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Certified Public Accountants and Consultants

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December 20, 2013

To the Board of Directors
Public Lighting Authority of Detroit

In planning and performing our audit of the financial statements of the Public Lighting Authority of Detroit ("the PLAD") as of June 30, 2013, and for the period from April 5, 2013 (date of inception) through June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the PLAD's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures 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 PLAD's internal control. Accordingly, we do not express an opinion on the effectiveness of the PLAD'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 PLAD's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those 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.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the PLAD and is not intended to be, and should not be, used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS
Detroit, Michigan

PUBLIC LIGHTING AUTHORITY OF DETROIT
(A Component Unit of the City of Detroit, Michigan)

FINANCIAL STATEMENTS
(With Required Supplementary Information)

June 30, 2013



**GEORGE JOHNSON
& COMPANY**

Certified Public Accountants and Consultants

PUBLIC LIGHTING AUTHORITY OF DETROIT

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INDEPENDENT AUDITOR'S REPORT

December 20, 2013

To the Board of Directors
Public Lighting Authority of Detroit

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Public Lighting Authority of Detroit ("the PLAD"), a component unit of the City of Detroit, Michigan, ("the City") as of June 30, 2013, and for the period from April 5, 2013 (date of inception) through June 30, 2013, as well as the related notes to the financial statements, which comprise the PLAD's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The PLAD's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibility (continued)

In making those risk assessments, the auditor considers internal control relevant to the PLAD's preparation and fair presentation of the financial statements 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 PLAD's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the PLAD as of June 30, 2013, and the changes in financial position and cash flows thereof for the period from April 5, 2013 (date of inception) through June 30, 2013, in conformity with accounting principles generally accepted in the United States of America.

Uncertainty Regarding City of Detroit, Michigan Bankruptcy Filing

On July 18, 2013, the City filed a petition under Chapter 9 of the United States Bankruptcy Code seeking to adjust the timing and payment of amounts associated with the City's obligations. As discussed in Note A to the financial statements, there is considerable uncertainty associated with this process. Our opinion is not modified with respect to this matter.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 20, 2013, on our consideration of the PLAD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 PLAD's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS
Detroit, Michigan

PUBLIC LIGHTING AUTHORITY OF DETROIT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2013

This section of the annual report of the Public Lighting Authority of Detroit ("the PLAD") presents management's discussion and analysis of the PLAD's financial performance during the fiscal period that began on April 5, 2013, the date of the PLAD's inception, and ended on June 30, 2013. Please read it in conjunction with the PLAD's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The PLAD was authorized by the Michigan Legislature in 2012 via the Michigan Lighting Authority Act (Public Act 392 of 2012, or "Act 392") to support and develop a plan to improve public lighting in the City of Detroit ("the City"). Its creation was approved by the Detroit City Council in early 2013, and the City filed the articles of incorporation on April 5, 2013. The PLAD is overseen by a five-member board that is appointed by the City's mayor and the Detroit City Council.

The PLAD was authorized by Act 392 and created by the City for the purpose of providing an equitable and reasonable method and means of financing, operating, and maintaining a street lighting system in the City. The PLAD anticipates making a multi-year, large scale, city-wide investment in the public lighting infrastructure, including poles, ballasts, circuits, transformers, and distribution connections. The PLAD street lighting system repair activities, in future fiscal years, will be funded through the sale of approximately \$150 to \$160 million in bonds. The bonds will be paid back with \$12.5 million per year the PLAD will receive from the City's utility user tax.

For the period from April 5, 2013 through June 30, 2013, the PLAD was in a start-up phase. The PLAD received a \$1.2 million allocation of utility user tax from the City to fund start-up activities. The PLAD incurred approximately \$162,000 in expenses that primarily went to cover professional fees (e.g., legal and public relations) incurred during this start-up phase. The PLAD hired an Executive Director and other support staff and began to undertake activities to repair the City's street lighting system subsequent to June 30, 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report contains the PLAD's financial statements, which consist of the statement of net position, the statement of revenue, expenses, and changes in fund net position, and the statement of cash flows (presented on pages 8 through 10). These financial statements report information about the PLAD as a whole, using accounting methods similar to those used by private-sector companies and non-profit organizations. The statement of net position includes all of the PLAD's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current period's revenue and expenses are accounted for in the statement of revenue, expenses, and changes in fund net position, regardless of when cash is received or paid.

