	-	4,050,920	4,050,920
Center programs	-	159,380	-	-	-	159,380
Unassigned	30,844,938	-	-	-	-	30,844,938
Total fund balances	31,542,115	159,380	10,894,354	70,339,195	15,001,619	127,936,663
Total liabilities, deferred inflows of resources, and fund balances	\$ 74,556,446	\$ 6,639,703	\$ 27,105,301	\$ 70,339,195	\$ 18,262,084	\$ 196,902,729

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2023

	General Fund	Special Education Fund	2021 Bond Series I Fund	2021 Bond Series II Fund	Nonmajor Funds	Total Governmental Funds
Revenue						
Local sources	\$ 32,012,442	\$ 122,655	\$ -	\$ -	\$ 33,212,172	\$ 65,347,269
State sources	139,698,298	9,636,338	-	-	1,418,894	150,753,530
Federal sources	20,676,755	-	-	-	2,706,881	23,383,636
Interdistrict sources	9,529,264	9,337,999	-	-	-	18,867,263
Net realized/unrealized investment earnings	764,202	-	1,672,310	569,579	603,946	3,610,037
Total revenue	202,680,961	19,096,992	1,672,310	569,579	37,941,893	261,961,735
Expenditures						
Current:						
Instruction	120,812,675	10,810,492	-	-	-	131,623,167
Support services	72,501,582	6,211,034	508,693	97,362	2,463,326	81,781,997
Athletics	2,547,645	-	-	-	-	2,547,645
Food services	-	-	-	-	4,399,657	4,399,657
Community services	3,606,270	-	-	-	-	3,606,270
Debt service:						
Principal	-	-	-	-	13,250,000	13,250,000
Interest	-	-	-	-	8,397,995	8,397,995
Other debt costs	-	-	-	322,720	2,240	324,960
Capital outlay	5,735,901	404,684	55,484,535	-	8,893,621	70,518,741
Total expenditures	205,204,073	17,426,210	55,993,228	420,082	37,406,839	316,450,432
Excess of Revenue (Under) Over Expenditures	(2,523,112)	1,670,782	(54,320,918)	149,497	535,054	(54,488,697)
Other Financing Sources (Uses)						
Face value of debt issued (Note 9)	-	-	-	62,015,000	-	62,015,000
Proceeds from sale of capital assets	-	-	-	-	224,749	224,749
Premium on debt issued (Note 9)	-	-	-	8,174,698	-	8,174,698
Transfers in (Note 8)	2,150,000	-	-	-	1,520,000	3,670,000
Transfers out (Note 8)	(900,000)	(2,620,000)	-	-	(150,000)	(3,670,000)
Total other financing sources (uses)	1,250,000	(2,620,000)	-	70,189,698	1,594,749	70,414,447
Net Change in Fund Balances	(1,273,112)	(949,218)	(54,320,918)	70,339,195	2,129,803	15,925,750
Fund Balances - Beginning of year	32,815,227	1,108,598	65,215,272	-	12,871,816	112,010,913
Fund Balances - End of year	<u>\$ 31,542,115</u>	<u>\$ 159,380</u>	<u>\$ 10,894,354</u>	<u>\$ 70,339,195</u>	<u>\$ 15,001,619</u>	<u>\$ 127,936,663</u>

Livonia Public Schools

Required Supplementary Information Budgetary Comparison Schedules General Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 30,776,918	\$ 31,715,532	\$ 31,848,989	\$ 133,457
State sources	120,261,959	129,991,872	130,007,955	16,083
Federal sources	43,169	29,587	29,587	-
Interdistrict sources	7,905,118	9,190,649	9,529,264	338,615
Net realized/unrealized investment earnings	59	701,710	764,202	62,492
Total revenue	158,987,223	171,629,350	172,179,997	550,647
Expenditures				
Current:				
Instruction:				
Basic programs	81,018,034	89,321,478	89,319,709	(1,769)
Added needs	15,333,034	16,928,291	16,732,567	(195,724)
Support services:				
Pupil	8,416,620	7,807,611	7,807,589	(22)
Instructional staff	8,486,114	7,924,019	7,908,975	(15,044)
General administration	935,277	960,196	904,952	(55,244)
School administration	11,170,929	12,283,378	12,217,785	(65,593)
Business	2,111,495	2,296,780	2,259,360	(37,420)
Operations and maintenance	19,020,875	20,490,916	20,385,734	(105,182)
Pupil transportation services	8,191,485	8,549,319	8,481,082	(68,237)
Central	4,948,930	5,249,364	5,244,932	(4,432)
Athletics	2,440,789	2,697,929	2,632,911	(65,018)
Community services	2,620,489	2,221,386	2,166,021	(55,365)
Total expenditures	164,694,071	176,730,667	176,061,617	(669,050)
Excess of Expenditures Over Revenue	(5,706,848)	(5,101,317)	(3,881,620)	1,219,697
Other Financing Sources				
Transfers in	2,592,400	2,635,869	2,631,108	(4,761)
Transfers out	-	(900,000)	(900,000)	-
Total	2,592,400	1,735,869	1,731,108	(4,761)
Net Change in Fund Balance	(3,114,448)	(3,365,448)	(2,150,512)	1,214,936
Fund Balance - Beginning of year	33,692,627	33,692,627	33,692,627	-
Fund Balance - End of year	<u>\$ 30,578,179</u>	<u>\$ 30,327,179</u>	<u>\$ 31,542,115</u>	<u>\$ 1,214,936</u>

