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To the Honorary Mayor and  
Members of the City Council  
City of Lathrup Village, Michigan

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Lathrup Village as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered City of Lathrup Village's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Lathrup Village's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Lathrup Village'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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness:

#### MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS

Material journal entries for the proper recognition of pension and OPEB related accounts, lease receivables and related deferred inflows of resources, long-term obligations, and unearned revenues. These misstatements were not detected by the City's internal control over financial reporting. These entries were brought to the attention of management and were subsequently recorded in the City's general ledger.

Management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position and results of operations, including proper recording of journal entries to assure the trial balance from which the financial statements are prepared is in conformity with U.S. generally accepted accounting principles.

We recommend that the City take steps to ensure that material journal entries are not necessary at the time future audit analysis is performed.

During our audit, we noted an area where we believe there is an opportunity for the City to further strengthen internal control or to increase operating efficiencies. Our observation on this area is presented for your consideration below:

DISASTER RECOVERY PLAN

It was noted that the City does not have a formalized and documented disaster recovery plan in place. In the event of an unforeseen disaster (such as a natural disaster, cyber-attack, or system failure), the City lacks a clear, structured approach to ensure the continuity of critical business operations, protect sensitive data, and resume normal operations in a timely manner.

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

*Maney Costeiran PC*

November 17, 2025