
School District of the City of Dearborn, Michigan

Federal Awards Supplemental Information
June 30, 2023

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
School District of the City of Dearborn, Michigan

We have audited 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 School District of the City of Dearborn, Michigan (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. We issued our report thereon dated October 19, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 19, 2023.

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are 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 schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

October 19, 2023

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Education
School District of the City of Dearborn, Michigan

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 basic 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 School District of the City of Dearborn, Michigan (the "School District") as of and for the year ended June 30, 2023 and the related notes to the basic financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 19, 2023. The financial statements of Henry Ford College Foundation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District'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 financial statements. 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*.

To Management and the Board of Education
School District of the City of Dearborn, Michigan

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 19, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
School District of the City of Dearborn, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited School District of the City of Dearborn, Michigan's (the "School District") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal programs.

To the Board of Education
School District of the City of Dearborn, Michigan

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance and is described in the accompanying schedule of findings and questioned costs as Finding 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards require the auditor to perform limited procedures on the School District's response to the noncompliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

To the Board of Education
School District of the City of Dearborn, Michigan

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the School District's response to the internal control over compliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

October 19, 2023

School District of the City of Dearborn, Michigan

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Program Title/Project Number/Subrecipient Name	Pass-through Entity Identifying Number	Assistance Listing Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipient
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture -										
Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities):										
National Lunch Program Entitlement Commodities 2022-23	N/A	10.555	\$ 723,381	\$ -	\$ -	\$ -	\$ 723,381	\$ 723,381	\$ -	\$ -
National Lunch Program Bonus Commodities 2022-23	N/A	10.555	115,818	-	-	-	115,818	115,818	-	-
Noncash Assistance (Commodities) subtotal		10.555	839,199	-	-	-	839,199	839,199	-	-
Cash Assistance:										
School Breakfast Program 21-22	221970	10.553	1,376,439	1,376,439	95,981	-	95,981	-	-	-
School Breakfast Program 22-23	231970	10.553	1,894,082	-	-	-	1,770,680	1,894,082	123,402	-
School Breakfast Program subtotal			3,270,521	1,376,439	95,981	-	1,866,661	1,894,082	123,402	-
NSLP-After School Snack Program 21-22	221980	10.555	73,884	73,884	4,262	-	8,570	4,308	-	-
NSLP-After School Snack Program 22-23	231980	10.555	111,484	-	-	-	100,024	107,176	7,152	-
National School Lunch Program	231960	10.555	9,700,163	-	-	-	9,155,920	9,700,163	544,243	-
Seamless Summer Option (SSO) - Lunch	221961	10.555	7,965,165	7,965,165	493,466	-	493,466	-	-	-
Supply Chain Assistance	220910/230910	10.555	937,139	121,350	(254,034)	-	561,755	815,789	-	-
National School Lunch program (incl. commodities)		10.555	19,627,034	8,160,399	243,694	-	11,158,934	11,466,635	551,395	-
Summer Food Service Program for Children (SFSPC) - 22-23 Operating and 2022-23 Extended	220900/220904	10.559	389,803	-	-	-	389,803	389,803	-	-
Fresh Fruit and Vegetable Program - Fresh Fruit and Vegetable Program 2022-23	230950	10.582	316,290	-	-	-	105,962	296,650	190,688	-
Total Child Nutrition Cluster			23,603,648	9,536,838	339,675	-	13,521,360	14,047,170	865,485	-
Student Financial Aid Cluster - U.S. Department of Education -										
Henry Ford College:										
Federal Supplemental Educational Opportunity Grant	N/A	84.007	1,074,591	1,053,809	(468)	-	1,075,485	1,074,591	(1,362)	-
Federal Work-Study Program	N/A	84.033	110,733	61,162	1,362	-	(1,042)	110,733	113,137	-
Federal Pell Grant Program	N/A	84.063	25,840,305	24,580,778	51,365	-	25,821,448	25,840,305	70,222	-
Federal Direct Loan Program	N/A	84.268	13,718,301	14,100,738	38,051	-	13,298,137	13,718,301	458,215	-
Total Student Financial Aid Cluster			40,743,930	39,796,487	90,310	-	40,194,028	40,743,930	640,212	-
Special Education Cluster - U.S. Department of Education -										
Passed through the Wayne County RESA ISD:										
IDEA Flowthrough:										
IDEA Flowthrough 2022	220450	84.027	4,167,650	4,167,650	2,221,759	-	2,221,759	-	-	-
IDEA Flowthrough 2023	230450	84.027	3,503,696	-	-	-	-	3,503,696	3,503,696	-
IDEA Flowthrough CPO	220450	84.027	829,250	829,250	505,735	-	505,735	-	-	-
IDEA Flowthrough CPO	230450	84.027	730,128	-	-	-	509,556	730,128	220,572	-
Total IDEA Flowthrough		84.027	9,230,724	4,996,900	2,727,494	-	3,237,050	4,233,824	3,724,268	-

