



Montemayor Britton Bender PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management
Texas Association for the Education of Young Children, Inc.

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

We have audited the financial statements of Texas Association for the Education of Young Children, Inc. (TXAEYC) for the year ended 31 May 2021, and have issued our report thereon dated 4 November 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as well as certain information related to the planned scope and timing of our audit. We have communicated information related to the planned scope and timing of our audit in our engagement letter to you dated 31 August 2021. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Uniform Guidance

As stated in our engagement letter, 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 U.S. generally accepted accounting principles, *Government Auditing Standards* and Uniform Guidance. Our audit of the financial statements does not relieve you or management of your responsibilities.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by TXAEYC are described in Note 2 to the financial statements. As described

2110 BOCA RATON DRIVE
BUILDING B, SUITE 102
AUSTIN, TEXAS 78747
PHONE: 512.442.0380
FAX: 512.442.0817
www.montemayor.team



Board of Directors and Management
Texas Association for the Education of Young Children, Inc.
Communications with Those Charged with Governance
Page 2

in Note 6, TXAEYC changed accounting policies related to its financial statement presentation by adopting Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), in the year ended 31 May 2021. Accordingly, the accounting change has been prospectively applied for current and future periods. We noted no transactions entered into by TXAEYC 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

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 estimate of the functional allocation of expenses is based on estimates of time spent by staff on various functional activities. We evaluated the key factors and assumptions used to develop these estimates in determining that they are 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.

Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 4 November 2021.



Board of Directors and Management
Texas Association for the Education of Young Children, Inc.
Communications with Those Charged with Governance
Page 3

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 TXAEYC’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

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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 TXAEYC and is not intended to be and should not be used by anyone other than these specified parties.

4 November 2021
Austin, Texas

TEXAS ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN, INC.

UNCORRECTED MISSTATEMENTS

31 MAY 2021

<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Miscellaneous expense	4,701	
Accounts payable		4,701
Personnel	9,761	
Accrued liabilities		9,761
Miscellaneous expense	13,825	
Cash		11,417
Direct deposit liabilities		2,408
Prepaid expenses	7,790	
Miscellaneous expense		7,790
Cash	9,308	
Miscellaneous expense		9,308
Registration fees revenue	1,060	
Retained earnings		1,060
Undeposited funds	1,281	
Miscellaneous expense		1,281
General dues	21,804	
Membership income		21,804