

**RIDEFINDERS**  
**FINANCIAL REPORT AND**  
**SUPPLEMENTARY INFORMATION**  
**June 30, 2019 and 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
RideFinders  
Richmond, Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of RideFinders (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RideFinders as of June 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### ***Change in Accounting Principle***

As discussed in Note 3 to the financial statements, RideFinders adopted FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* in 2019. Our opinion is not modified with respect to this matter.

### ***Comparative Information***

The 2018 financial statements of RideFinders were audited by other auditors whose report dated October 12, 2018, expressed an unmodified opinion on those financial statements. As discussed in Note 3 to the financial statements, RideFinders has adjusted its 2018 financial statements to retrospectively apply the adoption of FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* in 2019. The other auditors' reported on the 2018 financial statements before the retrospective adjustment.

As part of our audit of the 2019 financial statements, we also audited the adjustments to the 2018 financial statements to retrospectively apply the change in accounting as described in Note 3. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to RideFinders' 2018 financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2018 financial statements as a whole.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The grant activity on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2019 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2019, on our consideration of RideFinders' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RideFinders' internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
October 1, 2019

**RIDEFINDERS**

**STATEMENTS OF FINANCIAL POSITION**

**June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash (Note 2)	\$ 220,899	\$ 92,861
Accounts receivable (Note 2)	31,902	20,177
Grants receivable (Note 5)	101,801	163,725
Due from GRTC (Note 6)	120,602	121,030
Prepaid expenses	9,697	20,813
Property and equipment, net (Note 2)	5,296	6,722
	<hr/>	<hr/>
Total assets	<u>\$ 490,197</u>	<u>\$ 425,328</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 73,346	\$ 96,558
Accrued expenses	34,144	27,875
Amount held for pass-through grant (Note 8)	74,990	-
Deferred rent liability (Note 7)	28,471	-
	<hr/>	<hr/>
Total liabilities	210,951	124,433
NET ASSETS WITHOUT DONOR RESTRICTIONS (Note 3)	<hr/>	<hr/>
	279,246	300,895
Total liabilities and net assets	<u>\$ 490,197</u>	<u>\$ 425,328</u>

The Notes to Financial Statements are an integral part of these statements.

**RIDEFINDERS**

**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>PUBLIC SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS</b>		
Grants (Note 5):		
Virginia Department of Rail and Public Transportation:		
Congestion Mitigation and Air Quality	\$ 589,097	\$ 610,750
Commonwealth of Virginia	80,000	80,000
City of Richmond	7,500	7,500
Chesterfield County	7,500	5,700
Henrico County	7,500	7,500
City of Colonial Heights	-	1,000
	<hr/>	<hr/>
Total grants	691,597	712,450
Transit tickets and other revenue	528,250	577,849
	<hr/>	<hr/>
Total public support and revenue without donor restrictions	1,219,847	1,290,299
	<hr/>	<hr/>
<b>EXPENSES (Notes 9 and 10)</b>		
Program expenses	1,106,843	1,183,060
Supporting expenses	134,653	126,827
	<hr/>	<hr/>
Total expenses	1,241,496	1,309,887
	<hr/>	<hr/>
Change in net assets without donor restrictions	(21,649)	(19,588)
Net assets, beginning of year	300,895	320,483
	<hr/>	<hr/>
Net net assets, end of year	<u>\$ 279,246</u>	<u>\$ 300,895</u>

The Notes to Financial Statements are an integral part of these statements.

## RIDEFINDERS

### STATEMENTS OF CASH FLOWS Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (21,649)	\$ (19,588)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,132	6,096
In-kind contribution	(2,706)	-
Changes in current assets and liabilities:		
Accounts receivable	(11,725)	5,504
Grants receivable	61,924	21,173
Due from GRTC	428	(384)
Prepaid expenses	11,116	1,222
Accounts payable	(23,212)	18,955
Accrued expenses	6,269	(1,241)
Deferred rent liability	74,990	-
Amount held for pass-through grant	28,471	-
	<u>128,038</u>	<u>31,737</u>
Net increase in cash	128,038	31,737
<b>CASH</b>		
Beginning of year	<u>92,861</u>	<u>61,124</u>
End of year	<u>\$ 220,899</u>	<u>\$ 92,861</u>

The Notes to Financial Statements are an integral part of these statements.

## RIDEFINDERS

### NOTES TO FINANCIAL STATEMENTS June 30, 2019 and 2018

#### 1. Organization

RideFinders is non-stock, non-profit corporation established to foster community participation in the Greater Richmond, Virginia area in ridesharing activities, including carpools, vanpools, and traditional transit. RideFinders is the regional non-profit ridesharing and transportation demand management agency that works to move more commuters in fewer vehicles throughout the Central Virginia region to protect air quality and increase the efficiency of the region's transportation network. RideFinders is a blended component unit of Greater Richmond Transit Co. (GRTC) and is reported as such in GRTC consolidated financial statements.

