

Your Success is our Focus.

Proposal to Provide Professional Audit & Tax Services

VIRGINIA BANKERS ASSOCIATION

James R. Fries, CPA, MSA

Engagement Not-for-Profit Partner
jfries@becpas.com

Melissa Sikes, CPA

Engagement Assurance Partner
msikes@becpas.com

August 1, 2023



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August 1, 2023

Virginia Bankers Association and related entities
Stacy K. Puckett, CPA, CGMA, CFO
Bruce T. Whitehurst, President & CEO
4490 Cox Road
Glen Allen, Virginia 23060

Dear Stacy and Bruce:

We are very pleased to present our qualifications to provide independent assurance and tax services to the Virginia Bankers Association and related entities ("VBA"), for the 2023-2027 calendar years.


At Brown Edwards, we strive to deliver an exceptional experience for our clients and we have found that experience is shaped by client expectations. While VBA has provided detailed needs and expectations, we also know in order to create a positive experience and maintain an enhanced client relationship with you, we need to focus on Client-Centered Expectations. Our goals for delivering an unprecedented experience include adherence to our guiding principles:

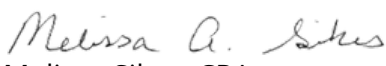
- Frequent and proactive communication
- Client involvement in decision making
- High standards for deliverables
- Simple and streamlined invoicing and payment
- Effective management of changes
- Ongoing performance feedback of our team

We know other proposals you will review during this process will look similar. You will find that any reputable firm can provide you with quality audit and tax services. We know those services are not what distinguishes us from our competition. Where we shine is in the relationships we build with our clients and our outstanding client service.

We are eager to provide audit and tax services to VBA. Please do not hesitate to contact us directly with questions.

Brown, Edwards & Company, L.L.P


James R. Fries, CPA, MSA
Engagement Not-for-Profit Partner


Melissa Sikes, CPA
Engagement Assurance Partner

Our Client Focused Approach

We recognize and appreciate the fact that the success of our firm is directly related to the success of our clients. We wouldn't be here without the wonderful group of clients we serve. Our client approach revolves around two key objectives:

- **Helping Our Clients Achieve Their Goals:** We understand all of our clients have different goals. We want to know what is important to you and your organization so we can tailor our approach to your specific needs.
- **Providing World-Class Service:** In all of our interactions with our clients, we want them to know they are valued. You can expect timely, professional communication, and respectful treatment of personnel.

We strive to be the best at what we do, and we make a point of knowing our clients very well.

“Your team did a great job of handling questions from one of our largest donors in a very professional manner. Donor relations are of the utmost importance to the Foundation, so I thank you for being sensitive to that.”

University-related not-for-profit client
Richmond, Virginia

The Right Firm

40 years of commitment to associations & not-for-profit organizations.

As VBA strives to meet the challenges and demands of supporting the continued success of the profession and its members, it will be able to rely on a group of familiar professionals with the additional expertise and bench strength to support the Association's efforts. Our firm's long-standing presence in and commitment to our professionals throughout Virginia has resulted in assembling an extensive portfolio of clients in the association and not-for-profit sectors.

Not-For-Profit & Association Experience

One of the leading firms in **VA, WV, NC, & TN**
serving not-for-profits.

46,000 hours spent annually providing accounting, audit, and advisory services to not-for-profit clients.

Serving more than **280** not-for-profit entities.

We bring extensive experience in providing audit, accounting, tax, and management consulting services to the not-for-profit sector. Our experience ensures services to you are accomplished with technical accuracy and efficiency. Also, all of our services are carefully evaluated and designed to comply with independence standards.

Brown Edwards is committed to providing you additional value as a normal part of our services. Some of these include:

- **Ongoing communications** on audit processes/methodology, financial results, and key issues
- **Periodic accounting/tax/not-for-profit newsletters** and timely articles specifically geared to not-for-profits
- **Benchmarking and other ideas**
- **NFP Conference**

We serve over **50% of the trade associations with greater than \$4 million in assets located in Henrico County**. Among others, we serve the two largest trade associations located in the City of Richmond. Our list of clients includes many prominent community, charitable, and industry-trade associations. Many of our trade associations have affiliated charitable foundations that provide educational or support services to trade association members.

Benefit Plan Experience

Brown Edwards is committed to employee benefit plan audits. ***Serving this area is a core focus of our firm.*** For you, this means we understand your issues, your challenges, and your unique accounting and reporting requirements. ***Most importantly, we have a genuine interest in your Plan.*** In addition:

We offer the comprehensive size and scope of a large national firm with a strong emphasis on **personal** and **quality service**; plus, you'll be dealing with seasoned, high-level CPAs on your important issues and your audits.

