

ALLIANCE OF  
ROUGE  
COMMUNITIES

**Audited Financial  
Statements**

For the years ended  
December 31, 2020 and 2019

**ALLIANCE OF ROUGE COMMUNITIES**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of  
Alliance of Rouge Communities  
46036 Michigan Ave., Suite 126  
Canton, MI 48188

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Alliance of Rouge Communities (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alliance of Rouge Communities as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2021, on our consideration of Alliance of Rouge Communities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Alliance of Rouge Communities' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alliance of Rouge Communities' internal control over financial reporting and compliance.

*Jason F. Clausen, P.C.*

Fraser, MI  
September 29, 2021

**ALLIANCE OF ROUGE COMMUNITIES**  
**STATEMENT OF FINANCIAL POSITION**  
DECEMBER 31, 2020 AND 2019

**ASSETS**

	2020	2019
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 217,904	\$ 278,602
Accounts Receivable	250,106	259,361
	\$ 468,010	\$ 537,963
TOTAL ASSETS		

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES:		
Accounts Payable	\$ 224,709	\$ 351,829
Accrued Expenses	48,227	6,129
Deferred Revenue	-	2,773
	272,936	360,731
TOTAL LIABILITIES		
NET ASSETS:		
Without Donor Restrictions	(105,032)	(128,097)
Board Designated Quasi Endowment	50,000	50,000
Total Without Donor Restrictions	(55,032)	(78,097)
With Donor Restrictions	250,106	255,329
	195,074	177,232
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSETS	\$ 468,010	\$ 537,963

See notes to the financial statements

**ALLIANCE OF ROUGE COMMUNITIES**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019
<b>REVENUE:</b>				
Membership Dues	\$ 330,142	\$ -	\$ 330,142	\$ 323,724
Grants	-	1,843,923	1,843,923	759,621
Contributions	35	-	35	-
In-kind Donations	37,500	-	37,500	12,347
Net Assets Released from Restrictions	1,849,146	(1,849,146)	-	-
 Total Revenue	 2,216,823	 (5,223)	 2,211,600	 1,095,692
<b>EXPENSES:</b>				
Program	2,115,240	-	2,115,240	988,415
Management and General	66,631	-	66,631	49,560
Fundraising	11,887	-	11,887	14,133
Total Expenses	2,193,758	-	2,193,758	1,052,108
 <b>CHANGE IN NET ASSETS</b>	 23,065	 (5,223)	 17,842	 43,584
<b>NET ASSETS:</b>				
Beginning of year	(78,097)	255,329	177,232	133,648
 End of year	 \$ (55,032)	 \$ 250,106	 \$ 195,074	 \$ 177,232

See notes to the financial statements

**ALLIANCE OF ROUGE COMMUNITIES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019

	2020				
	Program	Management and General	Fundraising	Total	2019
Executive Director Services	\$ 75,565	\$ 45,157	\$ 11,639	\$ 132,361	\$ 130,954
Public Involvement & Education	74,626	-	-	74,626	67,695
Technical Committee	119,517	-	-	119,517	74,588
Project Expenses	1,843,923	-	-	1,843,923	759,651
Professional Fees	-	20,513	-	20,513	15,863
Insurance	563	336	87	986	961
Website	673	402	104	1,179	2,070
Office Expense	360	215	55	630	318
Bank Charges	13	8	2	23	8
<b>Total Expenses</b>	<b>\$ 2,115,240</b>	<b>\$ 66,631</b>	<b>\$ 11,887</b>	<b>\$ 2,193,758</b>	<b>\$ 1,052,108</b>

See notes to the financial statements

**ALLIANCE OF ROUGE COMMUNITIES**  
**STATEMENT OF CASH FLOWS**  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES:</b>		
CHANGE IN NET ASSETS	\$ 17,842	\$ 43,584
Changes in operating assets and liabilities which increase (decrease) cash flow -		
Accounts receivable	9,255	(58,361)
Prepaid expenses	-	1,074
Accounts payable	(127,120)	61,299
Accrued expenses	42,098	6,129
Deferred revenue	(2,773)	2,773
	<u>(60,698)</u>	<u>56,498</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>(60,698)</u>	<u>56,498</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(60,698)	56,498
<b>CASH AND CASH EQUIVALENTS BALANCE - beginning of year</b>	<u>278,602</u>	<u>222,104</u>
<b>BALANCE - end of year</b>	<u>\$217,904</u>	<u>\$278,602</u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

