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# School District of the City of Dearborn, Michigan

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**Federal Awards Supplemental Information**

**June 30, 2025**

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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, the major funds, and the aggregate remaining fund information of the School District of the City of Dearborn, Michigan (the "School District") as of and for the year ended June 30, 2025 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 29, 2025, which contained an unmodified opinion on the 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 29, 2025.

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*

December 17, 2025

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, the major funds, and the aggregate remaining fund information of the School District of the City of Dearborn, Michigan (the "School District") as of and for the year ended June 30, 2025 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 29, 2025. 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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2025-001, that we consider to be a material weakness.

**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

**The School District's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the 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 the financial statements, and, accordingly, we express no opinion on it.

**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 29, 2025

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 the 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 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, 2025. 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, 2025.

***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 (*Government Auditing Standards*); 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.

### **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.

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 2025-002 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.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the internal control over compliance finding identified in our audit 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*

December 17, 2025

# Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Program Title/Project Number/Subrecipient Name	Pass-through Entity Identifying Number	Assistance Listing Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipient
<b>Clusters:</b>										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education: Noncash Assistance (Commodities):										
National Lunch Program Entitlement Commodities 2024-25	N/A	10.555	\$ 826,790	\$ -	\$ -	\$ -	\$ 826,790	\$ 826,790	\$ -	\$ -
National Lunch Program Bonus Commodities 2024-25	N/A	10.555	1,243	-	-	-	1,243	1,243	-	-
Noncash Assistance (Commodities) subtotal		10.555	828,033	-	-	-	828,033	828,033	-	-
<b>Cash Assistance:</b>										
School Breakfast Program 23-24	241970	10.563	2,159,245	1,878,712	49,077	-	329,610	280,533	-	-
School Breakfast Program 24-25	251970	10.563	1,809,059	-	-	-	1,809,059	1,809,059	-	-
School Breakfast Program subtotal			3,968,304	1,878,712	49,077	-	2,138,669	2,089,592	-	-
NSLP-After School Snack Program 23-24	241980	10.555	156,790	148,988	2,134	-	9,936	7,802	-	-
NSLP-After School Snack Program 24-25	251980	10.555	110,213	-	-	-	110,213	110,213	-	-
National School Lunch Program 23-24	241960	10.555	9,793,138	8,419,329	185,388	-	1,559,197	1,373,809	-	-
National School Lunch Program 24-25	251960	10.555	8,187,981	-	-	-	8,187,981	8,187,981	-	-
National School Lunch program (incl. commodities)		10.555	19,076,155	8,568,317	187,522	-	10,695,360	10,507,838	-	-
Summer Food Service Program for Children (SFSPC):										
23-24 Operating and 2023-24 Extended	240900	10.569	451,438	199,371	199,371	-	451,438	252,067	-	-
24-25 Operating and 2024-25 Extended	250900	10.569	441,844	-	-	-	-	117,358	117,358	-
Summer Food Service Program for Children subtotal			893,282	199,371	199,371	-	451,438	369,425	117,358	-
Fresh Fruit and Vegetable Program:										
Fresh Fruit and Vegetable Program 2023-24	240950	10.582	285,628	272,404	44,682	-	57,906	13,224	-	-
Fresh Fruit and Vegetable Program 2024-25	250950	10.582	252,438	-	-	-	251,897	252,438	541	-
Fresh Fruit and Vegetable Program subtotal			538,066	272,404	44,682	-	309,803	265,662	541	-
Total Child Nutrition Cluster			24,475,807	10,918,804	480,652	-	13,595,270	13,232,517	117,899	-
Student Financial Assistance Cluster - U.S. Department of Education - Henry Ford College:										
Federal Supplemental Educational Opportunity Grant	N/A	84.007	915,019	950,160	-	-	914,425	915,019	594	-
Federal Work-Study Program	N/A	84.033	409,243	191,192	7,672	-	32,986	409,243	383,929	-
Federal Pell Grant Program	N/A	84.063	37,561,113	30,211,557	60,744	-	37,575,061	37,561,113	46,796	-
Federal Direct Loan Program	N/A	84.268	13,923,830	14,218,711	91,130	-	13,408,364	13,923,830	606,596	-
Total Student Financial Assistance Cluster			52,809,205	45,571,620	159,546	-	51,930,836	52,809,205	1,037,915	-
Special Education Cluster - U.S. Department of Education - Special Education Grants to States - Passed through the Wayne County RESA ISD: IDEA Flowthrough:										
IDEA Flowthrough 2024	240450	84.027	3,830,096	3,830,096	3,830,096	-	3,830,096	-	-	-
IDEA Flowthrough 2025	250450	84.027	3,875,466	-	-	-	-	3,875,466	3,875,466	-
IDEA Flowthrough CPO 2024	240450	84.027	867,280	867,280	10,205	-	10,205	-	-	-
IDEA Flowthrough CPO 2025	250450	84.027	879,270	-	-	-	-	879,270	879,270	-
Special Education Teacher Tuition Reimbursement Grant - Passed through Marquette Alger	230470	84.027A	13,681	13,681	4,575	-	4,575	-	-	-
Special Education Teacher Tuition Reimbursement Grant - Passed through Marquette Alger	240470	84.027A	6,203	-	-	-	6,203	4,678	(1,525)	-
Total IDEA Flowthrough			9,471,986	4,711,057	3,844,876	-	3,851,079	4,759,414	4,753,211	-

