

November 15, 2021

The Board of Directors  
Brain Injury Association of Virginia, Inc.  
Richmond, Virginia

Ladies and Gentlemen:

We have audited the financial statements of Brain Injury Association of Virginia, Inc. (a non-profit organization, hereafter the "Association") for the year ended June 30, 2021, and have issued our independent auditor's report thereon dated November 15, 2021. Professional standards promulgated by the American Institute of Certified Public Accountants ("Professional Standards") require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 26, 2021. Professional Standards also require that we communicate to you the following information related to our audit:

### **SIGNIFICANT AUDIT MATTERS**

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates in the preparation of the 2021 financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We believe the financial statement disclosures are neutral, consistent, and clear.

#### **Difficulties Encountered in Performing the Audit**

We encountered no difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional Standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or our independent auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 15, 2021.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, Professional Standards require the other accountant to confer with us to determine that they have all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We discussed a variety of matters, including the application of accounting principles and auditing standards, with management prior to our retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

In planning and performing our audit of the financial statements of the Association as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in the Association's internal control that we consider to be material weaknesses.

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. We did not identify any deficiencies in the Association's internal control that we consider to be significant deficiencies.

However, during the performance of our audit procedures, we identified the following matters for the Association's consideration (none of which are deemed individually as material weaknesses or significant deficiencies in internal controls, but are opportunities for improvement for consideration and discussion):

1. Surge protection. The Association's policies and procedures manual does not include provisions for staff laptops to utilize surge protection equipment; to prevent accidental damage to the Association's equipment during times of severe weather causing power surges and spikes, we suggest policy be added to utilize surge protection equipment at all times. *We understand management has consulted with its IT consultant who indicated surge protectors are not warranted as all data is stored in the cloud. However, surge protectors are practical for protecting loss of data and also for protecting the computer hardware.*
2. Excess funds. The Association appears to have sufficient liquidity to give consideration to investing excess funds into a managed investment account; we suggest the Association develop a relationship with an investment adviser to identify a safe investment vehicle (other than a money market account or certificate of deposit) for excess funds. We understand management has initiated discussions with Atlantic Union Bank regarding this matter.

3. Public Wi-Fi access. The Association's policies and procedures manual does not address staff usage of public Wi-Fi sites. Policy should be updated to prohibit staff usage of public Wi-Fi to ensure the protection of confidential data. We understand management has already implemented this control.
4. Debit block or positive pay. In today's electronic age, penetration of commercial bank accounts through unauthorized debits is practically commonplace. Banking regulations require commercial account holders to report any unauthorized transactions within 48 hours; if notification of penetration occurs after 48 hours, the bank is legally authorized to deny protection. Two available tools to mitigate this risk are (a) debit blocks, and (b) positive pay. *We understand that management has met with its commercial banking representative to discuss these prevention tools and have determined these tools are cost prohibitive. As such, electronic monitoring of banking activity by management is paramount.*
5. Weapons on premises. The Association's policies and procedures manual does not address weapons on the Association's premises. We believe policy should include a provision related to weapons on premises and also include a discussion regarding procedures to follow in the event of a gunman or shooting. *We understand management has already implemented this control.*
6. BBB membership. Finally, the Better Business Bureau provides an accreditation process for charities and issues a Charity Seal for charities meeting their 20 Standards for Charity Accountability. The accreditation process is free and, from our vantage, the Association easily meets the BBB's accreditation requirements. We suggest the Association consider applying for BBB accreditation.
7. Retirement plan. To continue to attract and retain talented employees in this ever increasingly competitive vocational environment, we suggest the Association consider forming a SIMPLE IRA plan. SIMPLE IRA plans function comparably to a 401(k) plan but do not require annual testing, audit, or reporting. SIMPLE IRA plans do require a small employer match (3%) but we believe the Association's financial position and operating budget could easily digest such additional costs.
8. Compliance with laws and regulations. We believe the Association is subject to tangible personal property tax to the County of Henrico (charities are not exempt as one might expect). We suggest management coordinate with county officials to file all delinquent tangible personal property tax returns as soon as administratively feasible. *We understand management has coordinated with its external bookkeeper to file the necessary return(s).*

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This information is intended solely for the use of the Board of Directors and Executive Management of Brain Injury Association of Virginia, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Steve Walls & Associates, PLLC

DRAFT 2; 10.19.21