PUBLIC LIGHTING AUTHORITY OF DETROIT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These financial statements report the PLAD's net position and how they have changed. Net position represents the difference between the PLAD's total of assets and deferred outflows of resources and its total of liabilities and deferred inflows of resources, and it represents one way to measure the PLAD's financial health or position. Over time, increases or decreases in the PLAD's net position are an indicator of whether its financial health is improving or deteriorating.

The notes to the financial statements, which begin on page 11, explain some of the information in the financial statements and provide more detailed data.

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE

Because the PLAD began active operations during the period from April 5, 2013 through June 30, 2013, comparisons of financial results with those of previous periods cannot be provided. Such comparisons will be provided in future years.

Table 1 reflects the condensed statement of net position as of June 30, 2013:

Table 1
Statement of Net Position
June 30, 2013

Assets:	
Cash	\$ 1,100,807
Other assets	<u>600</u>
Total Assets	<u>1,101,407</u>
Liabilities:	
Accounts payable and accrued expenses	<u>62,956</u>
Total Liabilities	<u>62,956</u>
Net Position:	
Unrestricted	<u>1,038,451</u>
Total Net Position	<u>\$ 1,038,451</u>

PUBLIC LIGHTING AUTHORITY OF DETROIT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2013

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE (CONTINUED)

The statement of net position shows an unrestricted net position of \$1,038,451 that reflects the unexpended portion of the \$1.2 million in utility user tax received from the City during the fiscal period ended June 30, 2013.

Table 2 reflects the condensed statement of revenue, expenses, and changes in fund net position for the period from April 5, 2013 through June 30, 2013:

Table 2

Statement of Revenue, Expenses, and Changes in Fund Net Position
For the Period from April 5, 2013 (Date of Inception) through June 30, 2013

Operating Revenue	\$ 1,200,000
Operating Expenses	<u>161,549</u>
Net Operating Income	<u>1,038,451</u>
Net Increase in Net Position	1,038,451
Net Position, Beginning of Period	<u>-0-</u>
Net Position, End of Period	<u><u>\$ 1,038,451</u></u>

The PLAD's sole source of revenue during the period from April 5, 2013 through June 30, 2013 was a \$1.2 million allocation of utility user tax from the City. The PLAD incurred operating expenses of approximately \$162,000 for certain start-up activities that primarily involved legal and professional fees.

ECONOMIC FACTORS

The PLAD is a municipal corporation authorized by the Michigan Legislature via Act 392 and subsequently the City in February 2013. Act 392 was one bill of a tie-barred package that: (1) authorized the establishment of lighting authorities (Act 392), (2) amended the City Utility User Tax Act (Public Act 393 of 2012) to direct \$12.5 million from the utility user tax imposed by the City to the PLAD for operational and financing purposes, and (3) amended the City Income Tax Act (Public Act 394 of 2012) to authorize a city that establishes a lighting authority to assess a higher income tax rate to hold the city harmless for the \$12.5 million revenue loss.

PUBLIC LIGHTING AUTHORITY OF DETROIT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2013

ECONOMIC FACTORS (CONTINUED)

On July 18, 2013, the City filed for Chapter 9 bankruptcy protection, which threatened the PLAD's ability to access the credit markets because the PLAD's revenue originates from a City-imposed tax. This situation notwithstanding, the PLAD finalized the terms of a short-term, variable rate, \$60 million facility with Citibank, N.A. Pursuant to those terms, the City was requested to seek the approval of the United States Bankruptcy Court ("the Bankruptcy Court") for the underlying structure of the financing. On December 6, 2013, the Bankruptcy Court ruled that the \$12.5 million utility user tax revenue dedicated to the PLAD was not a part of City assets subject to inclusion in the City's plan of adjustment, and that the underlying deal between the City and the PLAD was negotiated in good faith, thus extending protection to the purchasers of the PLAD bonds pursuant to 11 U.S.C. 364.

Thus, the economic factors regarding the funding source for the PLAD is solidified and/or secured by the Bankruptcy Court ruling despite any future rulings of the Bankruptcy Court regarding matters of the City pursuant to section 364(e) of the United States Bankruptcy Code.

Furthermore, it is anticipated that the said \$12.5 million revenue source will be utilized to secure approximately \$150 to \$160 million of bond proceeds that will pay for the capital improvements required to restore the street lighting system of the City.

