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# The Dearborn Academy

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**Federal Awards Supplemental Information**  
**June 30, 2019**

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

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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 Directors  
The Dearborn Academy

We have audited the financial statements of the governmental activities, the major fund, and the remaining fund information of The Dearborn Academy (the "Academy") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements. We issued our report thereon dated October 21, 2019, 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 21, 2019.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is 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 financial statements as a whole.

*Plante & Moran, PLLC*

October 21, 2019

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 Directors  
The Dearborn Academy

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 major fund, and the remaining fund information of The Dearborn Academy (the "Academy") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated October 21, 2019.

**Internal Control Over Financial Reporting**

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

**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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moran, PLLC*

October 21, 2019

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 Directors  
The Dearborn Academy

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

We have audited The Dearborn Academy's (the "Academy") 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 Academy's major federal programs for the year ended June 30, 2019. The Dearborn Academy'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 Dearborn Academy'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 Dearborn Academy'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 Dearborn Academy's compliance.

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

In our opinion, The Dearborn Academy 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, 2019.

**Report on Internal Control Over Compliance**

Management of The Dearborn Academy 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 Dearborn Academy'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 Academy's internal control over compliance.

To the Board of Directors  
The Dearborn Academy

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*

October 21, 2019

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2019	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash assistance - National School Lunch Program										
National School Lunch Program entitlement commodities										
	N/A	10.555	\$ 26,532	\$ -	\$ -	\$ -	\$ 26,532	\$ 26,532	\$ -	\$ -
Cash Assistance:										
National School Lunch Program 2017-18	181960/181980	10.555	245,851	245,851	10,185	-	10,185	-	-	-
National School Lunch Program 2018-19	191960/191980	10.555	249,261	-	-	-	239,882	249,261	9,379	-
Total National School Lunch Program (incl. commodities)			521,644	245,851	10,185	-	276,599	275,793	9,379	-
National School Breakfast Program 2017-18	181970	10.553	100,283	100,283	4,053	-	4,053	-	-	-
National School Breakfast Program 2018-19	191970	10.553	98,489	-	-	-	94,763	98,489	3,726	-
Total National School Breakfast Program			198,772	100,283	4,053	-	98,816	98,489	3,726	-
Total Child Nutrition Cluster			720,416	346,134	14,238	-	375,415	374,282	13,105	-
Special Education Cluster - U.S. Department of Education - Passed through the Wayne County RESA-IDEA, Part B:										
IDEA Flowthrough 2017-18										
	180450-1718	84.027	86,955	86,955	5,291	-	5,291	-	-	-
IDEA Flowthrough 2018-19										
	180450-1819	84.027	94,815	-	-	-	80,524	94,815	14,291	-
Total Special Education Cluster			181,770	86,955	5,291	-	85,815	94,815	14,291	-
Total clusters			902,186	433,089	19,529	-	461,230	469,097	27,396	-
Other federal awards:										
U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Child and Adult Care Food Service Program 2018-19										
	191920/192010	10.558	33,965	-	-	-	33,965	33,965	-	-



Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2019	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
U.S. Department of Education - Passed through the Michigan Department of Education:										
Title I Part A:										
Title I Part A 1718	181530	84.010	\$ 443,086	\$ 407,501	\$ 118,156	\$ -	\$ 118,156	\$ -	\$ -	\$ -
Title I Part A 1819	191530	84.010	393,939	-	-	-	393,939	393,939	-	-
Total Title I Part A			837,025	407,501	118,156	-	512,095	393,939	-	-
Title II Part A - Improving Teacher Quality:										
Title II Part A 1718	180520	84.367	57,969	30,192	8,948	-	8,948	-	-	-
Title II Part A 1819	190520	84.367	78,319	-	-	-	37,211	60,311	23,100	-
Total Title II Part A - Improving Teacher Quality			136,288	30,192	8,948	-	46,159	60,311	23,100	-
Title III - Limited English Proficient Students Grant:										
Title III - Limited English Proficient Students 1718	180580	84.365	28,886	28,886	17,308	-	17,308	-	-	-
Title III - Limited English Proficient Students 1819	190580	84.365	28,475	-	-	-	7,572	23,919	16,347	-
Total Title III - Limited English Proficient Students Grant			57,361	28,886	17,308	-	24,880	23,919	16,347	-
Title III - Immigrant Students Grant: 1819	190570	84.365	4,561	-	-	-	4,561	4,561	-	-
Total Title III			61,922	28,886	17,308	-	29,441	28,480	16,347	-
Title IV - Part A Student Support and Academic Enrichment:										
Title IV - Part A Student Support and Academic Enrichment 171	180750	84.424	10,000	10,000	5,258	-	5,258	-	-	-
Title IV - Part A Student Support and Academic Enrichment 181	190750	84.424	25,642	-	-	-	8,686	15,598	6,912	-
Total Title IV - Part A Student Support and Academic Enrichment			35,642	10,000	5,258	-	13,944	15,598	6,912	-
Total noncluster programs passed through the Michigan Department of Education			1,104,842	476,579	149,670	-	635,604	532,293	46,359	-
Total federal awards			\$ 2,007,028	\$ 909,668	\$ 169,199	\$ -	\$ 1,096,834	\$ 1,001,390	\$ 73,755	\$ -

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

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**Year Ended June 30, 2019**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of The Dearborn Academy (the "Academy") under programs of the federal government for the year ended June 30, 2019. 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 Dearborn Academy, it is not intended to and does not present the financial position, changes in net position, or cash flows of The Dearborn Academy.

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

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. 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. Pass-through entity identifying numbers are presented where available.

The Dearborn Academy 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 and is reported on the schedule of expenditures of federal awards.

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## Schedule of Findings and Questioned Costs

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**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2019**

**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
84.367	Title II Part A

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

**Section II - Financial Statement Audit Findings**

Current Year None

**Section III - Federal Program Audit Findings**

Current Year None