

Virginia Bankers Association PAC Financial Report

December 31, 2024

Virginia Bankers Association PAC

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Independent Auditor's Report

To the Audit Committee of the Board of Directors
Virginia Bankers Association PAC
Glen Allen, Virginia

Opinion

We have audited the accompanying statements of cash receipts and disbursements of the Virginia Bankers Association PAC (a political action committee sponsored by the Virginia Bankers Association, taxed as a corporation), for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Virginia Bankers Association PAC for the years ended December 31, 2024 and 2023, in accordance with the cash basis of accounting as described in Note 2.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Virginia Bankers Association PAC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, this includes determining that the cash basis is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered 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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Virginia Bankers Association PAC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Virginia Bankers Association PAC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

CERTIFIED PUBLIC ACCOUNTANTS

Glen Allen, Virginia
_____, 2024

Financial Statements

Virginia Bankers Association PAC

Statements of Cash Receipts and Disbursements

Years Ended December 31, 2024 and 2023

	2024	2023
RECEIPTS		
Contributions from participants	\$ 437,109	\$ 460,678
Interest income	9,927	2,557
Total receipts	447,036	463,235
DISBURSEMENTS		
Political contributions	276,000	332,071
American Bankers Association Bank PAC contributions	110,000	110,000
Operating expenses	16,035	9,059
Industry sponsorships	12,500	12,500
Audit and tax fees	7,500	10,500
In-kind contributions	4,036	3,227
Miscellaneous	21,405	5,114
Income taxes	663	68
Total disbursements	448,139	482,539
Net change in cash	(1,103)	(19,304)
CASH AND CASH EQUIVALENTS		
Beginning of year	421,952	441,256
End of year	<u>\$ 420,849</u>	<u>\$ 421,952</u>

PRELIMINARY DRAFT – OPEN FOR REVIEW AND DISCUSSION ONLY
Virginia Bankers Association PAC

Notes to Financial Statements
December 31, 2024

Note 1 – Nature of Organization

Virginia Bankers Association PAC (“BankPac”) is a political action committee sponsored by the Virginia Bankers Association (“VBA”). The purposes of BankPac is the protection, preservation, and furtherance of the private free enterprise system and the protection and advancement of the banking industry through political activity. BankPac has the discretion to deposit contributions in either its Federal Election Fund or State Election Fund within the guidelines of federal and state election laws, and transfers between these funds may only occur from the Federal Election Fund to the State Election Fund.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accounts of BankPac are maintained on a cash basis and the statements of receipts and disbursements recognize only cash received and disbursed. Therefore, receivables and payables, long-lived assets, accrued income and expenses, and amortization and depreciation, which would be recognized under accounting principles generally accepted in the United States, and which may be material in amount, are not recognized in the accompanying financial statements.

Income Taxes

BankPac is a political committee as described in *Internal Revenue Code* Section 527. Contributions received by BankPac are exempt from federal and state income taxes to the extent they are segregated for use in accordance with the exempt function of BankPac. Investment income earned by BankPac is subject to federal and state income taxes at the maximum corporate rate.

Cash and Cash Equivalents

For purposes of reporting cash flows, BankPac includes all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents on the accompanying statements of cash receipts and disbursements. At times, BankPac has balances that exceed FDIC insured limits. BankPac’s cash is in institutions whose credit ratings are monitored by management to minimize the concentrations of credit risk.

Note 3 – Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	2024	2023
Checking account	\$ 85,997	\$ 97,026
Savings account	334,852	324,926
	<u><u>\$ 420,849</u></u>	<u><u>\$ 421,952</u></u>

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Virginia Bankers Association PAC

Notes to Financial Statements
December 31, 2024

Cash and cash equivalents by election fund consist of the following:

	2024	2023
State Election Fund	\$ 11,573	\$ 26,685
Federal Election Fund	409,276	395,267
	\$ 420,849	\$ 421,952

Note 4 – Subsequent Events

Management has evaluated subsequent events through **DATE**, the date which the financial statements were available for issue.