



May 15, 2020

Executive Committee Members  
The College Savings Foundation.

Dear Audit and Finance Committee Members:

We have audited the financial statements of The College Savings Foundation as of and for the year ended December 31, 2019, and have issued our report thereon dated May 15, 2020. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated December 20, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of The College Savings Foundation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team and others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.



## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by The College Savings Foundation is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting The College Savings Foundation's financial statements relate to functional allocation of expenses and related party transactions.

### **Identified or Suspected Fraud**

We have not identified or have obtained information that indicates that any fraud occurred.

### **Significant Difficulties Encountered during the Audit**

There were no significant difficulties encountered during the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. All misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management. Refer to **Appendix A** for list of audit adjustments recorded by management.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to The College Savings Foundation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.



### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated May 15, 2020. Refer to **Appendix B** for a copy of management representation letter.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with The College Savings Foundation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as The College Savings Foundation's auditors.

This report is intended solely for the information and use of the *Executive Committee, Board of Directors*, and management of The College Savings Foundation and is not intended to be and should not be used by anyone other than these specified parties.

*Affluent Financial Services LLC*

Rockville, MD  
May 15, 2020

## **APPENDIX A – AUDIT ADJUSTMENT RECORDED BY MANAGEMENT**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
To reverse the AR and Deferred revenue at year end			
5000	2070 -+ Deferred Conference Income:2070.3 -+ Deferred C	33,000.00	
5500	2100 -+ Deferred Dues:2102 -+ Board Membership Renew	100,000.00	
5510	2100 -+ Deferred Dues:2106 -+ Sustaining Membership Re	20,000.00	
5520	2100 -+ Deferred Dues:2108 -+ Associate Membership Rer	25,000.00	
2000	1110 -+ Accounts receivables		178,000.00
<b>Total</b>		<b>178,000.00</b>	<b>178,000.00</b>

## **APPENDIX B – MANAGEMENT REPRESENTATION LETTER**

May 15, 2020

Affluent Financial Services LLC  
9211 Corporate Boulevard  
Suite 330, Rockville, MD 20850  
(Attn: Ajit S. Chawla)

We are providing this letter in connection with your audit of the statement of financial position of The College Savings Foundation (“CSF” or “Company”) as of December 31, 2019, and the related statement of activities and cash flows for the year then ended for the purpose of expressing an opinion on whether the financial statements present fairly, in all material respects, the financial position, changes in net assets and cash flows of the Company in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation in the financial statements of the financial position, changes in net assets and cash flows in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control and preventing and detecting fraud.

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 the 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.

We confirm, to the best of our knowledge and belief, as of May 15, 2020, the following representations made to you during your audit:

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all assets and liabilities under the Company’s control.
2. We have made available to you all:
  - a. Financial records and related data.
  - b. Minutes of meetings of the Board of Directors and its committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud. We confirm that management has no:
  - a. Knowledge of any fraud or suspected fraud affecting the Company involving management, employees who have significant roles in internal control, and others, where the fraud could have a material effect on the financial statements, other than as disclosed in the footnotes to the financial statements as of and for the year ended December 31, 2019.
  - b. Knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, analysts, regulators, short-sellers, or others, other than as disclosed in the footnotes to the financial statements as of and for the year ended December 31, 2019.
  - c. Knowledge of any communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

4. The Company has no plans or intentions that may materially affect the carrying value or classifications of assets, liabilities, or net assets.
5. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.
6. The following have been properly recorded and disclosed in the financial statements:
  - a. Related-party transactions and related amounts receivable or payable, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees.
  - b. Guarantees, whether written or oral, under which the Company is contingently liable.
  - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
7. We believe the effects of the uncorrected financial statement misstatements, if any, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
8. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand the near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Company vulnerable to the risk of a near term severe impact that have not been properly disclosed in the financial statements.
9. The Company is an exempt organization under Section 501 ( c ) ( 6 ) of the Internal Revenue Code. All activities of which we are aware that may jeopardize the Company'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 the tax authorities are up-to-date.
10. There are no:
  - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and cannot be disclosed in accordance with Statement of Financial Accounting Standards No. 5 (FAS-5), Accounting for Contingencies (ASC 450, Contingencies).
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FAS-5 (ASC 450).
  - d. Designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements.
11. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
12. The Company 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.
13. With respect to compliance with laws and regulations affecting the Company, we represent the following:

- a. We are responsible for the Company's compliance with the laws and regulations applicable to it.
  - b. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
  - c. We have complied with all aspects of laws, regulations, and contractual agreements that would have a material effect on the financial statements.
  - d. There have been no communications from regulatory agencies concerning non-compliance or deficiencies in financial reporting practices.
14. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
15. Regarding audit services rendered by you, we will:
- a. Make all management decisions and perform all management functions.
  - b. Designate a management-level individual with suitable skills, knowledge and experience to oversee the services.
  - c. Evaluate adequacy and results of the services performed.
  - d. Accept responsibility of the result of the services.
  - e. Establish and maintain internal controls, including monitoring on-going activities.
16. We confirm the following regarding fair value measurements and disclosures:
- a. Appropriate measurement methods, including related assumptions, were used in determining fair value and were consistently applied.
  - b. Disclosures related to fair values are complete and adequate.
  - c. No subsequent events have occurred that require adjustments to the fair value measurements and disclosures included in the financial statements.
17. We are not aware of any facts that may have an effect on the Company's ability to continue as a going concern.

To the best of our knowledge and belief, no events have occurred subsequent to the date of the statement of financial position and through the date of this letter that would require adjustments to, or disclosure in, the aforementioned financial statements.

Kathy Hamor, Executive Director  
Date: May 15, 2020