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# School District of the City of Dearborn, Michigan

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**Federal Awards Supplemental Information**  
**June 30, 2024**

### **Independent Auditor's Reports**

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance 1

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* 2-3

Report on Compliance for Each Major Federal Program and Report on Internal Control Over  
Compliance Required by the Uniform Guidance 4-6

**Schedule of Expenditures of Federal Awards** 7-10

**Reconciliation of Basic Financial Statements Federal Revenue with Schedule of  
Expenditures of Federal Awards** 11

**Notes to Schedule of Expenditures of Federal Awards** 12

**Schedule of Findings and Questioned Costs** 13-16

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

**Independent Auditor's Report**

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of School District of the City of Dearborn, Michigan (the "School District") as of and for the year ended June 30, 2024 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 28, 2024, 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 28, 2024.

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

October 28, 2024

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

**Independent Auditor's Report**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of School District of the City of Dearborn, Michigan (the "School District") as of and for the year ended June 30, 2024 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 28, 2024. 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 2024-002 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 Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the findings 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 the response.

### **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 28, 2024

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

**Independent Auditor's Report**

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

**Report on Compliance for Each Major Federal Program**

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

We have audited School District of the City of Dearborn, Michigan's (the "School District") compliance with the types of compliance requirements identified as subject to audit in the 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, 2024. 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, 2024.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **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 have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2024-001 to be a material weakness.

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 of those charged with governance.

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 and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

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

*Plante & Moreau, PLLC*

October 28, 2024



## School District of the City of Dearborn, Michigan

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

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, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2024	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 2023-24	N/A	10.555	\$ 870,991	\$ -	\$ -	\$ -	\$ 870,991	\$ 870,991	\$ -	\$ -
National Lunch Program Bonus Commodities 2023-24	N/A	10.555	2,907	-	-	-	2,907	2,907	-	-
Noncash Assistance (Commodities) subtotal		10.555	873,898	-	-	-	873,898	873,898	-	-
Cash Assistance:										
School Breakfast Program 22-23	231970	10.553	2,144,387	1,894,082	123,402	-	373,707	250,305	-	-
School Breakfast Program 23-24	241970	10.553	1,878,712	-	-	-	1,829,635	1,878,712	49,077	-
School Breakfast Program subtotal			4,023,099	1,894,082	123,402	-	2,203,342	2,129,017	49,077	-
NSLP-After School Snack Program 22-23	231980	10.555	121,363	107,176	7,152	-	17,031	9,879	-	-
NSLP-After School Snack Program 23-24	241980	10.555	148,988	-	-	-	146,854	148,988	2,134	-
National School Lunch Program 22-23	231960	10.555	11,013,106	9,700,163	544,243	-	1,857,186	1,312,943	-	-
National School Lunch Program 23-24	241960	10.555	8,419,329	-	-	-	8,233,941	8,419,329	185,388	-
Supply Chain Assistance	240910	10.555	479,656	-	-	-	479,656	479,656	-	-
National School Lunch program (incl. commodities)		10.555	21,056,340	9,807,339	551,395	-	11,608,566	11,244,693	187,522	-
Summer Food Service Program for Children (SFSPC):										
22-23 Operating and 2022-23 Extended	230900	10.559	479,807	389,803	-	-	90,005	90,005	-	-
23-24 Operating and 2023-24 Extended	240900	10.559	199,371	-	-	-	-	199,371	199,371	-
Summer Food Service Program for Children subtotal			679,178	389,803	-	-	90,005	289,376	199,371	-
Fresh Fruit and Vegetable Program:										
Fresh Fruit and Vegetable Program 2022-23	230950	10.582	335,930	296,650	190,688	-	210,328	19,640	-	-
Fresh Fruit and Vegetable Program 2023-24	240950	10.582	272,404	-	-	-	227,722	272,404	44,682	-
Fresh Fruit and Vegetable Program subtotal			608,334	296,650	190,688	-	438,050	292,044	44,682	-
Total Child Nutrition Cluster			26,366,951	12,387,874	865,485	-	14,339,963	13,955,130	480,652	-
Student Financial Aid Cluster - U.S. Department of Education -										
Henry Ford College:										
Federal Supplemental Educational Opportunity Grant	N/A	84.007	950,160	1,074,591	-	-	950,160	950,160	-	-
Federal Work-Study Program	N/A	84.033	191,192	110,733	111,775	-	295,295	191,192	7,672	-
Federal Pell Grant Program	N/A	84.063	30,211,557	25,840,305	70,222	-	30,221,035	30,211,557	60,744	-
Federal Direct Loan Program	N/A	84.268	14,218,711	13,718,301	458,215	-	14,585,796	14,218,711	91,130	-
Total Student Financial Aid Cluster			45,571,620	40,743,930	640,212	-	46,052,286	45,571,620	159,546	-
Special Education Cluster - U.S. Department of Education:										
Special Education Grants to States- Passed through the Wayne County RESA ISD										
IDEA Flowthrough:										
IDEA Flowthrough 2023	230450	84.027	3,503,696	3,503,696	3,503,696	-	3,503,696	-	-	-
IDEA Flowthrough 2024	240450	84.027	3,830,096	-	-	-	-	3,830,096	3,830,096	-
IDEA Flowthrough CPO	230450	84.027	730,128	730,128	220,572	-	220,572	-	-	-
IDEA Flowthrough CPO	240450	84.027	867,280	-	-	-	857,075	867,280	10,205	-
Special Education Teacher Tuition Reimbursement Grant - Passed through Marquette Alger	230470	84.027A	13,681	-	-	-	9,106	13,681	4,575	-
Total IDEA Flowthrough		84.027	8,944,881	4,233,824	3,724,268	-	4,590,449	4,711,057	3,844,876	-

