

# **Scott-Carver-Dakota CAP Agency, Inc.**

Shakopee, Minnesota

Financial Statements and Supplementary Information  
Years Ended September 30, 2020 and 2019

# Scott-Carver-Dakota CAP Agency, Inc.

Financial Statements and Supplementary Information  
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## **Independent Auditor's Report**

Board of Directors  
Scott-Carver-Dakota CAP Agency, Inc.  
Shakopee, Minnesota

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

We have audited the accompanying financial statements of Scott-Carver-Dakota CAP Agency, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scott-Carver-Dakota CAP Agency, Inc. as of September 30, 2020 and 2019, 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, Schedule A, which is required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of state and local awards, Schedule B, are presented for the purpose of additional analysis and are 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. 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. In our opinion, the information 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 February 9, 2021, on our consideration of Scott-Carver-Dakota CAP Agency, Inc.'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 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 Scott-Carver-Dakota CAP Agency, Inc.'s internal control over financial reporting and compliance.



Wipfli LLP

February 9, 2021  
Minneapolis, Minnesota

# Scott-Carver-Dakota CAP Agency, Inc.

## Statements of Financial Position

September 30, 2020 and 2019

	2020	2019
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 807,516	\$ 576,738
Grants receivable	1,135,509	1,183,291
Accounts receivable	19,089	39,109
Prepaid expenses	18,782	17,969
Total current assets	1,980,896	1,817,107
Property and equipment, net of accumulated depreciation	3,502,956	3,549,809
<b>TOTAL ASSETS</b>	<b>\$ 5,483,852</b>	<b>\$ 5,366,916</b>
<b><u>LIABILITIES and NET ASSETS</u></b>		
Current liabilities:		
Current portion of deferred loans	\$ 22,000	\$ 22,000
Current portion of notes payable	66,302	63,122
Current portion of capitalized lease obligation	-	46,003
Accounts payable	336,563	229,558
Accrued payroll and related expenses	470,104	440,671
Grant funds received in advance	3,502	31,734
Funds held for others	221,265	523,511
Total current liabilities	1,119,736	1,356,599
Long-term liabilities:		
Deferred loans, less current portion	619,633	641,633
Notes payable, less current portion	538,247	604,549
Total long-term liabilities	1,157,880	1,246,182
Total liabilities	2,277,616	2,602,781
Net assets:		
Without donor restrictions	3,013,867	2,542,606
With donor restrictions	192,369	221,529
Total net assets	3,206,236	2,764,135
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,483,852</b>	<b>\$ 5,366,916</b>

See accompanying notes to the financial statements.

# Scott-Carver-Dakota CAP Agency, Inc.

## Statements of Activities

Years Ended September 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains:						
Grant revenue	\$ 11,845,305	\$ -	\$ 11,845,305	\$ 10,680,242	\$ -	\$ 10,680,242
Program income	832,082	-	832,082	992,017	-	992,017
Donations	877,366	-	877,366	459,433	-	459,433
Deferred loan forgiveness	22,000	-	22,000	137,000	-	137,000
In-kind contributions	76,316	-	76,316	39,682	-	39,682
Net assets released from restriction	29,160	(29,160)	-	-	-	-
<b>Total revenue</b>	<b>13,682,229</b>	<b>(29,160)</b>	<b>13,653,069</b>	<b>12,308,374</b>	<b>-</b>	<b>12,308,374</b>
Expenses:						
Federal, state and local programs:						
Child education	4,016,876	-	4,016,876	3,716,369	-	3,716,369
Energy assistance	915,587	-	915,587	898,709	-	898,709
Housing programs	2,374,587	-	2,374,587	1,794,401	-	1,794,401
Food programs	3,705,707	-	3,705,707	3,140,342	-	3,140,342
Community service programs	266,221	-	266,221	330,992	-	330,992
Other programs	431,588	-	431,588	369,740	-	369,740
<b>Total program expenses</b>	<b>11,710,566</b>	<b>-</b>	<b>11,710,566</b>	<b>10,250,553</b>	<b>-</b>	<b>10,250,553</b>
Supporting services expenses:						
Management and general	1,461,869	-	1,461,869	1,706,877	-	1,706,877
Fundraising and development	38,533	-	38,533	50,181	-	50,181
<b>Total program expenses</b>	<b>1,500,402</b>	<b>-</b>	<b>1,500,402</b>	<b>1,757,058</b>	<b>-</b>	<b>1,757,058</b>
<b>Total expenses</b>	<b>13,210,968</b>	<b>-</b>	<b>13,210,968</b>	<b>12,007,611</b>	<b>-</b>	<b>12,007,611</b>
Change in net assets	471,261	(29,160)	442,101	300,763	-	300,763
Net assets - Beginning of year	2,542,606	221,529	2,764,135	2,241,843	221,529	2,463,372
<b>Net assets - End of year</b>	<b>\$ 3,013,867</b>	<b>\$ 192,369</b>	<b>\$ 3,206,236</b>	<b>\$ 2,542,606</b>	<b>\$ 221,529</b>	<b>\$ 2,764,135</b>

