



**COUNTY OF HENRICO  
DEPARTMENT OF FINANCE  
PURCHASING DIVISION  
CONTRACT EXTRACT  
NOTICE OF AWARD/RENEWAL**

DATE:	July 20, 2024
CONTRACT COMMODITY/SERVICE: <i>(include contracting entity if cooperative)</i>	Audit Services for GreenCity Community Development
CONTRACT NUMBER:	2644A
COMMODITY CODE:	946.20
CONTRACT PERIOD:	July 20, 2024 through June 30, 2026
RENEWAL OPTIONS:	Three one-year renewal options
USER DEPARTMENT:	Henrico Sports and Entertainment Authority
Contact Name:	Jacquelyn Frame
Phone Number:	804-501-5274
Email Address:	Jacquelyn@henricosea.com
HENRICO COOPERATIVE TERMS INCLUDED:	Yes
SUPPLIER: Name:	Brown, Edwards & Company, L.L.P.
Address:	4951 Lake Brook Dr, Suite 375
City, State:	Glen Allen, VA 23060
Contact Name:	Chris Banta
Phone Number:	804-282-6000
Email address:	cbanta@becpas.com
ORACLE SUPPLIER NUMBER:	435363
BUSINESS CATEGORY:	Non-SWaM
PAYMENT TERMS:	Net 45
DELIVERY:	As requested
FOB:	Destination
BUYER: Name:	Jianchong Luo
Title:	Purchasing Manager
Phone:	804-501-5688
Email:	luo001@henrico.gov

This contract is the result of a competitive solicitation issued by the Department of Finance, Purchasing Division. A requisition must be generated for all purchases made against this contract and the requisition must reference the contract number.



**Professional Services Contract  
Contract No. 2644A**

This Professional Services Contract (this "Contract") entered into this 1<sup>st</sup> day of July 2024, by Brown, Edwards and Company, LLP (the "Contractor") and the Sports and Entertainment Authority of Henrico County, Virginia (the "SEA").

**WHEREAS** the SEA has awarded the Contractor this Contract pursuant to Request for Proposals No. 24-2644-2JL (the "Request for Proposals"), for Audit Service for the Sports and Entertainment Authority of Henrico County, Virginia.

**WITNESSETH** that the Contractor and the SEA, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

**SCOPE OF CONTRACT:** The Contractor shall provide the services to the SEA as set forth in the Contract Documents.

**COMPENSATION:** The compensation the SEA will pay to the Contractor under this Contract shall be in accordance with Exhibit B.

**CONTRACT TERM:** The Contract term shall be from the date of execution through June 30, 2026. The SEA may renew the Contract for up to three one-year terms by giving 30 days' written notice before the end of the term unless the Contractor has given the SEA written notice that it does not wish to renew at least 90 days before the end of the term.

**CONTRACT DOCUMENTS:** This Contract hereby incorporates by reference the documents listed below (the "Contract Documents") which shall control in the following descending order:

1. This Non-Professional Services Contract between the SEA and the Contractor.
2. The General Contract Terms and Conditions included in the Request for Proposals.
3. Engagement Letter for FY2025-2026 (Exhibit A).
4. Contractor's Best and Final Offer dated June 10, 2024 (Exhibit B).
5. Contractor's Original Proposal dated April 3, 2024 (Exhibit C).
6. The Scope of Services included in the Request for Proposals.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound hereby.

Brown, Edwards and Company, LLP

4951 Lake Brook Drive, Suite 375  
Glen Allen, VA 23060



Signature

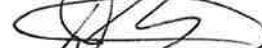
CHRISTOPHER BAMA PARTNER

Printed Name and Title

JULY 19, 2024

Date

Sports and Entertainment Authority of Henrico  
County, Virginia  
4300 E Parham Road  
Henrico, VA 23228



Signature

Dennis Bickmeier, Executive Director

Printed Name and Title

7/20/2024

Date

**APPROVED AS TO FORM**

  
Deputy COUNTY ATTORNEY



July 19, 2024

Sports and Entertainment Authority of Henrico County, Virginia  
4300 East Parham Road  
Henrico, Virginia 23228

To Management and the Board of Directors:

We are pleased to confirm our understanding of the services we are to provide the Sports and Entertainment Authority of Henrico County, Virginia for the year ended June 30, 2025.

### **Audit Scope and Objectives**

We will audit the financial statements and the disclosures of the Sports and Entertainment Authority of Henrico County, Virginia (the "HSEA") as of and for the year ended June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Applicable OPEB Schedules
- Applicable Pension Schedules

In connection with our audit of the basic financial statements, we will read the introductory section and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with GAAS, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, and will include tests of your accounting records of the HSEA and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use 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 all cases, 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.

Our audit of financial statements does not relieve you of your responsibilities.

