

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

**Federal Awards
Supplemental Information
June 30, 2016**

School District of the City of Dearborn, Michigan

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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, each major fund, the aggregate remaining fund information, and the discretely presented component unit of School District of the City of Dearborn, Michigan (the "School District") as of and for the year ended June 30, 2016 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 26, 2016, which contained unmodified opinions on the financial statements of governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit. Our audit was conducted for the purpose of forming an opinion 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 26, 2016.

The accompanying schedule of expenditures of federal awards and the reconciliation of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

Auburn Hills, Michigan
October 26, 2016

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 financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of School District of the City of Dearborn, Michigan (the "School District") as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 26, 2016. The financial statements of Henry Ford College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered School District'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 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.

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 described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

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

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2016-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 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*.

The School District's Response to Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the 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

Auburn Hills, Michigan
October 26, 2016

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

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

We have audited School District of the City of Dearborn, Michigan's (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. School District of the City of Dearborn, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District of the City of Dearborn, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of School District of the City of Dearborn, Michigan's compliance.

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

Opinion on Each Major Federal Program

In our opinion, School District of the City of Dearborn, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of School District of the City of Dearborn, Michigan is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered School District of the City of Dearborn, Michigan's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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.

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

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

Auburn Hills, Michigan
October 26, 2016

School District of the City of Dearborn, Michigan

Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2015	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2016	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) -									
Food Distribution Entitlement Commodities 2015-2016	N/A	10.555	\$ 421,315	\$ -	\$ -	\$ 421,315	\$ 421,315	\$ -	\$ -
Cash Assistance:									
National School Lunch Program 2014-15	151960	10.555	4,909,356	4,909,356	191,313	191,313	-	-	-
National School Lunch Program 2015-16	161960	10.555	5,102,313	-	-	4,911,306	5,102,313	191,007	-
National School Lunch Program (incl. commodities) Subtotal		10.555	10,432,984	4,909,356	191,313	5,523,934	5,523,628	191,007	-
National School Breakfast Program 2014-15	151970	10.553	1,092,879	1,092,879	46,395	46,395	-	-	-
National School Breakfast Program 2015-16	161970	10.553	1,168,697	-	-	1,124,494	1,168,697	44,203	-
National School Breakfast Program Subtotal		10.553	2,261,576	1,092,879	46,395	1,170,889	1,168,697	44,203	-
National School After School Snack Program 2014-15	151980	10.555	32,120	32,120	132	132	-	-	-
National School After School Snack Program 2015-16	161980	10.555	31,887	-	-	30,416	31,887	1,471	-
National School After School Snack Program Subtotal		10.555	64,007	32,120	132	30,548	31,887	1,471	-
Summer Food Service Program 2016	161900/160900	10.559	20,311	-	-	20,311	20,311	-	-
Total Child Nutrition Cluster			12,778,878	6,034,355	237,840	6,745,682	6,744,523	236,681	-
Student Financial Aid Cluster - U.S. Department of Education - Henry Ford Community College:									
Supplemental Educational Opportunity Grant		84.007	596,717	486,756	9,190	632,492	596,717	(26,585)	-
Federal Work Study Program		84.033	471,630	624,403	(4,854)	433,809	471,630	32,967	-
Pell Grant Program		84.063	27,547,125	33,506,976	116,592	27,641,105	27,547,125	22,612	-
Federal Direct Loan Program		84.268	29,212,691	38,906,947	1,687,369	30,867,386	29,212,691	32,674	-
Total Student Financial Aid Cluster			57,828,163	73,525,082	1,808,297	59,574,792	57,828,163	61,668	-
Special Education Cluster - U.S. Department of Education - Passed through the Wayne County RESA:									
IDEA Flowthrough:									
Flowthrough 1415	150450	84.027	2,987,406	2,987,406	742,764	742,764	-	-	-
Flowthrough 1516	160450	84.027	3,039,249	-	-	1,835,063	2,719,212	884,149	-
Total IDEA Flowthrough		84.027	6,026,655	2,987,406	742,764	2,577,827	2,719,212	884,149	-

School District of the City of Dearborn, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2016

