

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**Committee of the Whole
October 16, 2023 - 6:30 PM
Board Room
15125 Farmington Road
Livonia, Michigan 48154**

AGENDA

- I. AUDIENCE COMMUNICATIONS**
- II. COMMITTEE OF THE WHOLE**
Johnson, Chair; Acosta; Bonifield; Bradford; Burton; Frank; Jarvis
- III. BUILDING & SITE COMMITTEE**
Burton, Chair; Bradford; Frank
 - A. Bid Results of Franklin and Cleveland Roofing** 2
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 - B. Presentation; Boilers District-Wide Energy Savings** 11
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P. Francis
- IV. FINANCE COMMITTEE**
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A. Smith
- V. CURRICULUM COMMITTEE**
Acosta, Chair; Bonifield; Bradford
- VI. POLICY COMMITTEE**
Frank, Chair; Bonifield; Jarvis
 - A. Board Update DJE - Financial Management** 39
Update on Administrative Procedure
A. Smith
- VII. LEGISLATIVE COMMITTEE**
Jarvis, Chair; Acosta; Burton
- VIII. PERSONNEL COMMITTEE**
Bradford, Chair; Burton; Frank



Livonia Public Schools

District Services

Date: October 11, 2023

To: Andrea Oquist, Superintendent

From: Phillip Francis, Assistant Superintendent of District Services

Re: Franklin and Cleveland Roofing Bid Results

I would like an opportunity to share with the Board of Education the roofing bid results for Franklin High School and Cleveland Elementary. Bids were received and opened on October 11, 2023, and post-bid interviews were conducted shortly afterwards. The Project Team is recommending Lutz Roofing as the low responsible bidder for Franklin in the amount of \$2,895,000, and Royal Roofing as the low responsible bidder for Cleveland in the amount of \$1,351,400. Both Lutz Roofing and Royal Roofing are firms LPS has worked with in the past and the Project Team has been satisfied with their workmanship and is confident in these firms' ability to complete the jobs within the allotted time available over the summer.

Please add this as an agenda item to the October 16, 2023, Committee of the Whole meeting, and contact me if you have questions. Thank you.

Attachments

c: Board of Education

PF/ko

October 12, 2023

Mr. Phillip Francis
Assistant Superintendent of District Services
Livonia Public Schools
15125 Farmington Road
Livonia, MI 48154

RE: Sinking Fund Projects
Contract Award Recommendation for Roof Replacement Projects
Franklin High School and Cleveland Elementary School

Dear Mr. Francis:

This letter transmits an update from Plante Moran Realpoint (PMR) as it relates to the assignment to assist and advise Livonia Public Schools (LPS) in its selection of Prime Contractors for the Projects listed above. This update represents the mutual efforts of PMR, Roofing Technology Associates, Ltd. (RTA), LPS administration and staff (the Project Team) to present a framework in order to identify, evaluate, and recommend Prime Contractors for these Projects.

On September 26, 2023, Construction Documents were formally issued and made available. An advertisement for bidding was published in a local newspaper and posted to the required State of Michigan website.

On October 11, 2023, seven (7) bid proposals were received for the Projects and over the next several days were reviewed and evaluated. Interviews were conducted with four apparent low bidding firms on October 12, 2023, and were attended by representatives from the Project Team. The scope of work (which includes full removal and replacement of the existing roofing systems), project schedule, phasing, staffing requirements, safety, site logistics and other particulars regarding the work were reviewed and discussed.

Upon completion of the interviews, and after subsequent clarifications and discussions, the Project Team is recommending **Lutz Roofing at Franklin High School** and **Royal Roofing at Cleveland Elementary School** as detailed in RTA's recommendation letter dated October 12, 2023, as the lowest responsible bidders.

Including hard construction of \$4,246,400 and construction contingency of \$254,800 (6%), the total Project award recommendation equals \$4,501,200 as detailed within the enclosed cost summary sheet.

For the Prime Contractors, the cost for this work will be detailed in an AIA Contract A105 – 2017 Standard Form of Agreement between Owner and Contractor, as modified, pending final review and approval of terms by district legal counsel.

The Project Team is available at the Board's convenience to answer any questions regarding bidding, the proposals, interview process, or the recommendation herein. Please direct all questions through me via email at brian.weber@plantemoran.com.