Employee Benefit Plan expertise; Audits of over **300** employee benefit plans annually, including: 401(k) and profit sharing, ESOPs, KSOPs, defined benefit, 403(b) and health and welfare plans.

*Client plans range in size from participants in the **100s** to more than **17,000** plan participants; assets range from a few million to over **\$1 billion**.*

We offer **quality** audits and **advice** on dealing with special issues regarding your Plan.

“*Farmington has been using Brown Edwards for our 401(k) audit for several years. In 2015, the Club bid out and switched our other financial services to Brown Edwards as well. We have been extremely happy with the wonderful customer service and quality of work from Brown Edwards.* **”**

Julie Brown, CFO
Farmington Country Club
Charlottesville, Virginia

The Right People

To serve the Association and Foundation, we have selected an impressive team of dedicated professionals. Our team members are noted by our clients for their accessibility and hands-on style.

Our team is further supported by other specialists in the firm who may add a fresh perspective to the challenges you may face. Our affiliation with BDO USA, LLP brings the resources of an international firm to our service team if needed.

All partners associated with your engagement are firm leaders in the not-for-profit and employee benefit plan audit practices and represent the top talents we offer.

For a complete list and biographies of your personalized team of professionals, please see Appendix B.



Clear Communication

We value the candid exchange of ideas and opinions with our clients and believe that communication is the most important tool for maximizing audit efficiency and effectiveness. Our approach emphasizes the importance of communication during all phases of the audit process.

*Good communication is the key to **no surprises!***

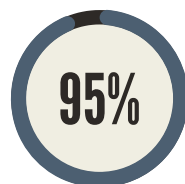
“*I want to thank you and your team for the incredible work during our FY21 Audit. Your group was thorough and timely, and never made us feel like a small client, even though we know you have many larger than us. I look forward to working with you in the future.*”

Henrico EDA
Richmond, Virginia

Our Commitment to Excellence

5 Star Service Quality Standards

- ★ Responsiveness
- ★ Product Quality
- ★ Product Delivery
- ★ Ease of Access to Decision Makers
- ★ Professional Attitudes of all Team Members



A recent survey indicated that 95% of those we serve were either *very satisfied* or *extremely satisfied* with their relationship with Brown Edwards.

QUICK FACTS ABOUT BROWN EDWARDS

Inside Public Accounting's Top 100 Public Accounting Firms by net revenue



Top Accounting Firm headquartered in Virginia based on number of CPAs by Virginia Business Magazine



Recognized as one of America's Best Tax Firms for 2021 by Forbes Magazine

Forbes

- Accounting Today's Top 100 Firms by net revenue
- Listed as a Top 100 Firm Pacesetter in Growth by Accounting Today
- Listed as #4 in the Capital Region by Accounting Today



Member of Inc. 5000 2021 list of the fastest-growing private companies in the U.S.



Pass opinion on our peer review for over 25 years, and inspected by the PCAOB since its inception, with few



More than 400 professionals serving the southeastern U.S.



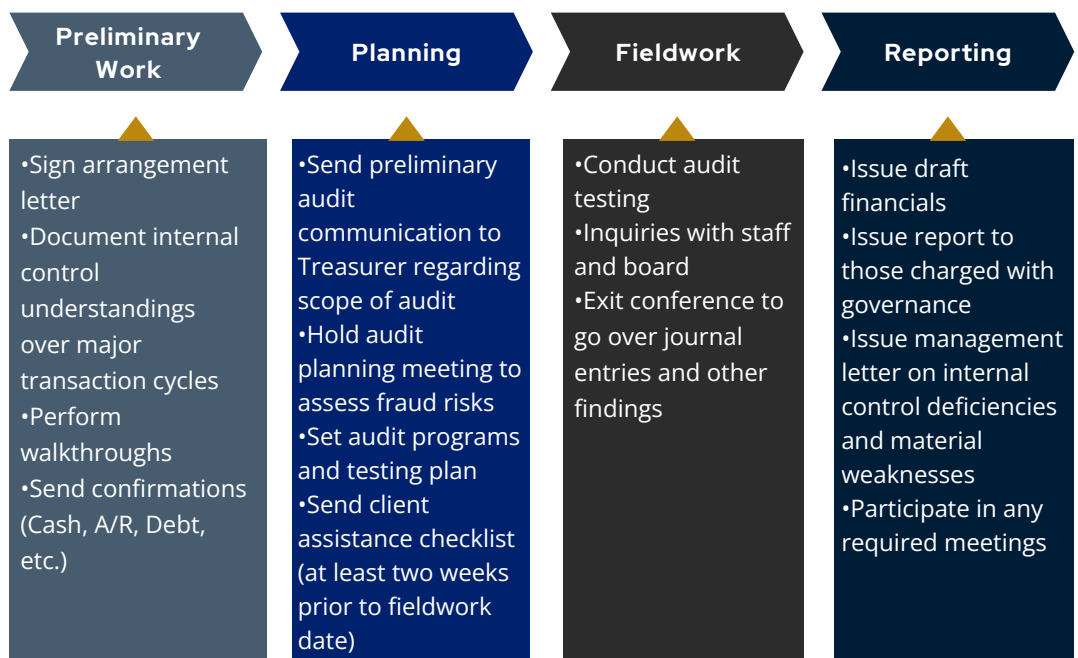
Top 50 Construction Accounting Firm as compiled by Construction Executive magazine

