

# **VIRGINIA BANKERS ASSOCIATION PAC**

## **Audit Results & Communications**

**Report to the Audit Committee  
of the Board of Directors**

**June 8, 2023**

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Audit Committee of the Board of Directors  
Virginia Bankers Association PAC

We are pleased to present the results of our audit of the December 31, 2022 financial statement of Virginia Bankers Association PAC (the "Committee").

This report to the Audit Committee summarizes our audit, the scope of our engagement and the reports to be issued. The document also contains the Audit Committee communications required by our professional standards.

The audit is designed to express an opinion on the financial statement. We considered the Committee's current and emerging business needs, along with an assessment of risks that could materially affect the financial statement and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the entire Board of Directors, and the public expect. We received the full support and assistance of the Committee's personnel.

This report is intended solely for the information and use of the Audit Committee, the Board of Directors and management, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate this opportunity to meet with you to discuss the audit and the matters in this report.

Keiter

June 8, 2023  
Glen Allen, Virginia

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## Audit Results and Communications

### SUMMARY OF WHAT WE AGREED TO DO

As discussed with management during our planning process, our audit plan was designed based on our assessment of risk for the Committee and our assessment of external factors that impacted the Committee's operating environment. Specifically, we designed our audit to express an opinion on the financial statement. In addition, included in this report at Appendix A is a letter that documents our consideration of the Committee's internal control over financial reporting.

We also provide the following services to the Committee:

- Prepare the federal 990 and 1120-POL tax returns and Virginia income tax returns; and
- Assist in the preparation of the financial statement, including proposing adjusting entries.

Under generally accepted auditing standards ("GAAS"), these non-attest services remain the responsibility of the Committee's management. In order to ensure that they are in agreement with how these services are performed, a draft of the financial statements and adjusting entries, as well as the income tax returns, are provided to the Committee's management prior to finalization for their review and approval.

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### Required Communications

Professional standards require the auditor to communicate certain matters to those charged with governance that may assist the Audit Committee in overseeing management's financial reporting and disclosure process. Below we summarize these required communications as they apply to Virginia Bankers Association PAC.

#### AUDITOR'S RESPONSIBILITIES UNDER GENERALLY ACCEPTED AUDITING STANDARDS (GAAS)

The financial statement is the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States to provide reasonable, rather than absolute, assurance that the financial statement is free of material misstatement. As a part of our audit, we obtained an understanding of internal control sufficient to plan our audit and to determine the nature, timing, and extent of testing performed.

- We issued an unmodified opinion on the Committee's financial statement for the year ended December 31, 2022.

#### CRITICAL ACCOUNTING POLICIES AND PRACTICES

We report all critical accounting policies and practices used by the Committee in preparing the financial statement and our assessment of the disclosure of such policies.

- The financial statement of the Committee has disclosed its accounting policies and practices. These critical accounting policies and practices include:
  - Cash basis of accounting

The disclosures made by the Committee relative to its critical accounting policies and practices are, in our opinion, appropriate.

#### OUR JUDGMENTS ABOUT THE QUALITY OF THE COMMITTEE'S ACCOUNTING PRINCIPLES

We discuss our judgments about the quality, not just the acceptability, of the accounting policies as applied in the Committee's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statement and related disclosures.

- Based on our audit, we believe the accounting principles used by the Committee are consistent with the previous year and the judgments made by management were reasonable. Disclosures are considered appropriate and consistent with the industry.

## Required Communications, Continued

### SENSITIVE ACCOUNTING ESTIMATES

The preparation of the financial statement requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statement and the possibility that future events may differ significantly from management's expectations.

We determine that the Audit Committee is informed about management's process for formulating particularly sensitive accounting estimates and about the basis for our conclusions regarding the reasonableness of those estimates.

- There were no significant management estimates for 2022.

### THE ADOPTION OF OR A CHANGE IN AN ACCOUNTING PRINCIPLE

We determine that the Audit Committee is informed about the initial selection of, and any changes in, significant accounting principles or their application when the accounting principle or its application, including alternative methods of applying the accounting principle, has a material effect on the financial statement.

- There were no new accounting principles or changes in accounting principles during 2022.

### ALL MATERIAL ALTERNATIVE ACCOUNTING TREATMENTS DISCUSSED WITH MANAGEMENT

We report to the Audit Committee all alternative accounting treatments within generally accepted accounting principles for policies and practices related to material items (including recognition, measurement, presentation and disclosure alternatives) that have been discussed with management during the current audit period including:

- (i) Ramifications of the use of such alternative disclosures and treatments, including the reasons why the alternative was selected and, if management did not select our preferred alternative, the reasons why it was not selected.
- (ii) The treatment preferred by us.

- During 2022, we did not discuss any material alternative accounting treatments with management.

### METHODS OF ACCOUNTING FOR SIGNIFICANT UNUSUAL TRANSACTIONS AND FOR CONTROVERSIAL OR EMERGING AREAS

We determine that the Audit Committee is informed about the methods used to account for significant unusual transactions and the effects of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

- We are not aware of any significant unusual transactions recorded by the Committee or any significant accounting policies used by the Committee related to controversial or emerging areas for which there is a lack of authoritative guidance.

## Required Communications, Continued

### SIGNIFICANT AUDIT ADJUSTMENTS

We provide the Audit Committee with information about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the Committee's financial statement.

- > There were no significant audit adjustments related to the 2022 audit.

### UNADJUSTED AUDIT DIFFERENCES CONSIDERED BY MANAGEMENT TO BE IMMATERIAL

We inform the Audit Committee about unadjusted audit differences accumulated by us (i.e., adjustments either identified by us or brought to our attention by management) during the current audit and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statement as a whole.

- > There were no unadjusted audit differences.

### FRAUD AND ILLEGAL ACTS

We report to the Audit Committee fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statement.

- > We are not aware of any fraud or illegal acts.

### DEFICIENCIES IN INTERNAL CONTROL

We are required to communicate all material weaknesses and significant deficiencies in internal control over financial reporting, which may have been identified during the course of our audit.

- > See Appendix "A" for the communication regarding internal control.

### DISAGREEMENTS WITH MANAGEMENT

- > None

### SERIOUS DIFFICULTIES ENCOUNTERED IN DEALING WITH MANAGEMENT WHEN PERFORMING THE AUDIT

- > None

### MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

- > None

## Required Communications, Continued

### MANAGEMENT REPRESENTATIONS IN CONNECTION WITH THE AUDIT

- > We understand that the Committee has provided you with a copy of the management representation letter.

### CONSULTATION WITH OTHER ACCOUNTANTS

- > None of which we are aware.

### INDEPENDENCE

We communicate, at least annually, the following to the Audit Committee or Board of Directors of the Committee.

1. Disclose, in writing, all relationships between Keiter and our related entities and the Committee and its related entities that, in our professional judgment, may reasonably be thought to bear on independence.
  2. Confirm in writing that, in our professional judgment, we are independent of the Committee.
- > We are independent of the Committee.

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## APPENDIX A – INTERNAL CONTROL COMMUNICATION

Audit Committee of the Board of Directors  
Virginia Bankers Association PAC

In planning and performing our audit of the financial statement of Virginia Bankers Association PAC (the “Committee”) for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States, we considered the Committee’s internal control over financial reporting (“internal control”) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Committee’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Committee’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal controls, such that there is a reasonable possibility that a material misstatement of the entity’s financial statement will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This report is intended solely for the information and use of the Audit Committee, the Board of Directors, management, and others within the Committee and is not intended to be and should not be used by anyone other than these specified parties.

Keiter

June 8, 2023  
Glen Allen, Virginia