Sincerely,

PLANTE MORAN CRESA



Brian Weber
Senior Vice President

Enclosures: Cost Summary
 Roofing Technology Associates, LTD. Recommendation Letter
 Bid Tabulation
 Existing Roofing Condition Maps



**SINKING FUND
2024 ROOFING REPLACEMENT PROJECTS
COST SUMMARY**

	Hard Construction		
Project	Budget	Actual	Variance
Cleveland Elementary - Royal Roofing	\$ 1,861,000	\$ 1,351,400	\$ (509,600)
Franklin High School - Lutz Roofing	\$ 3,174,000	\$ 2,895,000	\$ (279,000)
Totals	\$ 5,035,000	\$ 4,246,400	\$ (788,600)

	Construction Contingency		
	Budget (6%)	Actual (6%)	Variance
Project Contingency	\$ 302,100	\$ 254,800	\$ (47,300)
Totals	\$ 302,100	\$ 254,800	\$ (47,300)

	Total Project Costs		
	Budget	Actual	Variance
Project Total	\$ 5,337,100	\$ 4,501,200	\$ (835,900)
Totals	\$ 5,337,100	\$ 4,501,200	\$ (835,900)



ROOFING TECHNOLOGY ASSOCIATES, LTD.

38031 SCHOOLCRAFT
LIVONIA, MICHIGAN 48150-1065
(734) 591-4444 • FAX (734) 591-1660 • E-MAIL: rta@rtald.com
Web site www.rtald.com

October 12, 2023
Project No. 23-038

Mr. Phillip Francis
Livonia Public Schools
15125 Farmington Road
Livonia MI 48154-5474
pfrancis@livoniapublicschools.org

RE: BID EVALUATION
Roof Replacement

- Cleveland Elementary School
- Franklin High School

Livonia, Michigan

Dear Mr. Francis:

A total of seven (7) bids were received for Cleveland Elementary and six (6) bids were received for Franklin High School by the School District on October 11, 2023 and publicly opened. RTA, Plante Moran Realpoint and LPS (The Project Team) reviewed the bids, which have been tabulated on the attached form.

Bid Results

The apparent low bidder for Cleveland Elementary School was KJP Roofing at \$1,095,000 with Royal Roofing as the apparent second-low bidder at \$1,351,400.

The apparent low bidder at Franklin High School was Quality Roofing, Inc. at \$2,869,411 with Lutz Roofing as the apparent second-low bidder at \$2,895,000 and Royal Roofing as the apparent third-low bidder at \$2,905,000.

Due Diligence

The Project Team conducted virtual post-bid interviews with KJP Roofing, Lutz Roofing, Quality Roofing and Royal Roofing on October 12, 2023 for the referenced projects.

RTA has worked with KJP Roofing on a recent project that experienced issues during the project that would be cause for concern on a project of this size, difficulty and time frame.



Quality Roofing has previously completed work in the School District at Rosedale Elementary School in the summer of 2020. Additionally, RTA has worked with Quality Roofing on other projects. For a project as large as Franklin High School, we have concerns with their ability to perform in accordance with the specifications and complete the project within the agreed upon schedule.

Recommendations

Given the noted concerns above with both KJP Roofing and Quality Roofing and the scale and complexity of both projects, it is our recommendation for the second-low bidder to be awarded on both projects. Royal Roofing on Cleveland Elementary at a total of \$1,351,400 and Lutz Roofing on Franklin High School at \$2,895,000. Both the District and RTA have worked with both firms and in our experience, both are capable of completing these projects within the agreed upon schedule and both have the workforce available for such large projects.

It is recommended to have a contingency fund for unforeseen conditions of approximately 6%.

Sincerely,

ROOFING TECHNOLOGY ASSOCIATES, LTD.