# Scott-Carver-Dakota CAP Agency, Inc.

## Statement of Functional Expenses

Year Ended September 30, 2020

	Federal, State, and Local Programs							Support Services		Total Expenses
	Child Education	Energy Assistance	Housing Programs	Food Programs	Community Service Programs	Other Programs	Total Program Expenses	Management and General	Fundraising and Development	
Salaries and wages	\$ 2,403,659	\$ 521,929	\$ 681,465	\$ 865,895	\$ 84,291	\$ 180,025	\$ 4,737,264	\$ 800,654	\$ 10,472	\$ 5,548,390
Fringe benefits	660,957	86,922	164,667	187,159	20,472	49,197	1,169,374	167,227	2,263	1,338,864
Travel and transportation	40,562	940	17,763	14,114	484	1,497	75,360	4,308	-	79,668
Telephone and postage	38,871	16,643	16,411	17,987	789	2,392	93,093	28,378	8	121,479
Supplies	141,645	6,300	2,585	1,320	190	1,762	153,802	39,245	266	193,313
Small equipment and maintenance	3,952	4,518	5,998	11,230	301	13,199	39,198	60,088	2,149	101,435
Space costs	68,410	7,731	192,798	70,411	67,044	5,942	412,336	90,029	-	502,365
Direct client services	532,480	269,406	1,282,214	2,501,929	9,170	137,504	4,732,703	-	-	4,732,703
Professional services	126,340	698	10,236	34,907	7,179	40,070	219,430	212,164	12,779	444,373
Other costs	-	500	450	755	76,301	-	78,006	59,776	10,596	148,378
<b>Total expenses</b>	<b>\$ 4,016,876</b>	<b>\$ 915,587</b>	<b>\$ 2,374,587</b>	<b>\$ 3,705,707</b>	<b>\$ 266,221</b>	<b>\$ 431,588</b>	<b>\$ 11,710,566</b>	<b>\$ 1,461,869</b>	<b>\$ 38,533</b>	<b>\$ 13,210,968</b>

See accompanying notes to the financial statements.

# Scott-Carver-Dakota CAP Agency, Inc.

## Statement of Functional Expenses Year Ended September 30, 2019

	Federal, State, and Local Programs							Support Services		Total Expenses
	Child Education	Energy Assistance	Housing Programs	Food Programs	Community Service Programs	Other Programs	Total Program Expenses	Management and General	Fundraising and Development	
Salaries and wages	\$ 2,145,983	\$ 476,941	\$ 548,668	\$ 739,746	\$ 174,904	\$ 161,993	\$ 4,248,235	\$ 1,060,055	\$ 18,197	\$ 5,326,487
Fringe benefits	545,666	100,488	115,927	154,000	49,082	31,433	996,596	231,761	4,446	1,232,803
Travel and transportation	91,324	3,286	21,456	15,160	298	5,761	137,285	23,279	89	160,653
Telephone and postage	42,190	5,445	9,362	15,808	2,241	2,602	77,648	10,132	563	88,343
Supplies	44,977	1,494	2,224	1,918	202	596	51,411	53,024	446	104,881
Small equipment and maintenance	66,659	11,989	11,196	22,991	472	309	113,616	54,032	10,007	177,655
Space costs	114,216	20,155	205,461	90,949	75,208	9,536	515,525	29,383	447	545,355
Direct client services	481,459	270,125	870,289	2,068,267	11,694	125,732	3,827,566	-	-	3,827,566
Professional services	180,169	398	7,399	24,156	6,173	31,778	250,073	234,049	-	484,122
Other costs	3,726	8,388	2,419	7,347	10,718	-	32,598	11,162	15,986	59,746
<b>Total expenses</b>	<b>\$ 3,716,369</b>	<b>\$ 898,709</b>	<b>\$ 1,794,401</b>	<b>\$ 3,140,342</b>	<b>\$ 330,992</b>	<b>\$ 369,740</b>	<b>\$ 10,250,553</b>	<b>\$ 1,706,877</b>	<b>\$ 50,181</b>	<b>\$ 12,007,611</b>