## School District of the City of Dearborn, Michigan

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

Year Ended June 30, 2024

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, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2024	Current Year Cash Transferred to Subrecipient
Clusters (continued):										
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 2223	230460	84.173	\$ 189,249	\$ 189,249	\$ 36,761	\$ -	\$ 36,761	\$ -	\$ -	\$ -
IDEA Preschool 2224	240460	84.173	<u>203,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,595</u>	<u>203,595</u>	<u>-</u>
Total IDEA Preschool Incentive			<u>392,844</u>	<u>189,249</u>	<u>36,761</u>	<u>-</u>	<u>36,761</u>	<u>203,595</u>	<u>203,595</u>	<u>-</u>
Total Special Education Cluster			9,337,725	4,423,073	3,761,029	-	4,627,210	4,914,652	4,048,471	-
Research and Development Cluster:										
National Institutes of Health - Henry Ford College:										
Passed through from University of Detroit Mercy - reBUILDetroit - Trans-NIH Research Support	N/A	93.310	76,370	45,057	25,977	-	25,977	25,850	25,850	-
Passed through from University of Michigan - Michigan IRACDA:										
Biomedical Research and Research Training	N/A	93.859	85,351	43,988	15,557	-	16,581	1,024	-	-
Emerging Infections Sentinel Networks		93.860	<u>43,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,329</u>	<u>38,947</u>	<u>20,618</u>	<u>-</u>
Total National Institutes of Health			205,197	89,045	41,534	-	60,887	65,821	46,468	-
National Science Foundation - Passed through MSU										
Mass Timber - Education and Human Resources	N/A	47.076	<u>352,665</u>	<u>18,016</u>	<u>18,016</u>	<u>-</u>	<u>18,479</u>	<u>5,221</u>	<u>4,758</u>	<u>-</u>
Total Research and Development Cluster			557,862	107,061	59,550	-	79,366	71,042	51,226	-
WIOA Cluster - U.S. Department of Labor - Henry Ford College -										
Passed through SEMCA - WIA Adult Program	N/A	17.258	98,992	30,728	4,842	-	21,305	18,476	2,013	-
Medicaid Outreach Cluster - U.S. Department of Health and Human Services -										
Passed through the Wayne County RESA - Medical Assistance Program		93.778	<u>136,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,687</u>	<u>136,320</u>	<u>24,633</u>	<u>-</u>
Total clusters			82,069,470	57,692,666	5,331,118	-	65,231,817	64,667,240	4,766,541	-
Other federal awards:										
U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Child and Adult Care Food Program 22-23	231920	10.558	1,131	-	-	-	1,131	1,131	-	-
Child and Adult Care Food Program 23-24	241920	10.558	<u>22,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,840</u>	<u>22,652</u>	<u>812</u>	<u>-</u>
Total Child and Adult Care Food Program		10.558	23,783	-	-	-	22,971	23,783	812	-
Child Nutrition Discretionary Grants Limited Availability:										
School Breakfast Expansion - 2023	221995	10.579	10,000	10,000	10,000	-	10,000	-	-	-
School Breakfast Expansion - 2024	221997	10.579	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total Child Nutrition Discretionary Grants Limited Availability		10.579	20,000	10,000	10,000	-	10,000	10,000	10,000	-
Local Food for Schools Cooperative Agreement Program	230985	10.185	80,364	84,210	84,210	(3,846)	80,364	-	-	-
U.S. Department of Education - Passed through the Michigan Department of Education:										
Adult Education - Basic Grants to States:										
Adult Education 231130-231319	231310	84.002	381,009	334,110	105,379	-	105,379	-	-	-
Adult Education 241130-241319	241130	84.002	<u>390,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,387</u>	<u>390,180</u>	<u>82,793</u>	<u>-</u>
Adult Education subtotal		84.002	771,189	334,110	105,379	-	412,766	390,180	82,793	-