Alexander P. Wisney, RRO
Project Manager

Ronald D. Kinne, RRC, RRO
Senior Project Manager

Attachments

Cc: Brian Weber



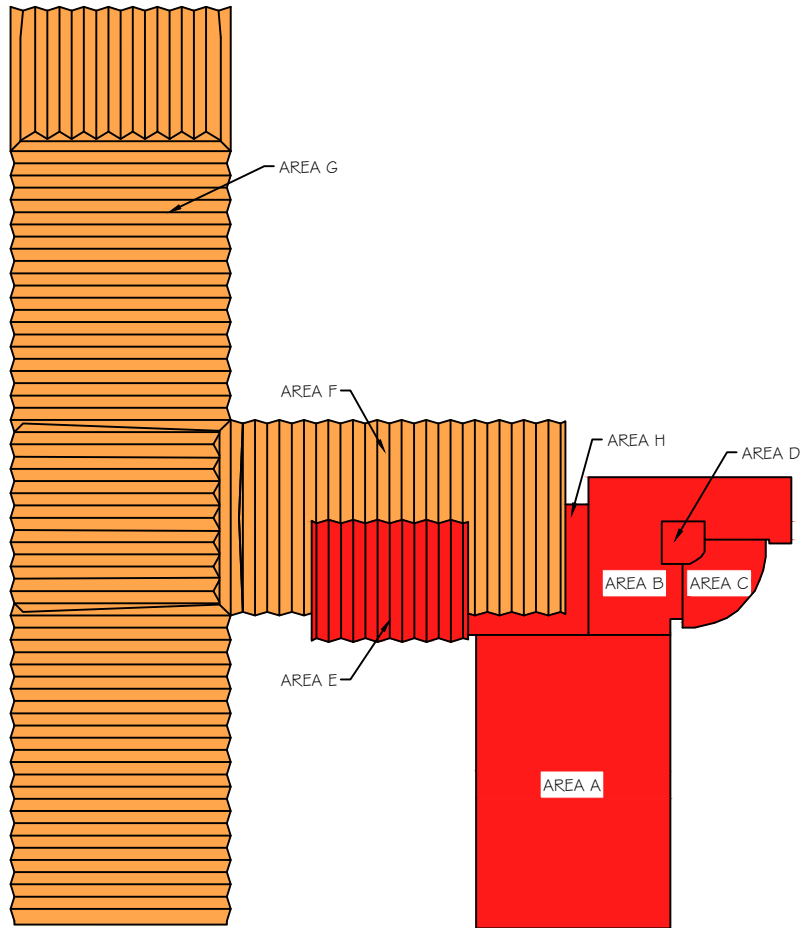
Bid Results 2024 Roof Replacement

CLEVELAND ELEMENTARY

	Bond	Add.	EEO	Familial	Iran	Base Bid	Alternate 1	Total
KJP	Yes	Yes	Yes	Yes	Yes	\$ 928,000	\$ 167,000	\$ 1,095,000
Royal	Yes	Yes	Yes	Yes	Yes	\$ 1,190,400	\$ 161,000	\$ 1,351,400
Bloom	Yes	Yes	Yes	Yes	Yes	\$ 1,433,150	No Bid	\$ 1,433,150
Newton Crane	Yes	Yes	Yes	Yes	Yes	\$ 1,437,400	\$ 135,000	\$ 1,572,400
Quality	Yes	Yes	Yes	Yes	Yes	\$ 1,509,817	\$ 74,250	\$ 1,584,067
JD Candler	Yes	Yes	Yes	Yes	Yes	\$ 1,490,000	\$ 100,000	\$ 1,590,000
Lutz	Yes	Yes	Yes	Yes	Yes	\$ 2,800,000	\$ 300,000	\$ 3,100,000

FRANKLIN HIGH SCHOOL

	Bond	Add.	EEO	Familial	Iran	Base Bid	Alternates	Total
Quality	Yes	Yes	Yes	Yes	Yes	\$ 2,869,411	NA	\$ 2,869,411
Lutz	Yes	Yes	Yes	Yes	Yes	\$ 2,895,000	NA	\$ 2,895,000
Royal	Yes	Yes	Yes	Yes	Yes	\$ 2,905,000	NA	\$ 2,905,000
Bloom	Yes	Yes	Yes	Yes	Yes	\$ 3,642,404	NA	\$ 3,642,404
KJP	Yes	Yes	Yes	Yes	Yes	\$ 3,707,000	NA	\$ 3,707,000
JD Candler	Yes	Yes	Yes	Yes	Yes	\$ 4,755,000	NA	\$ 4,755,000



GENERAL NOTES:

1. All areas and dimensions shown are approximate and based upon rough field measurements taken by representatives of Roofing Technology Associates, Ltd.
2. This drawing should not be used for bidding or estimating purposes. Contractors are responsible for their own field measurements, quantities and verification of conditions shown.

CONDITION		SERVICEABLE LIFE	RCI
failed		0 - 1 years	0 - 30
very poor		1 - 3 years	31 - 45
poor		3 - 6 years	46 - 55
fair		6 - 10 years	56 - 65
fair to good		10 - 15 years	66 - 75
good		15+ years	76 - 100