Our Tax Resources

We provide complete and diversified tax services, including the customary compliance services related to the preparation or review of federal, state, and local tax returns. Our tax personnel have years of experience related to not-for-profit organizations. This knowledge ensures compliance with the complex and often challenging rules with a focus on reducing tax liabilities, if possible.

Our Value-Added Audit Approach

In addition to providing the compliance value you deserve through an efficient and effective audit, the knowledge of VBA that will be developed, our relationship with the management, and our knowledge of associations, not-for-profit organizations, and employee benefit plans will place us in a unique position to add the business value you should expect. Our integrated audit approach is supported by the use of state-of-the-art technology and is designed with the flexibility needed to address changing client and economic environments and changes in our audit risk assessments.



Professional Fees

Concern over fees for professional services is a real issue for every organization. We are sensitive to this concern and are committed to ensuring all appropriate actions are taken to maintain fees at reasonable levels. However, we also recognize that fees cannot be compromised by reducing the quality or the experience of the individuals assigned to the engagement. *We make every effort to keep our fees to a minimum by using schedules, analyses, and reconciliations prepared by your staff.* This allows us to concentrate our efforts on matters requiring objective review and judgment. It is our practice to notify you immediately if we encounter significant, unusual problems during the course of the audit prior to incurring additional time.

Our fees are based on the time required by the individuals assigned to the engagement at our hourly rates. Individual hourly rates vary according to the degree of responsibility involved and the skill required.

We encourage our clients to call us for consultation and advice at any time. Frequent exchange of information and updates as to your activities improves our ability to provide services and to plan audit work responsive to changes in the organization. Responses to your telephone calls and other requests are included in our estimated fee unless research or additional work is required. In that case, we would discuss the scope of the additional work and provide you with an estimate of the fee before proceeding. We will be available for special projects at agreed-upon hourly rates. However, we will not undertake any projects without a clear understanding and approval from you regarding the related fees.



Schedule B: Professional Fees

Below are our fees for 2023. In future years fee increases will be limited to inflation.

| Description of Services | Assurance | Tax |
|---------------------------------------|----------------------------|-----------------|
| Master DC Plan and Trust | \$14,000 | |
| Master DB Pension Plan | \$10,000 | |
| VBA & Subsidiaries | \$40,000-\$45,000 | |
| VBA | | \$2,500 |
| Benefit Corp | | \$2,000 |
| Management Services | | \$2,000 |
| Properties | | \$2,000 |
| Virginia BankPac | \$6,500 | \$2,500 |
| SBA Group Insurance Trust | \$12,000 | |
| VBA Medical and Dental Trust | \$14,000 | |
| | | |
| Virginia Mortgage Bankers Association | \$2,500 | \$2,500 |
| VAMPAC | | \$2,500 |
| VBA Education Foundation | | \$2,500 |
| | | |
| VBA Managed Title Centers | | |
| Group AUP | \$8,000 | |
| Bankers Title | \$6,000 | \$1,500 |
| Bankers Title Shenandoah | \$6,000 | \$1,500 |
| Virginia Title | \$6,000 | \$1,500 |
| West Virginia Title | \$6,000 | \$1,500 |
| TOTAL | \$131,000-\$136,000 | \$24,500 |

We anticipate this engagement to be staffed out of our Richmond office, because of this, we anticipate any out-of-pocket expenses to be minimal.

Schedule B: Professional Fees

Below are our fees for 2023. In future years fee increases will be limited to inflation.

| Description of Services | Assurance | Tax |
|--|------------------|-----------------|
| Master DC Plan and Trust | \$14,000 | |
| Master DB Pension Plan | \$10,000 | |
| VBA & Subsidiaries | \$30,000 | |
| VBA | | \$2,500 |
| Benefit Corp | | \$2,000 |
| Management Services | | \$2,000 |
| Properties | | \$2,000 |
| Virginia BankPac | \$6,500 | \$2,500 |
| SBA Group Insurance Trust | \$12,000 | |
| VBA Medical and Dental Trust | \$14,000 | |
| | | |
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| Virginia Title | \$6,000 | \$1,500 |
| West Virginia Title | \$6,000 | \$1,500 |
| TOTAL | \$121,000 | \$24,500 |

We anticipate this engagement to be staffed out of our Richmond office, because of this, we anticipate any out-of-pocket expenses to be minimal.

