

Livonia Public Schools

**Federal Awards
Supplemental Information
June 30, 2017**

Livonia Public Schools

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

Independent Auditor's Report

To the Board of Education
Livonia Public Schools

We have audited the basic 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, 2017 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated September 21, 2017, which contained unmodified opinions on the financial statements of governmental activities, each major fund, and the aggregate remaining fund information. 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 September 21, 2017.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the Uniform Guidance, 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 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

September 21, 2017

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
Livonia Public Schools

We have audited, in accordance with the 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, 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, 2017 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 September 21, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Livonia Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 the 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To Management and the Board of Education
Livonia Public Schools

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Livonia Public Schools' 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 determination of financial statement amounts. 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*.

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 the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

September 21, 2017

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Education
Livonia Public Schools

Report on Compliance for Each Major Federal Program

We have audited Livonia Public Schools' (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2017. Livonia Public Schools' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Livonia Public Schools' major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Livonia Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Livonia Public Schools' compliance.

To the Board of Education
Livonia Public Schools

Opinion on Each Major Federal Program

In our opinion, Livonia Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Livonia Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Livonia Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 & Morse, PLLC

September 21, 2017

Livonia Public Schools

Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

Federal Agency Name/Pass-through Agency/Federal Program Title	Grant/Project Number	Federal CFDA Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue as of July 1, 2016	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2017	Current Year Cash Transferred to Subrecipient
Clusters:									
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education: Noncash Assistance (Commodities):									
Entitlement commodities 1617	N/A	10.555	\$ 206,057	\$ -	\$ -	\$ 206,057	\$ 206,057	\$ -	\$ -
Entitlement commodities - Bonus 1617	N/A	10.555	-	-	-	-	-	-	-
Total noncash assistance - Entitlement commodities		10.555	206,057	-	-	206,057	206,057	-	-
Cash assistance:									
National School Lunch Program 2015-16	161960	10.555	1,376,336	1,376,336	78,899	78,899	-	-	-
National School Lunch Program 2016-17	171960	10.555	1,390,828	-	-	1,318,668	1,390,828	72,160	-
National School Lunch Program (incl. commodities) subtotal			2,973,221	1,376,336	78,899	1,603,624	1,596,885	72,160	-
National School Breakfast Program 2015-16	161970	10.553	300,144	300,144	19,459	19,459	-	-	-
National School Breakfast Program 2016-17	171970	10.553	326,046	-	-	304,966	326,046	21,080	-
National School Breakfast Program subtotal			626,190	300,144	19,459	324,425	326,046	21,080	-
Summer Food Service Program	171900/170900	10.559	17,740	-	-	17,740	17,740	-	-
Total Child Nutrition Cluster			3,617,151	1,676,480	98,358	1,945,789	1,940,671	93,240	-
Special Education Cluster - U.S. Department of Education - Passed through Wayne County RESA:									
IDEA Flowthrough:									
IDEA Flowthrough - Regular 1516	160450	84.027	3,258,552	2,732,807	673,911	1,199,626	525,715	-	-
IDEA Flowthrough - Regular 1617	170450	84.027	3,173,412	-	-	2,321,605	3,020,252	698,647	-
IDEA Flowthrough - Regular subtotal			6,431,964	2,732,807	673,911	3,521,231	3,545,967	698,647	-
IDEA Regular - CPE 1516	160450	84.027	582,720	582,720	105,815	105,815	-	-	-
IDEA Regular - CPE 1617	170450	84.027	627,480	-	-	449,627	627,480	177,853	-
IDEA Regular - CPE subtotal			1,210,200	582,720	105,815	555,442	627,480	177,853	-
IDEA Preschool Incentive:									
IDEA Preschool 1516	160460	84.173	175,564	175,564	11,229	11,229	-	-	-
IDEA Preschool 1617	170460	84.173	181,386	-	-	180,594	181,386	792	-
IDEA Preschool Incentive Subtotal			356,950	175,564	11,229	191,823	181,386	792	-
Total Special Education Cluster			7,999,114	3,491,091	790,955	4,268,496	4,354,833	877,292	-
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through Wayne County RESA - Medicaid Outreach 1617									
Total cluster programs		93.778	42,900	-	-	42,900	42,900	-	-
			11,659,165	5,167,571	889,313	6,257,185	6,338,404	970,532	-

See Notes to Schedule of Expenditures
of Federal Awards.