ROOF AREA PLAN

not to scale

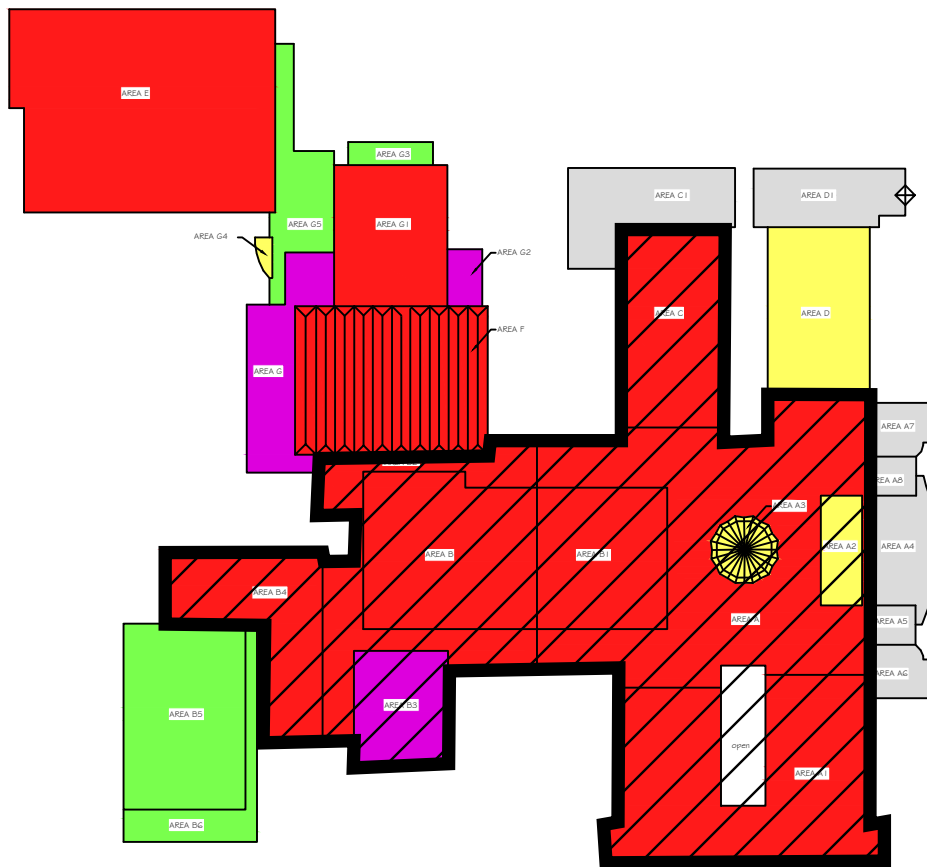
NOTE: components shown are new unless noted as existing



ROOFING TECHNOLOGY ASSOCIATES, LTD.
 38031 SCHOOLCRAFT ROAD
 LIVONIA, MICHIGAN 48150-1065
 (734) 591-4444

LIVONIA PUBLIC SCHOOLS
 CLEVELAND ELEMENTARY SCHOOL
 28030 CATHEDRAL ST
 LIVONIA, MICHIGAN

Project No: 23-038	Drawn By: APW	Detail No: 3
Date: 9 OCTOBER, 2022	Checked By: APW	



NOTE: condition status for each area was updated in '21 based on 2017 information, but not verified in-field.

GENERAL NOTES:

1. All areas and dimensions shown are approximate and based upon rough field measurements taken by representatives of Roofing Technology Associates, Ltd.
2. This drawing should not be used for bidding or estimating purposes. Contractors are responsible for their own field measurements, quantities and verification of conditions shown.

2017 SURVEY DATA

CONDITION		SERVICEABLE LIFE	RCI
failed		0 - 1 years	0 - 30
very poor		1 - 3 years	31 - 45
poor		3 - 6 years	46 - 55
fair		6 - 10 years	56 - 65
fair to good		10 - 15 years	66 - 75
good		15+ years	76 - 100
replaced		2018: JD Candler	100

ROOF AREA PLAN
not to scale



ROOFING TECHNOLOGY ASSOCIATES, LTD.

38031 SCHOOLCRAFT ROAD
LIVONIA, MICHIGAN 48150-1065
(734) 591-4444

LIVONIA PUBLIC SCHOOLS
FRANKLIN HIGH SCHOOL
31000 JOY RD
LIVONIA, MICHIGAN

Project No: 19-046

Drawn By: JDS

Detail No:

Date: 10 JUNE, 2017

Checked By: MCB

21



Date: October 11, 2023

To: Andrea Oquist, Superintendent

From: Phillip Francis, Assistant Superintendent of District Services

Re: New Boilers District-Wide Energy Savings

I am requesting the opportunity to discuss with the Board the data gathered in regard to our energy savings based on the boiler replacements in our buildings. As you know, the district has recently finished a multi-year Sinking Fund project that has replaced all of the approximately 20+ year old boiler units in the district's buildings with new, high efficiency boiler units. These new units use much less energy in the forms of gas and electricity, thus, reducing the district's carbon footprint while, at the same time, heating our buildings more evenly and efficiently. I have asked Mr. Harry Lau, Administrator of Facilities & Operations, and Mr. Brian Weber, Plante Moran Realpoint, to join me in presenting to the Board data celebrating the efficiencies gained with the successful conclusion of this eight year Sinking Fund project.