School District of the City of Dearborn, Michigan

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Program Title/Project Number/Subrecipient Name	Pass-through Entity Identifying Number	Assistance Listing Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipient
Clusters (Continued):										
Special Education Cluster - U.S. Department of Education - Passed through the Wayne County RESA ISD (continued):										
IDEA Preschool Incentive:										
IDEA Preschool 2122	220460	84.173	\$ 209,723	\$ 209,723	\$ 47,683	\$ -	\$ 47,683	\$ -	\$ -	\$ -
IDEA Preschool 2223	230460	84.173	189,249	-	-	-	152,488	189,249	36,761	-
COVID-19 American Rescue Plan - IDEA Preschool	221285	84.173X	125,833	125,833	125,833	-	125,833	-	-	-
Total IDEA Preschool Incentive		84.173	524,805	335,556	173,516	-	326,004	189,249	36,761	-
Total Special Education Cluster			9,755,529	5,332,456	2,901,010	-	3,563,054	4,423,073	3,761,029	-
Research and Development Cluster:										
National Institutes of Health - Henry Ford College:										
Passed through from University of Detroit Mercy - reBUILDetroit - Trans-NIH Research Support										
	N/A	93.310	103,368	56,751	45,470	-	64,550	45,057	25,977	-
Passed through from University of Michigan - Michigan IRACDA - Biomedical Research and Research Training										
	N/A	93.859	84,224	39,238	34,216	-	62,647	43,988	15,557	-
Total National Institutes of Health			187,592	95,989	79,686	-	127,197	89,045	41,534	-
National Science Foundation - Passed through NWCC										
NSF - Scaling the Elements - Education and Human Resources										
	N/A	47.076	45,000	15,000	-	-	-	-	-	-
National Science Foundation - Passed through MSU										
Mass Timber - Education and Human Resources										
	N/A	47.076	18,016	-	-	-	-	18,016	18,016	-
Total Research and Development Cluster			250,608	110,989	79,686	-	127,197	107,061	59,550	-
WIOA Cluster - U.S. Department of Labor - Henry Ford College - Passed through SEMCA - WIA Adult Program										
	N/A	17.258	30,278	-	-	-	25,886	30,728	4,842	-
Medicaid Outreach Cluster - U.S. Department of Health and Human Services - Passed through the Wayne County RESA										
		93.778	46,066	-	-	-	46,066	46,066	-	-
Total clusters			74,430,059	54,776,770	3,410,681	-	57,477,591	59,398,028	5,331,118	-
Other federal awards:										
U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
COVID-19 Pandemic EBT Local Level Costs										
	220980	10.649	5,950	-	-	-	5,950	5,950	-	-
School Breakfast Expansion - 2023										
	221995	10.579	10,000	-	-	-	-	10,000	10,000	-
Local Food for Schools										
	230985	10.185	84,210	-	-	-	-	84,210	84,210	-
U.S. Department of Education - Passed through the Michigan Department of Education:										
Adult Education:										
Adult Education 221130-221319										
	221310	84.002	374,976	323,517	68,195	-	68,195	-	-	-
Adult Education 231130-231319										
	231310	84.002	381,009	-	-	-	228,731	334,110	105,379	-
Adult Education subtotal		84.002	755,985	323,517	68,195	-	296,926	334,110	105,379	-

