



Livonia Public Schools

Finance Office

Date: October 8, 2025

To: Andrea Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: Financial Update

The external audit of the district's accounting records for the 2024-2025 school year is wrapping up and financial statements are in the process of being finalized. I have invited representatives from the school district's auditing firm Plante Moran to join us at the Board of Education Finance Committee meeting on Monday, October 13, 2025, to go over highlights of the financial statements and explain the audit process that took place.

Plante Moran conducted their 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. In performing an audit in accordance with GAAS and Government Auditing Standards, Plante Moran:

- Exercises professional judgment and maintains professional skepticism throughout the audit.
- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, and designs and performs audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtains an understanding of internal control relevant to the audit 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluates the overall presentation of the financial statements.
- Concludes whether, in their 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.

Plante Moran will bring a packet of information that contains key reports from the financial statements that they will review with the Board of Education on Monday. In these materials is a Budgetary Comparison Schedule for the General Fund like what was reviewed with the Board at this week's study session. As discussed, the budget-to-actual analysis showcases our precision in financial planning and execution. General Fund revenue came in favorably by 0.4% of what was budgeted, and General Fund expenditures came in favorably by 0.3% of what was budgeted.

In the 2025-2026 adopted budgeted, we planned for a positive budget variance of \$1.0 million. We budgeted to start the 2025-2026 school year with a \$31.0 million fund balance. During the first budget amendment, I will reflect an actual beginning fund balance of \$31.3 million. We also planned for a \$392 per pupil foundation allowance increase. The School Aid budget was finally signed by the Governor on October 7, 2025, and included a \$442 per pupil foundation allowance increase. That additional \$50 per pupil will result in roughly an additional \$650,000 in foundation allowance revenue for our General Fund. The Fall 2025 student count is still being finalized. We included in our 2025-2026 proposed budget an estimated student enrollment loss of 75 students. If student enrollment loss comes in closer to 100 students, that would be a loss of roughly \$250,000 to the General Fund. The final student count will be factored in to our December budget amendment as well as the many different categorical revenue line items included in the State Aid budget.

Please include this agenda item for the Monday, October 13, 2025, Board of Education Finance Committee meeting. As always, please contact me if you have any questions.

c: Board of Education