

# **Livonia Public Schools**

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**Federal Awards  
Supplemental Information  
June 30, 2016**

# 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 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, 2016 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 26, 2016, 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 an opinion 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 26, 2016.

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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 26, 2016

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 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, 2016 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 26, 2016.

**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 26, 2016

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 each of its major federal programs for the year ended June 30, 2016. Livonia Public Schools' major federal programs are 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 the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

***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 each of its major federal programs for the year ended June 30, 2016.

### **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 & Moran, PLLC*

September 26, 2016

# Livonia Public Schools

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

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, 2015	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2016	Current Year Cash Transferred to Subrecipient
<b>Clusters:</b>									
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:									
Noncash Assistance (Commodities):									
Entitlement commodities 1516	N/A	10.555	\$ 193,542	\$ -	\$ -	\$ 193,542	\$ 193,542	\$ -	\$ -
Entitlement commodities - Bonus 1516	N/A	10.555	46	-	-	46	46	-	-
Total noncash assistance - Entitlement commodities		10.555	193,588	-	-	193,588	193,588	-	-
Cash assistance:									
National School Lunch Program 2014-15	151960	10.555	1,379,912	1,379,912	56,662	56,662	-	-	-
National School Lunch Program 2015-16	161960	10.555	1,376,336	-	-	1,297,437	1,376,336	78,899	-
National School Lunch Program (incl. commodities) Subtotal			2,949,836	1,379,912	56,662	1,547,687	1,569,924	78,899	-
National School Breakfast Program 2014-15	151970	10.553	286,156	286,156	15,674	15,674	-	-	-
National School Breakfast Program 2015-16	161970	10.553	300,144	-	-	280,685	300,144	19,459	-
National School Breakfast Program Subtotal			586,300	286,156	15,674	296,359	300,144	19,459	-
Summer Food Service Program	161900/160900	10.559	17,990	-	-	17,990	17,990	-	-
Total Child Nutrition Cluster			3,554,126	1,666,068	72,336	1,862,036	1,888,058	98,358	-
Special Education Cluster - U.S. Department of Education - Passed through Wayne County RESA:									
IDEA Flowthrough:									
IDEA Flowthrough - Regular 1415	150450	84.027A	3,279,523	3,080,995	624,677	823,205	198,528	-	-
IDEA Flowthrough - Regular 1516	160450	84.027A	3,258,552	-	-	2,058,896	2,732,807	673,911	-
IDEA Flowthrough - Regular Subtotal		84.027A	6,538,075	3,080,995	624,677	2,882,101	2,931,335	673,911	-
IDEA Regular - CPE 1415	150450	84.027A	616,338	616,338	57,704	57,704	-	-	-
IDEA Regular - CPE 1516	160450	84.027A	582,720	-	-	476,905	582,720	105,815	-
IDEA Regular - CPE Subtotal		84.027A	1,199,058	616,338	57,704	534,609	582,720	105,815	-
IDEA Preschool Incentive:									
IDEA Preschool 1415	150460	84.173A	187,331	187,331	26,004	26,004	-	-	-
IDEA Preschool 1516	160460	84.173A	175,564	-	-	164,335	175,564	11,229	-
IDEA Preschool Incentive Subtotal		84.173A	362,895	187,331	26,004	190,339	175,564	11,229	-
Total Special Education Cluster			8,100,028	3,884,664	708,385	3,607,049	3,689,619	790,955	-
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through Wayne County RESA:									
Medicaid Outreach 1415		93.778	50,534	50,534	11,639	11,639	-	-	-
Medicaid Outreach 1516		93.778	5,814	-	-	5,814	5,814	-	-
Total Medicaid Cluster		93.778	56,348	50,534	11,639	17,453	5,814	-	-
Total of cluster programs			11,710,502	5,601,266	792,360	5,486,538	5,583,491	889,313	-