School District of the City of Dearborn, Michigan

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Program Title/Project Number/Subrecipient Name	Pass-through Entity Identifying Number	Assistance Listing Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipient
Other federal awards (continued):										
U.S. Department of Education -										
Passed through the Michigan Department of Education (continued):										
Title I, Part A:										
Title I, Part A 2122	221530	84.010	\$ 13,630,525	\$ 10,558,012	\$ 2,417,690	\$ -	\$ 3,066,550	\$ 648,860	\$ -	\$ -
Title I, Part A 2223	231530	84.010	13,846,661	-	-	-	6,634,898	11,110,893	4,475,995	-
Passed through Calhoun County ISD - Title I Technical Assistance Grant	231580-2223	84.010	20,000	-	-	-	-	14,352	14,352	-
Total Title I, Part A		84.010	27,497,186	10,558,012	2,417,690	-	9,701,448	11,774,105	4,490,347	-
Title II, Part A - Improving Teacher Quality:										
Title II, Part A 2122	220520	84.367	2,013,342	1,390,251	471,495	-	593,596	122,101	-	-
Title II, Part A 2223	230520	84.367	1,765,192	-	-	-	773,133	1,341,782	568,649	-
Total Title II, Part A		84.367	3,778,534	1,390,251	471,495	-	1,366,729	1,463,883	568,649	-
Title III English Language Acquisition:										
Title III Immigrant Students 2122	220570	84.365	389,635	17,273	3,685	-	3,685	-	-	-
Title III Immigrant Students 2223	230570	84.365	463,294	-	-	-	63,717	150,666	86,949	-
Total Title III Immigrant Students			852,929	17,273	3,685	-	67,402	150,666	86,949	-
Title III Limited English Proficient Students 2122	220580	84.365	1,456,528	945,933	230,869	-	280,022	49,153	-	-
Title III Limited English Proficient Students 2223	230580	84.365	1,515,423	-	-	-	560,055	1,031,622	471,567	-
Title III Limited English Proficient Students Subtotal		84.365	2,971,951	945,933	230,869	-	840,077	1,080,775	471,567	-
Total Title III English Language Acquisition		84.365	3,824,880	963,206	234,554	-	907,479	1,231,441	558,516	-
Title IV, Part A - Improving Teacher Quality:										
Title IV, Part A SSAE 2122	220750	84.424	1,264,126	627,391	76,776	-	76,776	-	-	-
Title IV, Part A SSAE 2223	230750	84.424	1,448,750	-	-	-	644,493	1,415,959	771,466	-
Total Title IV Part A SSAE		84.424	2,712,876	627,391	76,776	-	721,269	1,415,959	771,466	-
Education Stabilization Fund Program - U.S. Department of Education -										
Passed through the U.S. Department of Education - Direct Program:										
COVID-19 - Higher Education Emergency Relief Fund - Institutional	N/A	84.425F	36,217,495	16,145,634	6,022,518	39,276	8,079,319	2,017,525	-	-
COVID-19 - Higher Education Emergency Relief Fund - Supplemental	N/A	84.425M	2,728,831	3,600	-	-	2,257,058	2,257,058	-	-

