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# School District of the City of Dearborn, Michigan

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**Federal Awards  
Supplemental Information  
June 30, 2018**

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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 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, 2018, 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 22, 2018, 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 22, 2018.

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 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 basic 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*

October 22, 2018

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, 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, 2018 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 22, 2018. 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 the 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.

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 may exist that have not been identified.

**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 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*.

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 22, 2018

## Report on Compliance for Each Major Federal Program and 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 the School District's major federal programs for the year ended June 30, 2018. 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.

#### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to 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 the School District'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 the School District's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, the School District 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 the major federal programs for the year ended June 30, 2018.

#### Report on Internal Control Over Compliance

Management of the School District 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 the School District'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 the 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.

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.

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 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, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a significant deficiency.

The School District's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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 22, 2018

# School District of the City of Dearborn, Michigan

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

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, 2017	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2018	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 2017-2018	N/A	10.555	\$ 613,540	\$ -	\$ -	\$ 382,910	\$ 382,910	\$ -	\$ -
Cash Assistance:									
National School Lunch Program 2016-17	171960	10.555	5,341,534	5,321,289	171,894	171,894	-	-	-
National School Lunch Program 2017-18	181960	10.555	5,634,628	-	-	5,477,918	5,634,628	156,710	-
National School Lunch Program (incl. commodities)									
Subtotal		10.555	11,589,702	5,321,289	171,894	6,032,722	6,017,538	156,710	-
National School Breakfast Program 2016-17	171970	10.553	1,195,041	1,195,041	37,147	37,147	-	-	-
National School Breakfast Program 2017-18	181970	10.553	1,277,155	-	-	1,240,899	1,277,155	36,256	-
National School Breakfast Program Subtotal		10.553	2,472,196	1,195,041	37,147	1,278,046	1,277,155	36,256	-
National School After School Snack Program 2016-17	171980	10.555	20,244	20,244	824	824	-	-	-
National School After School Snack Program 2017-18	181980	10.555	17,304	-	-	16,197	17,304	1,107	-
National School After School Snack Program Subtotal			37,548	20,244	824	17,021	17,304	1,107	-
Summer Food Service Program 2018	171900/170900	10.559	32,881	-	-	32,881	32,881	-	-
Total Child Nutrition Cluster			14,132,327	6,536,574	209,865	7,360,670	7,344,878	194,073	-
Student Financial Aid Cluster - U.S. Department of Education - Henry Ford - Community College:									
Supplemental Educational Opportunity Grant		84.007	409,483	481,386	-	296,821	409,483	112,662	-
Federal Work Study Program		84.033	530,406	546,129	57,726	589,964	530,406	(1,832)	-
Pell Grant Program		84.063	26,920,071	26,088,644	53,039	26,923,109	26,920,071	50,001	-
Federal Direct Loan Program		84.268	21,781,223	25,590,513	39,265	21,797,255	21,781,223	23,233	-
Total Student Financial Aid Cluster			49,641,183	52,706,672	150,030	49,607,149	49,641,183	184,064	-
Special Education Cluster - U.S. Department of Education - Passed through the Wayne County RESA:									
IDEA Flowthrough:									
Flowthrough 1516	160450	84.027	3,039,249	320,037	238,716	238,716	-	-	-
Flowthrough 1617	170450	84.027	3,101,490	3,072,591	1,427,486	1,427,487	28,898	28,897	-
Flowthrough 1718	180450	84.027	3,132,848	-	-	1,896,340	3,132,848	1,236,508	-
Total IDEA Flowthrough		84.027	9,273,587	3,392,628	1,666,202	3,562,543	3,161,746	1,265,405	-