FINANCIAL CONTACT

This financial report is designed to present its users with a general overview of the PLAD's finances and to demonstrate the PLAD's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Public Lighting Authority of Detroit, 65 Cadillac Square, Suite 2900, Detroit, Michigan 48226.

PUBLIC LIGHTING AUTHORITY OF DETROIT

STATEMENT OF NET POSITION

June 30, 2013

	<u>Enterprise Funds</u>
Assets:	
Current assets:	
Cash (Note B)	\$ 1,100,807
Prepaid expenses	<u>600</u>
Total Assets	<u>1,101,407</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	<u>62,956</u>
Total Liabilities	<u>62,956</u>
Net Position:	
Unrestricted	<u>1,038,451</u>
Total Net Position	<u>\$ 1,038,451</u>

See notes to financial statements.

PUBLIC LIGHTING AUTHORITY OF DETROIT

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION

For the Period from April 5, 2013 (Date of Inception) through June 30, 2013

	<u>Enterprise Funds</u>
Operating Revenue:	
Utility user tax allocation from City of Detroit (Note A)	<u>\$ 1,200,000</u>
Total Operating Revenue	<u>1,200,000</u>
Operating Expenses:	
Professional fees	151,364
Other expenses	<u>10,185</u>
Total Operating Expenses	<u>161,549</u>
Net Operating Income	<u>1,038,451</u>
Net Increase in Net Position	1,038,451
Net Position, Beginning of Period	<u>-0-</u>
Net Position, End of Period	<u>\$ 1,038,451</u>

See notes to financial statements.

PUBLIC LIGHTING AUTHORITY OF DETROIT

STATEMENT OF CASH FLOWS

For the Period from April 5, 2013 (Date of Inception) through June 30, 2013

	<u>Enterprise, Funds</u>
Cash Flows from Operating Activities:	
Cash received from City of Detroit	\$ 1,200,000
Cash paid to suppliers and vendors	<u>(99,193)</u>
Net Cash Provided by Operating Activities	<u>1,100,807</u>
Net Increase in Cash	1,100,807
Cash Balance, Beginning of Period	<u>-0-</u>
Cash Balance, End of Period	<u>\$ 1,100,807</u>
Reconciliation of Net Operating Income to Cash Flows from Operating Activities:	
Net operating income	\$ 1,038,451
Adjustments to reconcile net operating income to net cash provided by operating activities:	
(Increase) decrease in prepaid expenses	(600)
Increase in accounts payable and accrued expenses	<u>62,956</u>
Net Cash Provided by Operating Activities	<u>\$ 1,100,807</u>

See notes to financial statements.

PUBLIC LIGHTING AUTHORITY OF DETROIT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Purpose

The Public Lighting Authority of Detroit (“the PLAD”) was authorized by the Michigan Legislature in 2012 via the Michigan Lighting Authority Act (Public Act 392 of 2012) to support and develop a plan to improve public lighting in the City of Detroit, Michigan (“the City”). Its creation was approved by the Detroit City Council in early 2013, and the City filed the articles of incorporation on April 5, 2013. The PLAD is overseen by a five-member board that is appointed by the City’s mayor and the Detroit City Council.

The PLAD was established for the purpose of providing an equitable and reasonable method and means of financing, operating, and maintaining a street lighting system in the City. The PLAD anticipates making a multi-year, large scale, city-wide investment in the public lighting infrastructure, including poles, ballasts, circuits, transformers, and distribution connections. The PLAD street lighting system repair activities will be funded in the future through the sale of approximately \$150 to \$160 million in bonds. The bonds will be repaid with \$12.5 million per year the PLAD will receive from the City’s utility user tax. For the period from April 5, 2013 through June 30, 2013, the PLAD received a \$1.2 million allocation of utility user tax from the City to fund start-up activities.

For financial reporting purposes, the PLAD is a component unit of the City because the members of the PLAD’s Board of Directors are appointed by the City’s mayor and the Detroit City Council; the Detroit City Council also approves the PLAD’s budget. There are no fiduciary funds or component units included in the accompanying financial statements.

