



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

June 28, 2024

To the Board of Directors  
San Antonio Foundation for Excellence in Education, Inc.

We have audited the financial statements of San Antonio Foundation for Excellence in Education, Inc. as of and for the year ended December 31, 2023, and have issued our report thereon dated June 28, 2024. Professional standards require that we advise you of the following matters related to our audit.

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

As communicated in our engagement letter dated March 22, 2024, 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 San Antonio Foundation for Excellence in Education, Inc. 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 teams, 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 San Antonio Foundation for Excellence in Education, Inc. is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant account policies or their application during 2023. 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. The most sensitive estimates affecting the financial statements were:

- Allocation of Functional Expenses

Management's estimate of functional expenses is based on time spent and professional judgment. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

### *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 San Antonio Foundation for Excellence in Education, Inc.'s financial statements relate to revenue recognition, concentrations, liquidity and availability of financial resources and special events.

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

We encountered no difficulties in dealing with management relating to the performance of the audit.

## **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 San Antonio Foundation for Excellence in Education, Inc.'s financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Corrected and Uncorrected 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. Management has corrected all identified misstatements.

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. Correcting entries were made to record the release of net assets with restriction, reclassification of net assets, reclassification of investment activity, reclassification of special event revenue and expenses, and reclassification of revenues with and without restriction. None of these adjustments were indicative of deficiencies in internal control.

## **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.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in a separate letter dated June 28, 2024.

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

In the normal course of our professional association with San Antonio Foundation for Excellence in Education, Inc., we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement.

During our audit procedures, we became aware of an opportunity to strengthen the Foundation's internal controls with the following suggestion:

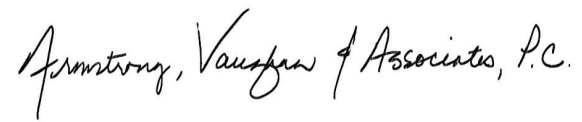
### Insufficient FDIC Coverage

As of December 31, 2023, cash balances at Frost Bank and PNC Compass Bank had exceeded the Federal Deposit Insurance Corporation (FDIC) limit by \$328,803 and \$2,032, respectively. Should the institutions become insolvent, any amount above the \$250,000 FDIC limit would be at risk. Management should continue to assess the risk and consider exploring methods of distributing their funds across other financial institutions.

None of the matters discussed resulted in a condition to our retention as San Antonio Foundation for Excellence in Education, Inc. auditors.

This information is intended solely for the use of Board of Directors and management of San Antonio Foundation for Excellence in Education, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.