# Livonia Public Schools

***Finance Office***

Date: November 5, 2026

To: Andrea Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: 2025-2026 Financial Statements

The external audit of the District's financial statements for the 2025-2026 school year has been completed. I have invited representatives from the District's auditing firm, Plante Moran, to attend the Board of Education Finance Committee meeting on Monday, November 9, 2026, to review the financial statements, highlight key financial results, discuss the audit process and findings, and answer any questions you might have.

I am pleased to report that Plante Moran issued an **unmodified (clean) audit opinion,** which is the highest level of assurance an independent auditor can provide regarding the fair presentation of our financial statements. The audit identified no financial statement audit findings related to internal controls, no material noncompliance, and no proposed audit adjustments. These results reflect the continued diligence of our Finance team in maintaining accurate financial records and sound financial reporting practices.

Plante Moran's presentation will focus on several key areas of the District's financial performance:

- **General Fund Budget Performance:** Our actual financial results were favorable compared to the final amended budget. General Fund revenue and other sources totaled $188.3 million, approximately $58,000 above budget (0.03%), while expenditures and other financing uses totaled $190.0 million, approximately $1.3 million below budget (0.7%). Combined, these results produced a positive budget variance of approximately $1.4 million, demonstrating our continued efforts to carefully manage District resources.
- **General Fund Balance:** The District ended the 2025-2026 school year with a General Fund balance of approximately $29.6 million, compared to $31.3 million at the beginning of the year. While the District utilized approximately $1.7 million of fund balance to support operations, this was a planned use of fund balance and represents approximately 15.6% of annual General Fund expenditures and

provides an important financial reserve to help manage unexpected costs and fluctuations in revenue.

In addition to the Financial Statements, I have also included a draft of the District's 2025-2026 Federal Single Audit report for the Board's review. The report remains in draft form because the federal government has not yet issued the 2026 Office of Management and Budget (OMB) Compliance Supplement, which provides auditors with the federal program compliance requirements they must evaluate as part of the audit. While Plante Moran has substantially completed its audit procedures and anticipates issuing an unmodified (clean) opinion with no audit findings, the report cannot be finalized until the required federal guidance is released and any necessary additional procedures are completed.

Looking ahead to the 2026-2027 school year, the State's adopted School Aid budget includes a foundation allowance of $10,300 per pupil, an increase of $250 over the prior year. Although this additional funding is welcome, student enrollment trends, rising personnel and benefit costs, and changes in state and federal funding continue to present financial challenges. Maintaining an appropriate fund balance and aligning ongoing expenditures with sustainable revenue sources will remain important as we prepare future budget amendments and long-term financial projections.

Please include this agenda item for the Monday, November 9, 2026, Board of Education Finance Committee meeting. As always, please contact me if you have any questions.

c: Board of Education