# School District of the City of Dearborn, Michigan

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2025

Program Title/Project Number/Subrecipient Name	Pass-through Entity Listing Number	Assistance Listing Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipient
<b>Clusters (continued):</b>										
Special Education Cluster - U.S. Department of Education - Special Education Grants to States - Passed through the Wayne County RESA ISD (continued):										
Special Education Preschool Grants:										
IDEA Preschool 2324	230460	84.173	\$ 203,595	\$ 203,595	\$ 203,595	\$ -	\$ 203,595	\$ -	\$ -	\$ -
IDEA Preschool 2425	230460	84.173	187,136	-	-	-	-	187,136	187,136	-
Total IDEA Preschool Incentive			390,731	203,595	203,595	-	203,595	187,136	187,136	-
Total Special Education Cluster			9,862,727	4,914,652	4,048,471	-	4,054,674	4,946,550	4,940,347	-
<b>Research and Development Cluster:</b>										
National Institutes of Health - Henry Ford College:										
Passed through from University of Detroit Mercy - reBUILDetroit - Trans-NIH Research Support	N/A	93.310	27,500	25,850	25,850	-	25,850	-	-	-
Passed through from University of Michigan - Michigan IRACDA: Biomedical Research and Research Training	N/A	93.859	43,306	1,024	-	-	-	-	-	-
Emerging Infections Sentinel Networks	N/A	93.860	87,673	38,947	20,618	-	38,863	47,538	29,293	-
Total National Institutes of Health			158,479	65,821	46,468	-	64,713	47,538	29,293	-
<b>National Science Foundation - Passed through MSU</b>										
Mass Timber - Education and Human Resources	N/A	47.076	352,665	5,221	4,758	-	3,470	31,719	33,007	-
Total Research and Development Cluster			511,144	71,042	51,226	-	68,183	79,257	62,300	-
<b>WIOA Cluster - U.S. Department of Labor - Henry Ford College - Passed through SEMCA - WIA Adult Program</b>										
Medicaid Outreach Cluster - U.S. Department of Health and Human Services - Passed through the Wayne County RESA - Medical Assistance Program	N/A	17.258	98,992	18,476	2,013	-	2,013	-	-	-
Total clusters			727,442	136,320	24,633	-	713,642	727,442	38,433	-
Other federal awards:			88,485,317	61,630,914	4,766,541	-	70,364,618	71,794,971	6,196,894	-
<b>U.S. Department of Agriculture - Passed through the Michigan Department of Education:</b>										
Child and Adult Care Food Program 23-24	241920	10.558	1,693	22,652	812	-	2,505	1,693	-	-
Child and Adult Care Food Program 24-25	251920	10.558	20,150	-	-	-	20,150	20,150	-	-
Total Child and Adult Care Food Program			21,843	22,652	812	-	22,655	21,843	-	-
<b>Child Nutrition Discretionary Grants Limited Availability - School Breakfast Expansion - 2024</b>										
U.S. Department of Education:			10,000	10,000	10,000	-	10,000	-	-	-
Passed through the Michigan Department of Education:										
Adult Education - Basic Grants to States:										
Adult Education 241130-241319	241130	84.002	390,180	390,180	82,793	-	82,793	-	-	-
Adult Education 241130-241319	251130	84.002	475,000	-	-	-	223,169	410,930	187,761	-
Adult Education subtotal			865,180	390,180	82,793	-	305,962	410,930	187,761	-