# Scott-Carver-Dakota CAP Agency, Inc.

## Statements of Cash Flows

Years Ended September 30, 2020 and 2019

	2020	2019
Increase in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 442,101	\$ 300,763
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	165,912	162,076
Bad debt expense	21,826	32,928
Deferred loans incurred and forgiven, net	(22,000)	(137,000)
Changes in operating assets and liabilities:		
Grants receivable	47,782	190,455
Accounts receivable	(1,806)	3,316
Prepaid expenses	(813)	23,550
Accounts payable	107,005	(110,691)
Accrued payroll and related expenses	29,433	91,708
Grant funds received in advance	(28,232)	(191,914)
Funds held for others	(302,246)	113,343
Net cash provided by operating activities	458,962	478,534
Cash flows from investing activities:		
Purchase of property and equipment	(119,059)	(24,429)
Cash flows from financing activities:		
Principal payment of long-term debt	(63,122)	(60,095)
Principal payment of capital lease	(46,003)	(178,948)
Net cash used in financing activities	(109,125)	(239,043)
Change in cash and cash equivalents	230,778	215,062
Cash and cash equivalents at beginning of year	576,738	361,676
Cash and cash equivalents at end of year	\$ 807,516	\$ 576,738
<b>Schedule of other cash activity:</b>		
Interest paid	\$ 11,362	\$ 20,534

See accompanying notes to the financial statements.

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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

#### **Nature of Operations**

Scott-Carver-Dakota CAP Agency, Inc. (the "Organization") was organized as a nonprofit corporation in 1965. The Organization was formed to administer federal, state, and local grant assistance programs for disadvantaged persons in a three county area of east central Minnesota. For years 2020 and 2019, approximately 48% and 53% of the Organization's grant funding is from various federal grants passed through the State of Minnesota. During 2020 and 2019, 4% and 6% is funded directly by the State of Minnesota. In addition, during 2020 and 2019, approximately 23% and 20% of the Organization's grant funding is received from the U.S. Department of Health and Human Services for its Head Start program. Grant funding for the ratio calculation includes grant revenue plus \$3,229,157 and \$3,094,940 of federal energy assistance client benefits paid directly by the State of Minnesota to utility companies on behalf of clients for the years ending September 30, 2020 and 2019, respectively.

#### **Basis of Presentation**

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

#### **Classification of Net Assets**

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

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, amounts used for specific programs.

**Net Assets With Donor Restrictions** – Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time as elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### **Use of Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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

#### **Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held nor restricted by donors for long-term purposes, to be cash and cash equivalents.

#### **Accounts Receivable**

Accounts receivable are recorded at the amount management expects to collect. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed based on collection history and customer attributes. Management has determined that no allowance for doubtful accounts is necessary at year-end, but \$21,826 and \$32,928 was written off as bad debt expense for the years ended September 30, 2020 and 2019, respectively.

#### **Property and Equipment**

Property and equipment are capitalized at cost and depreciated over their estimated useful lives under the straight-line method. The Organization considers property and equipment to be items with a cost of \$5,000 or more and a useful life of over one year.

Property and equipment acquired are owned by the Organization while used in the programs for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds; therefore, the disposition of property or equipment, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of grant-funded property and equipment at September 30, 2020 and 2019, is \$6,141 and \$1,836, respectively.

#### **Revenue Recognition**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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

#### **Revenue Recognition (Continued)**

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Program contributions represent amounts contributed by program beneficiaries. The contributions are to help defray the cost of the specific program in which the beneficiary received assistance. The contributions are recorded as net assets with donor restrictions due to the implied stipulation that the contributions be used in the program the beneficiary received assistance. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as released from restriction. If the restriction is satisfied in the year of contribution, the contribution is recorded without donor restrictions.

Grant awards are contributions which are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as refundable advances.

