

# Minnesota Alliance With Youth

Annual Financial Statements Together with Independent  
Auditor's Report

Years Ended August 31, 2018 and 2017

**WIPFLi**<sup>LLP</sup>  
CPAs and Consultants



## **Independent Auditor's Report**

Board of Directors  
Minnesota Alliance With Youth  
St. Paul, Minnesota

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

We have audited the accompanying financial statements of Minnesota Alliance with Youth (a Minnesota corporation organized not-for-profit), which comprise the statements of financial position as of August 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States 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 audits 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 Minnesota Alliance with Youth as of August 31, 2018 and 2017, 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.

## ***Other Matters***

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2019 on our consideration of Minnesota Alliance with Youth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Minnesota Alliance with Youth's 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 Minnesota Alliance with Youth's internal control over financial reporting and compliance.



Wipfli LLP  
Duluth, Minnesota  
January 22, 2019

# Minnesota Alliance With Youth

## Statements of Financial Position

August 31,

Assets	2018	2017
Cash	\$ 1,062,058	\$ 1,454,704
Accounts receivable	695,476	439,847
Grants receivable	340,668	391,860
Prepaid expenses	51,457	23,762
Employee advances	6,050	12,216
<b>Total assets</b>	<b>\$ 2,155,709</b>	<b>\$ 2,322,389</b>
<b>Liabilities and Net Assets</b>	<b>2018</b>	<b>2017</b>
<b>Liabilities</b>		
Accounts payable	\$ 42,915	\$ 40,571
Accrued expenses	49,228	65,519
<b>Total liabilities</b>	<b>92,143</b>	<b>106,090</b>
<b>Net Assets</b>		
Unrestricted	868,756	915,152
Temporarily restricted	1,194,810	1,301,147
<b>Total net assets</b>	<b>2,063,566</b>	<b>2,216,299</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,155,709</b>	<b>\$ 2,322,389</b>

The accompanying notes are an integral part of these financial statements.

# Minnesota Alliance With Youth

## Statement of Activities

For the Year Ended August 31, 2018

	Unrestricted	Temporarily Restricted	Total
Public support and revenue			
Public support			
Contributions	\$ 11,265	\$	\$ 11,265
Government grants	1,575,056		1,575,056
Foundation and other grants	231,670	25,302	256,972
Host site cash match	10,800	1,126,541	1,137,341
Donated services and supplies	77,000		77,000
Total public support	1,905,791	1,151,843	3,057,634
Released from restrictions	1,258,180	(1,258,180)	
Revenue			
Administrative fee income	2,390		2,390
Interest income	565		565
Miscellaneous income	19		19
Total revenue	2,974		2,974
Total public support and revenue	3,166,945	(106,337)	3,060,608
Expenses			
Functional expenses			
Program services			
AmeriCorps	2,885,658		2,885,658
Strategic initiatives	250,859		250,859
Management and general	76,824		76,824
Total functional expenses	3,213,341		3,213,341
Change in net assets	(46,396)	(106,337)	(152,733)
Net assets, beginning of year	915,152	1,301,147	2,216,299
Net assets, end of year	\$ 868,756	\$ 1,194,810	\$ 2,063,566

The accompanying notes are an integral part of these financial statements.

# Minnesota Alliance With Youth

## Statement of Activities

For the Year Ended August 31, 2017

	Unrestricted	Temporarily Restricted	Total
Public support and revenue			
Public support			
Contributions	\$ 5,392	\$	\$ 5,392
Government grants	2,110,586		2,110,586
Foundation and other grants	198,420	106,983	305,403
Host site cash match		1,011,400	1,011,400
Donated services and supplies	74,153		74,153
Total public support	2,388,551	1,118,383	3,506,934
Released from restrictions	1,625,806	(1,625,806)	
Revenue			
Administrative fee income	8,673		8,673
Interest income	630		630
Total revenue	9,303		9,303
Total public support and revenue	4,023,660	(507,423)	3,516,237
Expenses			
Functional expenses			
Program services			
AmeriCorps	3,452,600		3,452,600
Strategic initiatives	323,407		323,407
Management and general	74,491		74,491
Total functional expenses	3,850,498		3,850,498
Change in net assets	173,162	(507,423)	(334,261)
Net assets, beginning of year	741,990	1,808,570	2,550,560
Net assets, end of year	\$ 915,152	\$ 1,301,147	\$ 2,216,299

The accompanying notes are an integral part of these financial statements.