The Benefits of a Regional Firm

Brown Edwards is owned, operated, and managed locally, in Virginia. As a result, we can respond to your needs quickly and effectively. Because we live and work very close to all the markets we serve, our partners and directors are always accessible to you. Having unparalleled access to our firm's decision-makers helps to create the meaningful relationship between our firm and our clients that you *should* expect from your independent accountants.

Association References

Listed below are clients to which we provide assurance, tax, and consulting services. We encourage you to contact these clients to broaden your understanding of our expertise and our commitment to excellence.

We will gladly provide additional references upon request.

Client

Contact Information

Virginia Society of CPAs
Richmond, Virginia

Ms. Beth Bickford, CPA, CGMA
Vice President, Finance & Administration
804.612.9414
bbickford@vscca.com

Virginia Health Care Association
Henrico, Virginia

Mr. Keith Hare
President and CEO
804.212.1693
Keith.hare@vhca.org

Medical Society of Virginia
Richmond, Virginia

Mr. Melvin Hodges
Chief Financial Officer
804.377.1045
mhodges@msv.org

ChamberRVA
Richmond, Virginia

Mr. Rob Anderson
Chief Financial Officer
804.783.9303
rob.anderson@chamberrva.com

**Virginia Transportation
Construction Alliance**
Richmond, Virginia

Mr. Greg Hoffman
Business Manager
804.330.3312
greg@vtca.org

Henrico County Economic Development
Richmond, Virginia

Mr. Anthony Romanello
Executive Director
804.501.7521
anthony@henrico.com

Benefit Plan References

Client

Contact Information

**Investors Title Company & Affiliates
Group Health Insurance Plan**
Richmond, Virginia

Mr. Todd Murphy
Senior Vice President Finance
984.358.1264
tmurphy@invtitle.com

**LTC Holdings Health and Dental Plan
(formerly Medical Facilities of America)**
Roanoke, Virginia

Ms. Jennifer Jones
Chief Financial Officer
540.989.3618
jennifer.jones@rui.net

Carilion Clinic Retirement Plans
Roanoke, Virginia

Ms. Cheryl Parker
Senior HR Consultant
540.921.6000
cparker@carilionclinic.org

Industry References

Client

Contact Information

Investors Title Management Services, Inc.
Richmond, Virginia

Mr. Todd Murphy
Senior Vice President Finance
984.358.1264
tmurphy@invtitle.com

Powell Valley National Bank
Abingdon, Virginia

Mr. Aaron Hicks
Chief Financial Officer
276.832.8300
ahicks@powellvalleybank.com

Farmers Bank of Appomattox
Appomattox, Virginia

Ms. Dawn Tolley
Chief Financial Officer
434.352.7171
dtolley@thefarmersbankva.com

Clients Not Retained

Brown Edwards thrives off of long-term client relationships and client retention. Our presence in each of our markets has grown because we are known for providing quality audits and practical solutions to our clients' problems. We are also known for valuing audit services as more than just a commodity. However, in recent years, and especially since the inception of the COVID pandemic, some clients have exited their market from sales of their organizations or have searched for cost-cutting opportunities by changing service providers during these challenging times. In other cases, during the periodic procurement process, management or members of governance have asked for a simple auditor rotation for a fresh perspective. All of these matters, to us, are accepted as part of our business and we always look for opportunities to continue to work with lost clients and, in many cases, welcome them back when they miss our level of service. Below are the top five largest client losses related to our audit and tax services. None of these losses were the result of any unresolved auditing or accounting matter.

Rish Equipment Company: Business was sold

County of James City, VA: Auditor rotation through periodic government procurement process. New CFO previously worked for new auditor

Medical Facilities of America: Business was sold

County of Dinwiddie, VA: Auditor rotation through periodic government procurement process. Client was looking for cost cutting opportunities and went with low cost provider.

City of Charlottesville, VA: Auditor rotation through periodic government procurement process. Client has rotated auditors every five years to a different auditor for the last 20 years.

Independence

Brown Edwards meets the independence standards of the American Institute of Certified Public Accountants and is in compliance with (and will comply with) all federal, state, and local laws and regulations (including licensing) in the performance of this engagement. We have no conflicts of interest with regard to any other work performed for VBA.

Accounting and Assurance Services

With today's heightened awareness of corruption and fraud, no organization is exempt from scrutiny, not even organizations with spotless reputations. Mere compliance with regulatory requirements will not sufficiently meet the demands of your board and membership. As association experts, we apply our skills to assess, identify, and alleviate risk and help ensure your integrity, reputation, and leadership positions in your community remain intact.