# School District of the City of Dearborn, Michigan

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2018

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, 2017	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2018	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 1516	160460	84.173	\$ 116,262	\$ -	\$ 134	\$ -	\$ -	\$ 134	\$ -
IDEA Preschool 1617	170460	84.173	116,415	116,415	48,267	48,267	-	-	-
IDEA Preschool 1718	180460	84.173	126,498	-	-	56,527	126,498	69,971	-
Total Preschool Incentive		84.173	359,175	116,415	48,401	104,794	126,498	70,105	-
Total Special Education Cluster			9,632,762	3,509,043	1,714,603	3,667,337	3,288,244	1,335,510	-
Medicaid Outreach Cluster - U.S. Department of Health and Human Services - Medicaid Outreach 1718									
		93.778	34,408	-	-	34,408	34,408	-	-
Total cluster programs			73,440,680	62,752,289	2,074,498	60,669,564	60,308,713	1,713,647	-
Other federal awards:									
U.S. Department of Education -									
Passed through the Michigan Department of Education:									
Adult Education:									
Adult Education 171120-171317	171120	84.002	37,899	37,889	37,899	37,899	-	-	-
Adult Education 171130-171317	171130	84.002	379,594	379,594	62,594	62,594	-	-	-
Adult Education 181130-181317	181130	84.002	358,352	-	-	256,100	356,823	100,723	-
Adult Education Subtotal		84.002	775,845	417,483	100,493	356,593	356,823	100,723	-
Title III English Language Acquisition:									
Title III Immigrant Students 1617	170570	84.365	170,221	25,712	25,712	170,221	144,509	-	-
Title III Immigrant Students 1718	180570	84.365	240,362	-	-	-	116,968	116,968	-
Title III Immigrant Students Subtotal		84.365	410,583	25,712	25,712	170,221	261,477	116,968	-
Title III Limited English Proficient Students 1617	170580	84.365	1,033,461	898,042	316,102	334,799	18,697	-	-
Title III Limited English Proficient Students 1718	180580	84.365	1,065,287	-	-	695,600	966,519	270,919	-
Title III Limited English Proficient Students Subtotal		84.365	2,098,748	898,042	316,102	1,030,399	985,216	270,919	-
Total Title III English Language Acquisition		84.365	2,509,331	923,754	341,814	1,200,620	1,246,693	387,887	-
Title I, Part A:									
Title I Part A 1617	171530	84.010	11,060,085	8,882,679	3,539,604	4,465,428	925,824	-	-
Title I Part A 1718	181530	84.010	12,372,770	-	-	5,718,000	9,214,019	3,496,019	-
Total Title I, Part A		84.010	23,432,855	8,882,679	3,539,604	10,183,428	10,139,843	3,496,019	-

# School District of the City of Dearborn, Michigan

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2018

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, 2017	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2018	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 II, Part A - Improving Teacher Quality:									
Title II Part A 1617	170520	84.367	\$ 765,633	\$ 683,496	\$ 259,571	\$ 310,599	\$ 51,028	-	\$ -
Title II Part A 1718	180520	84.367	1,544,297	-	-	790,800	1,208,779	417,979	-
Total Title II, Part A - Improving Teacher Quality		84.367	2,309,930	683,496	259,571	1,101,399	1,259,807	417,979	-
Title IV, Part A - Improving Teacher Quality -									
Title IV Part A SSAE 1718	180750	84.424	81,191	-	-	11,975	33,035	21,060	-
Fresh Fruit and Vegetable Program -									
Fresh Fruit and Vegetable Program 1718	170950	10.582	133,200	-	-	133,200	133,200	-	-
Total noncluster programs passed through the Michigan Department of Education			29,242,352	10,907,412	4,241,482	12,987,215	13,169,401	4,423,668	-
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 1617	173520	84.048	234,329	234,329	27,437	27,437	-	-	-
Vocational Education 1718	183520	84.048	191,755	-	-	133,953	188,076	54,123	-
Vocational Education Subtotal		84.048	426,084	234,329	27,437	161,390	188,076	54,123	-
Henry Ford Community College -									
Vocational Education - Regional Allocation	1321-8	84.048	976,212	-	-	976,212	976,212	-	-
Preschool Development Grants -									
Preschool Transition 1718		84.419	2,000	-	-	-	1,953	1,953	-
Total noncluser programs passed through Wayne County Service Agency			1,404,296	234,329	27,437	1,137,602	1,166,241	56,076	-

# School District of the City of Dearborn, Michigan

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2018

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, 2017	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2018	Current Year Cash Transferred to Subrecipient
Other federal awards (Continued):									
National Endowment for the Arts - Passed through the Michigan Council for the Arts and Cultural Affairs Art Services 1718	N/A	45.025	\$ 9,040	\$ -	\$ -	\$ 7,684	\$ 5,153	\$ (2,531)	\$ -
U.S. Department of Labor Employment and Training Administration:									
AMCAI - Apprenticeship Grant		17.268	237,422	-	290,076	485,433	237,422	42,065	-
Michigan IRACDA - NIHUM Subaward		93.859	41,373	-	6,827	19,029	41,279	29,077	-
National Science Foundation - Henry Ford Community College - Passed through Wayne State University - NSF - WSU Noyce Teacher Scholarship Program									
		47.076	10,537	-	2,586	10,472	10,537	2,651	-
Total noncluster programs			30,945,020	11,141,741	4,568,408	14,647,435	14,630,033	4,551,006	-
Total federal awards			<b>\$ 104,385,700</b>	<b>\$ 73,894,030</b>	<b>\$ 6,642,906</b>	<b>\$ 75,316,999</b>	<b>\$ 74,938,746</b>	<b>\$ 6,264,653</b>	<b>\$ -</b>

