

Alliance of Rouge Communities

**Financial Statements
December 31, 2013 and 2012**

Alliance of Rouge Communities

**Financial Statements
Years Ended
December 31, 2013 and 2012**



**COLE, NEWTON & DURAN
CERTIFIED PUBLIC ACCOUNTANTS
LIVONIA, MICHIGAN**

Alliance of Rouge Communities

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Independent Auditor's Report

To the Board of Directors
Alliance of Rouge Communities
Detroit, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Alliance of Rouge Communities (a not for profit organization), which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities and changes in net assets, 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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 2014, 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 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 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.



Cole, Newton & Duran
Certified Public Accountants
Livonia, Michigan
September 26, 2014

Alliance of Rouge Communities
Statements of Financial Position
For the Years Ended December 31, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 99,363	\$ 170,706
Accounts receivable	257,074	589,526
Inventory	<u>500</u>	<u>600</u>
TOTAL ASSETS	\$ <u>356,937</u>	\$ <u>760,832</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ <u>296,517</u>	\$ <u>610,906</u>
TOTAL CURRENT LIABILITIES	296,517	610,906
 NET ASSETS		
- unrestricted	60,420	24,792
- temporarily restricted	<u>-</u>	<u>125,134</u>
TOTAL NET ASSETS	<u>60,420</u>	<u>149,926</u>
 TOTAL LIABILITIES AND NET ASSETS	\$ <u>356,937</u>	\$ <u>760,832</u>

See notes to financial statements

Alliance of Rouge Communities

Statements of Activities and Changes in Net Assets For the Years Ended December 31, 2013 and 2012

	Unrestricted	Temporarily Restricted	Total	Unrestricted
	2013	2013	2013	2012
REVENUE:				
Membership dues	\$ 269,195	\$ -	\$ 269,195	\$ 268,445
Grants	942,020		942,020	2,306,716
Contributions and other	2,730		3,182	875
Temporarily restricted net assets released from restrictions	(125,134)	(125,134)	125,134	-
Total Revenue	1,088,811	(125,134)	963,677	2,576,036
EXPENSES:				
Public Involvement and Education Committee				
Green Infrastructure Campaign	50,354		50,354	69,282
Public education materials and website	22,467		22,467	31,832
Watershed steward. and reporting/Friends of the Rouge	19,270		19,270	9,914
Initiatives	-		-	1,935
Total Public Involvement and Education Committee	92,091		92,091	112,963
Technical Committee				
Rouge River Watershed monitoring activities	126,066		126,066	21,819
ARC Collaborative IDEP and E. coli TMDL Plan	48,184		48,184	96,098
Monitor E.coli TMDL	-		-	12,614
Compliance initiatives	-		-	23,376
Pursuing grant opportunities	28,613		28,613	19,939
Total Technical Committee	202,863		202,863	173,846
Great Lakes Restoration Initiative Projects				
Transforming the Rouge	92,324		92,324	484,038
Danvers Pond Dam Removal and Stream Restoration	3,486		3,486	443,670
Restoring Community Trees in an Urban Watershed	232,837		232,837	111,740
Total GLRI Projects	328,647		328,647	1,039,448
NOAA Project				
Wayne Road Dam Removal	133,313		133,313	849,804
Oxbow Phase III Design	14,258		14,258	-
Total NOAA Project	147,571		147,571	849,804
Great Lakes Commission Projects				
River Raisin Area of Concern Facilitation	16,874		16,874	33,333
Upper Rouge BUI Strategy				
RRAC Facilitation	4,790		4,790	11,588
Total Great Lakes Commission Projects	21,664		21,664	44,921
Rouge Round X Grant Projects				
RGC Urban Habitat	-		-	13,421
Total Rouge Round X Grant Projects	-		-	13,421
CMI Project				
TMDL monitoring	18,978		18,978	11,431
Erb Family Foundation				
Legacy Proposal Project	36,386		36,386	24,866
Executive director services	183,542		183,542	171,414
General and administrative expenses	21,441		21,441	21,638
Total Expenses	1,053,183		1,053,183	2,463,752
CHANGE IN NET ASSETS	35,628	(125,134)	(89,506)	112,284
NET ASSETS - beginning of year	24,792	125,134	149,926	37,642
NET ASSETS - end of year	\$ 60,420	\$ -	\$ 60,420	\$ 149,926