# Minnesota Alliance With Youth

## Statement of Functional Expenses

For the Year Ended August 31, 2018

	Program Services		Total Program Services	Management and General	Total Expenses
	AmeriCorps	Strategic Initiatives			
Salaries and related expenses					
Salaries and wages	\$ 534,430	\$ 155,998	\$ 690,428	\$ 9,914	\$ 700,342
Payroll taxes and benefits	122,257	33,701	155,958	5,030	160,988
<b>Total salaries and related expenses</b>	<b>656,687</b>	<b>189,699</b>	<b>846,386</b>	<b>14,944</b>	<b>861,330</b>
Travel	8,319	4,156	12,475	4,186	16,661
Supplies	17,424	1,511	18,935	1,205	20,140
Consultant services	19,322	21,538	40,860	9,122	49,982
Training	126,853	20,741	147,594	6,812	154,406
Outside evaluator	24,000		24,000		24,000
Convenings		7,404	7,404		7,404
Operating expenses	177,241	5,810	183,051	14,278	197,329
Member costs	1,772,892		1,772,892		1,772,892
Administrative fees	82,920		82,920	26,277	109,197
<b>Total functional expenses</b>	<b>\$ 2,885,658</b>	<b>\$ 250,859</b>	<b>\$ 3,136,517</b>	<b>\$ 76,824</b>	<b>\$ 3,213,341</b>

The accompanying notes are an integral part of these financial statements.

# Minnesota Alliance With Youth

## Statement of Functional Expenses

For the Year Ended August 31, 2017

	Program Services		Total Program Services	Management and General	Total Expenses
	AmeriCorps	Strategic Initiatives			
Salaries and related expenses					
Salaries and wages	\$ 461,227	\$ 160,636	\$ 621,863	\$ 19,920	\$ 641,783
Payroll taxes and benefits	113,065	28,832	141,897	2,321	144,218
<b>Total salaries and related expenses</b>	<b>574,292</b>	<b>189,468</b>	<b>763,760</b>	<b>22,241</b>	<b>786,001</b>
Travel	6,460	8,118	14,578	3,244	17,822
Supplies	31,288	3,805	35,093	4,127	39,220
Consultant services	25,283	44,805	70,088	30,501	100,589
Training	121,730	26,264	147,994	3,482	151,476
Outside evaluator	39,512		39,512		39,512
Grants		31,726	31,726		31,726
Convenings		6,319	6,319		6,319
Operating expenses	167,052	7,664	174,716	10,896	185,612
Member costs	2,352,862		2,352,862		2,352,862
Administrative fees	134,121	5,238	139,359		139,359
<b>Total functional expenses</b>	<b>\$ 3,452,600</b>	<b>\$ 323,407</b>	<b>\$ 3,776,007</b>	<b>\$ 74,491</b>	<b>\$ 3,850,498</b>

The accompanying notes are an integral part of these financial statements.

# Minnesota Alliance With Youth

## Statements of Cash Flows

For the Years Ended August 31,

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ (152,733)	\$ (334,261)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
(Increase) decrease in assets		
Accounts receivable	(255,629)	640,153
Grants receivable	51,192	(12,519)
Prepaid expense	(27,695)	(10,013)
Employee advances	6,166	4,549
Increase (decrease) in liabilities		
Accounts payable	2,344	17,483
Accrued expenses	(16,291)	11,571
Net cash provided by (used in) operating activities	(392,646)	316,963
Cash, beginning of year	1,454,704	1,137,741
Cash, end of year	\$ 1,062,058	\$ 1,454,704

The accompanying notes are an integral part of these financial statements.

# Minnesota Alliance With Youth

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Nature of Operations**

Minnesota Alliance with Youth (the Alliance) is a not-for-profit corporation formed on February 12, 2012. The mission is to ignite the spark in all young people in Minnesota to become actively engaged, develop strong voices and acquire skills needed for success in school, work, and life.

#### **Basis of Accounting**

The financial statements of the Alliance have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

#### **Basis of Presentation**

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

Unrestricted net assets are the net assets of the Alliance that are neither permanently restricted nor temporarily restricted. Thus, they include all net assets whose use has not been restricted by donors or by law.

Temporarily restricted net assets are subject to donor-imposed stipulations that may or may not be met, either by actions of the Alliance and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Alliance. Generally, the donors of these assets permit the Alliance to use all or part of the income earned on any related investments for general or specific purposes. The Alliance currently has no permanently restricted net assets.

#### **Cash**

Cash consists of demand deposits.

#### **Accounts Receivable**

Accounts receivable consist primarily of cash match revenues. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed. The Alliance considers these receivables to be collectible and, therefore, no allowance for uncollectible amounts has been recorded. If an account becomes uncollectible, it will be written off at that time.

# Minnesota Alliance With Youth

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Grants Receivable**

Grants receivable consist of amounts due from grantors and government agencies and are expected to be collected within one year. Based on management's assessment of each amount at year end, collection of these amounts is reasonably certain and, therefore, no valuation allowance for uncollectible accounts is needed.

#### **Contribution Recognition**

Contributions are recognized as revenue when they are received or unconditionally promised. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Alliance. Such services are recognized at their estimated fair value.

#### **Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### **Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Income Taxes**

The Alliance is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Alliance's tax-exempt purpose is subject to taxation on unrelated business income. The Alliance is also exempt from Minnesota income taxes.