Livonia Public Schools

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2017

Federal Agency Name/Pass-through Agency/Federal Program Title	Grant/Project Number	Federal CFDA Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue as of July 1, 2016	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2017	Current Year Cash Transferred to Subrecipient
Other federal programs:									
U.S. Department of Education - Direct -									
Carol M. White Physical Education Program:									
PEP 2015-16	S216F130198	84.215	\$ 379,926	\$ 341,535	\$ 14,057	\$ 14,057	\$ -	\$ -	\$ -
PEP 2016-17	S216F130198	84.215	97,263	-	-	97,263	97,263	-	-
Total Carol M. White Physical Education Program			477,189	341,535	14,057	111,320	97,263	-	-
U.S. Department of Education - Passed through the Michigan Department of Education:									
Title I, Part A:									
Title I Part A 1516	161530	84.010	1,347,046	1,254,664	100,424	100,424	-	-	-
Title I Part A 1617	171530	84.010	1,376,462	-	-	1,178,272	1,281,815	103,543	-
Total Title I, Part A			2,723,508	1,254,664	100,424	1,278,696	1,281,815	103,543	-
Title II Part A - Improving Teacher Quality:									
Title II Part A 1516	160520	84.367	421,443	230,584	10,563	10,563	-	-	-
Title II Part A 1617	170520	84.367	506,498	-	-	253,900	274,304	20,404	-
Total Improving Teacher Quality			927,941	230,584	10,563	264,463	274,304	20,404	-
Title III - English Language Acquisition:									
Title III Immigrant Students 1516	160570	84.365	24,492	24,492	9,225	9,225	-	-	-
Title III Immigrant Students 1617	170570	84.365	20,633	-	-	10,533	17,103	6,570	-
Title III Limited English Proficient Students 1516	160580	84.365	64,327	59,502	12,686	12,686	-	-	-
Title III Limited English Proficient Students 1617	170580	84.365	60,799	-	-	49,643	53,851	4,208	-
Title III Limited English Proficient Students subtotal			170,251	83,994	21,911	82,087	70,954	10,778	-
Adult Learning WIA Core Programs:									
Federal EL Civics 1617	171120	84.002	57,850	-	-	-	33,686	33,686	-
Federal General Instruction 1617	171130	84.002	166,075	-	-	139,645	166,075	26,430	-
Total Adult Learning WIA Core Programs		84.002	223,925	-	-	139,645	199,761	60,116	-
U.S. Department of Education - Passed through Wayne County RESA -									
Carl D. Perkins Career and Technical Education Program:									
Perkins 1516	163520-161225	84.048	251,280	232,668	101,438	101,438	-	-	-
Perkins 1617	173520-171225	84.048	268,472	-	-	226,562	254,187	27,625	-
Total Perkins Career and Technical Education Program		84.048	519,752	232,668	101,438	328,000	254,187	27,625	-
U.S. Department of Agriculture - Passed through Michigan Department of Education -									
Child and Adult Care Food Program:									
CACFP Meals 1516	161920	10.558	5,696	5,696	435	435	-	-	-
CACFP Meals 1617	171920	10.558	5,055	-	-	4,690	5,055	365	-
Total Child and Adult Care Food Program			10,751	5,696	435	5,125	5,055	365	-
Total noncluster programs			5,053,317	2,149,141	248,828	2,209,336	2,183,339	222,831	-
Total federal awards			\$ 16,712,482	\$ 7,316,712	\$ 1,138,141	\$ 8,466,521	\$ 8,521,743	\$ 1,193,363	\$ -

See Notes to Schedule of Expenditures
of Federal Awards.

Livonia Public Schools

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Livonia Public Schools under programs of the federal government for the year ended June 30, 2017. The information in this 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 Livonia Public Schools, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Livonia Public Schools.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or 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. Pass-through entity identifying numbers are presented where available.

Livonia Public Schools has elected not to use the 10 percent *de minimus* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 3 - Grant Auditor Report

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

Note 4 - Noncash Assistance

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

Livonia Public Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

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 No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)? Yes No

Identification of major program:

CFDA Numbers	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None