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# Charter Township of Redford

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**Federal Awards Supplemental Information**  
**March 31, 2021**

### **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 Trustees  
Charter Township of Redford

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford (the "Charter Township") as of and for the year ended March 31, 2021 and the related notes to the financial statements, which collectively comprise the Charter Township's basic financial statements. We issued our report thereon dated August 30, 2021, 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 August 30, 2021.

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 basic financial statements as a whole.

*Plante & Moran, PLLC*

August 30, 2021

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 Trustees  
Charter Township of Redford

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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford (the "Charter Township") as of and for the year ended March 31, 2021 and the related notes to the financial statements, which collectively comprise the Charter Township's basic financial statements, and have issued our report thereon dated August 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Charter Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 Charter Township's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2021-001 and 2021-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2021-003, 2021-004, 2021-005, and 2021-006 to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Trustees  
Charter Township of Redford

### **The Charter Township's Responses to the Findings**

The Charter Township's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The Charter Township's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

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

*Plante & Moran, PLLC*

August 30, 2021

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 Trustees  
Charter Township of Redford

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

We have audited the Charter Township of Redford's (the "Charter Township") 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 the Charter Township's major federal program for the year ended March 31, 2021. The Charter Township's major federal program is 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 program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Charter Township'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 Charter Township'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 Charter Township's compliance.

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

In our opinion, the Charter Township 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 program for the year ended March 31, 2021.

**Report on Internal Control Over Compliance**

Management of the Charter Township 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 Charter Township'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 Charter Township's internal control over compliance.

To the Board of Trustees  
Charter Township of Redford

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 of 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 identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2021-007, that we consider to be a material weakness.

The Charter Township's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Charter Township'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 & Moran, PLLC*

August 30, 2021

## Charter Township of Redford

# Schedule of Expenditures of Federal Awards

Year Ended March 31, 2021

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number/Federal Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Treasury:				
COVID-19 First Responder Hazard Pay	21.019	N/A	\$ -	\$ 108,000
COVID-19 Public Safety Public Health Payroll Reimbursement Program	21.019	N/A	-	1,234,685
COVID-19 Coronavirus Relief Local Government Grants Program	21.019	N/A	-	323,503
Total U.S. Department of Treasury - Passed through Michigan Department of Treasury - COVID-19 Coronavirus Relief Fund			-	1,666,188
U.S. Department of Housing and Urban Development - CDBG Entitlement Grants Cluster:				
Program year 2019 - B-19-MC-26-0029	14.218	N/A	-	179,515
Program year 2020 - B-19MC-26-0029	14.218	N/A	-	848,917
COVID-19 CDBG CV	14.218	N/A	-	151,266
Total U.S. Department of Housing and Urban Development			-	1,179,698
U.S. Department of Justice:				
Equitable Sharing Program	16.922	N/A	-	17,990
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1684	-	28,007
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0405	-	114,972
Total U.S. Department of Justice			-	160,969
U.S. Department of Agriculture - Child Nutrition Cluster - Summer Food Service Program for Children	10.559	N/A	-	22,280
U.S. Department of Homeland Security:				
Assistance to Firefighters Grant	97.044	EMW-2019-FG-06975	-	104,845
Staffing for Adequate Fire & Emergency Response (SAFER)	97.083	EMW-2016-FH-00500	-	268,521
Total U.S. Department of Homeland Security			-	373,366
U.S. Department of Transportation - Federal Transit Formula Grants	20.507	MI-2020-052	-	6,248
Total			\$ -	\$ 3,408,749

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

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**Year Ended March 31, 2021**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Charter Township of Redford (the "Charter Township") under programs of the federal government for the year ended March 31, 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 the Charter Township, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Charter Township.

**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 except for expenditures related to CFDA 21.019, Coronavirus Relief Fund (CRF). CRF does not apply 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*, but rather applies the U.S. Department of Treasury's guidance and frequently asked questions, as outlined in the 2020 Compliance Supplement Addendum. The pass-through entity identifying numbers are presented where available.