#### **Capital Lease**

The Organization leased its Shakopee office building under an arrangement qualifying as a capital lease. The asset and liability under the capital lease are recorded at the present value of the minimum lease payments. The assets are amortized over the lease term. Amortization expense is included in depreciation expense. In December 2019, this lease agreement was paid in full.

#### **Advertising Costs**

The Organization's policy is to expense advertising costs as they are incurred. During 2020 and 2019, the Organization incurred advertising costs totaling \$1,465 and \$16,364, respectively.

#### **Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Minnesota franchise or income tax.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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

#### **In-Kind Contributions**

In-kind contributions for space and professional services are recorded in the statement of activities and recognized as revenue and expenses in the period they are received in accordance with accounting standards that require only contributions of service received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. During the years ended September 30, 2020 and 2019, the Organization received \$76,316 and \$39,682, of such contributions for its various programs. Accounting standards are different than the in-kind requirements of several of the Organization's grant awards. During 2020 and 2019, the Organization received contributions of nonprofessional volunteer services and goods during the year of \$1,060,947 and \$997,329, respectively, for its various programs, which are not recognized in these financial statements.

#### **Functional Allocation of Costs**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Space and related costs are allocated based on square footage.

#### **Change in Accounting Policy**

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as an exchange (reciprocal) transactions subject to Accounting Standards Codifications 606 and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an Organization to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The Organization has applied the amendments in this ASU on a modified prospective basis. There was no change to opening balances of net assets as a result of implementing this ASU.

#### **New Accounting Pronouncements**

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic companies for annual periods beginning after December 15, 2018. On June 3, 2020, FASB issued ASU 2020, ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606)*, that extended the effective date for certain entities to annual periods beginning after December 15, 2019. The Organization is currently evaluating the impact of the provisions of ASU Topic 606.

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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

#### New Accounting Pronouncements (Continued)

In 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. The Organizations are currently evaluating the impact of the provisions of ASU Topic 842. On June 3, 2020, FASB issued ASU 2020, ASU No. 2016-12, *Leases* (Topic 842) that extended the effective date for certain entities to annual periods beginning after December 15, 2021. The Organization is currently evaluating the impact of the provisions of ASU Topic 842.

#### Subsequent Events

Subsequent events have been evaluated through February 9, 2021, which is the date the financial statements were available to be issued.

### Note 2: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following for the Organization as of September 30, 2020 and 2019:

	2020	2019
Cash and cash equivalents	\$ 807,516	\$ 576,738
Grants receivable	1,135,509	1,183,291
Accounts receivable	19,089	39,109
Subtotal financial assets	1,962,114	1,799,138
Less: Grant funds received in advance	\$ (3,502)	\$ (31,734)
Less: Funds held for others	(221,265)	(523,511)
Less: Net assets with donor restrictions	(192,369)	(221,259)
<b>Totals</b>	<b>\$1,544,978</b>	<b>\$1,022,634</b>

The Organization does not have a formal liquidity policy but generally maintains financial assets in liquid form. The Organization can rely on a lower cash balance as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred, an organization requests reimbursement from the funding source. The Organization has commitments for future expenses of approximately \$3,913,830 from the funding sources at September 30, 2020.

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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### Note 3: Concentration of Credit Risk

The Organization maintains cash balances at several financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

### Note 4: Grants Receivable

The grants receivable balance consisted of amounts due from various agencies as follows at September 30, 2020 and 2019:

	2020	2019
Direct federal agencies	\$ 226,731	\$ 407,525
State of Minnesota	869,701	582,291
Other	39,077	193,475
<b>Totals</b>	<b>\$ 1,135,509</b>	<b>\$ 1,183,291</b>

### Note 5: Funds Held for Others

The Organization acts as a fiscal agent to manage food shelf and other activities on behalf of four other organizations. The cash held is a liability, and the revenue and expenses are excluded from the Organization's statement of activities. The balance in funds held for others as of September 30, 2020 and 2019, was \$37,067 and \$523,511, respectively.