See notes to financial statements

Alliance of Rouge Communities

Statements of Cash Flows For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
CHANGE IN NET ASSETS	\$ 35,628	\$ 112,284
Changes in operating assets and liabilities which increase (decrease) cash flow -		
Accounts receivable	332,452	(304,123)
Inventory	100	25,060
Funds released from temporary restrictions	(125,134)	-
Accounts payable	<u>(314,389)</u>	<u>291,607</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(71,343)</u>	<u>124,828</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(71,343)	124,828
CASH AND CASH EQUIVALENTS		
BALANCE - beginning of year	<u>170,706</u>	<u>45,878</u>
BALANCE - end of year	<u>\$ 99,363</u>	<u>\$ 170,706</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ <u>-</u>	\$ <u>-</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>

See notes to financial statements

Alliance of Rouge Communities
Notes to Financial Statements
For the Years Ended December 31, 2013 and 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

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.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

Financial statement presentation follows requirements of the Not-for-Profit Entities Topic of the Accounting Standards Codification. Net assets of ARC are classified as unrestricted, temporarily restricted, or permanently restricted. Contributions and income received by ARC are held in various funds which are classified as follows:

Unrestricted net assets consist of resources that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets consist of resources of which the use by ARC is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of ARC pursuant to those stipulations. As of December 31, 2013 and 2012, ARC had \$ 0, and \$ 124,134, respectively were temporarily restricted for work related to remediation of contaminated sediments in the Rouge River Area of Concern (AOC.)

Permanently restricted net assets would consist of beneficial interest in perpetual trusts and funds created by donors. There are no permanently restricted funds.

Cash and Cash Equivalents

The organization considers all cash and amounts due from depository institutions to be cash equivalents for purposes of the statement of cash flows.

Revenue and Expenses

Membership dues are recognized in the period for which they cover. Dues cover the calendar year in which they are billed. Grant reimbursements are recognized in the period in which the reimbursable expenses are recognized.

Use of Estimates

The preparation of financial statements in conformity with generally 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.

Alliance of Rouge Communities

Notes to Financial Statements For the Years Ended December 31, 2013 and 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

Alliance of Rouge Communities is exempt from federal tax under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service may examine the form 990 of the organization for a period of three years after the return is filed or the due date, whichever is later. Therefore, the organization is no longer subject to U.S. federal tax examinations by tax authorities for years before 2010.

NOTE 2 - RELATED PARTY TRANSACTIONS

The Organization has a contract with ECT, Inc. for Executive Director services. The Executive Director is a shareholder and an employee of ECT, Inc. The total amount billed from ECT, Inc. for services and reimbursable expenses were \$487,502 for 2013 and \$742,837 for 2012.

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. As of December 31, 2013 and 2012 the balance was fully insured.

NOTE 4 - RECEIVABLES

Accounts receivable consists of membership dues that have not been paid at the end of each year and unsubmitted requests for reimbursement from local and federal agencies under the various grant agreements.

The Organization believes all receivables are collectible and therefore no allowance for doubtful accounts has been recorded.

NOTE 5 - OTHER PAYABLE

Subsequent to year end, the Organization and one of its grantors could not come to an agreement on the use of some funds that were previously advanced to the Organization. As a result, the Organization returned the unused portion of grant funds in 2014, which comprises the amount of other payable at December 31, 2013.

NOTE 6 - DONATED SERVICES

The Organization receives donated services from ECT, Inc. for executive director services. The fair value of the donated services received was \$8,328. The Organization also received donated services from a non-profit organization and local government agencies for assistance with tasks related to the GLRI projects and Rouge Round X Grant projects. The fair value of these donated services received approximate \$60,640 for 2013 and \$72,000 for 2012

Alliance of Rouge Communities

Notes to Financial Statements For the Years Ended December 31, 2013 and 2012

NOTE 7 - RECLASSIFICATIONS

Certain amounts shown in the 2012 column of the Statement of Activities have been reclassified for a more concise comparison to the 2013 presentation.