School District of the City of Dearborn, Michigan

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Program Title/Project Number/Subrecipient Name	Pass-through Entity Identifying Number	Assistance Listing Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipient
Other federal awards (continued):										
U.S. Department of Education - Passed through the Michigan Department of Education (continued):										
Education Stabilization Fund (ESF):										
COVID-19 GEER II - Benchmark Assessments	211222	84.425C	\$ 164,075	\$ 159,010	\$ -	\$ -	\$ 5,065	\$ -	\$ (5,065)	\$ -
COVID-19 ESSER I Funds - Formula	203711-1920	84.425D	76,473	76,473	76,473	-	76,473	-	-	-
COVID-19 ESSER II Funds - Formula	213712-2021	84.425D	38,298,690	38,298,690	5,998,690	-	5,998,690	-	-	-
COVID-19 American Rescue Plan/ESSER III	213713-2122	84.425U	86,074,581	5,969,146	5,469,146	-	31,855,829	39,208,770	12,822,087	-
Total Education Stabilization Fund		84.425	163,560,145	60,652,553	17,566,827	39,276	48,272,434	43,483,353	12,817,022	-
U.S. Department of Education - Passed through Wayne County RESA - Education Act - Vocational Education - Basic Grants to States - Carl D. Perkins Vocational Education Act:										
Vocational Education - Basic Grants to States (Perkins):										
Vocational Education 2122	223520	84.048	345,430	345,430	55,094	-	55,094	-	-	-
Vocational Education 2223	233520	84.048	309,024	-	-	-	250,883	295,073	44,190	-
Henry Ford College - Vocational Education - Regional Allocation - Career and Technical Education - Basic Grants to States										
	1321-8	84.048	1,896,650	1,479,960	906,691	-	1,907,815	1,896,650	895,526	-
Total Vocational Education		84.048	2,551,104	1,825,390	961,785	-	2,213,792	2,191,723	939,716	-
U.S. Department of Health and Human Services - Passed through Wayne County RESA - Healthcare Resource Advocates - 2022-2023										
	N/A	93.323	560,000	-	-	-	-	560,000	560,000	-
U.S. Department of Education - Henry Ford College - Technology Skills Development & Career Promise Program - Fund for the Improvement of Education										
	N/A	84.215K	19,137	-	-	-	-	19,137	19,137	-
U.S. Department of Energy - Industrial Building Assessment Industrial Building Assessment - Passed through MSU - Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysis/Assistance										
	N/A	81.117	55,224	159	159	-	3,965	30,092	26,286	-
U.S. Department of Labor Employment and Training Administration - Passed through Oakland CC and SEMCA:										
Closing the Skills Gap - H-1B Job Training Costs	N/A	17.268	279,885	23,864	6,414	-	52,730	212,731	166,415	-
Apprenticeship USA Grants	N/A	17.285	226	-	-	-	-	226	226	-
NASA Educational Research - S.T.E.M.	N/A	43.008	1,060	1,060	265	-	265	-	-	-
Total noncluster programs			205,696,402	76,365,403	21,804,160	39,276	63,542,987	62,816,920	21,117,369	-
Total federal awards			\$ 280,126,461	\$ 131,142,173	\$ 25,214,841	\$ 39,276	\$ 121,020,578	\$ 122,214,948	\$ 26,448,487	\$ -

School District of the City of Dearborn, Michigan

**Reconciliation of Basic Financial Statements Federal Revenue
with Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2023

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 111,200,349
Student loan programs, which are excluded from federal revenue	13,718,301
Federal funds not subject to single audit - Qualified School Construction Bond subsidy	(993,750)
Great Start Readiness Program	(168,318)
Unavailable revenue not reported for year ended June 30, 2022	(68,195)
Unavailable revenue not reported for year ended June 30, 2023	101,821
Federal revenue for which HFC is considered a vendor rather than a subrecipient	(532,373)
Federal revenue for which the School District is considered a vendor rather than a subrecipient	(1,048,128)
Other adjustments	5,241
	<hr/>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 122,214,948</u></u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of School District of the City of Dearborn, Michigan (the "School District") under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 - Adjustments and Transfers

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, the School District carried forward \$51,112 of the 2021-2022 Federal Supplemental Educational Opportunity Grants (SEOG) (84.007) award, which it spent in the 2022-2023 award year. The School District also carried forward \$68,738 of the 2022-2023 SEOG award, which will be spent in the 2023-2024 award year. In addition, the School District transferred \$404,824 of the 2022-2023 Federal Work-Study Program (84.033) award to the SEOG award, which it expended in the 2022-2023 award year.