### Note 6: Property and Equipment

Property and equipment consisted of the following at September 30, 2020 and 2019:

	2020	2019
Land and land improvements	\$ 538,696	\$ 538,696
Equipment	370,253	302,536
Building under capital lease	2,250,000	2,250,000
<b>Buildings</b>	<b>3,271,675</b>	<b>3,260,313</b>
<b>Totals</b>	<b>6,430,624</b>	<b>6,351,545</b>
<b>Accumulated depreciation and amortization</b>	<b>(2,927,668)</b>	<b>(2,801,736)</b>
<b>Property and equipment, net</b>	<b>\$ 3,502,956</b>	<b>\$ 3,549,809</b>

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

### Note 7: Deferred Loans

Deferred loans payable consisted of the following at September 30, 2020 and 2019:

	2020	2019
HUD Supportive Housing, principal forgiven at the end of 20 years. Secured by an 8-plex at 1011 Bryant, South St. Paul, Minnesota, and a duplex at 13404-13406 Aldrich Avenue, Burnsville, Minnesota, payable on March 17, 2026, including 0% interest.	\$ 232,517	\$ 232,517
HUD Supportive Housing, forgiven 10% per year starting year 11 through year 20. Secured by a 6-plex at 215 South Street, South St. Paul, Minnesota, payable on September 1, 2022, including interest at 1%.	19,800	29,700
Dakota County CDA HOME funds, interest forgiven after 30 years, principal due upon sale. Secured by a home at 4710 Grenada Point, Eagan, Minnesota, payable at March 16, 2028, including interest at 10%.	24,944	24,944
Dakota County CDA HOME funds, interest forgiven after 30 years, principal due upon sale. Secured by a home at 7802 Glenda Court, Apple Valley, Minnesota, payable at March 19, 2028, including interest at 10%.	20,909	20,909
Dakota County CDA HOME funds, principal and interest forgiven after 10 years. Secured by a duplex at 13406 Aldrich Ave So., Burnsville, Minnesota, payable at March 17, 2026, including interest at 1%.	229,263	229,263
HUD Supportive Housing, forgiven 10% per year starting year 11 through year 20. Secured by a 6-plex at 541 12 <sup>th</sup> Avenue North, South St. Paul, Minnesota, payable at November 11, 2021, including interest at 0%.	24,200	36,300
HUD Supportive Housing, principal forgiven at the end of 20 years. Secured by a 7-plex at 4309 124 <sup>th</sup> Street West, Savage, Minnesota, payable at August 18, 2025, including 0% interest.	90,000	90,000
Subtotal	641,633	663,633
Current portion	( 22,000)	(22,000)
<u>Long-term deferred loans</u>	<u>\$ 619,633</u>	<u>\$ 641,633</u>

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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### Note 7: Deferred Loans (Continued)

Forgiveness of deferred loans are as follows for the years ending September 30:

2021	\$ 22,000
2022	22,000
2023	-
2024	-
2025	-
Thereafter	597,633
<b>Total</b>	<b>\$ 641,633</b>

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Deferred loans must be repaid only upon sale of the properties or conversion of such properties from their required uses. Deferred loans are recorded at their principal amounts because no expiration dates for such obligations can be established; also, the loans are to be forgiven if no event triggers repayment prior to the expiration dates of the agreements. The Organization has the intention and believes it has the ability to maintain the properties in accordance with the agreements until the agreements expire.

### Note 8: Notes Payable

Notes payable consisted of the following at September 30, 2020 and 2019:

	2020	2019
Note payable, secured by property used for permanent and transitional housing, no monthly payments and interest at 0% per annum, matures October 31, 2040.	\$ 414,079	\$ 414,079
Mortgage payable, secured by office building in Rosemount, Minnesota, monthly payments of \$6,183 include interest at 4.925% per annum, matures June 20, 2023.	190,470	253,592
Total	604,549	667,671
Current portion	(66,302)	(63,122)
<b>Long-term notes payable</b>	<b>\$ 538,247</b>	<b>\$ 604,549</b>

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Future maturities of notes payable are as follows for the years ending September 30:

2021	\$ 66,302
2022	69,643
2023	54,525
2024	-
2025	-
Thereafter	414,079
<b>Total</b>	<b>\$ 604,549</b>

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# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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### **Note 8: Notes Payable (Continued)**

Interest expense for the years ended September 30, 2020 and 2019, was \$11,362 and \$20,534, respectively.

### **Note 9: Capitalized Lease Obligation**

The Organization leased its Shakopee office building under an arrangement qualifying as a capital lease. The Organization's share of the land cost was \$250,000, and the building cost was \$2,250,000. The Organization paid monthly installments of \$15,448, with interest at 4.4% per annum. This agreement was fully paid on December 1, 2019. The cost of the building is being amortized over 40 years. The accumulated amortization was \$1,211,734 and \$1,155,611 as of September 30, 2020 and 2019, respectively.

