

March 1, 2023

Members of the Board of Directors and Management
F.M. Kirby Foundation, Inc.
17 Dehart Street
Morristown, NJ 07963

We have audited the financial statements of F.M. Kirby Foundation, Inc. (the "Foundation") for the year ended December 31, 2022, and we will issue our report thereon dated March 1, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Under Separate Engagements We* Also Provide the Following Services

* ("We," "our" or "firm" as used in this letter may refer to EisnerAmper LLP and/or Eisner Advisory Group LLC, as applicable).

We provide assistance with the preparation and submission of the F.M Kirby Foundation, Inc.'s federal Form 990-PF.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated January 12, 2023, our responsibility, as described by professional standards and as described above, 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 your respective responsibilities.

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether financial statements and related disclosures 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 F.M. Kirby Foundation, Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control, and we express no opinion on the effectiveness of internal control over financial reporting.



"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

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 are required to communicate an overview of the planned scope and timing of the audit. We previously communicated our planned scope and timing to you in the engagement letter dated January 13, 2023 and during our meeting about planning matters on January 26, 2023.

Compliance with All Ethics Requirements Regarding Independence

Generally accepted auditing standards require independence for all audits. The auditor is required to communicate to those charged with governance circumstances or relationships (for example, financial interests, business or family relationships, or non-audit services provided or expected to be provided) that, in the auditor's professional judgment, may reasonably be thought to bear on independence, and to which the auditors gave significant consideration in reaching the conclusion that independence had not been impaired.

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Materiality in the Context of an Audit

The concept of materiality in planning and executing the audit included the consideration that:

- Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
- Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.
- Judgments about materiality involve both qualitative and quantitative considerations.
- Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

The auditor's determination of materiality is a matter of professional judgment and is affected by the auditor's perception of the financial information needs of users of the financial statements.

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 F.M. Kirby Foundation, Inc. is included in Note A to the financial statements.



All significant transactions have been recognized in the financial statements in the proper period.

We noted no accounting policies in controversial areas or areas for which there is a lack of authoritative guidance or consensus, or diversity in practice.

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 accounting estimates affecting the financial statements is the estimated fair value of investments and investment management fees and the federal excise tax.

Management's estimate of the fair value is based on pricing information obtained from a third-party subscription based service and information received from investment managers. Management's estimate of the federal excise tax calculation is based on net investment income for the year. We evaluated the key factors and assumptions used to develop the fair value of investments and the federal excise tax and determined that it is reasonable in relation to the basic 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.

We consider the disclosures in F.M. Kirby Foundation, Inc.'s financial statements to be adequate and neutral in content, consistent, and clear.

Significant Unusual Transactions

For purposes of this report, professional standards define significant unusual transactions as transactions that are outside the normal course of business for the Organization or that otherwise appear to be unusual due to their timing, size or nature.

We noted no significant unusual transactions during our audit.

Related Party Relationships and Transactions

As part of our audit, we evaluated the Organization's identification of, accounting for, and disclosure of the Organization's relationships and transactions with related parties as required by professional standards. Related party transactions, as described in ASC 850, *Related Party Disclosures*, are transactions that involve the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged. We noted no:



- Related parties or related party relationships or transactions that were previously undisclosed to us;
- Significant related-party transactions that have not been approved in accordance with the Organization's policies and procedures or for which exceptions to the Organization's policies and procedures were granted; or
- Significant related party transactions that appeared to lack a business purpose.

Uncorrected and Corrected Misstatements

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.

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. No audit adjustments were identified in connection with our audit of the financial statements.

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 the Organization's financial statements or to the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 1, 2023.

Management's Consultations with Other 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 Organization'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. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.



Other Significant Matters, Findings or Issues

In the normal course of our professional association with F.M. Kirby Foundation, Inc., we have 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. However, these discussions occurred in the normal course of our professional relationship and none of the matters discussed resulted in a condition to our retention as the auditors of the F.M. Kirby Foundation, Inc.'s financial statements.

Restriction

This letter is intended solely for the information and use of the Board of Directors and management of F.M. Kirby Foundation, Inc. and is not intended to be used, and should not be used, for any other purpose.

Very truly yours,

EISNERAMPER LLP



Attachments:

Management representation letter



F. M. KIRBY FOUNDATION, INC.
17 DEHART STREET
MORRISTOWN, N.J. 07960
973-538-4800

March 1, 2023

EisnerAmper LLP
111 Wood Ave. South
Iselin, NJ 08830

Ladies and Gentlemen:

This representation letter is provided in connection with your audits of the financial statements of F.M Kirby Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. Your audit was conducted for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 1, 2023:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 13, 2023, including our responsibilities for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. We understand that you have examined or tested accounting records of the Foundation and obtained other supporting evidence by methods (and to the extent) you deemed appropriate for the purpose of expressing an opinion on the financial statements but that such procedures would not necessarily disclose all fraud should any exist.

6. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
7. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Significant estimates and material concentrations have been properly disclosed in accordance with U.S. GAAP.
11. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
12. All of the following have been properly recorded or disclosed in the financial statements in accordance with U.S. GAAP:
 - a. relationships with other entities (including, but not limited to, affiliates, equities in privately held corporations, membership in a controlled group, etc.
 - b. related-party transactions and related amounts receivable or payable, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees (including, but not limited to all transactions with Board members, affiliated organizations, or other organizations controlled by or under common control with the Foundation).
13. There are no:
 - a. guarantees, whether written or oral, under which the Foundation is contingently liable;
 - b. other liabilities or gain or loss contingencies that are required to be accrued or disclosed;
 - c. designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements; or
 - d. agreements to repurchase assets previously sold or otherwise disposed.