The Charter Township has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

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## Schedule of Findings and Questioned Costs

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**Schedule of Findings and Questioned Costs**

**Year Ended March 31, 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?   X   Yes        No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?   X   Yes        None reported
- Noncompliance material to financial statements noted?        Yes   X   None reported

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?   X   Yes        No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?        Yes   X   None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?   X   Yes        No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
21.019	Coronavirus Relief Fund	Unmodified

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

Auditee qualified as low-risk auditee?        Yes   X   No

## Charter Township of Redford

# Schedule of Findings and Questioned Costs (Continued)

Year Ended March 31, 2021

### Section II - Financial Statement Audit Findings

Reference Number	Finding
2021-001	<p><b>Finding Type</b> - Material weakness</p> <p><b>Criteria</b> - Management should have a process in place by which to close the year and present the trial balance ready for audit in accordance with generally accepted accounting principles.</p> <p><b>Condition</b> - In performing our audit, there were instances where the accounting records were not yet closed for the year and required adjustment.</p> <p><b>Context</b> - Numerous adjustments were made to the accounting records. Many were proposed by finance staff, but there were several instances where the audit team proposed journal entries.</p> <p><b>Cause</b> - The Charter Township did not have processes in place to close accounting records accurately and timely.</p> <p><b>Effect</b> - As a result, a significant number of journal entries were required to properly state the records in compliance with generally accepted accounting principles. If the entries were not made, the statements would have been materially misstated.</p> <p><b>Recommendation</b> - We recommend the Charter Township put procedures in place to ensure all year-end entries are posted to the general ledger prior to commencement of the audit.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The Charter Township agrees with the finding and has reinstated certain procedures that were changed. The Charter Township's management will monitor the procedures to ensure accounting records are properly recorded.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended March 31, 2021

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2021-002	<p><b>Finding Type</b> - Material weakness</p> <p><b>Criteria</b> - Bank reconciliations should be prepared and reviewed on a timely basis.</p> <p><b>Condition</b> - During our audit, we noted that the bank reconciliations had not been completed timely and had multiple unresolved reconciling items.</p> <p><b>Context</b> - Bank reconciliations had unresolved reconciling items at year end. These differences were resolved during the audit in July 2021.</p> <p><b>Cause</b> - The Charter Township did not have a process to review of the bank reconciliations timely and accurately.</p> <p><b>Effect</b> - Bank reconciliations are critical for the detection and correction of any errors in the cash records. Any shortcoming in the process of preparing and reviewing these reconciliations could result in errors not being detected and corrected on a timely basis.</p> <p><b>Recommendation</b> - We recommend that the Charter Township put into place a procedure by which the bank reconciliations are prepared and reviewed within the month following receipt of the statement.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The Charter Township agrees with the finding and will put procedures into place to ensure bank reconciliations are prepared and reviewed timely.</p>

## Charter Township of Redford

# Schedule of Findings and Questioned Costs (Continued)

Year Ended March 31, 2021

## Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2021-003	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - The auditee must prepare the schedule of expenditures of federal awards in an accurate manner, as required by 2 CFR 200.510(b).</p> <p><b>Condition</b> - During our audit of federal expenditures, we noted that the schedule of expenditures of federal awards was not prepared in an accurate manner and required revisions identified by the audit team.</p> <p><b>Context</b> - The schedule of expenditures of federal awards was initially understated by approximately \$200,000. The schedule of expenditures of federal awards was corrected by management, and the understatement did not cause a change in major program determination.</p> <p><b>Cause</b> - The Charter Township did not have a process to review the schedule of expenditures of federal awards accurately.</p> <p><b>Effect</b> - The schedule of expenditures of federal awards was initially understated by approximately \$200,000. The understatement did not cause an error in major program determination or testing.</p> <p><b>Recommendation</b> - We recommend that the Charter Township put into place a procedure by which the schedule of expenditures of federal awards is prepared and reviewed timely.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The Charter Township agrees with the finding and will put procedures into place to ensure the schedule is prepared and reviewed timely.</p>
2021-004	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - Utility bills should be calculated using actual current rates.</p> <p><b>Condition</b> - During the audit of utility billings, it was noted that, for the period in which the utility rates were increased, that the Charter Township's billing system did not correctly calculate billed amounts.</p> <p><b>Context</b> - The Charter Township underbilled for the period of rate change</p> <p><b>Cause</b> - The Charter Township did not have a process in place to review and ensure that rate changes were properly put into effect.</p> <p><b>Effect</b> - Miscalculation of utility bills resulted in the under billing of utilities.</p> <p><b>Recommendation</b> - We recommend the Charter Township implement a layer of review of the utility system during a period of rate changes in order to ensure that bills are properly calculated.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The Charter Township agrees with the finding and will put procedures into place to ensure utility rate changes are properly accounted for within the utility billing system.</p>