c: Board of Education

PF/ko



Livonia Public Schools

District Services

Date: October 11, 2023

To: Andrea Oquist, Superintendent

From: Phillip Francis, Assistant Superintendent of District Services

Re: 2024 DD Presentation – PMR/French

I would like to request adding an agenda item to the Monday, October 16, 2023 Committee of the Whole meeting for representatives from French Associates, and Brian Weber, Plante Moran Realpoint, to present design development documents for the upcoming renovations for the summer 2024 building renovations. This will only be an architectural presentation. There will not be any items seeking Board approval. The bid results will come later. Thank you.

Attachments

c: Board of Education

PF/ko



Livonia Public Schools

Secondary Programs & District Services

Date: October 11, 2023

To: Andrea Oquist, Superintendent

From: Kevin Etue, Director of Secondary Programs and District Services

Subject: Recommendation to Purchase Wrestling Mats - Stevenson High School

Mr. Etue presented to the Board of Education on Monday, October 9, 2023 a recommendation to purchase new wrestling mats for Stevenson High School (SHS). The wrestling mats at SHS are over 20 years old and are at the end-of-use. Three quotes were presented to the Board of Education with a recommendation to use Dollumar Sports Surfaces who is the low bid at \$29,255.00. Dollumar Sports Surfaces is a reputable company which Livonia Public Schools has partnered with in the past and, most recently, used to replace the wrestling mats at Churchill High School and Franklin High School. The quote includes new wrestling mats, logo imprints on the mats, wrestling circles imprinted on the wrestling mats, and FLEXI-Connect system to connect the wrestling mats to each other.

Please add this item to the agenda for the Committee of the Whole meeting on October 16, 2023.

FAMILY OWNED. AMERICAN MADE.



CLASSIC MAT RSP600 RSP625

Athletes, coaches, and officials prefer the look, feel, and comfort of the Classic Mat.



SUPERIOR DURABILITY

Made from closed-cell rubber nitrile foam core, the longest lasting foam available.

With two complete wrestling surfaces, the life of your mat is doubled.

LONG-TERM INVESTMENT

Coated on all sides with our exclusive #457 poly-vinyl paint.

The easiest to clean and disinfect.

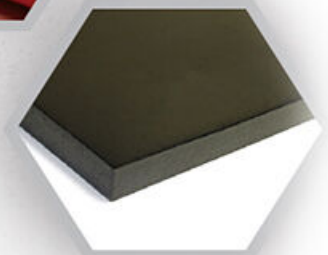
Reconditioning available for extended use.

Available in 16 standard Resilite vinyl-coating colors.

OUTSTANDING PROTECTION

One of the most shock-absorbing foams for its thickness.

Meets or exceeds the ASTM 355 impact test.



www.resilite.com | 1.800.843.6287

Resilite Independent Sales Pro.

200 Point Township Drive
 Northumberland, PA 17857
 United States

T: 1-800-843-6287
 F: 570-473-8988

Quote #	46277 v2
Date	09-19-2023
Price Firm For 30-Days	10-19-2023
Contact	Nick Simmons

Prepared for

Livonia Stevenson High School
 Arnold Muscat
 33500 6 Mile Rd
 Livonia, MI 48152
 United States

T: 2482079874
 E: amuscat@livoniapublicschools.org

Ship to

Livonia Stevenson High School
 Arnold Muscat
 33500 6 Mile Rd
 Livonia 48152
 United States

T: 2482079874
 E: amuscat@livoniapublicschools.org

ACCEPT QUOTE

Classic Mat

Classic Mat

Item	Qty	Price	Total
Classic RSP-625	4000	\$8.85	\$35,400.00

1.25 " Thick / Meets ASTM F355 Shock Absorbency / Includes: Straps, Tubes and 3-year Warranty

Maximum longevity: Resilite Classic Mats are double-sided, giving you two complete wrestling surfaces and doubling the life of the mat. They're coated on all sides with our exclusive #457 poly-vinyl coating leaving no exposed foam, and can be reconditioned for extended use.

Best Impact Protection, Inch for Inch: The Resilite "G-Max Approved" seal indicates that our Classic Mats meet or exceed the ASTM 355 impact test, and our closed-cell rubber nitrile foam core is one of the most shock-absorbing foams for its thickness.

Long-term, high-value investment: The closed-cell rubber nitrile foam core is the longest-lasting foam available. With their higher density and greater thickness, Resilite Classic Mats last up to twice as long as standard lightweight mats.