## School District of the City of Dearborn, Michigan

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

Year Ended June 30, 2024

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, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2024	Current Year Cash Transferred to Subrecipient
Other federal awards (continued):										
U.S. Department of Education:										
Passed through the Michigan Department of Education (continued):										
Title I Grants to Local Education Agencies:										
Title I, Part A 2223	231530	84.010	\$ 13,846,661	\$ 11,110,893	\$ 4,475,995	\$ -	\$ 5,314,546	\$ 838,551	\$ -	\$ -
Title I, Part A 2324	241530	84.010	13,912,373	-	-	-	7,128,106	11,508,220	4,380,114	-
Passed through Calhoun County ISD - Title I Technical Assistance Grant	231580-2223	84.010	20,000	14,352	14,352	-	14,352	-	-	-
Total Title I, Part A		84.010	27,779,034	11,125,245	4,490,347	-	12,457,004	12,346,771	4,380,114	-
Title II: Supporting Effective Instruction State Grants:										
Title II, Part A 2223	230520	84.367	1,765,192	1,341,782	568,649	-	668,978	100,329	-	-
Title II, Part A 2324	240520	84.367	1,590,683	-	-	-	543,498	1,127,599	584,101	-
Total Title II, Part A		84.367	3,355,875	1,341,782	568,649	-	1,212,476	1,227,928	584,101	-
Title III English Language Acquisition State Grants:										
Title III Immigrant Students 2223	230570	84.365	463,294	150,666	86,949	-	136,903	49,954	-	-
Title III Immigrant Students 2324	240570	84.365	392,477	-	-	-	46,410	71,356	24,946	-
Total Title III Immigrant Students			855,771	150,666	86,949	-	183,313	121,310	24,946	-
Title III Limited English Proficient Students 2223	230580	84.365	1,515,423	1,031,622	471,567	-	497,785	26,218	-	-
Title III Limited English Proficient Students 2324	240580	84.365	1,514,068	-	-	-	601,441	1,024,731	423,290	-
Total Title III Limited English Proficient Students Subtotal		84.365	3,029,491	1,031,622	471,567	-	1,099,226	1,050,949	423,290	-
Total Title III English Language Acquisition State Grants		84.365	3,885,262	1,182,288	558,516	-	1,282,539	1,172,259	448,236	-
Title IV, Part A - Student Support & Academic Enrichment Program:										
Title IV, Part A SSAE 2223	230750	84.424	1,448,750	1,415,959	771,466	-	779,826	8,360	-	-
Title IV, Part A SSAE 2324	240750	84.424	905,506	-	-	-	464,022	543,086	79,064	-
Total Title IV, Part A SSAE		84.424	2,354,256	1,415,959	771,466	-	1,243,848	551,446	79,064	-
Education Stabilization Fund Program - U.S. Department of Education -										
Passed through the U.S. Department of Education - Direct Program:										
COVID-19 - Higher Education Emergency Relief Fund - Institutional	N/A	84.425F	36,217,495	2,017,525	-	-	-	-	-	-
COVID-19 - Higher Education Emergency Relief Fund - Supplemental	N/A	84.425M	2,728,831	2,257,058	-	-	-	-	-	-