# Charter Township of Redford

## Schedule of Findings and Questioned Costs (Continued)

Year Ended March 31, 2021

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2021-005	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - Building and safety fees calculated within the financial reporting system were not supported by board-approved rates.</p> <p><b>Condition</b> - During the audit of building and safety fees, it was noted that the financial reporting system was not calculating bill amounts in accordance with board approved fees.</p> <p><b>Context</b> - The Charter Township charged amounts that were not board-approved, and there exists the ability for individuals to manually adjust fees.</p> <p><b>Cause</b> - The Charter Township does not have a process in place to review amounts charged by the building department.</p> <p><b>Effect</b> - Incorrect fees could be charged to citizens.</p> <p><b>Recommendation</b> - We recommend the Charter Township implement a process to review amounts charged throughout the period and ensure they are in line with board-approved amounts.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The Charter Township agrees with the finding and will put procedures into place to ensure proper billings within the building department are taking place.</p>

Reference Number	Finding
2021-006	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - Wages paid by the Charter Township should represent the most current approved wage rates.</p> <p><b>Condition</b> - During the audit of employee compensation, it was noted that an individual at the district court had not properly received their pay rate increase for the current year.</p> <p><b>Context</b> - Wages paid for the individual were underpaid.</p> <p><b>Cause</b> - The Charter Township did have appropriate communication and processes in place to obtain updated wage rate information from the district court and update within the payroll system.</p> <p><b>Effect</b> - The lack of proper wage rate updates resulted in the underpayment of wages to the individual.</p> <p><b>Recommendation</b> - We recommend the Charter Township implement a process to ensure all new wage rate information is correctly entered into the payroll system.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The Charter Township agrees with the finding and will put procedures into place to ensure proper wage rate updates are taking place.</p>

**Charter Township of Redford**

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

**Year Ended March 31, 2021**

**Section III - Federal Program Audit Findings**

Reference Number	Finding	Questioned Costs
2021-007	<p><b>CFDA Number, Federal Agency, and Program Name</b> - 21.019, U.S. Department of Treasury, COVID-19 Coronavirus Relief Fund</p> <p><b>Pass-through Entity</b> - Michigan Department of Treasury</p> <p><b>Finding Type</b> - Material weakness</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Reporting should be mathematically accurate and supported by applicable accounting records.</p> <p><b>Condition</b> - During the audit of federal expenditures, it was noted that the Charter Township incorrectly reported fringe benefit expenses to the State of Michigan on a specific reimbursement request.</p> <p><b>Questioned Costs</b> - N/A</p> <p><b>Context</b> - Fringe benefit expenses reported to the State of Michigan included expenditures that were also reported in the gross wage line item of the reimbursement request. Approximately \$1.9 million was reported, of which \$1.7 million was eligible for reimbursement; the difference was a result of fringe benefit expenses being erroneously double counted on the report. However, due to lack of resources, the State was only able to reimburse approximately \$1.2 million. As such, all funds received as part of this grant program were utilized to reimburse the Charter Township for eligible expenditures.</p> <p><b>Cause and Effect</b> - The Charter Township's process in place to review reimbursement requests did not identify the reporting error. This resulted in the Charter Township incorrectly reporting expenditures in the State of Michigan reimbursement request report.</p> <p><b>Recommendation</b> - We recommend the Charter Township implement another layer of review to ensure reported costs for reimbursement are accurate.</p> <p><b>Views of Responsible Officials and Corrective Action Plan</b> - The Charter Township agrees with the finding and will put procedures into place to ensure appropriate layers of review are performed when reporting expenditures.</p>	None