A True Partner, Not Just a Service Provider

During our tenure serving as an independent auditor for not-for-profit clients, we have assisted with projects and made meaningful contributions to positive change. This is part of the *Brown Edwards Difference*.

Below are some of our valuable contributions:

- Restatement of financials to show net asset classifications in accordance with generally accepting accounting principles;
- Provided consistency and a source of institutional knowledge during the transition of several key executives;
- Assisted in writing endowment and information technology policies;
- Enhanced a school's financial presentation to significantly improve transparency with the board and audit committee;
- Conducted board trainings;
- Helping clients change charitable status;
- Served as a key financial advisor to a college securing more than \$131 million in educational facilities revenue bonds;
- Assist with developing pledge language during the capital campaign; and
- Provided feedback and suggestions to clients developing best practices and governance policies, such as an audit committee charter, conflict of interest, document retention, and whistleblower's policies.

Not-for-Profit Tax Focus and Resources

Brown Edwards knows how crucial it is for a tax-exempt organization to be able to make the most of its resources while fulfilling its mission to serve the public. We have an impressive team of tax professionals who will advise you on complex IRS rules and regulations aimed at not-for-profits. Brown Edwards will keep you informed and help manage your tax issues by ensuring that the Association and Foundation meet compliance requirements and maintains a healthy and stable financial position.

Association and Foundation Returns

In addition, Brown Edwards will also prepare the Association and Foundation's federal Form 990. At Brown Edwards, we view the preparation of the Form 990 as more than a mere compliance requirement. This public document is the primary source of information for many donors, grantors, and regulators.

Utilizing a team approach, we prepare this form to the highest technical standards, ensuring compliance with all federal requirements but also with a view from the donor's perspective, focusing on such high-profile information as program service accomplishments, expense ratios, and governance policies. Preparing the Form 990 with both perspectives in mind transforms this compliance form into a true fundraising document.

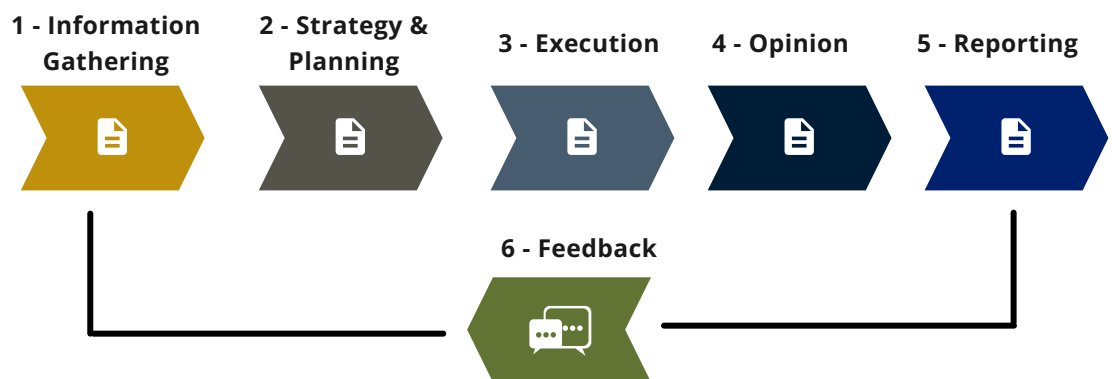
Understanding Unrelated Business Income (UBI)

Brown Edwards understands unrelated business income can be costly to exempt organizations, not only in the tax arena but also in the area of exposure. Our skilled team of professionals ask questions designed to reveal risks associated with unrelated business income and your tax-exempt status.

Management Letter

As a normal byproduct of the audit process, we provide our clients with a value-added management letter that goes well beyond the industry standard. We view the management letter as not only an opportunity to make required communications, but also as an integral tool to inform management and the Board about the overall financial health of the organization, potential operating efficiencies, and other matters affecting the industry in general.

Our Methodology



- We will gather sufficient information on the key audit risks to enable us to design appropriate audit procedures and conduct the audit most efficiently.
- Information gathering will also include a "prepared by client" list with an agreed timetable for the provision of information and pre-year-end planning meetings.
- We will calculate an appropriate materiality level that reflects the perceived audit risk and is based on our in-depth understanding of your foundation.
- We will use suitably qualified staff to ensure an efficient audit while maximizing the opportunity for value-added service from their experience.
- We will ensure clear and timely communication of issues to avoid any surprises and to enable smooth reporting.

Emphasis on Planning and Risk Assessment

Effective and thorough planning is the key to ensuring that our approach is tailored to meet your specific needs and is the cornerstone of successful engagement management. From this understanding emerges a written plan and work programs - road maps which will be used by the engagement team to execute field work.