Resilite (Code: RSP-625)

[Resilite_Classic_RSP625_Specifications.pdf \(348 KB\)](#)

Size: Custom Size (Square Foot)

Top Side Lines (Classic Mats Have a Top and Bottom Wrestling Area)

Item	Qty	Price	Total
Top Side Wrestling Mat Markings	1	\$0.00	\$0.00

Code: MRKG.

Included Markings: Practice Circles with Competition Lines (MRKG005)

Bottom Side Lines

Item	Qty	Price	Total
Bottom Side Wrestling Mat Markings & Options	1	\$0.00	\$0.00

Code: MRKG.

Included Markings : Practice Circles with Competition Lines (MRKG005)

Summary

ACCEPT QUOTE

Cost Breakdown

Type	One-Time Fees
Product	\$35,400.00
Shipping and Handling	\$3,000.00
MI Sales Tax	\$2,304.00
Total	\$40,704.00 USD

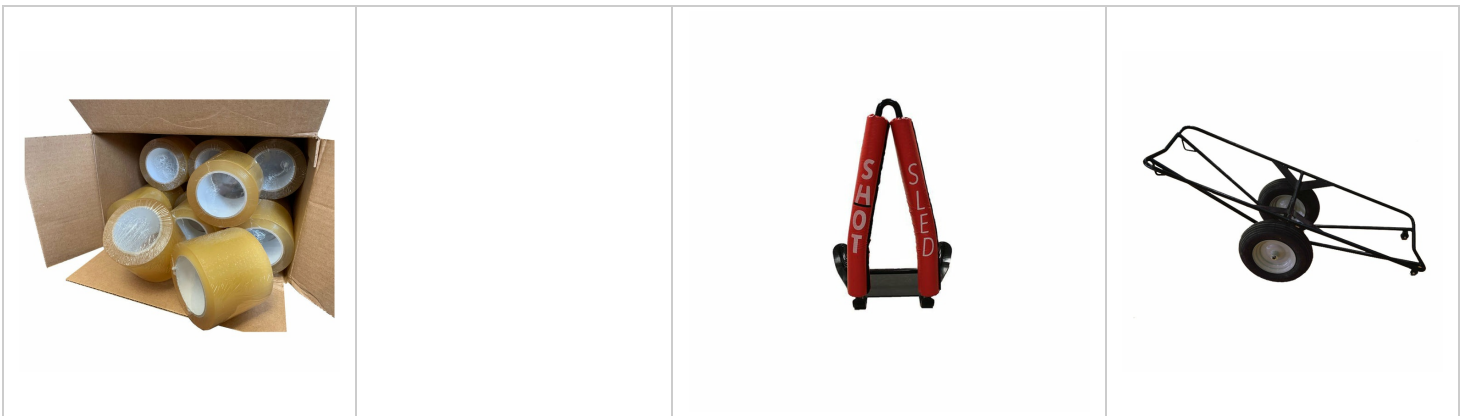
Quote Attachments

[Stevenson_Classic_Opt1.pdf](#) (301 KB)

Layout Information:: classic custom

Shipping Destination:: School

Mat Cleaners and Accessories



Shop Mat Tape	Shop Mat Cleaning Supplies	Shop ShotSled	Shop Resi-Wheelers
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Current Lead Time

With the current global supply chain issues and demand, Resilite is anticipating a 20-26 week lead time on most products.

Resilite Shipping

Resilite does not provide inside delivery. All quotes are curbside delivery unless otherwise noted on the quote.

Resilite Classic Mat Disclaimer

Resilite Classic Mats will be designed and manufactured as close as possible to the specifications and dimensions that were provided to Resilite at the time this layout was produced. Because of the characteristics of Classic Mats, Resilite will manufacture the mat or mat sections with 4% - 5% of oversize. This oversize is based on many factors and is required because of the Classic Mat manufacturing process and shrinkage. Resilite Classic Mats CAN NOT and WILL NOT be manufactured to exact and precise measurements. Classic Mats will continue to shrink and require 8 to 12 months before the full curing process is complete.

Possible Shrinkage - Plan Accordingly

All foam wrestling mats are subject to expansion and contraction due to environmental and physical conditions. Vinyl-coated mats are subject to shrinkage. Therefore, mats are oversized to compensate for this shrinkage. Resilite guarantees the mats to be within a +/- 4% tolerance.

CURING: Resilite Classic Mats WILL NEED TO BE CURED for no less than two (2) weeks.

NOTE: Mats should be unrolled and laid flat for seven (7) days on each side.

