

# FORVIS

## Report to the Retirement Committee and Management

### Retirement Plan for Employees of Houston-Galveston Area Council

#### Results of the 2022 Financial Statement Audit, Including Required Communications

Houston, Texas

December 31, 2022

[forvis.com](https://forvis.com)

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# Executive Summary

## Audit Summary

### Timing of Our Engagement

Our audit procedures occurred primarily between February 27, 2023 and May XX, 2023. The resulting opinion from our audit is as follows:

### Our Financial Statement Opinion

We have issued an unmodified opinion as to whether the financial statements of the Retirement Plan for Employees of Houston-Galveston Area Council, as of and for the year ended December 31, 2022, are fairly presented, in all material respects.

### Government Auditing Standards

We have also issued our report on internal control over financial reporting and on our tests of compliance in accordance with *Government Auditing Standards* (GAGAS).



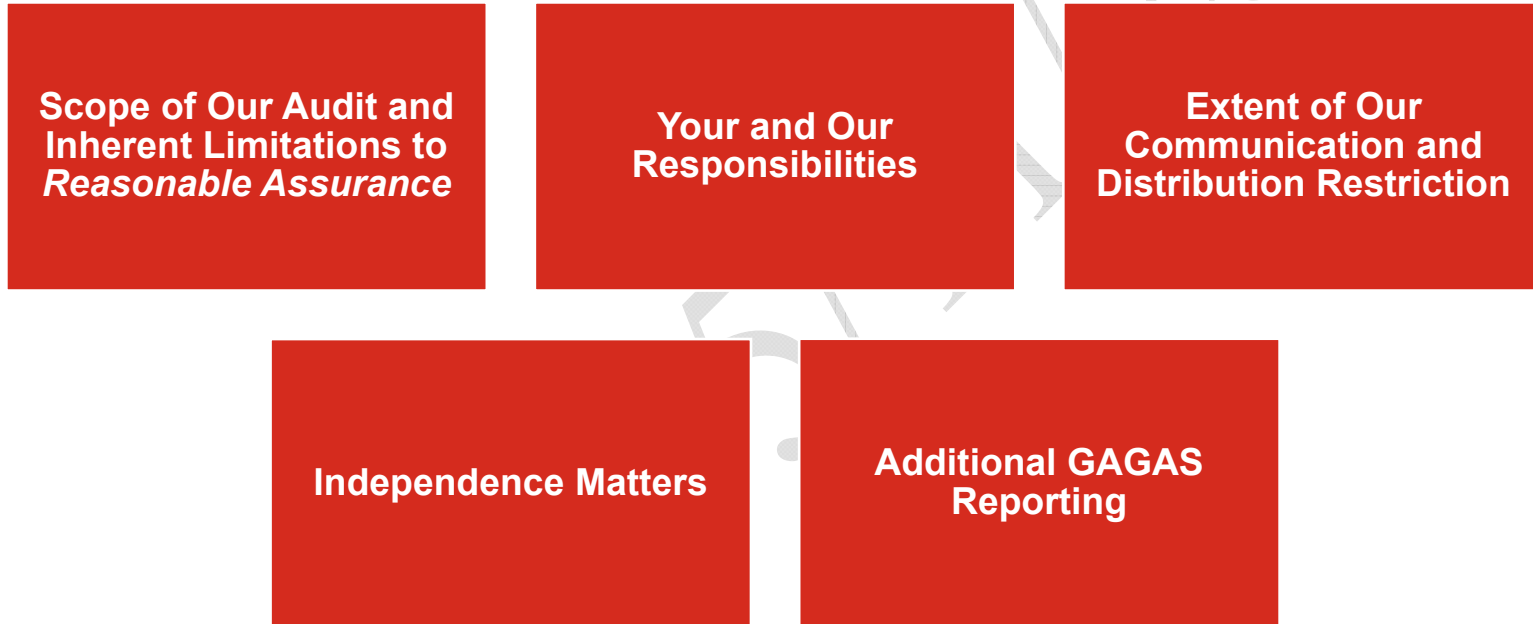
## Where We Focused Our Efforts

Areas of Audit Emphasis	Description of Audit Area	Results of Testing
<b>Management Override of Controls</b>	The risk that management may override existing and functioning accounting controls is an inherent risk.	No matters are reportable.
<b>Management Estimates</b>	Estimates and judgments made by management materially impact financial statement amounts. The following financial statement areas include material estimates made by management: <ul style="list-style-type: none"> <li>• Fair value of investments</li> </ul>	No matters are reportable.
<b>Employer and Participant Contributions</b>	The risk that employer and participant contributions are erroneously calculated	No matters are reportable.
<b>Related-party Disclosures</b>	The risk that financial statement users do not fully understand transactions between related parties.	No matters are reportable; however, see related-party disclosure in your financial statements.



