
Downriver Community Conference

**Federal Awards Supplemental Information
September 30, 2021**

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 <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	4-5

Schedule of Expenditures of Federal Awards	6-7
---	-----

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards	8
---	---

Notes to Schedule of Expenditures of Federal Awards	9
--	---

Schedule of Findings and Questioned Costs	10-12
--	-------

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

Independent Auditor's Report

To the Board of Directors
Downriver Community Conference

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Downriver Community Conference (DCC) as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise DCC's basic financial statements. We issued our report thereon dated March 28, 2022, which contained an unmodified opinion on those 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 March 28, 2022.

The accompanying schedule of expenditures of federal awards and 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

March 28, 2022

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
Downriver Community Conference

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, each major fund, and the aggregate remaining fund information of Downriver Community Conference (DCC) as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise DCC's basic financial statements, and have issued our report thereon dated March 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DCC'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 DCC's internal control. Accordingly, we do not express an opinion on the effectiveness of DCC'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 DCC'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DCC'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*.

DCC's Response to the Finding

DCC's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. DCC's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

To Management and the Board of Directors
Downriver Community Conference

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 DCC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DCC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

March 28, 2022

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
Downriver Community Conference

Report on Compliance for Each Major Federal Program

We have audited Downriver Community Conference's (DCC) 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 DCC's major federal programs for the year ended September 30, 2021. DCC'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 DCC'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 DCC'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 DCC's compliance.

Opinion on Each Major Federal Program

In our opinion, DCC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of DCC 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 DCC'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 DCC's internal control over compliance.

To the Board of Directors
Downriver Community Conference

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2021-002, that we consider to be a significant deficiency.

DCC's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. DCC's response was not subjected to the 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

March 28, 2022

Downriver Community Conference

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services:				
Passed through Wayne Metropolitan Community Action Agency - LIHEAP (Low Income Home Energy Assistance Program) 20-21	93.568	DCC-WAP16-82030	\$ -	\$ 196,442
Passed through the Southeast Michigan Community Alliance:				
Temporary Assistance for Needy Families (TANF) - Support Services	93.558	N/A	-	12,758
TANF - PATH (Partnership, Accountability, Training, Hope)	93.558	N/A	-	958,854
Total TANF			-	971,612
Total U.S. Department of Health and Human Services			-	1,168,054
U.S. Department of Energy -				
Passed through the Wayne Metropolitan Community Action Agency:				
Weatherization Assistance for Low-Income Persons 20-21	81.042	DCC-WAP16-82030	-	260,257
Weatherization Assistance for Low-Income Persons 21-22	81.042	DCC-WAP16-82030	-	63,569
Total U.S. Department of Energy			-	323,826
U.S. Department of Labor:				
Passed through the Southeast Michigan Community Alliance:				
Trade Adjustment Assistance - TAA/NAFTA	17.245	N/A	-	47,422
TAA - TCM (Trade Case Management)	17.245	N/A	-	435,000
Total TAA			-	482,422
Passed through the Southeast Michigan Community Alliance:				
Employment Services Cluster:				
Employment Services 20-21	17.207	N/A	-	609,863
Employment Services 21-22	17.207	N/A	-	227,959
Total Employment Services Cluster			-	837,822
Reemployment Services and Eligibility Assessment (RESEA) Program	17.255	N/A	-	203,509
Unemployment Insurance 19-20	17.225	N/A	-	7,341
Passed through the Southeast Michigan Community Alliance - WIOA Cluster:				
IET 20-21	17.258	N/A	-	1,649
IET 20-22	17.259	N/A	-	1,791
IET 20-23	17.278	N/A	-	1,439
Adult 20-21	17.258	N/A	-	259,742
Adult 21-22	17.258	N/A	-	83,710
Dislocated Worker 20-21	17.278	N/A	-	347,166
Dislocated Worker 21-22	17.278	N/A	-	97,452
Youth 20-21	17.259	N/A	-	170,279
Youth 21-22	17.259	N/A	-	61,791
Total WIOA Cluster			-	1,025,019
Passed through the Detroit Employment Solutions Corporation -				
Employment Services Cluster:				
Detroit Employment Services 20-21	17.207	C-00572	-	759,062
Detroit Employment Services 21-22	17.207	C-00572	-	287,772
Total Employment Services Cluster			-	1,046,834
Passed through the Detroit Employment Solutions Corporation:				
Trade Adjustment Assistance (TAA) - Detroit Trade Case Management	17.245	C-00572	-	363,310
TAA Detroit	17.245	C-00572	-	181,278
Total TAA			-	544,588
Passed through the Detroit Employment Solutions Corporation:				
Detroit Reemployment & Eligibility Assessment 20-21	17.255	C-00572	-	211,964
Detroit Reemployment & Eligibility Assessment 21-22	17.255	C-00572	-	66,807
Total Detroit Reemployment & Eligibility Assessment			-	278,771
Passed through the Detroit Employment Solutions Corporation - Detroit				
Dislocated Worker Retail-Finance 20-21	17.277	C-00572	-	44,617

See notes to schedule of expenditures of federal awards.