# School District of the City of Dearborn, Michigan

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2024

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, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2024	Current Year Cash Transferred to Subrecipient
Other federal awards (continued):										
U.S. Department of Education - Passed through the Michigan Department of Education (continued):										
Education Stabilization Fund (ESF):										
COVID-19 GEER II - Benchmark Assessments	2112222	84.425C	\$ 164,075	\$ 159,010	\$ (5,065)	\$ -	\$ -	\$ -	\$ (5,065)	\$ -
COVID-19 American Rescue Plan/ESSER III	213713	84.425U	86,074,581	45,177,916	12,822,087	-	33,896,752	30,523,785	9,449,120	-
COVID-19 ARP Homeless II	211012	84.425W	258,263	-	-	-	18,732	98,117	79,385	-
ARP-ESSER Communities in Schools	213763	84.425U	1,766,012	-	-	-	-	434,090	434,090	-
Total Education Stabilization Fund		84.425	127,209,257	49,811,509	12,817,022	-	33,915,484	31,055,992	9,957,530	-
U.S. Department of Education - Passed through Michigan Health Counsel - School Safety National Activities - Michigan Earn, Learn and Service in Schools (MIELSIS)	N/A	84.184X	12,000	-	-	-	12,000	12,000	-	-
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 2223	233520	84.048	309,024	295,073	44,190	-	44,190	-	-	-
Vocational Education 2324	233520	84.048	386,559	-	-	-	329,961	386,559	56,598	-
Henry Ford College - Vocational Education - Regional Allocation - Career and Technical Education - Basic Grants to States	1321-8	84.048	1,732,380	1,896,650	895,526	-	1,583,516	1,732,380	1,044,390	-
Total Vocational Education			2,427,963	2,191,723	939,716	-	1,957,667	2,118,939	1,100,988	-
U.S. Department of Health and Human Services - Passed through Wayne County RESA - Epidemiology and Laboratory Capacity for Infectious Diseases:										
Healthcare Resource Advocates - 2022-2023	N/A	93.323	560,000	560,000	560,000	-	560,000	-	-	-
Healthcare Resource Advocates - 2023-2024	93.323	93.323	1,200,000	-	-	-	854,508	1,120,000	265,492	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases:			1,760,000	560,000	560,000	-	1,414,508	1,120,000	265,492	-
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	19,137	19,137	-	-	65,103	84,240	-
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	106,908	30,092	26,286	-	31,474	5,188	-	-
U.S. Department of Energy - Battery Workforce Challenge - Argonne National Labs Subaward	N/A	81.U01	82,000	-	-	-	-	304	304	-
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	860,940	-	-	-	-	235,221	235,221	-
U.S. Department of the Treasury - Passed through the Michigan Department of Lifelong Education Advancement and Potential - Reconnect Age Expansion Grant - Coronavirus State and Local Fiscal Recovery Funds	232423	21.027	2,205,151	-	-	-	152,215	243,018	90,803	-
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	212,731	166,415	-	204,865	47,775	9,325	-
Apprenticeship USA Grants	N/A	17.285	280,000	226	226	-	50,891	55,845	5,180	-
Total noncluster programs			175,493,867	68,119,012	21,117,369	(3,846)	54,461,072	50,681,752	17,334,203	-
Total federal awards			\$ 257,563,338	\$ 125,811,678	\$ 26,448,487	\$ (3,846)	\$ 119,692,889	\$ 115,348,992	\$ 22,100,744	\$ -

## 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, 2024
Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 102,665,639
Student loan programs, which are excluded from federal revenue	14,218,711
Federal funds not subject to single audit - Qualified School Construction Bond Subsidy	(901,904)
Federal funds not subject to single audit - Environmental Protection Agency Electric Bus Rebate	(300,000)
Unavailable revenue not reported for year ended June 30, 2023	(101,821)
Federal revenue for which HFC is considered a vendor rather than a subrecipient	(316,429)
Other adjustments	84,796
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Federal expenditures per the schedule of expenditures of federal awards	<b><u>\$ 115,348,992</u></b>

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

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**Year Ended June 30, 2024**

**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, 2024. 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, 2024, there was an adjustment made to the Local Food for Schools grant (ALN 10.185) passed through the Michigan Department of Education for \$3,846, resulting from a reduction in the previously approved award amount.

