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Report to the Board of Trustees

Episcopal Foundation of Dallas

Results of the 2023 Financial Statement Audit, Including Required Communications

December 31, 2023

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Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities

**Scope of Our Audit &
Inherent Limitation to
*Reasonable Assurance***

**Your & Our
Responsibilities**

**Extent of Our
Communication &
Distribution Restriction**

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| Matter | Discussion |
|---|---|
| Scope of Our Audit | <p>This report covers audit results related to your financial statements</p> <ul style="list-style-type: none">• As of and for the year ended December 31, 2023• Conducted in accordance with our contract dated November 7, 2023 |
| Our Responsibilities | <p>FORVIS is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p> |
| Audit Scope and Inherent Limitations to Reasonable Assurance | <p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.</p> |
| Extent of Our Communication | <p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p> |



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| Matter | Discussion |
|---------------------------------|---|
| Independence | The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence. |
| Your Responsibilities | Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract. |
| Distribution Restriction | <p>This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:</p> <ul style="list-style-type: none">• Board of Trustees• Others within the Entity |

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Qualitative Aspects of Significant Accounting Policies and Practices

The following matters are detailed in the following pages and included in our assessment:

**Significant Accounting
Policies**

**Unusual Policies or
Methods**

**Alternative Accounting
Treatments**

**Management Judgments
& Accounting Estimates**

**Financial Statement
Disclosures**

**Our Judgment About the
Quality of the Entity's
Accounting Principles**

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Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- No matters are reportable

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Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature):

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows.

- No matters are reportable



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Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Valuation of investment securities
- Functional expense allocation

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Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Determination of fair values
- Related parties
- Liquidity and availability of resources



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Our Judgment About the Quality of the Foundation's Accounting Principles

During the course of the audit, we made the following observations regarding the Foundation's application of accounting principles:

- No matters are reportable

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Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable



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Uncorrected Misstatements

No uncorrected misstatements to report.

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Other Required Communications

Significant Issues Discussed with Management

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Agency funds



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Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)

We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

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Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

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