The most critical part of planning an audit is risk assessment. Risk assessment refers to the auditor's identification and assessment of risks of material misstatement at both the financial statement and relevant assertion levels. Obtaining an understanding of the Association and Foundation, including its internal control, is an essential aspect of the consideration of the risk.

Our goal: to get beyond the numbers, to develop a clear understanding of your organization, your goals and objectives, and the environment in which you operate.

Some risk assessment procedures we will perform are:

- Inquiries of management and others within VBA and those charged with governance, including specific inquiries related to fraud risks
- Analytical procedures
- Obtaining an understanding of internal controls (both entity-level and activity-level controls)
- Performing "walk-throughs" of key internal controls
- Review of internal documents such as by-laws, minutes, and written policies and procedures
- Review of important contracts and agreements
- Engagement team "brainstorming" session to identify ways in which the financial statements could be misstated, especially as related to misappropriate or intentional misstatement

Once risk has been assessed, we are able to determine the quality and quantity of audit evidence required to limit that risk to an acceptable level. We will synthesize the information gathered during the planning and risk assessment procedures to develop a risk-based approach that concentrates audit effort on those areas where the dollar volume of transactions is significant and the risk of material misstatement is greatest.

Technology

Brown Edwards is committed to providing our professionals access to advanced technology in order to ensure optimum levels of efficiency in our engagements. We use “paperless” audit techniques that enable our professionals to spend more time on judgment matters and in-depth research and analysis, rather than on “number crunching” and other mechanical aspects of client service, which enhances efficiency by allowing for the quick update of key documentation from year-to-year.

With an internet connection, our personnel can work from anywhere and have complete access to the firm’s network as well as access to multiple high-quality research sites for research of accounting and auditing issues. Our electronic audit workpaper software allows efficient integration of client-prepared Word, PDF, and Excel files into our workpaper files. Our remote work solution is an invaluable tool for our continued ability to perform the highest quality audit while ensuring the safety and security of your workplace, constituents, and staff.

We combine the use of spreadsheets, word processing, and audit software to perform the most efficient audits possible.

All data on Brown Edwards computers, including our workpapers in our computerized audit documentation management system, is encrypted using advanced algorithm technology. The data encryption ensures that in the unlikely event that one of our computers were to be lost or stolen, your data and our workpapers would be unreadable to anyone other than Brown Edwards personnel.

TeamMate Analytics, IDEA Software & Engagement Organizer

We use TeamMate Analytics and IDEA for many of our engagements. TeamMate Analytics and IDEA make it possible to perform a 100% test of a transaction class for some attributes in less time than it would take to design a statistical sample for a traditional test. TeamMate Analytics and IDEA allow us to extract and analyze very large databases providing also for more targeted testing. In many cases, TeamMate Analytics and IDEA allow us to not only perform tests more efficiently but also to apply tests that might not be possible through traditional means.

We utilize Engagement Organizer which provides an automated way to request documents from clients initially and throughout an engagement. This allows for easier tracking of when the documents have been received and what remains outstanding. All files are stored in a secure cloud-based system.

Technology, Continued

Checkpoint

Online access to an expansive library of tax, accounting, auditing, and corporate finance content, including primary source materials and expert analysis.

ProSystem Fx Engagement

A workpaper preparation program that produces financial statements, trial balances, journal entries, fluctuation and ratio analysis.

Information Technology Assessment

Generally accepted auditing standards require that we gain a sufficient understanding of the information technology internal control system to plan our audit. As part of that process, we utilize a Certified Information Systems Auditor (CISA) who has experience performing IT assessment procedures for various size companies, including not-for-profit organizations. Many firms market this as an additional service for an additional fee, if they can, provide the service.

We include this assessment as part of our stated audit fees.

Our CISA will interview your IT personnel for evaluation of IT risks and controls relevant to the audit. In most cases, this review results in the identification of previously unknown areas of risk and areas where controls and/or processes could be improved.

Information and Cybersecurity Consulting

With our internal resources and a partnership with Auditwerx, Brown Edwards offers specialized information and cybersecurity consulting ranging from security assessments and consulting to penetration and vulnerability testing to help identify threats to system security. Additionally, we offer SOC 1, SOC 2, and SOC 3 attestation services as well as SOC for Cybersecurity. With Auditwerx, we have the expertise and extensive resources to help our clients design and implement solid, secure programs for both IT compliance and security. Fees associated with these services would be based on the degree of responsibility involved and the skill required.

Additional Information

Staff Continuity & Turnover

We view the continuity of engagement teams to be in the best interest of the firm and our clients. Staff repetition enhances audit effectiveness and efficiency, and is our guiding principle in scheduling. When personnel changes are unavoidable, the depth of our pool of experienced professionals gives us the ability to select a replacement with similar qualifications and levels of experience for your audit team. Brown Edwards has been fortunate in that we have experienced less turnover than the public accounting industry as a whole. Because our staffing is consistent, VBA can expect highly experienced, familiar faces each year that can deliver the value-added aspect. We will only rotate service team members on engagements as requested by our clients.