### **Note 10: Retirement Plan**

The Organization has a 401(k) plan covering substantially all employees. The Organization contributes a match (Matching Contribution) equal to 50% of the first 6% of eligible earnings that the employee elects to contribute to the plan (Elective Deferrals). Employees must make Elective Deferrals in order to receive the Matching Contribution. The Matching Contribution is funded each pay period when the employee's Elective Deferrals are made and is calculated based on the employee's earnings for that pay period. Total expense for the years ended September 30, 2020 and 2019, was \$126,474 and \$115,987, respectively.

### **Note 11: Operating Lease Agreements**

The Organization has several operating leases, primarily for space. Lease expense was \$200,831 and \$166,050 for the years ended September 30, 2020 and 2019, respectively.

The following is a schedule of approximate future minimum lease payments required under operating leases that have initial or remaining lease terms in excess of one year at September 30, 2020:

2021	\$ 144,416
2022	18,520
2023	1,118
<hr/>	
<b>Total</b>	<b>\$ 164,054</b>

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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### Note 12: Donor Restricted Net Assets

Net assets with donor restrictions for a specific purpose consisted of the following amounts at September 30, 2020 and 2019:

	2020	2019
Child education	\$ -	\$ 20,246
Senior nutrition	159,819	-
Food shelf	20,060	173,655
Emergency services	11,690	20,408
Energy assistance	800	7,220
<b>Totals</b>	<b>\$ 192,369</b>	<b>\$ 221,529</b>

### Note 13: Program Operations

The Organization has a grant with the State of Minnesota Department of Commerce for outreach, intake, eligibility, and certification of Low-Income Home Energy Assistance Program (LIHEAP) eligible participants. Client benefits are subsequently paid by the State of Minnesota. During 2020 and 2019, client benefits in the amount of \$3,229,157 and \$3,094,940, respectively, were paid by the State to utility companies on behalf of clients and are not included in the statement of activities as they were not part of the grant awards.

### Note 14: Contingent Liability

The Organization participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Compliance issues raised from a program compliance audit could result in grant dollars being returned or reduced. No provision has been made for any liabilities that may arise from such audits, since the amounts, if any, cannot be determined at this date.

### Note 15: Grant Awards

At September 30, 2020, the Organization had commitments under various ongoing grant awards of approximately \$3,913,830. The revenue relating to these grants is not recognized in the accompanying financial statements because the revenue recognition is conditional on the incurrence of expenditures or the performance of services in the next fiscal year.

### Note 16: Risks and Uncertainties

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 Pandemic (COVID-19). The Organization has received additional funding to assist with operating in a COVID-19 environment and to provide additional assistance to program participants, as identified in the accompanying Schedule of Federal Awards. The Organization has not suffered material adverse impacts to operations from COVID-19 and management believes it is taking appropriate action to mitigate the risks and uncertainties of COVID-19. The future impact of COVID-19 on the Organization cannot be reasonably estimated at this time.

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to Financial Statements

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### **Note 16: Subsequent Events**

On October 30, 2020, the Organization entered into a \$250,000 commercial line of credit agreement with a financial institution. The line of credit is secured by the office building in Rosemount, Minnesota, has interest at prime rate plus 1.5%, and matures October 31, 2040.

## **Supplementary Information**

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# Scott-Carver-Dakota CAP Agency, Inc.

