

WELCOME!

Vavrinek, Trine, Day & Co., LLP

Staff Meeting



CPAs & BUSINESS ADVISORS

WELCOME TO EIDE BAILLY LLP



JOB SECURITY

- Do I still have my job?
- How will things change?
- What will not change?

WHO WE ARE

- Founded in 1917
- 34 Offices in 15 States
- FY 19 Revenue: \$340 Million
- Core Services
 - Audit, Accounting and Tax Services for small, closely-held, family-owned businesses
- Industry and Service Niche Focused

Continue to be an industry leader by growing the firm to \$500m by 2022, of which 40% is consultative revenue; provide the highest quality services to small/midsize entities and high net worth individuals; and leverage our unique perspective, industry expertise and innovative culture to help clients navigate and surmount complexity.



VISION 2022



CULTURE

CULTURE: THE FOUNDATION OF SUCCESS

Caring for our external and internal clients with a **passion** to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of **integrity** at all times.

Trusting and **supporting** one another.

Being **accountable** for the overall success of the Firm, not just individual or office success.

Stretching ourselves to be **innovative** and **creative**, while managing the related risks.

Recognizing the importance of maintaining a **balance between work and home life**.

Promoting **positive** working relationships.

And, most of all, **enjoying our jobs** ... and **having fun!**

A photograph of two hikers on a forest trail. The hiker in the foreground is seen from behind, wearing a grey hoodie and a brown backpack, holding a trekking pole. The hiker in the background is wearing a maroon jacket and a light blue backpack, also holding a trekking pole. The scene is set in a forest with warm, golden light filtering through the trees.

SERVE PASSIONATELY AND
INTELLIGENTLY.

ADD VALUE TO STAKEHOLDERS.

GROW OUR FIRM.

MISSION



GROW OUR FIRM

opportunities

client service



WHY GROW?



GROW OUR FIRM

 **\$500 MILLION**

ORGANIC

tax
salesforce
r&d tax credits
tech consulting
international tax
fixed asset services
business valuation
financial services
cyber security
risk advisory
forensics
audit
salt

rhe&r, ltd.
jw advisors
edison, perry & co
kafoury armstrong & co
sartain fischbein & co
muckel Anderson
asi technology
kyazma, llc
roth & co

ACQUISITION

GROW OUR FIRM

2018 IPA: TOP 25 FIRMS

Ranking 2018	Ranking 2017	Firm
9	9	CliftonLarsonAllen LLP, Minneapolis
10	10	CBIZ & Mayer Hoffman McCann PC ² , Kansas
11	11	CohnReznick, New York City
12	12	BKD, Springfield, Missouri
13	13	Baker Tilly Virchow Krause, Chicago
14	14	Moss Adams LLP, Seattle
15	15	Plante Moran, Southfield, Michigan
16	16	Marcum LLP, New York
17	17	Dixon Hughes Goodman, Charlotte, NC
18	18	EisnerAmper, New York City
19	19	Wipfli LLP, Milwaukee
20	20	Eide Bailly LLP, Fargo, ND
21	21	Carr Riggs & Ingram, Enterprise, Alabama
22	23	Andersen Tax, San Francisco
23	22	Citrin Cooperman & Co., New York City
24	24	Armanino LLP, California
25	26	WithumSmith+Brown PC, Princeton, New Jersey