DO NOT leave a new mat or newly reconditioned mat rolled for an extended period of time.

Classic Mat Warranty

New Mats:

3-Year Limited Warranty on New Vinyl-Coated Mats

Reconditioned Mats:

1-Year Limited Warranty on Factory-Reconditioned Vinyl-Coated Mats

Contact us or reference the Care and Handling Instructions booklet for more information.

**** PLEASE NOTE: This Quote is a firm estimate based on the information and specifications that were provided at the time of this quote.**

IMPORTANT: All Resilite Mats are custom manufactured for each order. Since these are customized products in size, color, and markings; **Resilite requires that any private entity or organization must submit pre-payment BEFORE the order will be started.** Pre-payment terms may be worked out and agreed upon prior to placing the order. If pre-payment terms are agreed upon, the initial deposit amount will be considered approval to begin production and will be deemed NON-REFUNDABLE, if the order is canceled or not paid in full. However, All pre-payment terms will include payment in full (100% of total order including delivery) BEFORE the mats will be shipped or delivered. Resilite will not produce or fulfill orders that have not been paid in Full.

Once Resilite receives an approved School Purchase Order or Private Entity Pre-payment, an Order Acknowledgement will be emailed to you. Orders will be placed on HOLD and Production will not begin until a signed Order Acknowledgement is received at Resilite. All payments should be made payable to Resilite Sports Products, Inc.

Mail to Resilite Sports Products, Inc. Resilite Sports Products / 200 Point Township Drive / Northumberland PA 17857



1701 Pharr St.
Fort Worth, TX 76102
ezflexmats.com

Toll Free 877-939-3539
Fax 817-623-9652

Quote

Date	Quote #
09/18/23	60220

Bill To:
Livonia Public Schools Attn: Accounts Payable 15125 Farmington Rd. Livonia, MI 48154

Ship To:
Livonia Public Schools Attn: Accounts Payable 15125 Farmington Rd. Livonia, MI 48154

Cust. Ref. #	Salesperson	Department	Ship Method	Terms
	Rockwell, Jeremy	Wrestling	TS3 Logistics	Net 30

Item Code	Description 1	Description 2	Qty	Price	Ext. Price
116RS50 NY	6' x 50' x 1-5/8"	Wres Roll Navy EZ Flex	15	1,698.00	25,470.00
621	Start Marks White 604	Paint Start Marks	2	0.00	0.00
625	10' & 30' White 604	Paint High School Circles	2	0.00	0.00
624	10' White 604	Paint - Circle	21	40.00	840.00
600	Logo - Digitally Printed Spartan Helm Size: 66" Colors: PRINT	Logo - Digitally Printed	2	495.00	990.00
522	Tape 4" x 84'	Clear Tape	3	0.00	0.00

NOTES	-5 year limited warranty
	-Impact Test Approved (ASTM F 1081)
	-Includes storage straps + mat tape
	-Quote expires in 30 days
	-Freight quote expires in 15 days

Subtotal	27,300.00
Tax	0.00
Freight	1,995.95
Total	29,295.95

EZ Flex collects and remits state sales tax in all required jurisdictions. If you are exempt from state sales tax, please submit valid tax exemption certificate. EZ Flex charges a 2.75% processing fee on all credit card transactions. This charge is in addition to the total on your quote. Alternate payment options are available.



Date: October 11, 2023

To: Andrea Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: Financial Update

The external audit of the district's accounting records for the 2022-2023 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 16, 2023, 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.

Included with this memo are materials put together by Plante Moran that they will present and 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 0.3% of what was budgeted, and General Fund expenditures came in favorably by 0.4% of what was budgeted.

In the 2023-2024 adopted budgeted, we planned for a positive budget variance so only a minor adjustment to the beginning fund balance will be needed during our first budget amendment. We budgeted to start the 2023-2024 school year with a \$31.4 million or 18.3% fund balance. During the first budget amendment, I will reflect an actual beginning fund balance of \$31.5 million or 18.4%.

