AUDIT MANAGEMENT LETTER

Board of Directors and Finance Committee
403(b) Thrift Plan of Community Involvement Programs
Minneapolis, Minnesota

We have conducted a DOL limited-scope audit of the financial statements of 403(b) Thrift Plan of Community Involvement Programs (the Plan) for the year ended December 31, 2016 and have issued our report thereon dated July 27, 2017. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedules as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the asset custodians, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. 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 April 7, 2017. Professional standards also require that we communicate to you the following information related to our audit.

REQUIRED COMMUNICATIONS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. As described in Note 2, the Plan changed accounting policies related to investments valued using the net asset value as a practical expedient by early adopting ASU 2015-07 during 2016. We noted no transactions entered into by the Plan 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.

REQUIRED COMMUNICATIONS

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 estimate affecting the financial statements was:

> Management's estimates of the investment balances are based on estimated fair values. The asset custodians of the investments have certified as to the completeness and accuracy of the investment balances and investments results. We have not performed any auditing procedures with respect to the information certified, except for comparing such information with the related information included in the financial statements and supplemental schedules.

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 following material misstatements detected as a result of audit procedures were corrected by management: other employer contributions as a result of not following the Plan document.

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 our audit.

Management Representations

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

REQUIRED COMMUNICATIONS

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

INTERNAL CONTROL

Report on Internal Control

Except as discussed in the following paragraph, in planning and performing our audit of the financial statements of the Plan as of or for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Plan’s internal control over financial reporting (internal control) as a basis for designing 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 the Plan’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan’s internal control.

We were engaged to perform a DOL limited-scope audit of those financial statements as permitted by 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Our audit did not include all of the procedures required by U.S. generally accepted auditing standards and did not include a consideration of internal control relating to the information summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we were unable to, and did not, express an opinion on those financial statements.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 Plan'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.

INTERNAL CONTROL

Material Weakness

Incorrect Eligible Compensation and Not Following Plan Document

Beginning in 2012, Plan management inadvertently excluded certain wages, such as paid time off payouts and on-call time, from eligible compensation for the purpose of calculating employee salary deferrals and employer matching contributions.

In addition, the administration of the Plan by Plan management did not reflect certain Plan provisions including:

- Continuing to match highly compensated employees' salary deferrals after a Plan amendment excluded them from being eligible for matching contributions;
- Beginning to match salary deferrals on the first payroll following the satisfaction of eligibility requirements instead of the first of the month following the satisfaction of eligibility requirements as defined in the Plan;
- Failing to initiate distributions for terminated employees with vested balances less than $1,000.

Recommendation: We recommend that Plan management, the Finance Committee, and the Board of Directors establish procedures to ensure that correct eligible compensation according to the Plan document is used to calculate salary deferrals and employer matching contributions. The Board of Directors is responsible for the prudent oversight of the Plan and has a fiduciary responsibility to ensure the Plan is operating in compliance with the Plan document. We recommend reviewing Plan documents, all related amendments, and current Plan administration practices with a specialist to ensure that the Plan is operating in compliance.

Management's Response

Since the 2015 plan year audit wasn't completed until September 19, 2016, several of the 2015 audit findings were not fixed until late in 2016 or early 2017. Management has reviewed all deferrals and matching contributions and is working with the third party administrator and legal counsel to correct any administrative errors made since 2012 and file the corrections with the IRS under the Voluntary Correction Program. As part of that correction, management will implement the proper codes in its payroll system to ensure that the correct compensation is used for salary deferrals and matching contributions.

INTERNAL CONTROL

Once management discovered that a highly compensation employee was receiving matching contributions under the 403b plan, a 457 plan was implemented for this employee. In early 2017, management reversed the matching contributions under the 403b plan and made a corresponding contribution to the 457 plan.

Until this audit, management misunderstood when matching contributions should begin, and started the matching contributions earlier than provided in the plan document. Since this administrative error would always result in the employee's favor, management is retroactively amending the plan document to reflect the way that the plan was administered in practice, and will file the retroactive amendment with the IRS under the Voluntary Correction Program.

Management has implemented a process to notify the third party administrator of employee terminations to ensure terminated employees with balances less than $1,000 have their distribution processed out of the plan.

INTERNAL CONTROL

Significant Deficiency

Delinquent Remittance of Participant Contributions

Participant contributions become "plan assets" on the earliest date on which such contributions can reasonably be segregated from the employer assets. Proper application of this rule is required by the Department of Labor (DOL) and the DOL requires corrective steps to be taken in order for the Plan to be in compliance. During 2016, there were contributions totaling $29,698 that were remitted as late as 14 days following the payroll date. Per the DOL guidelines, this may be viewed as untimely remittance due to the Plan's normal remittance period of 5 days.

In addition, Plan management identified contributions that were withheld in 2015 and previous years that were not remitted to the Plan. These contributions totaled $1,773 and were corrected in March 2017 by management.

Recommendation: We recommend the Plan remit contributions within 5 business days following the payroll date. We also recommend Plan management regularly reconcile payroll records to the asset custodians' records to verify all withheld contributions are remitted timely.

Management's Response

Due to accounting staff turnover in 2016, some contributions were remitted up to 14 days late. Management has resolved this by calculating lost earnings for these late contributions and adding the earnings to affected participants' account balances.

INTERNAL CONTROL

Other Recommendations

Use of Forfeitures

The Plan does not typically have forfeitures since participants are immediately vested in all employer matching contributions. However, there are instances where matches are refunded from the Plan due to a contribution error, in which the earnings would be considered forfeitures. Plan management should work with the asset custodians to determine proper use and application of forfeitures in accordance with the Plan document.

Oversight of Policy Loans

A provision of 403(b) plans allows for policy loans, which is where participants borrow funds directly from the insurance company using their vested account balance in the Plan as collateral for the loan. Although the insurance company works directly with participants to distribute the loan and collect repayments, Plan management has fiduciary responsibility to oversee all loans. Plan management should implement procedures to review and approve loan applications to verify they are not prohibited transactions.

Closing

This information is intended solely for the information and use of the Board of Directors and Finance Committee, and others within the Plan, and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

July 27, 2017