Required Supplementary Information
Budgetary Comparison Schedules
General Fund - Funded Projects

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 101,735	\$ 208,039	\$ 163,453	\$ (44,586)
State sources	6,571,954	10,883,968	9,690,343	(1,193,625)
Federal sources	26,389,559	28,905,531	20,647,168	(8,258,363)
Total revenue	33,063,248	39,997,538	30,500,964	(9,496,574)
Expenditures				
Current:				
Instruction	17,472,621	18,713,299	15,001,940	(3,711,359)
Support services	13,669,151	18,176,213	12,683,935	(5,492,278)
Community services	1,572,072	1,560,080	1,456,581	(103,499)
Total expenditures	32,713,844	38,449,592	29,142,456	(9,307,136)
Excess of Revenue Over (Under) Expenditures	349,404	1,547,946	1,358,508	(189,438)
Other Financing Sources (Uses) - Transfers out	(349,404)	(670,546)	(481,108)	189,438
Net Change in Fund Balance	-	877,400	877,400	-
Fund Balance (Deficit) - Beginning of year	(877,400)	(877,400)	(877,400)	-
Fund Balance (Deficit) - End of year	<u><u>\$ (877,400)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

June 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash and investments (Note 4)	\$ 43,636,231
Receivables:	
Property taxes receivable	308,361
Other receivables	194,916
Due from other governments	29,848,987
Inventory	118,639
Prepaid expenses and other assets	658,025
Restricted assets - Cash and cash equivalents (Note 4)	107,169,804
Capital assets - Net (Note 7)	<u>331,904,567</u>
Total assets	513,839,530
Deferred Outflows of Resources	
Deferred pension costs (Note 10)	119,183,051
Deferred OPEB costs (Note 10)	<u>28,771,947</u>
Total deferred outflows of resources	147,954,998
Liabilities	
Accounts payable	20,131,917
Due to other governmental units	12,878,246
Accrued liabilities and other	21,088,280
Unearned revenue (Note 6)	1,337,322
Noncurrent liabilities:	
Due within one year: (Note 9)	
Compensated absences	563,302
Current portion of bonds and contracts payable	13,770,282
Due in more than one year (Note 9)	297,354,134
Net pension liability (Note 10)	404,017,312
Net OPEB liability (Note 10)	<u>22,391,457</u>
Total liabilities	793,532,252
Deferred Inflows of Resources	
Deferred benefit on bond refunding (Note 9)	408,150
Revenue in support of pension contributions made subsequent to the measurement date (Note 10)	28,619,147
Deferred pension cost reductions (Note 10)	8,281,493
Deferred OPEB cost reductions (Note 10)	<u>48,631,314</u>
Total deferred inflows of resources	85,940,104
Net Position (Deficit)	
Net investment in capital assets	107,157,251
Restricted:	
Debt service	1,592,507
Capital projects	2,116,630
Unrestricted	<u>(328,544,216)</u>
Total net position (deficit)	<u><u>\$ (217,677,828)</u></u>

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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
10.553, 10.555	Child Nutrition	Unmodified
84.027, 84.173	IDEA - Special Education Cluster	Unmodified
84.425	Education Stabilization Fund	Unmodified
32.009	Emergency Connectivity Fund	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	