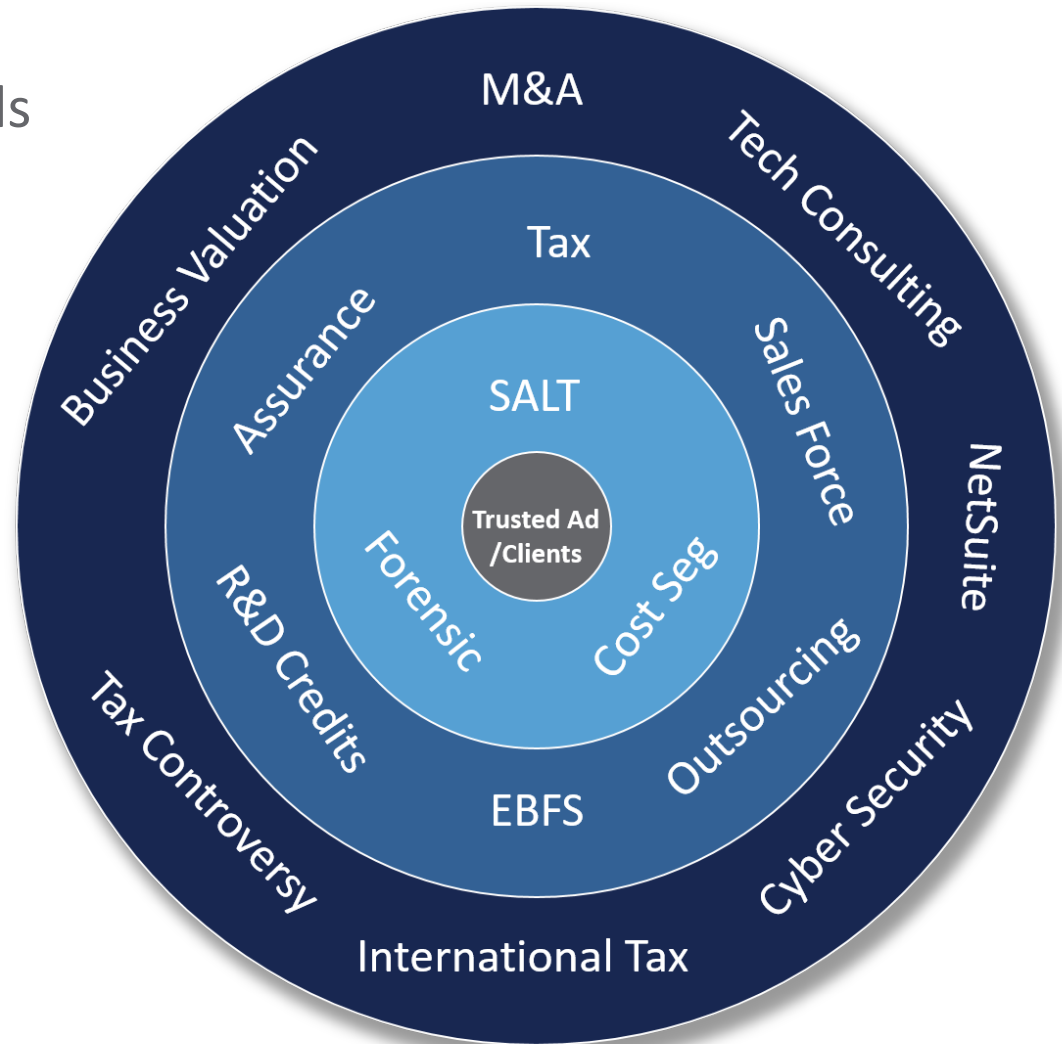
**WHAT INSPIRES YOU,
INSPIRES US.**



CLIENTS

CLIENTS

- Small to Mid-Market Organizations
- High Net Worth Individuals





PEOPLE 2022

PEOPLE 2022

- Employer of Choice
- Advisors
- High Value Training
- Engaged in Eide Bailly

AS OF MAY 1, 2018

EIDE BAILLY STAFF MEMBERS

STATE	PARTNERS	STAFF	TOTAL
Arizona: Phoenix ¹ , Scottsdale ¹	14	140	154
Colorado: Boulder, Denver ² , Fort Collins, Grand Junction	27	174	201
Idaho: Boise, Gooding ³	22	93	115
Iowa: Des Moines, Dubuque	12	57	69
Minnesota: Mankato, Minneapolis	31	164	195
Montana: Billings	9	61	70
Nevada: Elko, Las Vegas, Reno	14	91	105
North Dakota: Bismarck, Fargo	45	319	364
Oklahoma: Norman, Oklahoma City, Tulsa	22	123	145
Oregon: Enterprise	1	5	6
South Dakota: Aberdeen, Sioux Falls	30	118	148
Texas: Abilene, Haskell, Plainview, Seymour	11	78	89
Utah: Lehi, Ogden, Orem, Salt Lake City	26	240	266
Washington: Spokane	10	62	72
TOTAL	274	1,725	1,999

