

**NATIONAL ASSOCIATION OF STATE DIRECTORS OF SPECIAL EDUCATION, INC.**  
**1800 Diagonal Road, Suite 600**  
**Alexandria, VA 22314**

September 6, 2024

Kositzka, Wicks and Company  
Certified Public Accountants  
5270 Shawnee Road, Suite 250  
Alexandria, Virginia 22312

This representation letter is provided in connection with your audit of the financial statements of the National Association of State Directors of Special Education, which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the 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, as of September 6, 2024, the following representations made to you during your audits.

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 9, 2023, 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) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts. A list of the corrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

#### Information Provided

- 12) 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 (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) 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.
- 15) We have no knowledge of any fraud or suspected fraud that affects the Organization 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.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 17) 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.

- 18) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 19) We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions, including any side agreements.
- 20) The Organization 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.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 22) National Association of State Directors of Special Education is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would be 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.
- 23) In regard to the financial statement and Form 990 preparation services performed by you, we have—
- Assumed all management responsibilities.
  - Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
  - Evaluated the adequacy and results of the services performed.
  - Accepted responsibility for the results of the services.

National Association of State Directors of Special Education

By:

  
John Eisenberg  
Executive Director

Kositzka, Wicks and Company  
Certified Public Accountants  
September 6, 2024  
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Attachment: Corrected misstatements (adjusting journal entries)

| Account   | Description   | Debit             | Credit            |
|---|---|-------------------|-------------------|
| <b>Adjusting Journal Entries JE # 1</b>   |   |                   |                   |
| Client provided entry to update preliminary trial balance.  |   |                   |                   |
| ✓ 16100   | Accumulated Depreciation                              | 281.58            |                   |
| ✓ 25100   | Deferred Revenue:Deferred Revenue Membership          | 137,359.97        |                   |
| ✓ 25200   | Deferred Revenue:Deferred Revenue Other               | 30,250.00         |                   |
| ✓ 40100   | Grant Income:New Outcomes                             | 2,541.88          |                   |
| ✓ 51500   | Computer & Network Related                            | 3,721.41          |                   |
| ✓ 90100   | Bad Debt  | 1,000.00          |                   |
| ✓ 12000   | Accounts Receivable (A/R)                             |                   | 148,587.00        |
| ✓ 16000   | Fixed Assets - Computers                              |                   | 3,721.41          |
| ✓ 20500   | Accrued Expenses                                      |                   | 2,541.88          |
| ✓ 41105   | Membership Income:Membership Dues Income              |                   | 16,772.97         |
| ✓ 41110   | Membership Income:Data Manager Affinity Group         |                   | 1,750.00          |
| ✓ 41115   | Membership Income:619 Coordinators Affinity Group     |                   | 1,500.00          |
| ✓ 90600   | Depreciation Expense                                  |                   | 281.58            |
| <b>Total</b>  |   | <b>175,154.84</b> | <b>175,154.84</b> |
| <b>Adjusting Journal Entries JE # 2</b>   |   |                   |                   |
| To record Sharedwork invoice 35 relating to work performed during FY23.   |   |                   |                   |
| ✓ 60110   | Subcontractor/Consultants:Consultant - Sharedwork LLC | 5,750.00          |                   |
| ✓ 20000   | Accounts Payable (A/P)                                |                   | 5,750.00          |
| <b>Total</b>  |   | <b>5,750.00</b>   | <b>5,750.00</b>   |
| <b>Adjusting Journal Entries JE # 3</b>   |   |                   |                   |
| To record conference revenue and expenses held in escrow by conference planner as of 9/30/2023 for conference held in October 2023. |   |                   |                   |
| ✓ 12001   | Due to/from   | 200,687.05        |                   |
| ✓ 15000   | Prepaid Expenses                                      | 1,192.95          |                   |
| ✓ 25200   | Deferred Revenue:Deferred Revenue Other               |                   | 201,880.00        |
| <b>Total</b>  |   | <b>201,880.00</b> | <b>201,880.00</b> |
| <b>Adjusting Journal Entries JE # 4</b>   |   |                   |                   |
| To reverse 3/12 membership dues recorded recognized in FY22 per ASC 806 determination.  |   |                   |                   |
| ✓ 41105   | Membership Income:Membership Dues Income              | 55,462.33         |                   |
| ✓ 41110   | Membership Income:Data Manager Affinity Group         | 3,666.67          |                   |
| ✓ 41115   | Membership Income:619 Coordinators Affinity Group     | 3,500.00          |                   |
| ✓ 12000   | Accounts Receivable (A/R)                             |                   | 62,629.00         |
| <b>Total</b>  |   | <b>62,629.00</b>  | <b>62,629.00</b>  |
| <b>Adjusting Journal Entries JE # 5</b>   |   |                   |                   |
| To record 3/12 membership recognized in FY23 per 606 determination.   |   |                   |                   |
| ✓ 12000   | Accounts Receivable (A/R)                             | 36,396.51         |                   |
| ✓ 41105   | Membership Income:Membership Dues Income              |                   | 29,896.51         |
| ✓ 41110   | Membership Income:Data Manager Affinity Group         |                   | 3,500.00          |
| ✓ 41115   | Membership Income:619 Coordinators Affinity Group     |                   | 3,000.00          |
| <b>Total</b>  |   | <b>36,396.51</b>  | <b>36,396.51</b>  |
| <b>Adjusting Journal Entries JE # 6</b>   |   |                   |                   |
| To write off CA Department of Education receivable based on correspondence with customer subsequent to year end.                    |   |                   |                   |
| ✓ 90100   | Bad Debt  | 4,146.50          |                   |
| ✓ 12000   | Accounts Receivable (A/R)                             |                   | 4,146.50          |
| <b>Total</b>  |   | <b>4,146.50</b>   | <b>4,146.50</b>   |