Please include this agenda item for the Monday, October 16, 2023 Board of Education Finance Committee meeting. As always, please contact me if you have any questions.

c: Board of Education

Livonia Public Schools

Draft Audit Meeting
October 16, 2023

Draft

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.

draft

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	\$ 31,542,115	\$ 159,380	\$ 10,894,354	\$ 70,339,195	\$ 15,001,619	\$ 127,936,663

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	\$ 30,578,179	\$ 30,327,179	\$ 31,542,115	\$ 1,214,936

Livonia Public Schools

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>\$ (877,400)</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	<u>85,940,104</u>
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>\$ (217,677,828)</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

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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	-

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 CEER 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

draft



Livonia Public Schools

Finance Office

Date: October 13, 2023

To: Andrea Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: Administrative Procedure DJE - Purchasing

Sections 1267 and 1274 (MCL 380.1267 and 380.1274) of Michigan's Revised School Code establish a base above which competitive bids must be obtained for school construction projects (including renovation, repair, or remodeling) and procurement of supplies, materials, and equipment. The laws also provide for an increase in the base amount corresponding to increases in the Consumer Price Index (CPI). The fiscal year 2022-2023 base of \$28,048 for Section 623a, 1267, and 1274 items has increased by \$1,524 to \$29,572 for fiscal year 2023- 2024 based on the Consumer Price Index.

Administrative Procedure DJE outlines the procedures that must be followed in the procurement of all supplies, materials, equipment, and services paid for by the district. Historically the bid threshold and school board approval threshold outlined in the district's administrative procedures closely align with the amount established by the Revised School Code. Therefore, I am recommending the current references to \$28,000 in the administrative procedures be adjusted to \$29,500. I am also recommending we replace references to the Director of Finance with Chief Financial Officer. And lastly, I am recommending we replace the reference to the Purchasing Department with Chief Financial Officer as the purchasing responsibilities i.e the printing of purchase orders now falls under the purview of the Finance department.

Please include this agenda item for the Monday, October 16, 2023, Board of Education Policy Committee meeting. As always, please contact me if you have any questions.

Attachment

c: Board of Education

ADMINISTRATIVE PROCEDURES

DJE

FISCAL MANAGEMENT PURCHASING

NOVEMBER 7, 2022
OCTOBER 16, 2023

Procurement of all supplies, materials, equipment, and services paid for by the District shall be made in accordance with all applicable Federal, State, and local statutes, Board policies, and administrative procedures. Specifically, purchases made with Federal grant funds will be made in accordance with the USDOE requirements (2 CFR 200.317-.326) for the administration and management of Federal grants and Federally-funded programs. All District employees, officers, and agents who have purchasing authority shall abide by standards of conduct covering conflicts of interest as established in Board Policy GAG as well as the following regulations:

1. All purchases require the approval of the building principal/administrator or the assistant business principal.
2. All purchases over \$2,000 require the approval of the building principal/administrator or the assistant business principal along with approval of the designated central office administrator.
3. All purchases \$10,000 - ~~\$28,000~~ **\$29,500** may be awarded after receipt of written quotations, which will be attached to the purchase order. An attempt will be made to obtain at least three written quotes.
4. All purchases pertaining to procurement of supplies, materials, equipment, or pertaining to construction, renovation, repair, or remodeling over ~~\$28,000~~ **\$29,500** will be awarded after receipt of competitive bids to be solicited by the purchasing supervisor and with the approval of the School Board. An attempt will be made to obtain at least three quotations from competitive bids. Awards will be made to the lowest responsible qualified vendor meeting specifications, taking into consideration the quality of materials or services desired and their contribution to program needs. However, the Board reserves the right to reject any or all bids and to accept that bid which appears to be in the best interest of the district.

The following items are exempt from competitive bidding:

- Professional services
 - Purchases made through governmental entities or purchasing consortiums
 - Magazines, textbooks, books, or periodicals; software licensing and upgrades
5. Emergency purchases may be made with appropriate central office authorization without utilizing the quotation or bidding process. A public emergency may arise as a result of an accident or other unforeseen occurrence which could affect the life, health, or safety of children, and where immediate action cannot await competitive bidding. Fire or damage by the elements to electrical systems, heating, or school plumbing also fall under this heading. All emergency orders will be placed with the vendor by the Purchasing-

~~Department~~ upon approval from the Chief Financial Officer.

6. To ensure proper inventory tagging and prompt payment, all equipment requisitions will be processed for delivery to the central warehouse.

The ~~Director of Finance~~ Chief Financial Officer is authorized, on a limited basis, to purchase products which are regularly purchased by the district and that are being offered at a special limited price that requires action prior to normal Board committee review and approval process. The district will secure other competitive bids to confirm that the special price cannot be duplicated under the regular Board approval process.

On occasion, because of a need to maintain conformity or compatibility, or to satisfy certain technical requirements, it may be appropriate to seek a product or service from a single source. Any deviations from the bidding requirements of this regulation must be authorized by the ~~director of finance~~ Chief Financial Officer.

Purchase requisitions cannot be processed until all of the above criteria have been met. Requisition procedures are designed to meet the needs of the various operating units within the district and must also follow the purchasing policies as approved by the Board of Education.