



SKILLMAN GROUP, PLC
Certified Public Accountants and Business Advisors

April 16, 2025

Board of Directors
The Synod of the Covenant, Presbyterian Church (U.S.A.)
1340 W. Long Lake Road
Bloomfield Hills, MI 48302

We are pleased to confirm our acceptance and understanding of the services we are to provide for The Synod of the Covenant, Presbyterian Church (U.S.A.) for the year ended December 31, 2024.

You have requested that we prepare the financial statements of The Synod of the Covenant, Presbyterian Church (U.S.A.) (the Company), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and perform a review engagement with respect to those financial statements.

Our Responsibilities

The objective of our engagement is to -

1. prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and
2. obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and comply with the applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when preparing the financial statements and performing the review engagement.

A review engagement includes primarily applying analytical procedures to your financial data and making inquiries of Company management. A review engagement is substantially less in scope than an audit engagement, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review engagement does not contemplate obtaining an understanding of the Company's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or other examination of source documents; or other procedures ordinarily performed in an audit engagement. Accordingly, we will not express an opinion regarding the financial statements. The supplementary information accompanying the financial statements will be presented for purposes of additional analysis. Such information is the responsibility of management and will be derived



from, and related directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information will be subjected to the review procedures applied in our review of the basic financial statements. We will not audit the information and will not express an opinion on such information.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Company or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures that indicates fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

We may from time to time, and depending on the circumstances, use certain third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for the statements to be in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- 2) The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all



informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.

- 3) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
- 4) The prevention and detection of fraud.
- 5) To ensure that the Company complies with the laws and regulations applicable to its activities.
- 6) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 7) To provide us with—
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the review engagement.
 - unrestricted access to persons within the Company of whom we determine it necessary to make inquiries.
- 8) To provide us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

We will issue a written report upon completion of our review of The Synod of the Covenant, Presbyterian Church (U.S.A.)'s financial statements. Our report will be addressed to the members of The Synod of the Covenant, Presbyterian Church (U.S.A.). We cannot provide assurance that an unmodified accountant's review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from accounting principles generally accepted in the United States of America, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If, for any reason, we are unable to complete the review of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's review report in any document containing financial statements that indicates that such financial statements have been reviewed by us and, prior to inclusion of the report, to ask our permission to do so.

Our Record Retention Policy

At the conclusion of this engagement, we will return to you all original records you supplied to us and any other records we deem to be part of your accounting system. Your Company records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files including our engagement documentations, whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you that our records relating to your Company are to be destroyed. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that our firm may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

Use of Firm's Name

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include an "accountants report" or a "disclaimer" on the financial presentations that we so specify. Further, you agree to provide us with printers' proofs or masters of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name and/or the name of an employee of the firm and a financial presentation(s) for our approval before it is distributed.

Ownership of Working Papers

The working papers prepared in conjunction with this engagement are the property of Skillman Group, PLC, constitute confidential information, and will be retained by us in accordance with our policies and procedures.

Release and Indemnification

No action, regardless of form, arising out of the services under this agreement may be brought by either party more than three years after the act, event, or service that is the subject of such action; or more than one year after discovery of such act, error, or omission, whichever occurs first.

Because management representations, whether written or oral, may be important to a review of financial statements, the Company releases and indemnifies Skillman Group, PLC and its personnel from any and all claims, liabilities, costs and expenses attributable to any knowing misrepresentation by management.



In no event shall Skillman Group, PLC be liable to the Company, whether a claim be in tort, contract or otherwise, for any consequential, indirect, lost profit or similar damages relating to Skillman Group, PLC's services provided under this engagement letter, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Skillman Group, PLC relating to such services.

Dispute Resolution Procedure

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement (including disputes regarding the validity or enforceability of this agreement), either party may, upon written notice to the other party, request facilitated negotiations. Such negotiations shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and, respecting their different interests, to finally resolve such dispute.

Each party may disclose any facts to the other party or to the facilitator that it, in good faith, considers necessary to resolve the dispute. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the facilitator shall keep confidential all information disclosed during negotiations. The facilitator shall not act as a witness for either party in any subsequent arbitration between the parties.

Such facilitated negotiations shall conclude within sixty days from receipt of the written notice unless extended by mutual consent. The parties may also agree at any time to terminate or waive facilitated negotiations. The costs incurred by each party in such negotiations will be borne by it; the fees and expenses of the facilitator, if any, shall be borne equally by the parties.

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement (including disputes regarding the validity or enforceability of this agreement) and cannot be resolved by facilitated negotiations (or the parties agree to waive that process), then such dispute, controversy, or claim shall be settled by arbitration. The arbitration proceeding shall take place in the Detroit Metropolitan Area, unless the parties agree to a different locale. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) or, if a court of competent jurisdiction determines the FAA inapplicable, by the laws of the state in which the proceeding is to take place. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association (AAA), except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitration panel.

Such arbitration shall be conducted before a panel of three persons, one chosen by each party, and the third selected by the two party-selected arbitrators. The arbitration panel shall have no authority to award non-monetary or equitable relief, and any monetary award shall not include punitive damages. The confidentiality provisions applicable to facilitated negotiation shall also apply to arbitration. The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction.

Other Relevant Information

Our fees for these services will be based on the actual time spent at our standard hourly rates. The current year review will include costs associated with ASC 842, Lease Accounting. As such, time spent assisting you will be charged separately. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. Our invoices for these fees may be rendered as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditure through the date of termination.

Mark Gilroy, CPA, is the engagement partner and is responsible for supervising the review engagement and signing the report or authorizing another individual to sign it.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign and return it to us.

Sincerely,

Skillman Group, PLC
Certified Public Accountants and Business Advisors

RESPONSE:

This letter correctly sets forth the understanding of The Synod of the Covenant, Presbyterian Church (U.S.A.).

Officer signature: Joseph A. Salvato
Title: TREASURER
Date: 4/23/2025