Staff numbers as of April 30, 2018 and reflect TrueCloud¹ – Phoenix & Scottsdale, AZ (May 2018), France, Basterrechea, Wagner & Bunn, CHTD² – Gooding, ID (May 2018) and Brad Rhodes & Associates³ – Denver, CO (May 2018)

LEARNING & DEVELOPMENT

Corporate Learning and Leadership Development

- Tax
- Assurance
- Leadership
- Industry/Specialty Training

LEARNING & DEVELOPMENT: TAX

Tax Advantage

- This program is designed to both provide information on the tax rules and to challenge the participants. These sessions are facilitated by TaxWatch instructors, premier providers of Tax Technical and levels training.

TNN (Tax News Network)

- Monthly webcast series that covers pertinent tax updates, hot topics, as well as an overview of services offered within Eide Bailly.

Tax Updates

- Annual training that provides participants with a practical working knowledge of recent tax law changes, new developments and updates in the tax profession.

LEARNING & DEVELOPMENT: ASSURANCE

A&A Updates

- This comprehensive course covers all the relevant pronouncements, exposure drafts and consensus reports recently issued in the accounting, auditing, compilation and review arenas.

ASN

- Monthly webcast series that provides staff and partners with timely updates on Assurance related topics.

Assurance Advantage

- Training event for Assurance and Accounting (A&A) staff. These sessions are facilitated by CCH and internal facilitators, premier providers of audit technical and levels training.

LEARNING & DEVELOPMENT: LEADERSHIP

Next Gen Conference

- The NextGen conference is designed for all levels of Managers. New Managers receive targeted training addressing the challenges they face as they transition into their new role. Managers with one year of experience and above have the option to select from various tracks that focus on different areas of development.

Leadership Training Program (LTP)

- This Leadership Training Program (LTP) is designed to provide information, education, and training to develop leadership competencies in those responsible for providing Firm-wide leadership.

LEARNING & DEVELOPMENT: LEADERSHIP

New Partner Leadership Program

- This program focuses on the expectations of Partners from staff development, business development, client relationship development as well as ethical expectations.

Women's Leadership BootCamp

- This program is designed for female managers in the Firm. All content and activities are designed to better equip these high performers to succeed in the largely male dominated accounting industry.

Partner Connect

- This session is designed to provide higher level training to the Partner group. It is meant to broaden their knowledge of service offerings and points of contact throughout the Firm.

LEARNING & DEVELOPMENT: INDUSTRY

Employee Benefit Audit

- Employee Benefit Plan Basic Training is offered to provide new audit staff with the fundamental technical skills required to perform employee benefit plan audits.

Financial Institutions Update

- This course provides participants with an overview of tax, audit, accounting, and consulting issues involving financial institutions to include compliance with banking laws and regulatory updates.

Governmental & NPO Update

- Governmental training is provided to the associate and sr. associate levels via a two part webcast series that focuses on updates to the standards in relation to Firm process.
- Live programs offered bi-annually for managers and above

LEARNING & DEVELOPMENT: INDUSTRY

SEC Training

- During this course, participants receive instruction on various aspects of the SEC and how it relates to their job. This course also includes a discussion regarding Eide Bailly's PCAOB inspection.

Wealth and Transition Training

- During this session, participants will have an opportunity to discuss multiple aspects of wealth and transition industry, as well as review planning techniques.