Subsequent Events

On July 18, 2013, the City filed a petition under Chapter 9 of the United States Bankruptcy Code seeking to adjust the timing and payment of amounts associated with the City’s obligations. A trial in the United States Bankruptcy Court (“the Bankruptcy Court”) to consider the City’s eligibility for bankruptcy commenced on October 23, 2013. There is considerable uncertainty associated with this process, and the effects of this process on the City are not currently known. Although the PLAD is a component unit of the City, the PLAD is a separate legal entity, and the funds held by separate legal entities are not expected to be subject to the bankruptcy process.

PUBLIC LIGHTING AUTHORITY OF DETROIT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events (continued)

In addition, the PLAD finalized the terms of a short-term, variable rate, \$60 million facility with Citibank, N.A. Pursuant to those terms, the City was requested to seek the approval of the Bankruptcy Court for the underlying structure of the financing. On December 6, 2013, the Bankruptcy Court ruled that the \$12.5 million utility user tax revenue dedicated to the PLAD was not a part of City assets subject to inclusion in the City's plan of adjustment, and that the underlying deal between the City and the PLAD was negotiated in good faith, thus extending protection to the purchasers of the PLAD bonds.

For these reasons, the PLAD's management anticipates that the PLAD will be able to continue operations.

Basis of Presentation

The financial statements of the PLAD are prepared in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprises.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Accordingly, revenue is recorded when earned, and expenses are recorded when incurred. The PLAD has elected to apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989, except for those that conflict with or contradict Governmental Accounting Standards Board pronouncements.

Operating Revenue and Expenses

The PLAD's operating revenue and expenses consist of revenue earned and expenses incurred relating to improving and operating public lighting in the City. All other revenue and expenses are reported as nonoperating revenue and expenses.

Cash Equivalents

For purposes of the statement of cash flows, the PLAD considers all short-term securities with original maturities of three months or less to be cash equivalents.

PUBLIC LIGHTING AUTHORITY OF DETROIT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

During the period from April 5, 2013 through June 30, 2013, the PLAD utilized two vendors for total purchases of \$149,594, or 93 percent of total purchases. The total due to these vendors was \$61,768 as of June 30, 2013.

NOTE B - CASH DEPOSITS

State of Michigan statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts be made with banks doing business, and having a place of business in the State of Michigan that are also members of a federal or national insurance corporation.

Custodial credit risk is the risk that in the event of a bank failure, the PLAD's deposits may not be returned to the PLAD. The PLAD does not have a deposit policy for custodial credit risk.

As of June 30, 2013, the PLAD's carrying amount of deposits and bank balances, and the bank balances that are not covered by federal depository insurance or another type of insurance, are as follows:

Carrying amount of deposits	\$ 1,100,807
Total bank balances	<u>\$ 1,100,807</u>
Uninsured and uncollateralized bank balances	<u>\$ 850,807</u>

NOTE C - LEASES

Effective August 1, 2013, the PLAD entered into an agreement to lease office space. The lease expires on July 31, 2016.

Future minimum payments due under this lease are as follows:

For the Years Ending June 30:	
2014	\$ 22,082
2015	24,938
2016	25,865
2017	<u>2,162</u>
	<u>\$ 75,047</u>

PUBLIC LIGHTING AUTHORITY OF DETROIT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2013

NOTE D - RISK MANAGEMENT

The PLAD has insurance policies covering its directors and officers. It also has general liability insurance and property insurance covering its various assets. Due to the extent of insurance that the PLAD maintains, the risk of loss to the PLAD, in management's opinion, is minimal.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

December 20, 2013

To the Board of Directors
Public Lighting Authority of Detroit

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 business-type activities of the Public Lighting Authority of Detroit ("the PLAD"), as of June 30, 2013, and for the period from April 5, 2013 (date of inception) through June 30, 2013, and the related notes to the financial statements, which comprise the PLAD's basic financial statements, and have issued our report thereon dated December 20, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the PLAD's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PLAD's internal control. Accordingly, we do not express an opinion on the effectiveness of the PLAD'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 PLAD'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.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
(CONTINUED)**

Internal Control over Financial Reporting (continued)

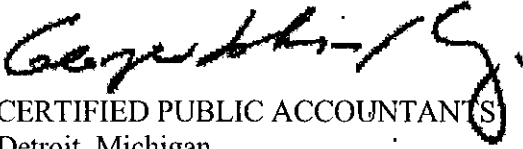
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PLAD's 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 PLAD'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 PLAD's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS
Detroit, Michigan