

Kosciw & Associates, LLC

CPA and Business Consultant Services

April 27, 2017

Angela King, President of ANCOR
Members of the Finance Committee
American Network of Community Options
and Resources, Inc.
1101 King Street, Suite 380
Alexandria, VA 22314

Dear Ms. King and Members of Finance Committee:

We audited the consolidated financial statements of the American Network of Community Options and Resources, ANCOR Foundation and ANCOR Services Corporation (ANCOR) for the year ended December 31, 2016, and have issued our report thereon dated April 27, 2017. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 31, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented in all material respects, in conformity with US generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

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 ANCOR are described in Note 1 to the financial statements. Beginning in 2016 ANCOR began reporting the sponsorship and exhibit revenue and expenses as a component of the particular activity and not separately stated. Grouping the associated activity revenues and expenses together provides management a more complete financial analysis of its net financial income or loss. We noted no transactions entered into by ANCOR 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.

Management's estimate of the amortization period of the web site and membership database is based on the anticipated useful life and the need for significant software modifications in future years. We evaluated the estimated amortization period and discussed it with technology personnel in determining that it is reasonable in relation to the financial statements taken as a whole.

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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

We assist with year-end accrual entries which typically record changes in property and equipment including depreciation and changes in income taxes payable. There were no adjusting entries to the accounts except for income tax expense and payable. The income tax entry is a normal account adjustment that is recorded during the audit of ANCOR.

In our judgment these year-end accrual entries are not considered misstatements. Those adjustments are technical corrections to a particular type of transaction in order to conform to U.S. Generally Accepted Accounting Principles. There were no misstatements detected during our 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 financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 27, 2017.

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 ANCOR'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.

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

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

If there are any questions or comments, please do not hesitate to contact me.

The assistance provided by the ANCOR staff during the audit as well as the opportunity to be of service is sincerely appreciated.

Very truly yours,

Kosciw & Associates, LLC



John M. Kosciw, CPA