Below is our firm-wide turnover rate from the last three years:

| | |
|------|---------------|
| 2022 | 11.82% |
| 2021 | 23.48% |
| 2020 | 14.49% |

Data Breaches

Brown Edwards has had no data breaches in the past year.

Complaints Against Staff

There have been no complaints against the staff identified as being assigned to VBA's engagement, that have been leveled by the state board of accountancy or other regulatory authority.

Appendix A - Peer Review Report



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
225-922-4600 Phone – 225-922-4611 Fax – pncpa.com

A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Partners of Brown, Edwards & Company, L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown, Edwards & Company, L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brown, Edwards & Company, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown, Edwards & Company, L.L.P. has received a peer review rating of *pass*.

Postlethwaite ; Netterville

Baton Rouge, Louisiana
September 17, 2021

Appendix B - Biographies



James R. Fries, CPA, MSA | Engagement Not-for-Profit Partner
jfries@becpas.com

Jim is a Partner and Co-Leader of the Not-for-Profit practice of Brown Edwards. He is based in the Harrisonburg office and has over 20 years of accounting experience, with a focus on not-for-profit organizations, including foundations, private education, healthcare entities, and other social service organizations. In addition, Jim has a wide range of experience in other industries, including employee benefit plans, manufacturers, utilities, and cooperatives.

Jim is a member of our peer review services team, providing quality reviews to regional public accounting firms around the country.

Jim holds a Bachelor of Science in Accounting and a Master of Accountancy, both from Virginia Tech. He is a member of the American Institute of Certified Public Accountants and the Virginia Society of Certified Public Accountants.

Jim serves as a board member at his local chapter of the Institute of Management Accountants (IMA), the Harrisonburg-Rockingham Historical Society, and Redeemer Classical School. In addition, he serves on the finance committee of his local church and has board/committee positions on several other not-for-profit organizations.



Melissa A. Sikes, CPA | Engagement Partner
msikes@becpas.com

Since beginning her career in 2000, Melissa has focused on providing audit and tax services to our not-for-profit clients in the Richmond area, concentrating on trade associations. Additionally, Melissa also serves as a partner in our employee benefit plan niche and she works with many other business clients by providing assurance services. Melissa actively recruits talent to the firm and spear-headed a summer externship that focuses on drawing students to a career in public accounting.

She is a member of the Virginia Society of Certified Public Accountants, the American Institute of Certified Public Accountants, and ChamberRVA.

Melissa holds a Bachelor of Business Administration with a concentration in Accounting and Finance from Bridgewater College.

Melissa serves as a board member and finance chair at United Methodist Family Services (UMFS), a long-standing not-for-profit organization providing a comprehensive array of programs to support children and their families in the Commonwealth of Virginia.

Appendix B - Biographies



Mark Wiseman, CPA, CMA | Engagement Benefit Plan Partner
mwiseman@becpas.com

Mark is an Employee Benefits and Assurance Services Partner in the Roanoke office. Mark has 30 years of public accounting experience in a wide range of industry niches including employee benefit plans, manufacturing, not-for-profit organizations, healthcare providers, retailers, and various personal service-related organizations. Mark has experience in virtually all service areas including audit, tax, consulting, and financial reporting, and has more than 21 years of experience in the audit and tax areas of employee benefit plans.

Mark graduated from Florida State University with a Bachelor of Science in Accounting. He is a member of the American Institute of Certified Public Accountants, the Virginia Society of Certified Public Accountants, and the Institute of Management Accountants.

Expertise and Experience

- Audit of defined contribution, defined benefit, employee stock ownership, welfare benefit plans, and 403(b) plans
- Audits subject to PCAOB auditing standards
- Quality Control Partner for the Firm
- Peer review team captain and member for several Top 100 accounting firms, including two firms in the Top 25
- Member of the AICPA National Peer Review Committee
- Agreed-upon procedures engagements for defined contribution plans including 401(k) plans and 403(b) plans
- Expertise related to employer accounting for Employee Stock Ownership Plans
- Assurance services in a wide variety of industries and service niches



Alan Landes, CPA | Engagement Relationship Partner
alandes@becpas.com

Alan is a graduate of Bridgewater College and has concentrated in the area of financial institutions over the last 30 years. He has worked with numerous community banks providing clients with a full range of professional services, including SEC and SOX reporting and compliance, internal audits, loan reviews, external audits, and regulatory compliance reviews.

Alan keeps abreast of changes in the banking industry through annual attendance at the AICPA National Conference on Banks and Savings Institutions as well as participation in various state association seminars. Alan is also a regular presenter on various audit, accounting, internal audit, and regulatory topics at industry seminars.