## **Audit Procedures – Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

## **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

## **Examination**

We will examine management's assertion that the census data reported to the Virginia Retirement System ("VRS") by the HSEA during the year ended June 30, 2025, is complete and accurate. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures we consider necessary to enable us to express an opinion as to whether management's assertion is fairly stated, in all material respects based on the requirements to be met by participants in the Virginia Retirement System as defined by the Virginia Retirement System and the Board of Trustees' plan provisions as mandated in the *Code of Virginia* Section 51.1-136. The report we issue will be intended solely for the information and use of the HSEA and the Auditor of Public Accounts of the Commonwealth of Virginia. We will issue a written report upon completion of our examination. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination

or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

We will plan and perform the examination to obtain reasonable assurance that the census data is complete and accurate. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors or known or suspected fraud, or noncompliance with laws or regulations, or internal control deficiencies that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria or assist in the development of the subject matter, but the responsibility for the subject matter remains with you.

At the end of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

Management is responsible for the presentation of the census data described above in accordance with the requirements described above; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion as discussed above. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

## **Other Services**

We will also assist in preparing the financial statements and the related notes of the HSEA in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the services previously defined. 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.



You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

### **Engagement Administration and Other**

We understand that your employees will prepare cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our report to the Sports and Entertainment Authority of Henrico County, Virginia; however, management is responsible for the distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brown, Edwards and Company, L.L.P. ("Brown Edwards") and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Auditor of Public Accounts of the Commonwealth of Virginia or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brown Edwards personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the parties mentioned above. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

### **Reporting**

We will issue a written report upon completion of our audit of the financial statements. Our report will be addressed to management and members of the Board of Directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the HSEA is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with GAAP and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

This letter, along with the Terms and Conditions of Services, is made a part of and is subject to the terms and conditions of Contract No. 2644A, dated July 1, 2024, between the Sports and Entertainment Authority of Henrico County, Virginia, and Brown, Edwards & Company.

We appreciate the opportunity to be of service to the Sports and Entertainment Authority of Henrico County, Virginia and believe this letter accurately summarizes the significant terms of our engagement. This letter supersedes all previous engagement letters. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the below and return it to us.

Sincerely,

*Brown, Edwards & Company, S. L. P.*

CERTIFIED PUBLIC ACCOUNTANTS

Attachment

RESPONSE:

This letter correctly sets forth the understanding of the Sports and Entertainment Authority of Henrico County, Virginia.

By: 

Title: Executive Director

Date: 7/22/24

**APPROVED AS TO FORM**

  
Deputy COUNTY ATTORNEY

# Terms and Conditions of Services

## Fees and Payment Terms

We expect to begin our audit in June 2025 and issue our reports no later than September 30, 2025. I am the engagement partner and responsible for supervising the engagement and signing the reports or designating another partner to oversee and review the engagement or authorizing another individual to sign the reports. Any follow-up services that might be required will be a separate, new engagement letter. The terms and conditions of that new engagement letter will be governed by a new, specific engagement letter for that service.

Our fees vary according to the degree of responsibility involved and the skill required. Our fee, including out-of-pocket expenses, will be \$21,500 in accordance with Contract No. 2644A, dated July 1, 2024, as amended (the "Contract"), between the parties.

It is our understanding that (1) the financial and accounting records are complete (requires few or no adjusting journal entries); (2) we will receive support from your personnel necessary for the preparation of all items discussed or as outlined in our client assistance list, to be provided; and (3) the preparation of items in our client assistance list will be completed prior to our arrival to begin fieldwork, if applicable. If for some reason your personnel are unable to provide the contemplated assistance, or should we encounter unexpected circumstances that will require spending more time than presently anticipated, we will bring this to your attention and discuss the additional cost during the normal billing process. A change in the scope of our services (e.g., due to changes to regulations or professional standards, and as applicable to you, loss of key personnel, financial and/or accounting irregularities, unexpected and material litigation, acquisitions, etc.) may also require additional time and, therefore, add to the cost of the engagement. We assure you that we will make every attempt to hold our time to a minimum, commensurate with the work involved. Other services, such as research or consultation, would be an additional cost.

Interim billings will be submitted as work progresses and as expenses are incurred, and are payable upon presentation of our invoices. A service charge will be added to accounts receivable balances remaining unpaid at a rate and in accordance with the Contract.

In accordance with firm policy, work may be suspended if your account becomes significantly overdue and will be fully suspended for any balances owed to us exceeding 90 days and will not be resumed until your account is current. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination not to exceed the contract amount for the current audit year. In addition, if our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of our services.

If we elect to terminate our engagement services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our engagement or issued our report.

## Other Terms

We have the right to withdraw from this engagement, at our discretion, if we are not provided with information requested in a timely manner to perform the engagement, or we have been refused cooperation with our reasonable requests, or we have been presented with misrepresented facts.