## Schedule of Expenditures of Federal Awards Year Ended September 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Grant Award Number	CFDA Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
<b>Passed-Through the State of Minnesota, Department of Health</b>			
Special Supplemental Nutrition Program for Women, Infants, and Children	N/A	10.557	<u>\$ 1,994,984</u>
<b>Passed-Through the State of Minnesota, Department of Education</b>			
Child and Adult Care Food Program	N/A	10.558	<u>82,037</u>
<b>Passed-Through the State of Minnesota, Department of Human Services</b>			
<b>SNAP Cluster:</b>			
Supplemental Nutrition Assistance Program Outreach	GRK%133140	10.561	<u>45,557</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Passed-Through the State of Minnesota, Department of Human Services</b>			
Emergency Solutions Grant Rehousing	GRK%126825	14.231	49,766
Emergency Solutions Grant Shelter	GRK%126825	14.231	140,711
Emergency Services Program	GRK%160925	14.231	<u>40,852</u>
<b>CFDA Total 14.231</b>			<u><b>231,329</b></u>
<b>Direct Grant</b>			
Continuum of Care	MN0070L5K031710	14.267	28,607
Continuum of Care	MN0162L5K031709	14.267	77,017
Continuum of Care	MN0163L5K031709	14.267	196,081
Continuum of Care	MN0279L5K031704	14.267	46,463
Continuum of Care	MN0402L5K031700	14.267	<u>225,730</u>
<b>CFDA Total 14.267</b>			<u><b>573,898</b></u>
<b>U.S. Department of Health and Human Services</b>			
<b>Passed-Through Metropolitan Area Agency on Aging, Inc.</b>			
<b>Aging Cluster:</b>			
Special Programs for the Aging - Title III, Part C-Nutrition Services	311-18-03C8-113	93.045	984,839
Chore, Home Modification and Assisted Transportation Services	311-20-003B-205	93.044	<u>506</u>
<b>Aging Cluster Total</b>			<u><b>985,345</b></u>
<b>U.S. Department of Health and Human Services</b>			
<b>Passed-Through the State of Minnesota, Department of Commerce</b>			
Low-Income Home Energy Assistance	131477/10083	93.568	<u><b>4,202,366</b></u>

# Scott-Carver-Dakota CAP Agency, Inc.

Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended September 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Grant Award Number	CFDA Number	Federal Expenditures
<b>Passed-Through the State of Minnesota, Department of Human Services</b>			
Community Services Block Grant	GRK%127533	93.569	\$ 436,683
COVID-19-Community Services Block Grant	2001MNCSC3	93.569	11,470
<b>CFDA Total 93.569</b>			<b><u>448,153</u></b>
<b>CCDF Cluster:</b>			
Regional Baseline Child Care Resource & Referral Services	GRK%131116	93.575	<b><u>256,247</u></b>
<b>Direct Grant</b>			
<b>Head Start Cluster:</b>			
Early Head Start	05CH8401-04 & 05	93.600	687,891
Head Start	05CH8401-04 & 05	93.600	2,686,728
COVID-19-Head Start	05CH01156001C3	93.600	72,347
<b>Total Head Start Cluster and CFDA 93.600</b>			<b><u>3,446,966</u></b>
<b>U.S. Department of Homeland Security</b>			
<b>Passed-Through the State of Minnesota, Department of Human Services</b>			
Emergency Food and Shelter Program	485910 Phase 35& 36	97.024	<b><u>22,539</u></b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b><u><u>\$ 12,289,421</u></u></b>

# Scott-Carver-Dakota CAP Agency, Inc.

## Notes to the Schedule of Expenditures of Federal Awards Year Ended September 30, 2020

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### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Scott-Carver-Dakota CAP Agency, Inc. under programs of the federal government for the year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of the 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 Scott-Carver-Dakota CAP Agency, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Scott-Carver-Dakota CAP Agency, Inc.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following 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.

### **Note 3 - Energy Assistance Payments**

Included in CFDA #93.568 are client benefits paid by the State of Minnesota of \$3,229,157. These expenditures are not included in the statement of activities.

### **Note 4 - Indirect Costs**

Scott-Carver-Dakota CAP Agency, Inc. has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### **Note 5 - Subrecipients**

Scott-Carver-Dakota CAP Agency, Inc. does not have subrecipients or subrecipient expenditures.

### **Note 6 - Donated Personal Protective Equipment**

Scott-Carver-Dakota CAP Agency, Inc. received a donation of 50,090 masks during the year ended September 30, 2020. The fair market value of the masks was approximately \$31,000. This amount is not included in the Schedule of Expenditures of Federal Awards.