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, 2022	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued/Deferred Revenue at June 30, 2023	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 2022-23	N/A	10.555	\$ 229,160	\$ -	\$ -	-	\$ 229,160	\$ 229,160	\$ -	-
Bonus commodities 2022-23	N/A	10.555	25,055	-	-	-	25,055	25,055	-	-
Noncash assistance (commodities) subtotal			254,215	-	-	-	254,215	254,215	-	-
Cash assistance:										
National School Breakfast Program September 2022-23	221970	10.553	29,880	-	-	-	29,880	29,880	-	-
National School Breakfast Program October thru June 2022-23	231970	10.553	367,533	-	-	-	367,533	367,533	-	-
School Breakfast subtotal		10.553	397,413	-	-	-	397,413	397,413	-	-
National School Lunch Program September 2022-23	221960	10.555	153,884	-	-	-	153,884	153,884	-	-
National School Lunch Program October thru June 2022-23	231960	10.555	1,463,191	-	-	-	1,463,191	1,463,191	-	-
Supply Chain Assistance	220910	10.555	588,216	81,615	(150,831)	-	355,770	370,178	(136,423)	-
National School Lunch program (incl. commodities) subtotal		10.555	2,459,506	81,615	(150,831)	-	2,227,060	2,241,468	(136,423)	-
Total Child Nutrition Cluster			2,856,919	81,615	(150,831)	-	2,624,473	2,638,881	(136,423)	-
Special Education Cluster - U.S. Department of Education -										
Passed through Wayne County RESA:										
IDEA, Part B:										
IDEA Flowthrough - Regular 2223	230450	84.027A	3,568,446	-	-	-	3,568,446	3,568,446	-	-
IDEA Flowthrough CPE - Regular 2223	230450	84.027A	544,152	-	-	-	544,152	544,152	-	-
IDEA Preschool:										
IDEA Preschool 2223	230460	84.173A	250,996	-	-	-	250,991	250,991	-	-
IDEA-Passed thru Wayne County RESA subtotal			4,363,594	-	-	-	4,362,689	4,362,689	-	-
Passed through Marquette-Alger RESA:										
IDEA, Part B:										
IDEA Grant Funded Initiatives	230470	84.027A	21,600	-	-	-	21,600	21,600	-	-
Total Special Education Cluster			4,385,194	-	-	-	4,384,289	4,384,289	-	-

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, 2022	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued/Deferred Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipients
Clusters (continued):										
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through Wayne County RESA - Medicaid Outreach 2223		93.778	\$ 29,587	\$ -	\$ -	\$ -	\$ 29,587	\$ 29,587	\$ -	\$ -
Total cluster programs			7,271,700	81,615	(150,831)	-	7,038,349	7,052,757	(136,423)	-
Other federal programs:										
U.S. Department of Education - Passed through Michigan Department of Education:										
Title I, Part A:										
Title I, Part A 2122	221530	84.010	1,394,465	1,353,500	198,599	-	198,599	-	-	-
Title I, Part A 2223	231530	84.010	1,468,367	-	-	-	1,173,397	1,341,153	167,756	-
Total Title I, Part A		84.010	2,862,832	1,353,500	198,599	-	1,371,996	1,341,153	167,756	-
Title II, Part A:										
Title II, Part A Supporting Effective Instruction 2122	220520	84.367	577,940	493,194	69,718	-	69,718	-	-	-
Title II, Part A Supporting Effective Instruction 2223	230520	84.367	392,569	-	-	-	315,611	346,570	30,959	-
Total Title II, Part A		84.367	970,509	493,194	69,718	-	385,329	346,570	30,959	-
Title III, English Language Acquisition State Grants:										
Title III, Immigrant Students 2021-2022	220570	84.365A	29,073	28,007	6,351	-	6,351	-	-	-
Title III, Immigrant Students 2022-2023	230570	84.365A	20,610	-	-	-	14,108	16,372	2,264	-
Title III, Limited English Proficient Students 2021-2022	220580	84.365A	71,740	52,321	9,533	-	9,533	-	-	-
Title III, Limited English Proficient Students 2022-2023	230580	84.365A	87,936	-	-	-	87,936	87,936	-	-
Total Title III, English Language Acquisition State Grants		84.365A	209,359	80,328	15,884	-	117,928	104,308	2,264	-
Title IV, Part A SSAE:										
Title IV, Part A Student Support and Academic Enrichment 2022-2023	230750	84.424A	102,293	-	-	-	90,941	90,941	-	-
Adult Education - Basic Grants to States:										
Federal General Instruction 2021-2022	221130	84.002A	177,454	121,323	9,962	-	9,962	-	-	-
Federal General Instruction 2022-2023	231130	84.002A	181,507	-	-	-	143,007	145,709	2,702	-
Total Adult Education - Basic Grants to States		84.002A	358,961	121,323	9,962	-	152,969	145,709	2,702	-