# Minnesota Alliance With Youth

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Reclassification**

Certain amounts as previously reported in the 2017 financial statements have been reclassified to conform to the 2018 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

#### **Subsequent Events**

The Alliance has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 22, 2019, which is the date the financial statements were available to be issued.

# Minnesota Alliance With Youth

## Notes to Financial Statements

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### Note 2: Concentration of Credit Risk

The Alliance maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. At August 31, 2018 and 2017, the Alliance's uninsured cash balances at one financial institution totaled \$489,931 and \$1,187,067, respectively.

### Note 3: Donated Services

The value of donated services is included as contributions in the financial statements and the corresponding expenses are as follows:

<i>Years Ended August 31,</i>	2018	2017
Program services		
Member training	\$ 50,000	\$ 50,000
Operating expenses	27,000	24,153
<b>Total</b>	<b>\$ 77,000</b>	<b>\$ 74,153</b>

### Note 4: Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at August 31:

	2018	2017
Grad MN	\$ 68,269	\$ 153,635
Americorps - Cash match billed for 2018-2019 year	1,126,541	1,147,512
<b>Total</b>	<b>\$ 1,194,810</b>	<b>\$ 1,301,147</b>

# Minnesota Alliance With Youth

## Notes to Financial Statements

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### Note 5: Rent Expense

The Alliance rents office and program space on a long-term lease. The lease calls for monthly payments of \$5,882 through December 2018. Upon expiration of the lease, rent will be paid on a month to month basis. Rent expense for the years ended August 31, 2018 and 2017 was \$68,048 and \$66,979, respectively.

The following is a schedule of future minimum lease payments required at August 31, 2018:

*Years Ended August 31,*

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2019	\$ 23,526
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### Note 6: Retirement Plan

The Alliance sponsors a defined contribution plan covering all full-time and regular part-time employees who agree to make contributions to the plan. The Alliance will match a portion of the employee's contribution based on the plan provisions. Total expense for the years ended August 31, 2018 and 2017, was \$15,672 and \$16,795, respectively.

### Note 7: Concentration of Grants

Approximately 50% of the Alliance's funding is provided from grants from the Corporation for National and Community Service.

### Note 8: Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses that may be disallowed by the grantor cannot be determined at this time, although Minnesota Alliance with Youth expects such amounts, if any, to be immaterial.

## **Supplementary Information**

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# Minnesota Alliance With Youth

## Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2018

Federal Grantor/Pass-through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Identifying Number	Expenditures
Corporation for National and Community Service			
Passed through Serve Minnesota			
AmeriCorps	94.006	16ACHMN0010001-17	\$ 243,125
Americorps	94.006	17ESHMN0010001-17	1,221,931
Total CFDA No. 94.006 and expenditures of federal awards			\$ 1,465,056

See Independent Auditor's Report.

See accompanying notes to schedule of expenditures of federal awards.

# Minnesota Alliance With Youth

## Notes to Schedule of Expenditures of Federal Awards

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### **Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Minnesota Alliance with Youth under programs of the federal government for the year ended August 31, 2018. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Minnesota Alliance with Youth, it is not intended to and does not present the financial position, changes in net position, or cash flows of Minnesota Alliance with Youth.

### **Note 2: Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Minnesota Alliance with Youth has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

### **Note 3: Subrecipients**

Minnesota Alliance with Youth does not have subrecipients or subrecipient expenditures.



## **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**

Board of Directors  
Minnesota Alliance With Youth  
St. Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States 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 Minnesota Alliance With Youth (the Alliance), which comprise the statement of financial position as of August 31, 2018, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Alliance'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alliance'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 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 the attention of 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 the Alliance'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 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 Alliance'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 Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

January 22, 2019  
Duluth, Minnesota



## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance**

Board of Directors  
Minnesota Alliance With Youth  
St. Paul, Minnesota

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

We have audited Minnesota Alliance With Youth's (the Alliance) 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 its major federal program for the year ended August 31, 2018. The Alliance'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 for Compliance**

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 the Alliance's major federal program 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations, part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Alliance'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 the major federal program. However, our audit does not provide a legal determination of the Alliance's compliance.

### **Opinion**

In our opinion, the Alliance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2018.

## Report on Internal Control Over Compliance

Management of the Alliance 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 Alliance's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Alliance's 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

January 22, 2019  
Duluth, Minnesota

# Minnesota Alliance With Youth

## Schedule of Findings and Questioned Costs

Year Ended August 31, 2018

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### 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?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  No

Type of auditor's report issued on compliance for major federal programs **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?  Yes  No

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
94.006	AmeriCorps

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

Federal	\$750,000
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Auditee qualified as low-risk auditee? Yes

**Minnesota Alliance With Youth**  
**Schedule of Findings and Questioned Costs (Continued)**

Year Ended August 31, 2018

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**Section II - Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**Minnesota Alliance With Youth**  
**Schedule of Prior Year Findings and Questioned Costs**

Year Ended August 31, 2018

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**Section II - Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None