

May 31, 2023

To the Board of Directors
American Canoe Association, Inc.
Fredericksburg, Virginia

We have audited the financial statements of American Canoe Association, Inc. (the Association) for the year ended September 30, 2022, and have issued our report thereon dated May 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 3, 2022. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note A to the financial statements. As described in Note A, the Association adopted the provisions of FASB Accounting Standards Update (ASU) No. ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, in the 2021 audit year. We noted no transactions entered by the Association during the year for which there is a lack of authoritative guidance or consensus. Except as described in our report, all significant transactions have been recognized in the financial statements in the proper period.

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.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

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 attached schedule of material misstatements detected as a result of audit procedures were corrected by management. An additional attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 conduct of audit procedures that we were engaged to perform.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 31, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting

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accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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 Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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This information is intended solely for the use of the Board of Directors and management of American Canoe Association, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,
McMillen & Company, PLLC

Client: AMERICAN CANOE ASSOCIATION, INC.
Engagement: 2021-Audit
Current Period: 09/30/2022
Workpaper: ADJUSTING JOURNAL ENTRY REPORT

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
1			3600.01		
Reconcile beginning net assets to prior year audited financial statements:					
3024.4	USOPC Contracts		19,127.00	0.00	
32000	32000 ? Unrestricted Net Assets		0.00	19,127.00	
65180.1	Grants to Other Org		0.00	2,050.00	
32000	32000 ? Unrestricted Net Assets		2,050.00	0.00	
Total			21,177.00	21,177.00	2,050.00
2			4100.9		
Correct balances from voided checks - client adjusted the books after the initial import; materiality notwithstanding:					
1024	Virginia Partners Operating		0.00	1,869.00	
2010	A/P-Operating		749.00	0.00	
68370.2	Awards		500.00	0.00	
60520.3	Marketing/Fundraising		620.00	0.00	
Total			1,869.00	1,869.00	(1,120.00)
3			7130.10 (2)		
Reverse the effect of the Beginning Balance Adjustments:					
3024.4	USOPC Contracts		0.00	19,127.00	
5133	USOC Grants		19,127.00	0.00	
Total			19,127.00	19,127.00	(19,127.00)
4			5300.15		
Correct debt balance for insignificant error; materiality not withstanding:					
3052	Wachovia LOC		0.00	118.00	
65130.4	Interest Expense - General		118.00	0.00	
Total			118.00	118.00	(118.00)
5			6100.1		
Record the release of net assets with donor restrictions:					
90000	Program restrictions release		75,551.00	0.00	
90005	Satisfied program restrictions		0.00	75,551.00	
Total			75,551.00	75,551.00	0.00
6			7130.10 (2)		
Record Airbnb VIK:					
68320	68300 ? Event Costs:68320 ? Travel		26,881.00	0.00	
5390	In-kind Revenue		0.00	26,881.00	
Total			26,881.00	26,881.00	0.00
GRAND TOTAL			144,723.00	144,723.00	(18,315.00)

Client: AMERICAN CANOE ASSOCIATION, INC.
Engagement: 2021-Audit
Current Period: 09/30/2022
Workpaper: PASSED JOURNAL ENTRY REPORT
MCMillen & Company PLLC

Account	Description	Misstatement	Workpaper Reference	Debit	Credit	Net Income Effect
201		Known Classification	4300.1			
PASSED: adjust the ending inventory balance per the inventory count:						
12100	Inventory:12100 Inventory Asset			2,110.00	0.00	
50000	Cost of Goods Sold			0.00	2,110.00	
Total				<u>2,110.00</u>	<u>2,110.00</u>	<u>2,110.00</u>
202		Known Classification	4600.1			
PASSED: adjust fixed assets, accumulated depreciation and depreciation expense to depreciation schedule:						
15140	Accum Depreciation			673.00	0.00	
62810.4	Depr and Amort - Allowable			0.00	1,274.00	
15000	Furniture and Equipment			601.00	0.00	
Total				<u>1,274.00</u>	<u>1,274.00</u>	<u>1,274.00</u>
203		Known Classification	4600.3			
PASSED: capitalize fixed assets over the capitalization threshold:						
62800.1	Equipment rental& Maintenance			0.00	5,132.00	
15130	Computer/Software & Equip			5,132.00	0.00	
Total				<u>5,132.00</u>	<u>5,132.00</u>	<u>5,132.00</u>
204		Known Classification	5100.30 (2)			
PASSED: record additional accounts payable and adjust others:						
2010	A/P-Operating			0.00	4,889.38	
70440	70440 ? Credit Card Processing Fees			4,889.38	0.00	
2010	A/P-Operating			4,467.00	0.00	
32000	32000 ? Unrestricted Net Assets			0.00	4,467.00	
Total				<u>9,356.38</u>	<u>9,356.38</u>	<u>(4,889.38)</u>
GRAND TOTAL				<u>17,872.38</u>	<u>17,872.38</u>	<u>3,626.62</u>