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 26, 2014, the date which the financial statements were available to be issued.

Alliance of Rouge Communities

**Year Ended
December 31, 2013**



Single Audit Act Compliance

**COLE, NEWTON & DURAN
CERTIFIED PUBLIC ACCOUNTANTS
LIVONIA, MICHIGAN**

Alliance of Rouge Communities

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Independent Auditor's Report of the Schedule of Expenditures of Federal Awards

To the Board of Directors of
Alliance of Rouge Communities
Detroit, Michigan

We have audited the financial statements of Alliance of Rouge Communities, as of and for the year ended December 31, 2013, and have issued our report thereon dated September 26, 2014. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Alliance of Rouge Communities' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Cole, Newton & Duran
Certified Public Accountants
Livonia, Michigan

September 26, 2014

Alliance of Rouge Communities

Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2013

Federal Agency / Cluster or Program Title	Direct or Pass-Through Grantor	Pass-Through Grant Number	CFDA Number	2013	
					Federal Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY					
Great Lakes Programs	Great Lakes National Program Office	GL-00E00639	66.469	\$	221,057
Danvers Pond Dam Removal & Stream Restoration		& GL -000E00643			
Transforming the Rouge AOC					
Rouge River National Wet Weather Demonstration Project	Wayne County	XP995743-09	66.202		232,731
Total U.S. Environmental Protection Agency					453,788
USDA, FOREST SERVICE					
Northeastern Area, State and Private Forestry					
GLRI: Restoring Community Trees in an Urban Watershed	Great Lakes Restoration Initiative	12-DG-11420004-13	10.675		232,837
U.S. DEPARTMENT OF COMMERCE					
Habitat Conservation Program					
Rouge Oxbow Restoration Project - Phase III	National Oceanic and Atmospheric Administration	FNA13NMF4630214	11.463		14,258
TOTAL FEDERAL AWARDS					\$ 700,883

See notes to schedule of expenditures of federal awards.

Alliance of Rouge Communities

Notes to Schedule of Expenditures of Federal Awards December 31, 2013

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Alliance of Rouge Communities under programs of the federal government for the year ended December 31, 2013. The information in this schedule is presented in accordance with requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Alliance of Rouge Communities, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Alliance of Rouge Communities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 of the Alliance of Rouge Communities' financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Trail Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE STATEMENT OF ACTIVITIES

Grants reported on the Statement of Activities	\$ 942,020
Less: Temporarily restricted released for determination to refund	(125,134)
Less: Matching and other grant income	(116,003)
Total Federal Awards	<u>\$ 700,883</u>

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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 of
Alliance of Rouge Communities
Detroit, Michigan

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 Michigan not for profit organization) (the Organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Alliance of Rouge Communities' internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Alliance of Rouge Communities' internal control over financial reporting.

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 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 of 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.

This report is intended solely for the information and use of the audit committee, management, the County of Wayne, The United States Environmental Protection Agency, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cole Newton & Duran

Cole, Newton & Duran
Certified Public Accountants
Livonia, Michigan

September 26, 2014

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Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

To the Board of Directors of
Alliance of Rouge Communities
Detroit, Michigan

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 Circular A-133 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, 2013. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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, 2013.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with OMB Circular A-133.

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 OMB Circular A-133, 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Cole, Newton & Duran
Certified Public Accountants
Livonia, Michigan

September 26, 2014

Alliance of Rouge Communities
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses a unqualified opinion on the financial statements of Alliance of Rouge Communities.
2. Internal control over financial reporting: No significant deficiencies relating to the audit of the financial statements are reported in the Auditor's Report on Internal Controls Over Financial Reporting.
3. No instances of noncompliance material to the financial statements of the Alliance of Rouge Communities were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs are reported in Report on Compliance.
5. The auditor's report on compliance for major programs expresses an unqualified opinion.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs include: USDA, Forest Service, Northeastern Area, State & Private Forestry (GLRI) CFDA 10.675
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The Alliance of Rouge Communities qualifies as a low-risk auditee.

FINDINGS—FINANCIAL STATEMENTS AUDIT

None

FINDINGS—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None