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

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, 2022	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued/Deferred Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipients
Other federal programs (continued):										
Education Stabilization Fund - U.S. Department of Education -										
Passed through Michigan Department of Education:										
Sec. 98c ESSER II - Per-Pupil Payments for Learning Loss	213782	84.425D	\$ 695,122			\$ -	\$ 606,268	\$ 669,253	\$ 62,985	\$ -
COVID-19 Sec. 23b(2)(a) ESSER II - Summer Programming K-8	213722	84.425D	677,050	39,454	39,454	-	39,454	467,886	467,886	-
COVID-19 Sec. 23b(2)(b) ESSER II - Credit Recovery 9-12	213742	84.425D	485,100	163,826	163,826	-	163,826	310,537	310,537	-
COVID-19 Sec. 23b(2)(c) ESSER II - Before and After School Programs K-12	213752	84.425D	24,765	15,323	2,993	-	12,435	9,442	-	-
Section 111 Equalization Funds	213723	84.425U	5,538,520	-	-	-	2,136,292	2,338,090	201,798	-
MV American Rescue Plan/Homeless II	211012	84.425W	29,679	-	-	-	29,679	29,679	-	-
COVID-19 Sec. 23c GEER II - Teacher & Support Staff Payments	211202	84.425C	139,500	139,500	139,500	-	139,500	-	-	-
COVID-19 American Rescue Plan/ESSER III	213713	84.425U	9,779,121	1,147,633	651,929	-	6,385,236	5,979,214	245,907	-
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II)	213712	84.425D	4,351,197	3,890,245	1,354,530	-	1,815,482	460,952	-	-
Total Elementary and Secondary School Emergency Relief			21,720,054	5,395,981	2,352,232	-	11,328,172	10,265,053	1,289,113	-
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	-	-	-	233,591	253,085	19,494	-
Total Perkins Career and Technical Education Program		84.048A	253,085	-	-	-	233,591	253,085	19,494	-
ARP IDEA PART C Early On Funds	221283	84.181X	15,450	-	-	-	4,925	4,925	-	-
Early on Federal 2021-2022	221340	84.181A	117,500	88,333	74,894	-	74,894	-	-	-
Early on Federal 2022-2023	231340	84.181A	56,750	-	-	-	56,750	56,750	-	-
Total Early On Federal Program			189,700	88,333	74,894	-	136,569	61,675	-	-
Federal Communications Commission (FCC) -										
Passed through Universal Service Administrative Co. -										
COVID-19 Emergency Connectivity Fund Program										
	32.009		3,229,920	28,218	28,218	-	1,350,364	1,322,146	-	-
U.S. Department of Agriculture - Passed through Michigan Department of Education:										
Local Food for Schools										
	230985	10.185	45,870	-	-	-	-	45,870	45,870	-
COVID-19 Pandemic EBT Local Level Costs										
	220980	10.649	3,135	-	-	-	3,135	3,135	-	-
Total U.S. Department of Agriculture			49,005	-	-	-	3,135	49,005	45,870	-
U.S. Environment Protection Agency - Passed through EGLE										
State Clean Diesel Grant Program										
Michigan Clean Diesel 2020-2021										
	66.040		73,529	-	-	-	73,529	73,529	-	-
Total noncluster programs			30,019,247	7,560,877	2,749,507	-	15,244,523	14,053,174	1,558,158	-
Total federal awards			\$ 37,290,947	\$ 7,642,492	\$ 2,698,676	\$ -	\$ 22,282,872	\$ 21,105,931	\$ 1,421,735	\$ -

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, 2023 and have issued our report thereon dated October 13, 2023. 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 10, 2023, 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 13, 2023 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 August 25, 2023.

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 2023, except for the adoption of GASB 96, *Subscription-Based Information Technology Arrangements*. The adoption of the standard did not have a significant impact on the financial statements.

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 liabilities for the pension and 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, 2023 were \$404 million and \$22.4 million 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.

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 the 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.

As required by 2 CFR Part 200, we have also completed an audit of the federal programs administered by the School District. The results of that audit are provided to the Board of Education in our report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with 2 CFR Part 200 dated October 13, 2023.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 13, 2023.

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 of Livonia Public Schools 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

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