

September 3, 2020

Board of Directors
Anoka County Community Action Program, Inc. and Affiliates
Blaine, Minnesota

Dear Board Members:

We have audited the financial statements of Anoka County Community Action Program, Inc. and Affiliates (the "Organizations") for the year ended December 31, 2019 and have issued our report thereon dated September 3, 2020. Professional standards require that we provide you with the following information related to our audit:

Our Responsibility Under Auditing Standards Generally Accepted in the United States and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

As stated in our engagement letter dated February 7, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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.

Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the Organization's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the purpose of expressing an opinion on the Organization's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Organization's compliance with those requirements.

Supplementary Information Accompanying Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to your representative, Alicia Cameron, in our meeting about planning matters in December 2019, in addition to our engagement letter dated February 7, 2020, accepted by Mr. Patrick McFarland.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. As described in Note 1, the Organization adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which relates to the reporting of contributions for the Organization. No other new accounting policies were adopted, and the application of other existing policies was not changed during the year under audit.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the consolidated financial statements was useful lives of property, functional allocation of expense and the collectability of receivables.

The disclosures in the consolidated financial statements are neutral, consistent, and clear. Certain consolidated financial statement disclosures are particularly sensitive because of their significance to consolidated financial statement users. The most sensitive disclosures affecting the consolidated financial statements are: the disclosure of the fair value measurements in Note 17 to the consolidated financial statements which describes the fair value measurement for certain assets owned by the Organizations, and Note 18 which describes the Organization's liquidity and availability of financial assets.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The bullet point list below summarizes the uncorrected misstatement of the financial statements. Management has determined that their effect is immaterial to the financial statements taken as a whole.

- Reversal of prior year passed adjustments which would reduce revenue by \$42,821 and reduce expense by \$10,953.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 3, 2020, a copy of which accompanies this letter.

Board Members

Anoka County Community Action Program, Inc. and Affiliates

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Management Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, management has not obtained any opinions from other independent accountants on the application of accounting principles generally accepted in the United States which would affect the Organization's financial statements or on the type of opinion which may be rendered on the financial statements.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors for the preceding year. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

We appreciate the opportunity to be of service to Anoka County Community Action Program, Inc. and Affiliates.

This communication is intended solely for the information and use of the Board and, if appropriate, management and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

Enclosure

ANOKA COUNTY COMMUNITY ACTION PROGRAM, INC.

1201 89th Avenue NE | Suite 345 | Blaine, MN 55434

Phone: 763-783-4747 | Fax: 763-783-4700

Website: www.accap.org



September 3, 2020

Wipfli LLP
2501 West Beltline Hwy, Suite 401
Madison, WI 53713

This representation letter is provided in connection with your audit of the consolidated financial statements of Anoka County Community Action Program, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2019 and the consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (GAAP).

This representation letter is also provided in connection with your audit of the federal award programs of Anoka County Community Program Act (the "Organization") as of and for the year ended December 31, 2019 which was performed in accordance with auditing standards generally accepted in the United States; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We understand that the purpose of your testing of transactions and records from the Organization's federal programs was to obtain reasonable assurance that the Organization had complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of its major programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated [Date of Engagement Letter], including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP.
2. The financial statements referred to above are fairly presented in conformity with GAAP.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
11. Material concentrations have been properly disclosed in accordance with GAAP.
12. Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with GAAP.
13. As part of your audit, you prepared the draft financial statements and related notes and schedule of expenditures of federal awards (the "SEFA"). We acknowledge our responsibility as it relates to those nonattest/nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and the SEFA.
14. We accept responsibility for and have designated an individual with suitable skill, knowledge, or experience to oversee the following nonattest services:
 - a. Data collection form preparation
 - b. Tax return preparation
 - c. Financial statement preparation assistance
 - d. Miscellaneous accounting questions
 - e. IT hardware assistance

Information Provided

15. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.

- b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Organization from who you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
16. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the SEFA.
 17. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 18. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
 19. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
 20. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effect should be considered when preparing financial statements.
 21. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP.
 22. We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.
 23. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged, except as disclosed in the notes to the financial statements.
 24. Receivables recorded in the financial statements represent valid claims against debtors for services provided or other charges arising on or before the statement of financial position date and have been reduced to their estimated net realizable value.
 25. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
 26. The Organization has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.

27. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
28. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
29. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
30. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
31. Anoka County Community Action Program, Inc. and Grassland Housing, Inc are an exempt organization under Section 501 (c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. Our Subsidiaries are all disregarded entities and are included in our IRS form 990. The wholly owned subsidiaries are disregarded entities for tax purposes. All required filings with tax authorities are up to date.
32. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

With Respect to Federal Award Programs

33. With respect to federal award programs:
 - a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance and any other applicable laws and regulations and provisions of contracts and grant agreements, including requirements relating to preparation of the SEFA.
 - b. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program.

- c. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards. We believe the internal control system is adequate and is functioning as intended.
- d. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs and related activities.
- e. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- f. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- g. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- h. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- i. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2CFR Part 200, Subpart E).
- j. We have disclosed to you our interpretation of compliance requirements that have varying interpretations, if any.
- k. We have made available to you all documentation relating to the compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- l. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- m. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- n. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the date as of which compliance was audited.

- o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
 - p. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - q. We have charged costs to federal awards in accordance with applicable cost principles.
 - r. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - s. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - t. We are responsible for and will accurately complete the auditee section of the Data Collection Form as required by the Uniform Guidance.
34. There have been no irregularities or instances of fraud involving management, employees who administer federal or state programs, or other employees that could have a material effect on federal and state programs.
35. We have identified to you any previous audits, attestation engagements, or other studies related to the audit objectives and whether related recommendations have been implemented.

Schedule of Expenditures of Federal and State Awards

36. We acknowledge our responsibility for presenting the SEFA in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
37. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

Sincerely,



Patrick McFarland, Executive Director



Alicia Cameron, CFO