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2015	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2016	Current Year Cash Transferred to Subrecipient
Clusters (Continued):									
Special Education Cluster - U.S. Department of Education (Continued):									
Passed through the Wayne County RESA (Continued):									
Preschool Incentive:									
IDEA Preschool 1415	150460	84.173	\$ 130,356	\$ 129,717	\$ 37,337	\$ 37,337	\$ -	\$ -	\$ -
IDEA Preschool 1516	160460	84.173	116,262	-	-	68,687	116,262	47,575	-
Total Preschool Incentive		84.173	246,618	129,717	37,337	106,024	116,262	47,575	-
Total Special Education Cluster			6,273,273	3,117,123	780,101	2,683,851	2,835,474	931,724	-
Medicaid Outreach Cluster - U.S. Department of Health and Human Services:									
Medicaid Outreach 1415		93.778	81,539	81,539	15,609	15,609	-	-	-
Medicaid Outreach 1516		93.778	36,319	-	-	10,900	36,319	25,419	-
Total Medicaid Outreach Cluster		93.778	117,858	81,539	15,609	26,509	36,319	25,419	-
Total cluster programs			76,998,172	82,758,099	2,841,847	69,030,834	67,444,479	1,255,492	-
Other federal awards:									
U.S. Department of Education -									
Passed through the Michigan Department of Education:									
Adult Education:									
Adult Education 161120-161317	161120	84.002	30,000	-	-	30,000	26,372	(3,628)	-
Adult Education 161130-161317	161130	84.002	455,000	-	-	305,240	377,201	71,961	-
Adult Education Subtotal		84.002	485,000	-	-	335,240	403,573	68,333	-
Title III English Language Acquisition:									
Title III Immigrant Students 1415	150570	84.365	189,224	34,962	34,962	34,962	-	-	-
Title III Immigrant Students 1516	160570	84.365	271,464	-	-	56,650	83,864	27,214	-
Title III Immigrant Students Subtotal		84.365	460,688	34,962	34,962	91,612	83,864	27,214	-
Title III Limited English Proficient Students 1415	150580	84.365	1,076,025	981,147	224,297	252,214	27,917	-	-
Title III Limited English Proficient Students 1516	160580	84.365	1,016,146	-	-	757,540	929,597	172,057	-
Title III Limited English Proficient Students Subtotal		84.365	2,092,171	981,147	224,297	1,009,754	957,514	172,057	-
Title III Supplemental Funds for Immigrant Children 1516	160590	84.365	4,432	-	-	-	-	-	-
Total Title III English Language Acquisition		84.365	2,557,291	1,016,109	259,259	1,101,366	1,041,378	199,271	-
Title I, Part A:									
Title I Part A 1415	151530	84.010	12,087,091	9,197,307	1,796,592	3,058,812	1,262,220	-	-
Title I Part A 1516	161530	84.010	11,641,399	-	-	7,806,200	9,516,496	1,710,296	-
Total Title I, Part A		84.010	23,728,490	9,197,307	1,796,592	10,865,012	10,778,716	1,710,296	-

School District of the City of Dearborn, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2016

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	(Deferred) Revenue at July 1, 2015	Payments In-kind Received	Expenditures	(Deferred) Revenue at June 30, 2016	Cash Transferred to Subrecipient
Other federal awards (Continued):									
U.S. Department of Education (Continued):									
Passed through the Michigan Department of Education (Continued):									
Title II, Part A - Improving Teacher Quality:									
Title II Part A 1415	150520	84.367	\$ 969,429	\$ 686,530	\$ 151,994	\$ 288,037	\$ 136,043	\$ -	\$ -
Title II Part A 1516	160520	84.367	913,771	-	-	610,180	793,263	183,083	-
Total Title II, Part A - Improving Teacher Quality		84.367	1,883,200	686,530	151,994	898,217	929,306	183,083	-
Fresh Fruit and Vegetable Program -									
Fresh Fruit and Vegetable Program 1516	160950	10.582	262,300	-	-	262,300	262,300	-	-
Total noncluster programs passed through the Michigan Department of Education			28,916,281	10,899,946	2,207,845	13,462,135	13,415,273	2,160,983	-
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:									
Vocational Education 1415	153520	84.048	187,726	187,726	74,287	74,287	-	-	-
Vocational Education 1516	163520	84.048	208,105	-	-	85,736	208,105	122,369	-
Vocational Education Subtotal		84.048	395,831	187,726	74,287	160,023	208,105	122,369	-
Henry Ford Community College (HFCC):									
Vocational Education - Local Administration	1325-8	84.048	36,800	18,400	-	18,400	18,400	-	-
Vocational Education - Regional Allocation	1321-8	84.048	2,238,786	1,230,739	-	1,008,047	1,008,047	-	-
HFCC - Vocational Education Subtotal		84.048	2,275,586	1,249,139	-	1,026,447	1,026,447	-	-
Preschool Development Grants -									
Preschool Transition 1516		84.419	1,853	-	-	1,853	1,853	-	-
Total other U.S. Department of Education noncluster programs			2,673,270	1,436,865	74,287	1,188,323	1,236,405	122,369	-
U.S. Department of Labor Employment and Training Administration:									
M-SAMC Multi-State Advanced Manuf. Consortium		17.282	4,952,995	4,927,421	1,018,985	5,615,879	4,952,995	356,101	2,446,231
AMCAI - Apprenticeship Grant		17.268	155,532	-	-	-	155,532	155,532	-
National Science Foundation - Henry Ford Community College:									
Passed through Wayne State University									
NSF - WSU Noyce Teacher Scholarship Program		47.076	7,459	-	-	4,973	7,459	2,486	-
NSF - WSU Hand on Curriculum		47.076	16,400	-	-	16,400	8,000	(8,400)	-
Total noncluster programs			36,721,937	17,264,232	3,301,117	20,287,710	19,775,664	2,789,071	2,446,231
Total federal awards			<u>\$ 113,720,109</u>	<u>\$ 100,022,331</u>	<u>\$ 6,142,964</u>	<u>\$ 89,318,544</u>	<u>\$ 87,220,143</u>	<u>\$ 4,044,563</u>	<u>\$ 2,446,231</u>