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, the School District carried forward \$68,738 of the 2022-2023 Federal Supplemental Educational Opportunity Grants (SEOG) (84.007) award, which it spent in the 2023-2024 award year. The School District also carried forward \$2,932 of the 2023-2024 SEOG award and \$61,435 of the 2023-2024 Federal Work-Study Program (FWS) (84.033), which will be spent in the 2024-2025 award year. In addition, the School District transferred \$153,589 of the 2023-2024 FWS award to the SEOG award, which it expended in the 2023-2024 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 federal expenditures.

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## Schedule of Findings and Questioned Costs

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Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

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

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:

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

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No



Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

Section II - Financial Statement Audit Findings

Reference Number	Finding
2024-002	<p><b>Finding Type</b> Material weakness</p> <p><b>Criteria</b> - The Foundation is a discretely presented component unit of the School District. The Foundation's internal control structure should ensure that contributions are recognized in the proper period.</p> <p><b>Condition</b> - For one contribution received subsequent to June 30, 2024, it was recorded in the incorrect period.</p> <p><b>Context</b> - The Foundation received a contribution subsequent to year end from a donor-restricted endowment that was improperly excluded from contribution revenue and contributions receivable for the year ended June 30, 2024. This resulted in an adjustment to increase donor-restricted contribution revenue and contributions receivable totaling \$1,781,200 for the year ended June 30, 2024 to record the endowment during the period in which the Foundation obtained legal right to the endowment assets and the contribution became unconditional.</p> <p><b>Cause</b> -The Foundation recorded the contribution when cash was received, instead of when legal right was obtained and the contribution became unconditional.</p> <p><b>Effect</b> - Contribution revenue totaling \$1,781,200 was recorded in the incorrect period.</p> <p><b>Recommendation</b> - Management should implement additional controls over the reviews of contributions received to ensure contributions are recorded in the proper period.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management agrees with the recommendation and will implement additional controls over the reviews of contribution revenue.</p>

## School District of the City of Dearborn, Michigan

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

Year Ended June 30, 2024

#### Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2024-001	<p><b>Assistance Listing Number, Federal Agency, and Program Name</b> - 84.010 - Title I Grants to Local Education Agencies</p> <p><b>Federal Award Identification Number and Year</b> - 231530, 241530</p> <p><b>Pass-through Entity</b> - Michigan Department of Education</p> <p><b>Finding Type</b> - Material weakness</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - The School District applies the simplified method to determine indirect costs for the Title I program. The allocation of indirect costs and the computation of an indirect cost rate may be accomplished through simplified allocation procedures described in 2 CFR Part 200, Appendix VII, paragraph C.2. The indirect cost rate is approved by the Michigan Department of Education.</p> <p><b>Condition</b> - The School District did not accurately apply the approved indirect cost rate.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - Not applicable</p> <p><b>Context</b> - Proper segregation of duties and review functions are critical key internal control functions to prevent errors or irregularities in financial reporting. The indirect cost allocation for the Title I program included an error in the indirect cost rate applied as identified during the audit. Management reduced the indirect costs charged to the Title I program by \$615,547 to correct the error.</p> <p><b>Cause and Effect</b> - The School District calculated indirect costs using an inaccurate rate. The School District reported indirect costs in excess of the approved rate for the federal program.</p> <p><b>Recommendation</b> - We recommend that a review of the indirect cost calculations occur to detect errors in the indirect cost rates applied.</p> <p><b>Views of Responsible Officials and Corrective Action Plan</b> - Management agrees with the finding and is in the process of enhancing procedures.</p>	None