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

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



## Overview and Responsibilities

Matter	Discussion
<b>Scope of Our Audit</b>	<p>This report covers audit results related to your financial statements:</p> <ul style="list-style-type: none"><li>• As of and for the year ended December 31, 2022</li><li>• Conducted in accordance with our contract dated January 27, 2023</li></ul>
<b>Our Responsibilities</b>	<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>
<b>Audit Scope and Inherent Limitations to Reasonable Assurance</b>	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) 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>
<b>Extent of Our Communication</b>	<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
<b>Independence</b>	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
<b>Your Responsibilities</b>	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
<b>Distribution Restriction</b>	<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"> <li>• Retirement Committee</li> <li>• Management</li> <li>• Others within the Plan</li> </ul>

Draft 5/11/23

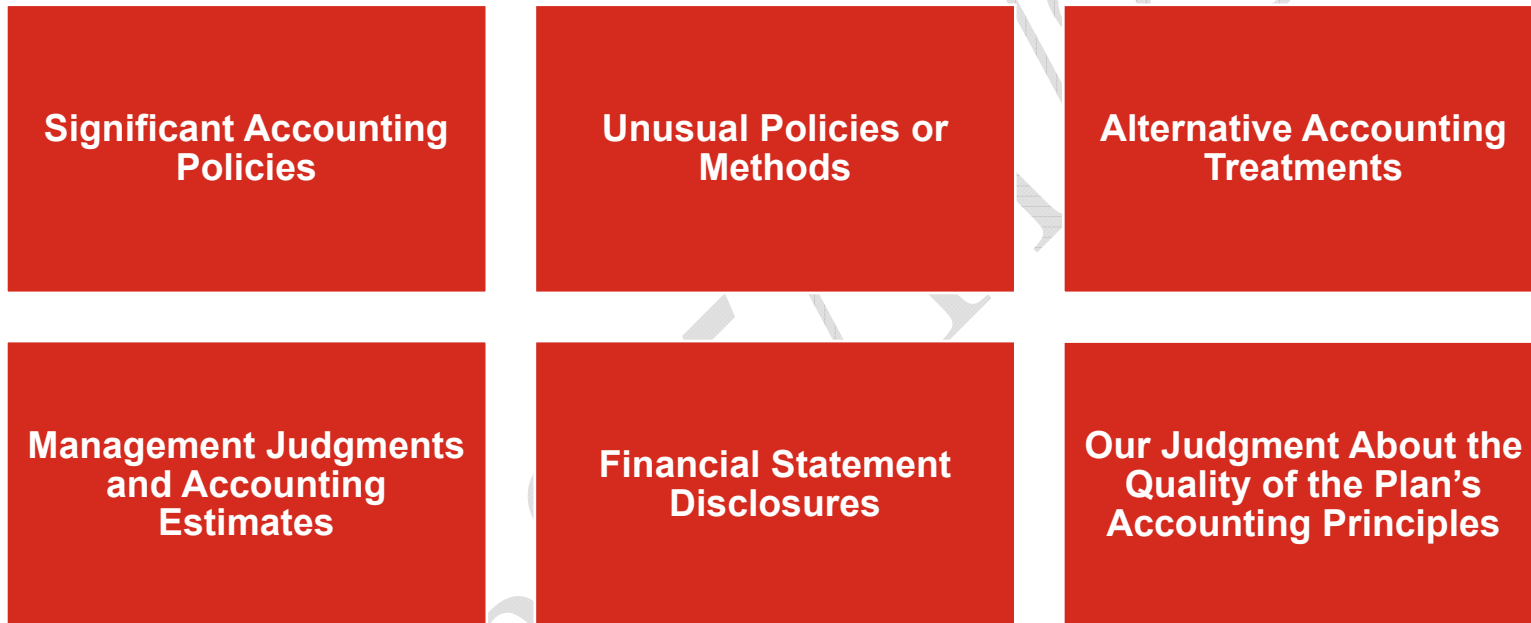
## Government Audit Standards

Matter	Discussion
<b>Additional GAGAS Reporting</b>	We also provided a report as of December 31, 2022, on the following as required by GAGAS: <ul style="list-style-type: none"><li>• Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS</li></ul>
<b>Reporting Limitations</b>	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.



## Qualitative Aspects of Significant Accounting Policies and Practices

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



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## Significant Accounting Policies

Significant accounting policies are described in Note 2 of the audited financial statements.

- No matters are reportable

## 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:

- No matters are reportable

## 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:

- Fair value of investments



## 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

## Our Judgment About the Quality of the Plan's Accounting Principles

- No matters are reportable

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## Other Required Communications

### Other Material Communications

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

- Management representation letter (see Attachment)

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## Attachments

### Management Representation Letter

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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## Appendix A

### Management Representation Letter

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