# Livonia Public Schools

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2016

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, 2015	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2016	Current Year Cash Transferred to Subrecipient
Other federal programs:									
U.S. Department of Education - Direct -									
Carol M. White Physical Education Program:									
PEP 2014-15	S215F130198	84.215F	\$ 379,398	\$ 286,452	\$ 38,375	\$ 60,170	\$ 21,795	\$ -	\$ -
PEP 2015-16	S215F130198	84.215F	379,926	-	-	327,478	341,535	14,057	-
Total Carol M. White Physical Education Program		84.215F	759,324	286,452	38,375	387,648	363,330	14,057	-
U.S. Department of Education - Passed through the Michigan Department of Education:									
Title I, Part A:									
Title I Part A 1415	151530	84.010	1,417,431	1,354,464	83,718	83,718	-	-	-
Title I Part A 1516	161530	84.010	1,347,046	-	-	1,154,240	1,254,664	100,424	-
Total Title I Part A		84.010	2,764,477	1,354,464	83,718	1,237,958	1,254,664	100,424	-
Title II Part A - Improving Teacher Quality:									
Title II Part A 1415	150520	84.367	433,676	339,134	45,415	45,415	-	-	-
Title II Part A 1516	160520	84.367	421,443	-	-	220,021	230,584	10,563	-
Total Improving Teacher Quality		84.367	855,119	339,134	45,415	265,436	230,584	10,563	-
Title III - English Language Acquisition:									
Title III Immigrant Students 1516	160570	84.365A	24,492	-	-	15,267	24,492	9,225	-
Title III Limited English Proficient Students 1415	150580	84.365A	48,460	39,940	841	841	-	-	-
Title III Limited English Proficient Students 1516	160580	84.365A	64,327	-	-	46,816	59,502	12,686	-
Title III Limited English Proficient Students Subtotal		84.365A	112,787	39,940	841	47,657	59,502	12,686	-
Title III Supplemental Funds for Immigrant Children 1516	160590	84.365A	412	-	-	412	412	-	-
Total Title III - English Language Acquisition		84.365A	137,691	39,940	841	63,336	84,406	21,911	-
Adult Learning WIA Core Programs:									
Federal EL Civics 1415	151120	84.002A	10,000	10,000	247	247	-	-	-
Federal EL Civics 1516	161120	84.002A	30,000	-	-	30,000	30,000	-	-
Federal EL Civics Subtotal		84.002A	40,000	10,000	247	30,247	30,000	-	-
Federal General Instruction 1516	161130	84.002A	182,000	-	-	182,000	182,000	-	-
Total Adult Learning WIA Core Programs		84.002A	222,000	10,000	247	212,247	212,000	-	-
U.S. Department of Education - Passed through Wayne County RESA -									
Carl D. Perkins Career and Technical Education Program:									
Perkins 1415	153520-151225	84.048A	247,347	247,347	120,552	120,552	-	-	-
Perkins 1516	163520-161225	84.048A	251,280	-	-	131,230	232,668	101,438	-
Total Perkins Career and Technical Education Program		84.048A	498,627	247,347	120,552	251,782	232,668	101,438	-
U.S. Department of Agriculture - Passed through Michigan Department of Education -									
Child and Adult Care Food Program:									
CACFP Meals 1415	151920	10.558	15,751	15,751	4,802	4,802	-	-	-
CACFP Meals 1516	161920	10.558	5,696	-	-	5,261	5,696	435	-
Total Child and Adult Care Food Program		10.558	21,447	15,751	4,802	10,063	5,696	435	-
Total of noncluster programs			5,258,685	2,293,088	293,950	2,428,470	2,383,348	248,828	-
<b>Total federal awards</b>			<b>\$ 16,969,187</b>	<b>\$ 7,894,354</b>	<b>\$ 1,086,310</b>	<b>\$ 7,915,008</b>	<b>\$ 7,966,839</b>	<b>\$ 1,138,141</b>	<b>\$ -</b>

# **Livonia Public Schools**

## **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2016**

### **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, 2016. 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, 2016

### 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 programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A
10.553, 10.555, 10.559	Child Nutrition 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