See notes to the financial statements



**ALLIANCE OF ROUGE COMMUNITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Operations*

Alliance of Rouge Communities (ARC) was formed in 2005 as an unincorporated association operating under and authorized by Part 312 of the Michigan Natural Resources and Environmental Protection Act. ARC is a voluntary public watershed entity. Its members consist primarily of municipal governments located in Wayne, Oakland and Washtenaw counties. ARC's purpose is to encourage watershed-wide cooperation and mutual support to meet water quality permit requirements and to restore beneficial uses of the Rouge River to the area residents.

*Comparative Financial Information*

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December, 31, 2019, from which the summarized information was derived.

*Cash and Cash Equivalents*

The Organization considers all cash and amounts due from depository institutions that are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents for purposes of the statement of cash flows.

*Receivables*

Accounts receivable consist primarily of noninterest-bearing amounts due for membership dues and reimbursements due from local and federal agencies under various grant agreements. The determination for allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. At December 31, 2020 and 2019, the allowance was \$0.

*Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Without Donor Restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- With Donor Restrictions: Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*Revenue and Revenue Recognition*

The Organization's revenue consists primarily of membership dues and cost-reimbursable federal and state contracts and grants. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided for assisting communities with state imposed water permit requirements, and are recognized over the membership period, which is the calendar year in which they

**ALLIANCE OF ROUGE COMMUNITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

are billed. Cost-reimbursable contracts and grants are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization received cost-reimbursable grants of \$9,389,064 that have not been recognized at December 31, 2020 because qualifying expenditures have not yet been incurred.

ARC has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Two grantors accounted for approximately 78% and 84% of grant revenue during the years ended December 31, 2020 and 2019, respectively.

*Allocation of Functional Expenses*

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Expenses that can be identified with a specific program are charged directly to that program. Program expenses that cannot be identified with a specific program require allocation on a reasonable basis that is consistently applied. The operation expenses that are allocated to programs are based on the ratio of program executive director services to total executive director services.

*Use of Estimates*

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

*Income Tax Status*

Alliance of Rouge Communities is organized as a Michigan nonprofit corporation and has been recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to the Organization's exempt purposes. The Organization has determined that it is not subject to unrelated business income tax and is not required to file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**ALLIANCE OF ROUGE COMMUNITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use due to contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year-end:	
Cash	\$ 217,904
Accounts Receivable	250,106
Total financial assets	<u>468,010</u>
Less amounts unavailable to be used within one year:	
Quasi endowment established by the board	<u>50,000</u>
Financial assets available to meet general expenditures within one year	<u>\$ 418,010</u>

ARC's policy is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, management has determined that maintaining excess cash in the organization's bank account is sufficient to meet the cash flow needs of the organization.

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash account in a commercial bank located in Michigan. The account is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020, the balance was fully insured. At December 31, 2019, the balance exceeded the FDIC limit by \$28,602.

**NOTE 4 – CONTINGENCIES**

The final determination of grant revenue is subject to the acceptance of qualifying costs by the grantor agencies. To the extent that costs are disallowed by any grantor agency, the Organization would be required to reimburse the applicable grantor. ARC does not believe that any potential disallowed costs would be material to the financial statements.

**NOTE 5 – REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table provides information about significant changes in the contract liabilities for the year ended December 31, 2020:

Deferred membership dues, beginning of year	\$ 2,773
Decrease in deferred revenue due to revenue recognized during the period	<u>\$ (2,773)</u>
Deferred membership dues, end of year	<u>\$ -</u>

**ALLIANCE OF ROUGE COMMUNITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 5 – REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 Revenue from Contracts with Customers (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of ARC's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