**School District of the City of Dearborn, Michigan**

**Schedule of Expenditures of Federal Awards (Continued)**

**Year Ended June 30, 2025**

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, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipient
Other federal awards (continued):										
U.S. Department of Education (continued):										
Passed through the Michigan Department of Education (continued):										
Title I Grants to Local Education Agencies:										
Title I, Part A 2324	241530	84-010	\$ 13,912,373	\$ 11,508,220	\$ 4,380,114	\$ -	\$ 5,009,483	\$ 629,369	\$ -	\$ -
Title I, Part A 2425	251530	84-010	15,180,945	-	-	-	10,319,402	12,002,437	1,683,035	-
Total Title I, Part A		84-010	29,093,318	11,508,220	4,380,114	-	15,328,885	12,631,806	1,683,035	-
Title II Supporting Effective Instruction State Grants:										
Title II, Part A 23-24	240520	84-367	1,590,663	1,127,599	584,101	(4,342)	800,436	220,677	-	-
Title II, Part A 24-25	250520	84-367	1,606,288	-	-	-	815,863	978,351	162,488	-
Total Title II, Part A		84-367	3,196,951	1,127,599	584,101	(4,342)	1,616,299	1,199,028	162,488	-
Title III English Language Acquisition State Grants:										
Title III Immigrant Students 23-24	240570	84-365	392,477	71,356	24,946	-	26,358	1,412	-	-
Title III Immigrant Students 24-25	250570	84-365	331,052	-	-	-	-	225,115	225,115	-
Total Title III Immigrant Students			723,529	71,356	24,946	-	26,358	226,527	225,115	-
Title III Limited English Proficient Students 23-24										
Title III Limited English Proficient Students 24-25	240580	84-365	1,514,068	1,024,731	423,290	-	559,602	136,312	-	-
Total Title III Limited English Proficient Students Subtotal	250580	84-365	1,237,491	-	-	-	639,345	833,219	193,874	-
Total Title III English Language Acquisition State Grants		84-365	2,751,559	1,024,731	423,290	-	1,198,947	969,531	193,874	-
Title IV, Part A - Student Support & Academic Enrichment Program:										
Title IV, Part A SSAE 23-24	240750	84-424	905,506	543,086	79,064	-	86,286	9,222	-	-
Title IV, Part A SSAE 24-25	250750	84-424	1,241,431	-	-	-	342,137	769,979	427,842	-
Title IV, Part A SSAE - Stronger Connections	234014	84-424F	244,048	-	-	-	-	244,048	244,048	-
Total Title IV, Part A SSAE		84-424	2,390,985	543,086	79,064	-	430,423	1,023,249	671,890	-
U.S. Department of Education - Passed through Wayne County RESA										
Twenty-First Century Community Learning Centers Grants	252110	84-287	600,000	-	-	-	458,776	600,000	141,224	-
Education Stabilization Fund Program - U.S. Department of Education -										
Passed through the U.S. Department of Education:										
COVID-19 ARP ESSER II	213713	84-425U	86,074,561	30,523,785	9,449,120	2,317,931	19,883,251	8,116,200	-	-
COVID-19 ARP Homeless II	211012	84-425W	258,263	98,117	79,385	-	232,579	153,194	-	-
ARP-ESSER Communities in Schools	213763	84-425U	1,766,012	434,090	434,090	-	1,766,012	1,331,922	-	-
COVID-19 Section 11bb ARP - GEER II	221037	84-425V	489,253	-	-	-	489,253	489,253	-	-
Total Education Stabilization Fund		84-425	88,588,109	31,055,992	9,962,595	2,317,931	22,371,095	10,090,569	-	-
U.S. Department of Education - Passed through Michigan Health Counsel -										
School Safety National Activities - Michigan Earn, Learn and Service in Schools (MIELSIS) 2024-25	N/A	84-184X	10,000	-	-	-	10,000	8,052	(1,948)	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2025