#### 2. Summary of Significant Accounting Policies

##### Basis of presentation

In accordance with accounting principles generally accepted in the United States of America for nonprofit organizations, RideFinders is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The financial statements report amounts separately by class of net assets as follows:

##### **Net assets without donor restrictions**

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. These amounts are currently available at the discretion of RideFinders' Board of Directors for use in operations and those resources invested in property or equipment.

##### **Net assets with donor restrictions**

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources must be maintained in perpetuity.

RideFinders has no net assets with donor restrictions at June 30, 2019 or 2018.

##### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

##### Cash and cash equivalents

RideFinders considers cash and cash equivalents all investments with maturities of three months or less at date of purchase.

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## RIDEFINDERS

### NOTES TO FINANCIAL STATEMENTS June 30, 2019 and 2018

#### 2. Summary of Significant Accounting Policies (Continued)

##### Accounts receivable

Accounts receivable in the amount of \$31,902 and \$20,177 as of June 30, 2019 and 2018, respectively, represent amounts due from the sale of transit tickets and related products. RideFinders grants credit to customers, substantially all of whom are retail businesses and local government agencies, located in the vicinity of the operating locations. RideFinders provides an allowance for doubtful collections that is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. No allowance for doubtful collections has been recorded as of June 30, 2019 and 2018.

##### Donated services

No amounts have been reflected in the financial statements for donated services since the criteria for recognition has not been met under accounting principles generally accepted in the United States of America.

##### Property and equipment

Property and equipment is stated at cost. Major additions and betterments are capitalized. The cost of maintenance and repairs is expensed in the period incurred. Depreciation is determined on the straight-line method. Estimated useful lives for purposes of depreciation are three to ten years.

##### Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program and supporting services.

##### Advertising costs

Advertising costs are expensed when incurred and were \$85,745 and \$131,244 for 2019 and 2018, respectively, and are included in both supporting and program expenses on the statements of activities.

##### Income taxes

RideFinders is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and the tax statutes of the Commonwealth of Virginia; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

##### Subsequent events

In preparing these financial statements, RideFinders has evaluated events and transactions for potential recognition or disclosure through October 1, 2019, the date the financial statements were available to be issued.

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## RIDEFINDERS

### NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

#### 3. Recent Accounting Pronouncements

During fiscal year 2019, RideFinders adopted ASU NO. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity’s liquidity, financial performance, and cash flows. The 2018 statements have been adjusted to reflect retrospective application of the new accounting guidance, except for the disclosures around liquidity and availability of resources and analysis of expenses by functional and natural categories. These disclosures have been presented for 2019 only as allowed by ASU No. 2016-14.

A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of June 30, 2018, is as follows:

	<b>ASU 2016-14 Classifications</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>
As previously presented:			
Unrestricted net assets	\$ 300,895	\$ -	\$ 300,895
Net assets as reclassified	\$ 300,895	\$ -	\$ 300,895

#### 4. Liquidity and Availability

As part of its liquidity management, RideFinders has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due.

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 145,909	\$ 92,861
Accounts receivable	31,902	20,177
Grants receivable	101,801	163,725
Prepays	9,697	20,813
	\$ 289,309	\$ 297,576

#### 5. Grants

Grants by the Virginia Department of Rail and Public Transportation (VDRPT) provide for reimbursement of certain qualified expenditures incurred during the fiscal year. The grants are renewable on an annual basis. Grant revenues are recognized in the period in which the related expenditures are incurred. The VDRPT grants represent the pass-through of Congestion Mitigation and Air Quality (CMAQ) grants from the Department of Transportation - Federal Transit Administration. Future CMAQ funding may be reduced due to changes in the funding allocation process. However, RideFinders is working with other local transportation organizations to help ensure funding is maintained at an adequate level. Total grant revenues were 57% and 55% of total revenues for 2019 and 2018, respectively.

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## RIDEFINDERS

### NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

#### 5. Grants (Continued)

Grants receivable in the amount of \$101,801 and \$163,725 as of June 30, 2019 and 2018, respectively, are due to be collected within one year.

#### 6. Related Party Transactions

RideFinders has various transactions with GRTC. The amounts in the accompanying financial statements related to GRTC are presented below:

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 56,733	\$ 75,739
Payroll and related expenses	\$ 461,311	\$ 431,145
Other expenses (advertising, transit tickets)	\$ 323,146	\$ 410,595
Due from GRTC	\$ 120,602	\$ 121,030

Effective January 1, 1998, all RideFinders' employees became GRTC employees. RideFinders and GRTC entered into an employee lease agreement whereby RideFinders leases its employees from GRTC.

#### 7. Leases

On August 8, 2011, GRTC entered into a lease agreement on behalf of RideFinders for office facilities in The Ironfronts Building. The period of the lease is from October 1, 2011 through February 28, 2019, plus two renewal options of five years each. RideFinders is currently in a renewal period that began effective February 1, 2019, and extends through June 30, 2029. Total rent to be paid during the initial eighty-nine month lease period is \$711,780, or \$5,694 per month on a straight-line basis. Leasehold improvements necessary to occupy the leased premises are to be paid by the lessor.