Downriver Community Conference

Schedule of Expenditures of Federal Awards (Continued)

Year Ended September 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Passed through the Detroit Employment Solutions Corporation -				
WIOA Cluster:				
Detroit Adult 20-21	17.258	C-00559	\$ -	\$ 144,939
Detroit Adult 21-22	17.258	C-00559	-	48,232
Detroit Adult 20-21	17.258	C-00572	-	23,324
Detroit Adult 21-22	17.258	C-00572	-	15,921
Detroit Dislocated Worker 20-21	17.278	C-00559	-	76,190
Detroit Dislocated Worker 21-22	17.278	C-00559	-	23,512
Detroit Dislocated Worker 20-21	17.278	C-00572	-	41,102
Detroit Dislocated Worker 21-22	17.278	C-00572	-	29,430
Detroit Dislocated Worker (Basic Services) 20-21	17.278	C-00572	-	28,685
Total WIOA Cluster			-	431,335
Total U.S. Department of Labor			-	4,902,258
U.S. Environmental Protection Agency:				
EPA Revolving Loan (55695)	66.818	BL00E01001-1	-	55,583
EPA Revolving Loan (55697)	66.818	BF00E93501-6	-	40,401
EPA Revolving Loan (55695)	66.818	BF-00E02888-0	-	80,687
Total U.S. Environmental Protection Agency			-	176,671
U.S. Department of Transportation -				
Passed through the Federal Transit Administration -				
Transit Services Program Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities - New Freedom (Section 5310)	20.513	20-0031	-	572
Enhanced Mobility of Seniors and Individuals with Disabilities - New Freedom (Section 5310)	20.513	21-0144	-	4,732
JARC (Job Access & Reverse Commute)	20.516		-	19,702
Total U.S. Department of Transportation			-	25,006
Total federal awards			\$ -	\$ 6,595,815

Downriver Community Conference

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

Year Ended September 30, 2021

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 7,138,354
Less prior year unavailable revenue	(150,988)
Add current year unavailable revenue	246,435
Less brownfield loan repayments (amounts received by DCC)	(699,269)
Add federal expenditures paid with program income recognized in a prior year	<u>61,283</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 6,595,815</u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Downriver Community Conference (DCC) under programs of the federal government for the year ended September 30, 2021. 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 DCC, it is not intended to and does not present the financial position, changes in net position, or cash flows of DCC.

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.

DCC has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance. DCC has an indirect cost allocation plan (IDCAP) that has been approved by its cognizant agency.

Downriver Community Conference

Schedule of Findings and Questioned Costs

Year Ended September 30, 2021

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:

Assistance Listing Number	Name of Federal Program or Cluster
17.207	Employment Service Cluster - Employment Service/Wagner-Peyser Funded Activities
17.245	Trade Adjustment Assistance
93.558	Temporary Assistance for Needy Families (TANF) - Support Services - PATH (Partnership, Accountability, Training, Hope)

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2021

Section II - Financial Statement Audit Findings

Reference Number	Finding
2021-001	<p>Finding Type - Significant deficiency</p> <p>Criteria - Year-end journal entries should be recorded in accordance with generally accepted accounting principles (GAAP) prior to the start of the audit.</p> <p>Condition - Year-end journal entries were required during the audit to ensure the financial statement presentation was in conformity with generally accepted accounting principles.</p> <p>Context - The adjusting journal entries included adjustments required for the proper presentation of revenue and deferred revenue.</p> <p>Cause - DCC did not have a procedure in place to record all journal entries needed. This is a repeat finding from the prior year.</p> <p>Effect - Prior to recording the auditor-proposed journal entries, the financial statements were materially misstated.</p> <p>Recommendation - DCC should implement procedures to ensure that all appropriate journal entries are made and reviewed prior to the start of the audit.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Procedures were put in place in the current year, and auditor-proposed journal entries were eliminated with the exception of one entry. DCC will put additional procedures in place to ensure this entry will be properly recorded for next year's audit.</p>

Downriver Community Conference

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2021

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2021-002	<p>Assistance Listing Number (ALN), Federal Agency, and Program Name - ALN 93.558, U.S. Department of Health and Human Services, Temporary Assistance for Needy Families; ALN 17.245, U.S. Department of Labor, Trade Adjustment Assistance; ALN 17.207, U.S. Department of Labor, Employment Services Cluster; and ALN 17.258, 17.259, and 17.278, U.S. Department of Labor, WIOA Cluster</p> <p>Federal Award Identification Number and Year - N/A; 2020-2021 and 2021-2022</p> <p>Pass-through Entity - Southeastern Michigan Community Alliance</p> <p>Finding Type - Significant deficiency</p> <p>Repeat Finding - No</p> <p>Criteria - The cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i>, Section 303 state that organizations must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.</p> <p>Furthermore, Section 408 states that the federal award may be subject to statutory requirements that limit the allowability of costs. When the maximum amount allowable under a limitation is less than the total amount determined in accordance with the principles in this part, the amount not recoverable under the federal award may not be charged to the federal award.</p> <p>Condition - A control was not in place to ensure allocated charges for rent and maintenance costs were limited to actual costs incurred.</p> <p>Questioned Costs - Not applicable</p> <p>Identification of How Questioned Costs Were Computed - Not applicable</p> <p>Context - For each program impacted, the amount charged in excess of actual costs is not material to the respective program.</p> <p>Cause and Effect - Planned building maintenance costs were delayed due to the impact of the COVID-19 pandemic. As a result, the rent charged in anticipation of those costs was higher than the actual costs incurred and was not detected.</p> <p>Recommendation - DCC should put a control in place to monitor allocated rent and maintenance costs charged during the year and adjust to actual amounts at least annually.</p> <p>Views of Responsible Officials and Corrective Action Plan - DCC has put a quarterly analysis into place to ensure that the costs are reconciled before year end.</p>	None