# Scott-Carver-Dakota CAP Agency, Inc.

## Schedule of State and Local Awards Year Ended September 30, 2020

Program Title	Grantor	Grant Award No.	Expenditures
Family Homeless Prevention	Carver County	N/A	\$ 338,811
Women, Infants and Children	Carver County	N/A	1,875
Dakota County FHPHP	Dakota County	N/A	264,073
Dakota Transitional & Supportive Housing	Dakota County	N/A	7,765
Minnesota State Early Head Start	Minnesota Department of Education	N/A	676,536
Minnesota State Head Start	Minnesota Department of Education	N/A	340,747
Minnesota State Head Start Pathways II	Minnesota Department of Education	N/A	111,667
Group Housing Residential	MN Dept. of Human Services	N/A	138,845
Home Youth Act	MN Dept. of Human Services	N/A	80,296
MN Economic Opportunity Grant	MN Dept. of Human Services	N/A	254,948
Transitional Housing Program	MN Dept. of Human Services	N/A	89,099
Dakota Electric CIP	Other local agencies	N/A	115,640
MVEC CIP	Other local agencies	N/A	20,687
Shakopee Public Utilities CIP	Other local agencies	N/A	17,730
Scott Family Net	Scott County	N/A	55,000
Food Shelf	Other local agencies	N/A	8,329
Food Shelf	Hunger Solutions	N/A	91,917
Food Shelf	Otto Bremer Trust	N/A	12,500
Food Shelf	Union Pacific	N/A	10,000
Food Shelf	Second Harvest	N/A	6,000
Food Shelf	Greater Minn. Community Connections	N/A	2,392
Food Shelf	Open Your Heart	N/A	350
Crisis Nursery	Scott County	N/A	6,500
Together WE CAN	Scott County	N/A	15,000
Parents Helping Parents	Scott County	N/A	8,000
Housing Navigation	Scott County	N/A	2,134
Continuum of Care	Other local agencies	N/A	23,200
MN Homeless Fund	Richard M. Schulze Family Foundation	N/A	50,000
United Way COVID-19 Response	United Way	N/A	34,000
Scott County Worksite Mini-grant	Scott County	N/A	1,000
<b>TOTAL STATE AND LOCAL AWARDS</b>			<b>\$ 2,785,041</b>

**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  
Scott-Carver-Dakota CAP Agency, Inc.  
Shakopee, Minnesota

We have audited, in accordance with the 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 Scott-Carver-Dakota CAP Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements 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 February 9, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Scott-Carver-Dakota CAP Agency, Inc.’s internal control over financial reporting (internal control) as a basis for designing 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 Scott-Carver-Dakota CAP Agency, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Scott-Carver-Dakota CAP Agency, Inc.’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 attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Scott-Carver-Dakota CAP Agency, Inc.'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 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 Scott-Carver-Dakota CAP Agency, Inc.'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 Scott-Carver-Dakota CAP Agency, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP

February 9, 2021  
Minneapolis, Minnesota

## **Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
Scott-Carver-Dakota CAP Agency, Inc.  
Shakopee, Minnesota

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

We have audited Scott-Carver-Dakota CAP Agency, Inc.’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Scott-Carver-Dakota CAP Agency, Inc.’s major federal programs for the year ended September 30, 2020. Scott-Carver-Dakota CAP Agency, Inc.’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 applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Scott-Carver-Dakota CAP Agency, Inc.'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; 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 Scott-Carver-Dakota CAP Agency, Inc.'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 legal determination of Scott-Carver-Dakota CAP Agency, Inc.'s compliance.

#### ***Opinion on each Major Program***

In our opinion, Scott-Carver-Dakota CAP Agency, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

## Report on Internal Control Over Compliance

Management of Scott-Carver-Dakota CAP Agency, Inc. 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 Scott-Carver-Dakota CAP Agency, Inc.'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 Scott-Carver-Dakota CAP Agency, Inc.'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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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.



Wipfli LLP

February 9, 2021  
Minneapolis, Minnesota

# Scott-Carver-Dakota CAP Agency, Inc.

Schedule of Findings and Questioned Costs  
Year Ended September 30, 2020

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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 identified?	No
Significant deficiency identified?	No
Noncompliance material to financial statements noted?	No

### Federal Awards

Internal control over major federal programs:	
Material weakness identified?	No
Significant deficiency identified?	No
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No
<u>Name of Federal Major Program</u>	<u>CFDA No.</u>
U.S. Department of Agriculture Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
U.S. Department of Health and Human Services Elderly Nutrition Cluster:	
Special Programs for the Aging-Title III, Part-B Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging-Title III, Part C Nutrition Services	93.045
Head Start Cluster - Head Start	93.600
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

# **Scott-Carver-Dakota CAP Agency, Inc.**

Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2020

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## **Section II – Financial Statement Findings**

None.

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

None.

## **Section IV – Summary Schedule of Prior Year Findings**

None.