Lease expense associated with this lease was \$68,069 and \$66,248 for the years ended June 30, 2019 and 2018, respectively, and are included in both program and supporting expenses on the statements of activities.

RideFinders has recorded a deferred rent liability on the statements of net position of \$28,471 which represents the difference between the rent expense recorded on a straight-line basis and actual cash payments made to the lessor.

Future minimum rent payments under this lease are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2020	\$ 63,342
2021	65,056
2022	66,844
2023	68,670
2024	70,533
Thereafter	<u>377,334</u>
	<u>\$ 711,779</u>

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## RIDEFINDERS

### NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

#### 8. Pass-Through Grant

During 2019, RideFinders entered into a grant agreement with the Bon Secours - Richmond Health System (BSRHS) and GRTC whereby BSRHS provided a grant amount of \$100,000 to Ridefinders to fund a bus stop improvement project being administered by GRTC. RideFinders sole obligations under this grant are to: (i) received and hold the funds; (ii) prepare the required financial reporting; and (iii) reimburse GRTC for actual expenditures made by GRTC for the project. As of June 30, 2019, Ridefinders had received the full \$100,000 from BSRHS and had a balance of \$74,990 remaining to be disbursed to GRTC.

#### 9. Functional Expenses and Allocations

RideFinders had administrative and general expenses of \$134,653 during the fiscal year ended June 30, 2019, which consists of a 22% allocation of all non-direct program expenses based on the amount of time personnel and thus their related equipment and other overhead costs devote to general administrative tasks versus the provision of services in accordance with RideFinders' mission. RideFinders had no fundraising expenses during 2019.

#### 10. Natural Expense Classification

The natural classification of total expenses for the year ended June 30, 2019, is as follows:

	<u>Program</u>	<u>Supporting</u>	<u>Total</u>
Transit tickets and other retail	\$ 511,641	\$ 220	\$ 511,861
Salaries and benefits	359,823	101,488	461,311
Advertising and promotion	85,745	-	85,745
Rent	53,094	14,975	68,069
Vanpool assistance	31,730	-	31,730
Professional services	14,629	4,127	18,756
Other	12,617	3,559	16,176
Insurance	10,379	2,927	13,306
Office supplies and expense	8,836	2,492	11,328
Professional development	7,422	2,093	9,515
Telephone	6,607	1,863	8,470
Depreciation	3,223	909	4,132
Employer based services	<u>1,097</u>	<u>-</u>	<u>1,097</u>
	<u>\$ 1,106,843</u>	<u>\$ 134,653</u>	<u>\$ 1,241,496</u>

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## RIDEFINDERS

### NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

#### 11. Subsequent Accounting Pronouncements

##### ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)

The FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers; particularly, that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. ASU No. 2014-09 is effective for fiscal year 2019.

##### ASU No. 2016-02, Leases (Topic 842)

The FASB issued ASU No. 2016-02, Leases (Topic 842), in February 2016. This ASU requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous Generally Accepted Accounting Principles (GAAP), which have terms greater than 12 months. This ASU defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. This ASU retains a distinction between finance leases and operating leases. The result of retaining a distinction between finance leases and operating leases in the statements of activities and cash flows is largely unchanged from previous GAAP. ASU No. 2016-02 is effective for fiscal year 2020.

##### ASU No. 2018-13, Fair Value Measurement (Topic 820)

The FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurements. This ASU amends prior accounting standards codification by modifying the disclosure requirements in Topic 820, Fair Value Measurement. This ASU includes removal and modification of preexisting disclosures and additions for public entities.

**SUPPLEMENTARY INFORMATION**

**RIDEFINDERS**

**SCHEDULES OF GRANT ACTIVITY**  
**Years Ended June 30, 2019 and 2018**

	<b>2019 Expenditures</b>		
	<b>Federal</b>	<b>State</b>	<b>Total</b>
Congestion Mitigation and Air Quality Grants	\$ 471,278	\$ 117,819	\$ 589,097
Commonwealth of Virginia Grants	-	80,000	80,000
	<u>\$ 471,278</u>	<u>\$ 197,819</u>	<u>\$ 669,097</u>
	<b>2018 Expenditures</b>		
	<b>Federal</b>	<b>State</b>	<b>Total</b>
Congestion Mitigation and Air Quality Grants	\$ 488,603	\$ 122,147	\$ 610,750
Commonwealth of Virginia Grants	-	80,000	80,000
	<u>\$ 488,603</u>	<u>\$ 202,147</u>	<u>\$ 690,750</u>

See Independent Auditor's Report.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
RideFinders  
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of RideFinders, as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated October 1, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered RideFinders' internal control over financial reporting (internal control) to determine the 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 RideFinders' internal control. Accordingly, we do not express an opinion on the effectiveness of RideFinders' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether RideFinders' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our 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 or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
October 1, 2019