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, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipient
Other federal awards (continued):										
U.S. Department of Education - Passed through Wayne County RESA - Education Act - Vocational Education - Basic Grants to States - Carl D. Perkins Vocational Education Act:										
Career and Technical Education - Basic Grants to States (Perkins):										
Vocational Education 2324	233520	84.048	\$ 386,559	\$ 386,559	\$ 56,598	\$ -	\$ 56,598	\$ -	\$ -	\$ -
Vocational Education 2425	253520	84.048A	304,465	-	-	-	265,422	304,465	39,043	-
Henry Ford College - Vocational Education - Regional Allocation - Career and Technical Education - Basic Grants to States	1321-8	84.048	1,780,016	1,732,380	1,044,390	-	1,707,803	1,780,016	1,116,603	-
Total Vocational Education			2,471,040	2,118,939	1,100,988	-	2,029,823	2,084,481	1,155,646	-
U.S. Department of Health and Human Services - Passed through Wayne County RESA - Epidemiology and Laboratory Capacity for Infectious Diseases:										
Healthcare Resource Advocates - 2023-2024	N/A	93.323	1,200,000	1,120,000	265,492	-	265,492	-	-	-
Healthcare Resource Advocates - 2024-2025	N/A	93.323	1,150,000	-	-	-	1,105,780	1,150,000	44,220	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases			2,350,000	1,120,000	265,492	-	1,371,272	1,150,000	44,220	-
U.S. Department of Education - Henry Ford College - Technology Skills Development & Career Promise Program - Fund for the Improvement of Education	N/A	84.215K	2,000,000	65,103	84,240	-	224,332	487,107	347,015	-
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	77,970	5,188	-	-	-	21,146	21,146	-
U.S. Department of Energy - Battery Workforce Challenge - Argonne National Labs Subaward	N/A	81.U01	82,000	304	304	-	42,360	20,913	(21,143)	-
U.S. Department of the Treasury - Passed through the Michigan Department of Education - Coronavirus State and Local Fiscal Recovery Funds - COVID-19 Grow Your Own Program	232423	21.027	4,106,269	235,221	235,221	-	235,221	891,240	891,240	-
U.S. Department of Education - Passed through the Michigan Department of Education - EGLE-MDE Filter First	242426-FFHH24	21.027	1,041,880	-	-	-	-	543,469	543,469	-
U.S. Department of the Treasury - Passed through the Michigan Department of Education - Coronavirus State and Local Fiscal Recovery Funds:										
Reconnect Age Expansion Grant	232423	21.027	2,205,151	243,018	90,803	-	550,037	908,586	449,362	-
AND-BSN (MILEO)	232423	21.027	2,000,000	-	-	-	45,497	395,908	350,411	-
Total Coronavirus State and Local Fiscal Recovery Funds			4,205,151	243,018	90,803	-	595,534	1,304,504	799,773	-
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	47,775	9,325	-	29,234	19,909	-	-
Apprenticeship USA Grants	N/A	17.285	280,000	55,845	5,180	-	53,773	48,593	-	-
Total U.S. Department of Labor Employment and Training Administration			559,885	103,620	14,505	-	83,007	68,502	-	-
Total noncluster programs			145,145,699	49,645,209	17,339,268	2,313,589	46,360,949	33,752,897	7,044,805	-
Total federal awards			\$ 233,631,016	\$ 111,276,123	\$ 22,105,809	\$ 2,313,589	\$ 116,725,567	\$ 105,547,868	\$ 13,241,699	\$ -

**School District of the City of Dearborn, Michigan**

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

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**Year Ended June 30, 2025**