Appendix B - Biographies



Patrick Pittman, CPA | Tax Director
ppittman@becpas.com

Patrick is a Tax Services Manager in the Roanoke office with extensive experience providing management and tax consultations, business and tax planning, and tax compliance services.

Patrick holds a Bachelor of Science in Accounting from Virginia Tech and a Master of Science in Accounting, from James Madison University. He is a member of the Virginia Society of Certified Public Accountants and the American Institute of Certified Public Accountants. Patrick frequently speaks at lectures and conferences on a wide array of topics.

Patrick's areas of expertise include C corporation income tax accounting and planning, S corporation, partnership, and LLC taxation, compensation, and benefit reporting, not-for-profit tax-exemption compliance, multi-state tax compliance, individual income tax planning, including high net worth individuals, international tax compliance, including 5965, FDII, and GILTI.

Patrick serves the community by serving as Treasurer of a not-for-profit childcare center and youth soccer club. In addition, he has served on various boards for community organizations.



Brittany Quinn, CPA | Audit Director
bquinn@becpas.com

Brittany is a Director in the Roanoke office of Brown Edwards. She has over 15 years of public accounting experience in a wide range of industry niches including: employee benefit plans, manufacturing, dealerships, public companies, and electric cooperatives. In addition, prior to joining Brown Edwards, Brittany has extensive experience with HUD audits and related compliance.

Brittany graduated from Roanoke College with a Bachelor's in Business Administration and a concentration in accounting and finance. She is a member of the American Institute of Certified Public Accountants, the Virginia Society of Certified Public Accountants, and the National Society of Accountants for Cooperatives.

Expertise and Experience

- Audit of defined contribution, defined benefit, employee stock ownership, welfare benefit plans, 403(b) plans, and 401(k) plans
- Preparation of Form 5500
- Audits of electric cooperatives, dealerships, public company, and manufacturing organizations
- HUD and related compliance auditing and reporting requirements

Appendix B - Biographies



Andrew Jones, CPA | Senior Associate
ajones@becpas.com

Drew is a Senior Associate based in the Richmond office and has five years of experience providing assurance services to a variety of industries including closely-held businesses, construction, and nonprofits.

Drew graduated from Christopher Newport University with a degree in Accounting. Drew is a Certified Public Accountant licensed in Virginia. He is a member of the American Institute of Certified Public Accountants, the Virginia Society of Certified Public Accountants, and the Associated General Contractors of Virginia.



Laura Payne, CPA | Senior Associate
lpayne@becpas.com

Laura is a Senior Associate in the Richmond office. She has taxation experience preparing trust and estate returns as well as nonprofit and business returns. Laura is a member of the firm's not-for-profit team.

She received her Bachelor's in Business Administration and her Master's in Accounting from James Madison University. Laura is also a member of ChamberRVA and holds the Not-For-Profit II Certificate from AICPA.

Appendix C - Professional Organizations



As an independent member of the BDO Alliance USA, Brown Edwards can expand the services offered to clients by drawing on the resources of BDO USA, LLP, the fifth largest accounting services firm in the nation, and other Alliance members. The firm serves clients through 63 offices and more than 450 independent Alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 1,300 offices in over 150 countries.



Brown Edwards is a member of the American Institute of Certified Public Accountants' Center for Audit Quality. This membership requires a peer review every three years. **Our most recent peer review was for the year ended May 2021. We received a "Pass" rating, the highest rating.** Further, Brown Edwards has a practice niche that provides peer review services for other firms. Our peer review clients include several top 100 firms in the country and two in the top 20. Participation as peer reviewers exposes us to the work of other excellent firms, and requires that our team members are always current as to new or emerging professional standards, audit approaches, and technology.



Brown Edwards is also registered with the Public Company Accounting Oversight Board (PCAOB). The benefit to you is that our quality control systems and educational requirements are subject to the same standards and inspections as are those of the largest firms. PCAOB inspection reports are public documents and receipt of a report with no findings places us in an enviable position when compared with peer firms, including those that are significantly larger than our firm. A copy of our most recent PCAOB report is available upon request, or on the PCAOB's website.



Brown Edwards is also a member of the American Institute of Certified Public Accountants' Employee Benefit Plan Audit Quality Center (EBPAQC). As a member of the EBPAQC, we adhere to specific membership requirements covering the plan audits we perform, comply with the specific continuing education requirements for all of our personnel working on these audits, and have access to tools that focus on quality improvement. We believe our participation in the EBPAQC enhances our services to all clients.



Several members of our staff are designated as a Certified Fraud Examiner ("CFE"). CFEs are experts in the field of internal control, fraud detection and prevention, litigation support, and expert witness assistance. This designation, and the skills associated with this certification, provide an added benefit to complex engagements.