**NOTE 6 – IN-KIND DONATIONS**

The Organization received donated services from a non-profit organization and local government agencies for assistance with tasks related to the public involvement and education committee and technical committee. The Organization also received free use of a facility to hold an event during 2019. For the year ended December 31, 2020 and 2019, the total fair value of all in-kind donations received was \$37,500 and \$12,347, respectively.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The Organization has a contract with ECT, Inc. for Executive Director services. The Executive Director is a shareholder and employee of ECT, Inc. The amount billed from ECT, Inc. for services and reimbursable expenses were \$1,193,708 and \$904,948 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 8 – SUBSEQUENT EVENTS**

In March 2020, the COVID-19 virus was declared a global pandemic affecting a wide range of businesses and organizations. While the disruption to ARC is not expected to be significant, it will potentially affect the timeline of the grant related projects in process at that time. No adjustments have been made to these financial statements as a result of the uncertainties caused by the virus. However, the related financial impact and duration cannot be reasonably estimated at this time.

Subsequent events have been evaluated through September 29, 2021, the date which the financial statements were available to be issued.



**INDEPENDENT AUDITOR'S 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**

To the Board of Directors and Management of  
Alliance of Rouge Communities  
46036 Michigan Ave., Suite 126  
Canton, MI 48188

We have audited, in accordance with the 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 Alliance of Rouge Communities (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Alliance of Rouge Communities' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alliance of Rouge Communities' internal control. Accordingly, we do not express an opinion on the effectiveness of the Alliance of Rouge Communities' 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 entity'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 Alliance of Rouge Communities' 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*.

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

Jason F. Clausen, P.C.

Fraser, MI

September 29, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors and Management of  
Alliance of Rouge Communities  
46036 Michigan Ave., Suite 126  
Canton, MI 48188

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

We have audited Alliance of Rouge Communities' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Alliance of Rouge Communities' major federal programs for the year ended December 31, 2020. Alliance of Rouge Communities' 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 Alliance of Rouge Communities' 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* (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 Alliance of Rouge Communities' 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 Alliance of Rouge Communities' compliance.

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

In our opinion, Alliance of Rouge Communities complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

**Report on Internal Control over Compliance**

Management of Alliance of Rouge Communities 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 Alliance of Rouge Communities' 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 Alliance of Rouge Communities' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

**Jason F. Clausen, P.C.**

Fraser, MI

September 29, 2021



**ALLIANCE OF ROUGE COMMUNITIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Agency/Cluster or Program Title	Direct or Pass-Through Grantor	Pass-Through Grant Number	CFDA Number	Federal Expenditures
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				
Great Lakes Programs Rouge River AOC Habitat Design Projects	Great Lakes National Program Office	GL-00E02344	66.469	\$ 158,835
GLRI: Seeley Creek Habitat Restoration		GL-00E02700	66.469	53,304
Rouge River AOC Habitat Restoration Implementation - Tamarack/Johnson Fish Hatchery		GL-00E02478	66.469	976,446
Rouge River AOC Habitat - Colonial & Venoy Restoration		GL-00E02830	66.469	57,864
Rouge River AOC Habitat Restoration Implementation - Wayne County Parkland		GL-00E02896	66.469	14,370
Rouge River AOC PAC Support - Facilitation, Habitat, and Fish Surveys	Michigan Department of Environment, Great Lakes, and Energy	GL-00E02481	66.469	35,242
Great Lakes Restoration Initiative Rouge River Areas of Concern Wayne County Habitat Restoration	Wayne County	GL-00E02040	66.469	519,406
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 1,815,467</b>

See notes to the schedule of expenditures of federal awards

**ALLIANCE OF ROUGE COMMUNITIES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 1 - BASIS OF ACCOUNTING**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Alliance of Rouge Communities and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

**NOTE 2 - INDIRECT COST RATE**

Alliance of Rouge Communities did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**ALLIANCE OF ROUGE COMMUNITIES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**SECTION I - Summary of Independent Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?  yes  no

Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:  
Material weakness(es) identified?  yes  no

Significant deficiencies 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 the Uniform Guidance, Section 200.515?  yes  no

Identification of major programs:

<b>CFDA Number:</b>	<b>Name of Federal Program or Cluster</b>
66.469	Great Lakes Program

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

Auditee qualified as a low-risk auditee?  yes  no

**SECTION II – Corrective Action Plan**

No matters were noted, therefore no corrective action is necessary.

**SECTION III - Summary Schedule of Prior Audit Findings**

There were no findings from prior years.