Note 4 - Grant Auditor Report

Management has utilized the Michigan Department of Education NexSys Grant Auditor Report (GAR) in preparing the schedule of expenditures of federal awards. Differences, if any, between the GAR and the schedule of expenditures of federal awards relate to the timing of payments and the fiscal year to which the payments relate.

Note 5 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance and is reported on the schedule of federal expenditures.

Schedule of Findings and Questioned Costs

School District of the City of Dearborn, Michigan

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? X Yes _____ None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? X Yes _____ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
84.425C, 84.425D, 84.425F, 84.425M, 84.425U	COVID-19 Education Stabilization Fund Program	Unmodified
10.553, 10.555, 10.559, 10.582	Child Nutrition Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year None	

School District of the City of Dearborn, Michigan

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2023-001	<p>Assistance Listing Number, Federal Agency, and Program Name - 84.425U, U.S. Department of Education, COVID-19 ARP ESSER III Funds - Formula</p> <p>Federal Award Identification Number and Year - 213713</p> <p>Pass-through Entity - Michigan Department of Education</p> <p>Finding Type - Significant deficiency and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - Approved construction projects must comply with applicable Uniform Guidance requirements, as well as the department’s regulations regarding construction at 34 CFR § 76.600. As is the case with all remodeling or construction contracts using laborers and mechanics financed by federal education funds, an LEA that uses ESSER or GEER funds for minor remodeling, renovation, repair, or construction contracts over \$2,000 must meet all Davis-Bacon prevailing wage requirements and include language in the contracts that all contractors or subcontractors must pay wages that are no less than those established for the locality of the project (prevailing wage rates). (See 20 U.S.C. 1232b Labor Standards.) (See also FAQ B 6.)</p> <p>Condition - During testing of the grant, we noted the School District utilized funds from the Education Stabilization Funds (ESF) for minor remodeling and renovations of the school buildings. Per the 2023 Compliance Supplement, recipients and subrecipients that use ESF for minor remodeling, renovation, or construction contracts that are over \$2,000 and use laborers and mechanics must meet Davis-Bacon prevailing wage requirements. We noted the School District expended approximately \$168,000 in ESSER funds that related to repairs and renovations out of a total of approximately \$11,800,000 in ESSER construction funds that did not include the prevailing wage requirement within the contract’s language. This was one contract during changeover of construction administration that missed the bid language, however, was paid at prevailing wages.</p> <p>Questioned Costs - None</p> <p>Identification of How Questioned Costs Were Computed - N/A - No questioned costs</p> <p>Context - We noted one of three samples tested for repairs and renovation contracts charged to the ESSER III grant did not include prevailing wage language. The omission occurred during a transition period in the procurement process. The School District verified that the referenced contract prevailing wages were actually paid.</p>	None

School District of the City of Dearborn, Michigan

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding	Questioned Costs
2023-001 (cont.)	<p>Cause and Effect - Excluding the prevailing wage rate language in contracts could cause contractors using federal dollars to not pay appropriate wages to their employees. The School District not receiving or reviewing the certified payroll reports from contractors could lead to nondetection of contractors not paying their employees at prevailing wage rates or in accordance with contract provisions.</p> <p>Recommendation - We recommend the School District ensure contracts with vendors that are performing repairs, construction, renovations, etc. include the prevailing wage rate language in the contract and that the School District have a process and control in place to ensure that certified payroll reports from the contractors are being received and reviewed by the School District timely.</p> <p>Views of Responsible Officials and Corrective Action Plan - As it pertains to the use of any federal funds for construction projects in the School District, when said funds will be used to compensate for labor for any construction project, the School District will stipulate Davis-Bacon requirements for prevailing wages as it relates to the use of laborers and mechanics for all projects over \$2,000.</p>	