## Terms and Conditions of Services

In the event that Brown Edwards is required to respond to a subpoena, court order, or any other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree, subject to appropriations for this purpose, to compensate Brown Edwards at our standard hourly rates for the time we expend in connection with such response, and to reimburse Brown Edwards for all of our out-of-pocket expenses incurred in that regard.

Professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agree, subject to appropriations for this purpose, to compensate us for any additional costs incurred as a result of your employment of any of our partners or professional employees. In addition, to ensure that Brown Edwards' independence is not impaired under the *AICPA Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

You acknowledge that we devote a substantial amount of time and resources to the hiring, retention, and training of employees engaged in the provision of services to our clients. If you need a permanent employee and would like assistance in locating this type of individual, we can provide personnel search assistance to help you locate and hire a qualified professional.

### Electronic Dissemination of Data

In the interest of facilitating our services, we may communicate by facsimile transmission, send data over the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to the Authority may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require all of our third-party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

### Dispute Resolution Procedure

If any dispute arises among the parties hereto, the parties may agree to first try in good faith to settle the dispute by mediation administered by the McCammon Group under its applicable rules for resolving professional related services disputes before resorting to litigation. The parties agree that mediation, if mutually elected, may take place within 60 days from the date notice is first given from one party to the other as to the existence of a dispute and the demand to mediate. Should the parties be unable to agree upon a mediator, said mediator will be selected by the McCammon Group. Cost of any mediation proceeding shall be shared equally by all parties. The submission of any dispute to mediation shall not be deemed to waive, and shall not be deemed to toll, any applicable statute of limitations.

## Terms and Conditions of Services

Should any litigation be instituted by either party to this agreement, both parties agree to submit to the jurisdiction of the Henrico Virginia Circuit Court or General District Court for any disputes arising under this contract.

Because of the importance of management's written or verbal representations to an audit, you agree that Brown Edwards and its personnel shall have no liability to you relating to our services under this letter attributable to any known misrepresentations by management. The provisions of this paragraph shall apply regardless of the nature of the claim.

### Independence

In providing our services, we are required by law and our professional standards to maintain our independence from the Authority. We take this mandate very seriously and thus guard against impermissible relationships, which may impair the very independence, which you and the users of our report require. As such, you should not place upon us special confidence that in the performance of our services we will act solely to your interest. Therefore, you acknowledge and agree we are not in a fiduciary relationship with you and we have no fiduciary responsibilities to you in the performance of our services described herein.

### Cannabis

You represent and warrant to us that you do not "participate in the Cannabis market", which for the purposes of this Engagement Letter is defined as: a) selling, producing, transporting, storing, destroying, or otherwise possessing Cannabis (in any form and for any duration), regardless of whether such activity is permitted under State law; or b) directly or knowingly providing services, products, or finished goods to any person or entity that pursuant to a license under state law or otherwise sells, produces, transports, stores, destroys, or possesses for related purposes Cannabis. As used in this Engagement Letter, the term "Cannabis" has the same meaning as provided by statute in the State of Virginia, and incorporates references to cannabis, marijuana, marihuana, or similar terminology.

Should we learn of any information from any source (public or non-public) that the Authority participates in the Cannabis market, regardless of whether such activity is permitted under State law, we reserve the right to terminate this agreement ("Special Termination") immediately without recourse or liability for any loss which may be suffered by the Authority as a result of such termination. Upon termination of this agreement, our engagement with the Authority shall be deemed complete, and we shall have no further obligation to deliver any items not previously provided, whether in final or draft form. We shall bill and the Authority shall be obligated to pay for any outstanding amounts due (including reasonable out-of-pocket costs) for services rendered under the terms of this Engagement Letter up to the date of termination as shall be provided for in a final invoice, and such fees and costs shall become immediately due and payable, not to exceed the amount due under the Contract for the current audit year.

This termination provision shall have no effect on any service or deliverable which may be covered under the terms of a separately executed engagement letter.

### Force Majeure

Neither of us shall be in breach of our responsibilities under this engagement letter nor shall either of us incur any liability to the other as a result of Brown Edwards or the Authority being unable to comply with our respective obligations as a result of a Force Majeure Event.

## **Terms and Conditions of Services**

“Force Majeure Event” means any circumstance not within the reasonable control of the affected party, which prevents or limits the affected party in meeting its obligations under this engagement letter, including, any fire, explosion, accident, flood, drought or catastrophe of nature, pandemic, epidemic, other outbreak of disease, or a material increase in the severity of the same, war, riot, act of terrorism or civil unrest, act of nature or of public enemy, and/or act, order or mandate of any federal, state, or local governmental body or figure, which could not have been avoided by the reasonable care of the affected party.

The occurrence of a Force Majeure Event shall extend the term of delivery of the services by the number of days the event persists. In the event such event persists for more than 30 calendar days, each of us will be entitled to terminate this agreement with immediate effect provided and without incurring any liability towards the other, except for those rights and liabilities that accrued prior to the date of termination, provided a written notice is sent.