14. We have evaluated and classified any subsequent events as recognized or non-recognized and disclosed the date through which this determination was made. No events, including instances of noncompliance, have occurred subsequent to December 31, 2022 and through the date of this letter, that would require adjustment to or disclosure in the financial statements.
15. We manage our investments in accordance with our investment policies. All investments and earnings thereon have been properly recorded in our financial records and reported in the financial statements.

We review and evaluate the values provided by the managers of our limited partnership investment that is not publicly traded and believe the carrying amounts of that investment is reported at a reasonable estimate of its fair values. We acknowledge that those estimated values may differ significantly from the value that would have been used had a ready market for those instruments existed.

The Financial Accounting Standards Board provides accounting guidance on measuring the fair value of certain investments such as private equity funds and hedge funds, to offer investors a practical expedient for measuring the fair value of investments in certain entities that calculate net asset value ("NAV"). Under this practical expedient, the Foundation is permitted to use NAV without adjustment for certain investments that qualified under the guidance. The Foundation's investments in funds fitting this description are carried at fair value based on NAV.

16. Only assets available for general operating purposes are reported as net assets without donor restrictions in the financial statements. Assets subject to donors' and grantors' restrictions or use for limited purposes are included in the financial statements as net assets with donor restrictions.
17. The financial statements referred to above include all assets under the Foundation's control. The Foundation does not have a relationship with another entity in which the elements of control and economic benefit would require that the financial statements of the other entity be combined or consolidated with those of the Foundation.
18. The Foundation has satisfactory title to all reported assets. Allowances for depreciation and/or impairments have been adjusted for all important items of property, plant, and equipment that have been sold, abandoned or are otherwise unusable. No security agreements have been executed under the provisions of the Uniform Commercial Code and there are no liens or encumbrances on assets nor has any asset been pledged.
19. There were no material commitments for construction or acquisition of property, plant, and equipment or to acquire other noncurrent assets, such as investments or intangibles.
20. Specifically identifiable expenditures have been properly classified to programmatic and supporting expense categories. Where expenditures made have related to two or more functional categories, objective bases of cost allocation have been applied by management.

Information Provided

1. We have provided you with:
 - a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside the general and subsidiary ledgers), documentation, and other matters;
 - b) Additional information that you have requested from us for the purpose of the audit;
 - c) Unrestricted access to persons within the Foundation from whom you determined it necessary to obtain audit evidence;
 - d) All minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes were not yet prepared; and
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. Management acknowledges its responsibility for adopting sound accounting policies, the design and implementation of internal control over financial reporting, and programs and controls to prevent and detect fraud. We confirm that management has no knowledge of any:
 - a. fraud or suspected fraud, or allegations of fraud or suspected fraud affecting the Foundation, involving members of the Board of Directors or management, current or former employees who have or have had significant roles in internal control over financial reporting, or any other persons or entities, where the fraud could have a material effect on the financial statements; or
 - b. communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. We have disclosed to you:
 - a. the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
 - b. that we are not aware of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements;
 - c. that we are not aware of any pending or threatened litigation, claims and assessment whose effects should be considered when preparing the financial statements;
 - d. all known related parties and/or related-party relationships and transactions; and,
 - e. that there are no known violations or possible violations of laws and regulations and provisions of contracts and grant agreements whose effects should be considered for disclosure in the

financial statements, as a basis for recording a loss contingency, or for reporting on noncompliance.

5. With respect to the Foundation's tax status:
 - a. the Foundation has met all conditions necessary to maintain tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (including, but not limited to, the filing of all appropriate information returns with all applicable federal, state, and local agencies that are due as of the date of this letter);
 - b. we are unaware of, and have not engaged in, any activities that would jeopardize the Foundation's tax-exempt status, including, but not limited to, political or lobbying activities;
 - c. we are unaware of any activities the Foundation is currently engaging in that would be subject to tax on unrelated business income; and
 - d. we believe that, due to the Foundation's general not-for-profit status, accounting and reporting for uncertainty in income taxes has not had, and is not anticipated to have, a material impact on the Foundation's financial statements.
6. All material contracts entered into (e.g., employment, construction, etc.) have been approved by the Board of Directors. In addition, appropriate due-diligence has been conducted with regard to the fairness and appropriate costs of these contracts. We are unaware of any persons who have engaged or who are engaging in a non-fair-market-value transaction ("excess benefit transaction") with the Foundation, directly or indirectly, and have done proper due-diligence to prevent against any persons receiving unreasonable compensation.
7. The Foundation has not incurred "joint fund-raising costs" whereby fundraising costs with a programmatic appeal have been allocated to program activities within the statements of functional expenses.
8. We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us, and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial-statement amounts or other financial data significant to the audit objectives.
9. We believe that there are no known significant conditions, events, or circumstances that currently impact the Foundation's ability to continue as a going concern.
10. We have responded fully and truthfully to all inquiries made to us by you during your audits.

Very truly yours,

F.M. Kirby Foundation, Inc

By: 
Justin Kiczek, Executive Director

By: 
Diana Kostas, Treasurer and Secretary