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 94,243,709
Student loan programs, which are excluded from federal revenue	13,923,830
Federal funds not subject to single audit - Qualified School Construction Bond Subsidy	(755,343)
Unavailable revenue not reported for year ended June 30, 2025	543,469
Federal revenue for which HFC is considered a vendor rather than a subrecipient	(81,394)
Other adjustments	(8,472)
Federal revenue in the current year related to federal expenditures incurred in previous fiscal years - See Finding 2025-001	<u>(2,317,931)</u>
Federal expenditures per the schedule of expenditures of federal awards	<b><u>\$ 105,547,868</u></b>

# School District of the City of Dearborn, Michigan

## Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the School District of the City of Dearborn, Michigan (the "School District") under programs of the federal government for the year ended June 30, 2025. 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

During the year ended June 30, 2025, there was an adjustment of \$2,317,931 to ESSER III (ALN 84.425U) passed through the Michigan Department of Education, which was the result of federal expenditures incurred in previous fiscal years that were not previously reported on the prior years' SEFAs.

During the year ended June 30, 2025, there was an adjustment of \$4,342 to Title II, Part A (ALN 84.367) passed through the Michigan Department of Education, which was the result of adjustments to grant expenditures.

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, the School District carried forward \$2,932 of the 2023-2024 Federal Supplemental Educational Opportunity Grant (SEOG) (84.007) award and \$61,435 of the 2023-2024 Federal Work-Study Program (FWS) (84.033) award, which were spent in the 2024-2025 award year. The School District also carried forward \$572 of the 2024-2025 SEOG award and \$64,999 of the 2024-2025 FWS award, which will be spent in the 2025-2026 award year. In addition, the School District transferred \$162,497 of the 2024-2025 FWS award to the SEOG award, which it expended in the 2024-2025 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. Unreconciled differences, if any, have been disclosed to the auditor.

### 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 expenditures of federal awards.

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## Schedule of Findings and Questioned Costs

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**School District of the City of Dearborn, Michigan**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2025**

**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?  X  Yes   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
84.173, 84.027, 84.027A	IDEA Cluster	Unmodified
84.007, 84.033, 84.063, 84.268, 84.010	Student Financial Assistance Cluster Title I, Part A	Unmodified Unmodified

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

Auditee qualified as low-risk auditee?   Yes  X  No

# School District of the City of Dearborn, Michigan

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

### Section II - Financial Statement Audit Findings

Reference Number	Finding
2025-001	<p data-bbox="362 531 769 556"><b>Finding Type - Material weakness</b></p> <p data-bbox="362 581 1482 699"><b>Criteria</b> - The School District's internal control structure should ensure that accounting data is properly calculated and reported in accordance with generally accepted accounting principles and the State of Michigan School Accounting Manual on a timely basis in the normal course of business.</p> <p data-bbox="362 724 1482 905"><b>Condition</b> - It was determined that approximately \$2.3 million of federal expenditures were misclassified as nonfederal expenditures in prior fiscal years, resulting in federal expenditures being underreported in prior fiscal years by this amount because there were not adequate internal controls in place to monitor federal expenditures. This understatement was corrected in the current fiscal year, resulting in an additional \$2.3 million of federal revenue being recognized during the current fiscal year.</p> <p data-bbox="362 930 1482 982"><b>Context</b> - Prior year financial statements improperly classified the following federal expenditures as nonfederal expenditures:</p> <ul data-bbox="362 1008 1482 1157" style="list-style-type: none"><li data-bbox="362 1008 1482 1066">• Approximately \$1.1 million of federal expenditures were improperly classified as nonfederal expenditures during the year ended June 30, 2023.</li><li data-bbox="362 1092 1482 1150">• Approximately \$1.2 million of federal expenditures were improperly classified as nonfederal expenditures during the year ended June 30, 2024.</li></ul> <p data-bbox="362 1176 1482 1266"><b>Cause</b> - Internal controls in place were not effective to ensure that federal expenditures were properly recorded as federal expenditures and that federal reimbursement based grants were recognized as revenue when the applicable grant criteria had been met.</p> <p data-bbox="362 1291 1482 1381"><b>Effect</b> - For the basic financial statements, approximately \$2.3 million federal grant revenue was recognized during the year ended June 30, 2025 as a result of correctly identifying federal expenditures that were misclassified as nonfederal expenditures in prior fiscal years.</p> <p data-bbox="362 1407 1482 1497"><b>Recommendation</b> - We recommend that the School District review its processes and controls, including how federal awards are identified and tracked, to ensure that federal revenue is recognized when the applicable grant criteria have been met.</p> <p data-bbox="362 1522 1482 1747"><b>Views of Responsible Officials and Planned Corrective Actions</b> - This was the result of COVID-19-related one-time grant funding, which resulted in a significant increase in federal funding. With the expiration of the COVID-19-related grant funds, the School District is staffed at a level to monitor all remaining grants and ensure reporting is complete and accurate. The School District will review the grant expenditures monthly, in addition to reviewing the final expenditure reports with the grant compliance team to ensure all federal expenditures are properly recorded and that federal revenue is recognized when the applicable grant criteria has been met.</p>

