



Tel. 202.332.3566 · Fax 202.332.3672 · www.martinwallcpa.com

Members and Executive Director
National Council on Disability
Washington, DC

We have audited the financial statements of the National Council on Disability for the year ended September 30, 2008, and have issued our report thereon dated November 13, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted Government Auditing Standards and OMB Audit Guidance

As stated in our engagement letter dated August 27, 2008, our responsibilities, as described in professional standards and OMB audit guidance, are to:

1. Express an opinion on whether the National Council on Disability's fiscal year 2008 financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.
2. Report on any significant deficiencies and material weaknesses (as defined by Statement on Auditing Standards 112, Communicating Internal Control Related Matters Identified in an Audit) in internal control that come to our attention as a result of the audit.
3. Report on our tests of the National Council on Disability's compliance with selected provisions of laws and regulations (which may include the provisions of contracts or grant agreements), noncompliance with which could have a material effect on the financial statements.

The National Council on Disability's Management's Discussion and Analysis, required supplementary information (including stewardship information), and other accompanying information contain a wide range of information, some of which is not directly related to financial statements. We do not express an opinion on this information. Our responsibility for other information in documents containing the National Council on Disability's financial statements and report does not extend beyond the financial information identified in the report.



Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 24, 2008.

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 the National Council on Disability are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2008. We noted no transactions entered into by the National Council on Disability during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. However, we have identified the application of year-end procedures for recording accounts payable and other accruals to be an area of significant inherent risk and advise management to continually monitor the effectiveness of internal controls for this control objective.

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 Other Liabilities with the Public which consists of accrued funded payroll and leave of \$63,681 and unfunded leave of \$81,375. Management's estimate of accrued funded payroll and leave, as well as unfunded leave, is primarily based on the application of federal benefits laws and agency policies related to payroll and leave. We evaluated the key factors and assumptions used to develop the estimate for Other Liabilities with the Public in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of unobligated and obligated amounts held in Fund Balance with Treasury in Note 3 to the financial statements. In order to fairly present the obligated portion of Fund Balance with Treasury, management must continually monitor the effectiveness of the process for periodically reviewing, assessing the validity of, and, when appropriate, de-obligating outstanding obligations.



- The disclosure of undelivered orders at the end of the period in Note 10 to the financial statements. Undelivered orders represent the amount of goods and/or services ordered, which have not been actually or constructively received and for which amounts have not been prepaid or advanced. As a result, uncertainty exists concerning whether the goods and/or services will be received within the allotted timeframe, also known as the period of performance, and whether the actual cost will vary from projections. As the period of performance for an undelivered order increases, so does the potential for variance from budgeted amounts.

We concur with the judgments utilized in formulating these disclosures.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit. For future audits, we recommend commencing the audit prior to the end of the fiscal year, to allow for expanded time to conduct interim work on planning, internal control evaluation, and testing for periods already concluded.

Corrected and 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. 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.

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 November 18, 2008.



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 National Council on Disability’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 National Council on Disability’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Members and management of the National Council on Disability and is not intended to be and should not be used by anyone other than these specified parties.

Martin & Wall, P.C.

Washington, DC
November 18, 2008