**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, 2018**

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 54,357,521
Student loan programs, which are excluded from federal revenue	21,781,223
Federal funds not subject to single audit - Build America Bond subsidy	(439,268)
Federal funds not subject to single audit - Qualified School Construction Bond subsidy	(746,933)
Other adjustments	<u>(13,797)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><b>\$ 74,938,746</b></u>

**Notes to Schedule of Expenditures of Federal Awards**

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**Year Ended June 30, 2018**

**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, 2018. 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 School District of the City of Dearborn, Michigan, it is not intended to and does not present the financial position, changes in net position, or cash flows of School District of the City of Dearborn, Michigan.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in 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. 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. 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 - 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, 2018**

**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  None reported

**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 Number	Name of Federal Program or Cluster
84.010	Title I, Part A
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$2,248,162

Auditee qualified as low-risk auditee?  Yes  No

**Section II - Financial Statement Audit Findings**

Reference Number	Finding
<b>Current Year</b>	None

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

**Schedule of Findings and Questioned Costs (Continued)**

**Year Ended June 30, 2018**

**Section III - Federal Program Audit Findings**

Reference Number	Finding	Questioned Costs
2018-001	<p><b>CFDA Number, Federal Agency, and Program Name</b> - Student Financial Aid Cluster - 84.268, 84.063</p> <p><b>Federal Award Identification Number and Year</b> - N/A</p> <p><b>Pass-through Entity</b> - N/A</p> <p><b>Finding Type</b> - Significant deficiency</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Institutions shall submit, in accordance with deadline dates established by the secretary, through publication in the Federal Register, other reports and information the secretary requires and shall comply with the procedures the secretary finds necessary to ensure that the reports are correct (34 CFR 690.83(b)(2) and 34 CFR 685.309).</p> <p>A school must update the National Student Loan Data System (NSLDS) within 30 days of a student status change, unless the school expects to submit its next enrollment report to the NSLDS within 60 days (34 CFR 685.309).</p> <p><b>Condition</b> - The student status changes for certain students that graduated from Henry Ford Community College (the "College") were not reported within 60 days.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - N/A</p> <p><b>Context</b> - Of the 25 students selected for enrollment reporting testing, six students (all relating to graduation status following the fall semester) were not reported within the required 60-day period.</p> <p><b>Cause and Effect</b> - A control was lacking to ensure proper reporting of graduated students was submitted timely to the NSLDS. As a result, certain graduated students were not reported timely.</p> <p><b>Recommendation</b> - The College should implement controls to ensure all graduated students are reported timely to the NSLDS.</p>	None

## School District of the City of Dearborn, Michigan

# Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2018

Reference Number	Finding	Questioned Costs
2018-001 (Cont'd)	<p><b>Views of Responsible Officials and Corrective Action Plan</b> - The College reports Student Status Change Records (SSCR) to NSLDS through the National Student Clearinghouse (Clearinghouse). While the College has never encountered a problem with this process previously, during the 2017-2018 award year, the Clearinghouse changed the file layout and process related to reporting graduation records for schools that also participate in its "DegreeVerify" process. As a result of these changes, which do not appear to have been widely publicized, Henry Ford Community College, as well as many other colleges and universities, found that their graduation records, reported to the Clearinghouse, were not passed on to NSLDS by the Clearinghouse. While the College did pass graduation records to the Clearinghouse in a timely manner, as observed by the auditors, those (original) records were not passed on to NSLDS.</p> <p>The regulations are clear that SSCR information must be updated on NSLDS within 30 days of a student status change, unless the school expects to submit its next enrollment report to the NSLDS within 60 days. In compliance with this regulation, the College did submit graduation records to the Clearinghouse within the required 60-day period. Unfortunately, as a result of aforementioned file layout and process change made by the Clearinghouse, which does not appear to have been well communicated, those timely submitted graduation records were not passed on to NSLDS by the Clearinghouse in a timely manner. This situation was not a failure of the College to report in a timely manner, but a failure of the Clearinghouse to pass those records on to NSLDS and to notify the College of an issue in a timely manner.</p> <p>Nonetheless, the Clearinghouse issued guidance on this issue on June 13, 2018, and the College's student information system software provider, Ellucian, provided additional guidance on modifications that the College should make to specific system settings to better facilitate the transfer of information in the newly required format. The College made the system modifications outlined by Ellucian and successfully reran the graduation reporting process for the winter 2018 semester. Based on this, the College believes the graduation record reporting issue has been resolved; however, as an added precaution for the next reporting year, the College will implement a secondary process of spot-checking records on NSLDS after submission to the Clearinghouse to ensure they have been updated both timely and correctly. For the next reporting year, each time the registrar's office submits graduation records to the Clearinghouse, it will provide a copy of the report to the financial aid office; the financial aid office will spot-check a number of the records, contained within the report, on NSLDS to ensure that graduation records are being reported correctly (and timely) to NSLDS.</p>	