

April 27, 2020

To the Board of Governors of the
National Association of Housing and
Redevelopment Officials and Affiliate

We have audited the consolidated financial statements of the National Association of Housing and Redevelopment Officials and Affiliate (collectively referred to as the Association) for the year ended December 31, 2019, and have issued our report thereon dated April 27, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing, as well as certain information related to the planned scope and timing of our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 30, 2019, our responsibility, as described by professional standards, is to express an opinion about whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the consolidated financial statements does not relieve you or management of your responsibilities.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the Association and its environment, including internal control, sufficient to assess the risks of material misstatement of the consolidated financial statements and to design the nature, timing, and extent of further audit procedures.

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 1 to the consolidated financial statements. During the year ended December 31, 2019, the Association adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Not-for-Profit Entities*

(Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The application of other existing policies was not changed during 2019. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates are an integral part of the consolidated 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 consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the consolidated financial statements was:

Management's estimate of the functional allocation of expenses is based on the accounting policies as described in Note 1 to the consolidated financial statements. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

The consolidated financial statement disclosures are neutral, consistent, and clear.

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 uncorrected misstatements noted during the audit.

In addition, professional standards require us to accumulate all significant corrected misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

There were no such misstatements noted during the audit.

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 consolidated 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 27, 2020.

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 consolidated 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 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.

This information is intended solely for the use of Board of Governors of the National Association of Housing and Redevelopment Officials and Affiliate and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

Marcum LLP

NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS
630 I Street, NW
Washington, DC 20001

Marcum LLP
Accountants & Advisors
1899 L St NW, Suite 850
Washington, D.C. 20036

This representation letter is provided in connection with your audit of the consolidated financial statements of the National Association of Housing and Redevelopment Officials and Affiliates (NAHRO), which comprise the consolidated statement of financial position as of December 31st, 2019 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes (collectively referred to as the “financial statements”) for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

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

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

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 30th, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

Marcum LLP

Page 2

6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter. In addition, you have proposed adjusting journal entries that have been posted to the Organization's accounts. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.

7. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
8. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
10. As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonattest services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

Information Provided

11. We have provided you with:
 - a. access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. additional information that you have requested from us for the purpose of the audit.
 - c. unrestricted access to persons within NAHRO from whom you determined it necessary to obtain audit evidence.
 - d. minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Marcum LLP

Page 3

14. We have no knowledge of any fraud or suspected fraud that affects NAHRO and involves:
 - a. management,
 - b. employees who have significant roles in internal control, or
 - c. others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the NAHRO's financial statements communicated by employees, former employees, grantors, regulators, or others.
16. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effects should be considered when preparing financial statements.
17. There are no significant deficiencies, including material weaknesses, in the design or operation of internal controls, including complementary user entity controls identified in SSAE 18 reports related to our use of service organizations, if applicable, which could adversely affect NAHRO's ability to record, process, summarize, and report financial data.
18. There are no:
 - a. instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements
 - b. other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC 450 "Contingencies" (formerly SFAS 5)
 - c. material transactions that have not been properly recorded in the accounting records underlying the financial statements
 - d. cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements
19. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with ASC 450 "Contingencies" (formerly SFAS 5).
20. We have disclosed to you the identity of the NAHRO's related parties and all the related party relationships and transactions of which we are aware.
21. NAHRO has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

Marcum LLP

Page 4

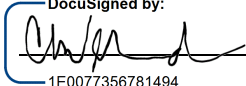
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
23. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
26. NAHRO is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
27. We acknowledge our responsibility for presenting the consolidating schedule of financial position and consolidating schedule of activities (supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
28. We have reviewed ASC 820 "Fair Value Measurement", and all assets and liabilities have been properly categorized into Level 1, 2, or 3 of the Fair Value Hierarchy, and all disclosure requirements have been complied with in all material respects.
29. Receivables recorded in the consolidated financial statements represent valid claims against debtors for charges arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
30. You have provided us with all documents and records for both the current year and for the prior year that are necessary to ensure that our books and records are complete.
31. In assessing the appropriateness of the going concern basis for NAHRO, we have taken account of all relevant information covering a period of at least 12 months from the date of approval of the financial statements.

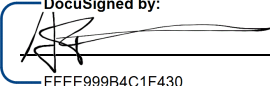
Marcum LLP

Page 5

- 32. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 33. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

National Association of Housing and Redevelopment Officials and Affiliate

Signed:  _____
DocuSigned by:
1E0077356781494...
Title: Chief Operating Officer

Signed:  _____
DocuSigned by:
FFEE999B4C1F430...
Title: Chief Executive Officer

Date: April 27, 2020

Date: April 27, 2020