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, 2016

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 59,178,041
Student loan programs, which are excluded from federal revenue	29,212,691
Federal funds not subject to single audit - Build America Bond subsidy	(455,658)
Federal funds not subject to single audit - Qualified School Construction Bond subsidy	(746,532)
Other adjustments	<u>31,601</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 87,220,143</u>

School District of the City of Dearborn, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

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 under programs of the federal government for the year ended June 30, 2016. The information in this 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 School District of the City of Dearborn, Michigan, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of the School District of the City of Dearborn, Michigan.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or 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. Pass-through entity identifying numbers are presented where available.

Dearborn Public Schools has elected not to use the 10 percent *de minimus* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 3 - Grant Auditor Report

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

Note 4 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

School District of the City of Dearborn, Michigan

Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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 No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.027, 84.173 84.367	Special Education Cluster Title II, Part A
10.555, 10.553, 10.559	Child Nutrition Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$881,705

Auditee qualified as low-risk auditee? Yes No

School District of the City of Dearborn, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2016

Section II - Financial Statement Audit Findings

Reference
Number

Finding

2016-001 **Finding Type** - Material weakness

Criteria - Maintaining financial information is a critical part of the financial reporting process. Such a process should include the accurate recording of grant revenue and related receivables in accordance with the recognition criteria in the grant agreements.

Condition - The College, a business-type activity of Dearborn Public Schools, did not have a process in place to ensure that grant revenue and the related receivable were recorded in accordance with the grant's recognition criteria.

Context - The College recorded approximately \$4.5 million of grant revenue and a receivable prior to spending the required matching contribution. Under the grant agreement, the College is required to match approximately 25 percent before it is entitled to the grant revenue. Since the matching contribution was not met as of June 30, 2016, no revenue or receivable should have been recorded.

The College's intent is to meet the requirements of the grant matching criteria, and to receive reimbursement for all grant permissible costs, and took deliberate actions to meet the cost-sharing requirement. As of June 30, 2016, the College met the match based on the expenditures related to the direct contribution portion of the grant, which the College committed to paying when the grant was submitted. After the submission (July 25, 2016), the State informed the College that it needed to consider the "indirect" cost contributed to the grant, which will be incurred over the next eight years. At the time of submission and awarding of the grant, the College believed it needed to spend the "direct" expenses to meet the 25 percent match, but was unaware of the indirect expense match, which was not clearly defined in the grant agreement. The College recorded a receivable for the grant in accordance to its consistent practice on any outstanding grant amount. When the subsequent correspondence occurred on July 25, 2016 and the College was informed that it had not met the State's calculated cost sharing, the grant revenue and receivable were not reversed. As of August 16, 2016, the College has submitted documentation to support the State's required cost sharing.

Cause - When the subsequent correspondence occurred on July 25, 2016 and the College was informed that it had not met the State's calculated cost sharing, the grant revenue and receivable were not reevaluated under the recognition criteria in the grant agreements.

Effect - The grant revenue and receivable was overstated and required a material audit adjustment to be recorded.

School District of the City of Dearborn, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2016

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2016-001 (Con't)	<p>Recommendation - We recommend the College implement procedures to reevaluate grant revenue recognition when subsequent facts regarding matching requirements are discovered.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The College has taken the auditor's recommendation into consideration and will take the necessary actions to ensure the issue does not occur again.</p>

Section III - Federal Program Audit Findings

None

School District of the City of Dearborn, Michigan

Summary Schedule of Prior Audit Findings Year Ended June 30, 2016

Prior Year Finding Number	Fiscal Year in Which the Finding Initially Occurred	Federal Program, CFDA Number, and Name	Original Finding Description	Status/Partial Corrective Action (as Applicable)	Planned Corrective Action (if Finding not Corrected)
2015-001	2015		The School District included purchases in the accounts payable balance at year end for items that had been ordered but not been received as of June 30, 2015.	Fully corrected	Not applicable
2015-002	2015		The School District did not adjust account balances for restricted assets of the Debt Service Fund and related principal amounts paid on outstanding bonds.	Fully corrected	Not applicable