# School District of the City of Dearborn, Michigan

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

### Section III - Federal Program Audit Findings

Reference Number	Finding
2025-002	<p data-bbox="362 531 1481 590"><b>Assistance Listing Number, Federal Agency, and Program Name</b> - Student Financial Assistance Cluster - U.S. Department of Education:</p> <ul data-bbox="362 615 1284 741" style="list-style-type: none"><li>• ALN 84.007 Federal Supplemental Educational Opportunity Grant Program</li><li>• ALN 84.033 Federal Work-Study Program</li><li>• ALN 84.063 Federal Pell Grant Program</li><li>• ALN 84.268 Federal Direct Loan Program</li></ul> <p data-bbox="362 766 1057 791"><b>Federal Award Identification Number and Year</b> - Various</p> <p data-bbox="362 816 683 842"><b>Pass-through Entity</b> - N/A</p> <p data-bbox="362 867 797 892"><b>Finding Type</b> - Significant deficiency</p> <p data-bbox="362 917 612 942"><b>Repeat Finding</b> - No</p> <p data-bbox="362 968 1481 1144"><b>Criteria</b> - The School District has 45 days from the date the School District determines a student's withdrawal date to calculate a return to Title IV refund calculation for the student and return the funds. Withdrawal dates are defined as the time when the student officially withdraws or expresses notification to withdraw or, if the student does not officially withdraw, the date that the School District determines the student is no longer in attendance (34 CFR Section 668.22(j)).</p> <p data-bbox="362 1169 1481 1228"><b>Condition</b> - For one student, the School District used an incorrect number of days attended in the return to Title IV calculation, resulting in an inaccurate refund amount.</p> <p data-bbox="362 1253 1193 1278"><b>Questioned Costs</b> - \$3,069 - ALN 84.063, Federal Pell Grant Program</p> <p data-bbox="362 1304 1481 1362"><b>If Questioned Costs are not Determinable, Description of Why Known Questioned Costs were Undetermined or Otherwise Could not be Reported</b> - N/A</p> <p data-bbox="362 1388 1481 1467"><b>Identification of How Questioned Costs Were Computed</b> - The questioned costs include the total Title IV assistance disbursed to the one student tested in which the School District used an incorrect number of days attended in the return to Title IV calculation.</p> <p data-bbox="362 1493 1481 1572"><b>Context</b> - 6 of the 40 calculations tested involved students enrolled in shorter sessions (8-12 weeks), which require careful tracking of attendance dates. The error occurred in one of these cases.</p> <p data-bbox="362 1598 1481 1686"><b>Cause and Effect</b> - The School District does not have a formal review process for return to Title IV calculations. This increases the risk of manual errors, which may lead to incorrect refunds and potential noncompliance with federal regulations.</p> <p data-bbox="362 1711 1481 1799"><b>Recommendation</b> - The School District should implement a documented review procedure for all return to Title IV calculations, including verification of withdrawal dates and days attended, to ensure accuracy and compliance.</p> <p data-bbox="362 1824 1481 1965"><b>Views of Responsible Officials and Corrective Action Plan</b> - We have conducted ongoing training, created R2T4 Quick References, Term Calendar Calculators, and R2T4 Decision Trees, as well as other tools to assist R2T4 team members. These are supplemental to the body of regulations related to R2T4 found in the Student Aid Handbook. We will also perform and document a sample-based review of R2T4 calculations on a semester-by-semester basis.</p>