



To the Audit Committee of the
Association for Research on Nonprofit Organizations and Voluntary Action:

We have audited the financial statements of the Association for Research on Nonprofit Organizations and Voluntary Action ("ARNOVA") as of and for the year ended December 31, 2020, and have issued our report thereon dated April 9, 2021. 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 letter to you dated October 28, 2020. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT MATTERS

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ARNOVA are described in Note 1 to the financial statements. No new accounting policies were adopted as of and for the year ended December 31, 2020. We noted no transactions entered into by ARNOVA during the year for which there is a lack of authoritative guidance or consensus. 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. The most sensitive estimates affecting the financial statements were:

- *Cost allocation:* Management makes estimates for functional cost allocation of indirect expenses between program services, management and general, and fundraising expenses.
- *Depreciation and amortization:* Management depreciates equipment and software using the straight-line method over the estimated useful life of the asset.
- *In-kind contributions:* Management estimates the value of the donated services received with assistance from the donor and records their value as in-kind contributions.

We evaluated the key factors and assumptions used to develop the estimates noted above and determined that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures include new disclosures related to the refundable advance of PPP Funds (Note 6), risks and uncertainties (Note 12), and reclassifications (Note 13).

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no 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. There were no corrected or uncorrected misstatements identified as a part of audit procedures.

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated April 9, 2021.

CONSULTATION 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 ARNOVA's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting 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 ARNOVA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We are pleased to serve ARNOVA as their independent auditors for the year ended December 31, 2020 and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any other matters further, should you desire. This information is intended solely for the use of the Audit Committee, the Board of Directors, and management of ARNOVA and is not intended to be, and should not be, used by anyone other than these specified parties.

Greenwald CPAs, Inc.

April 9, 2021