Others

- Ag Producers Summit
- Construction & Real Estate
- BOS (Business Outsourcing Strategy) Summit
- Dealership & Implement Summit
- Employee Benefit Plan Audit Training
- HUD Training

Q & A

- Will everyone be offered a position at Eide Bailly in July?
- How long is my job secure?
- Could keeping your position mean being transferred to another office or state?
- Will my benefits/schedule change?

OPERATIONS

- CPA Firm
 - A&A
 - Tax
 - National Tax Office – International, SALT, Fixed Asset Services, WTS, R&D Tax Incentives
 - Business Outsourcing & Strategy
 - Consulting
 - Business Valuation
 - Technology
 - Risk Advisory
 - Forensic Accounting
 - Financial Services

SERVICE MIX: FY2018



- 42% TAX SERVICES
- 35% AUDIT & ASSURANCE
- 21% CONSULTING/OTHER
- 2% AFFILIATES

SERVICE SPECIALTIES

Service	# of Partners/Staff Members
Fixed Asset Services	8
R&D Tax Incentives	22
Financial Services	20
Valuation	18
Forensic	24
Technology	161
Transaction Services	5
International Tax	10
SALT	8
National Tax Office	12
Risk Advisory	13

TECHNOLOGY CONSULTING

Service Offerings

- Technology Services
- ERP (Enterprise Resource Planning)
- CRM
- Data Analytics/Business Intelligence
- Infrastructure & Networking Services

FINANCIAL SERVICES

Service Offerings

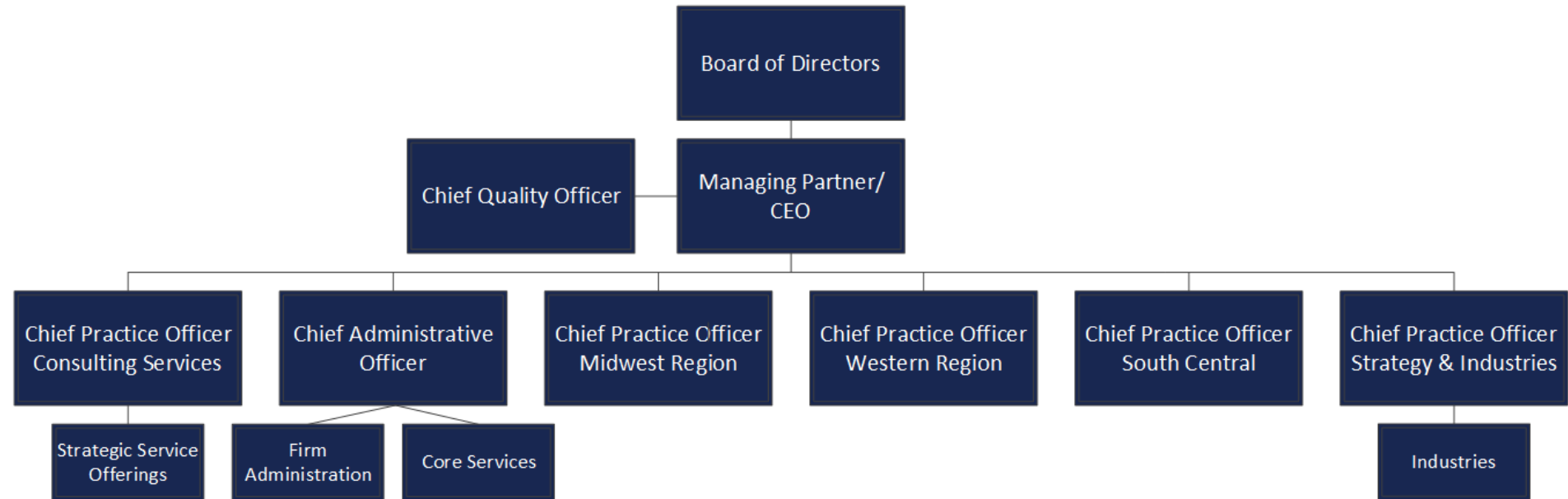
- Financial Planning
- Investment Management
- Insurance Services

REVENUE BY INDUSTRY: FY2018

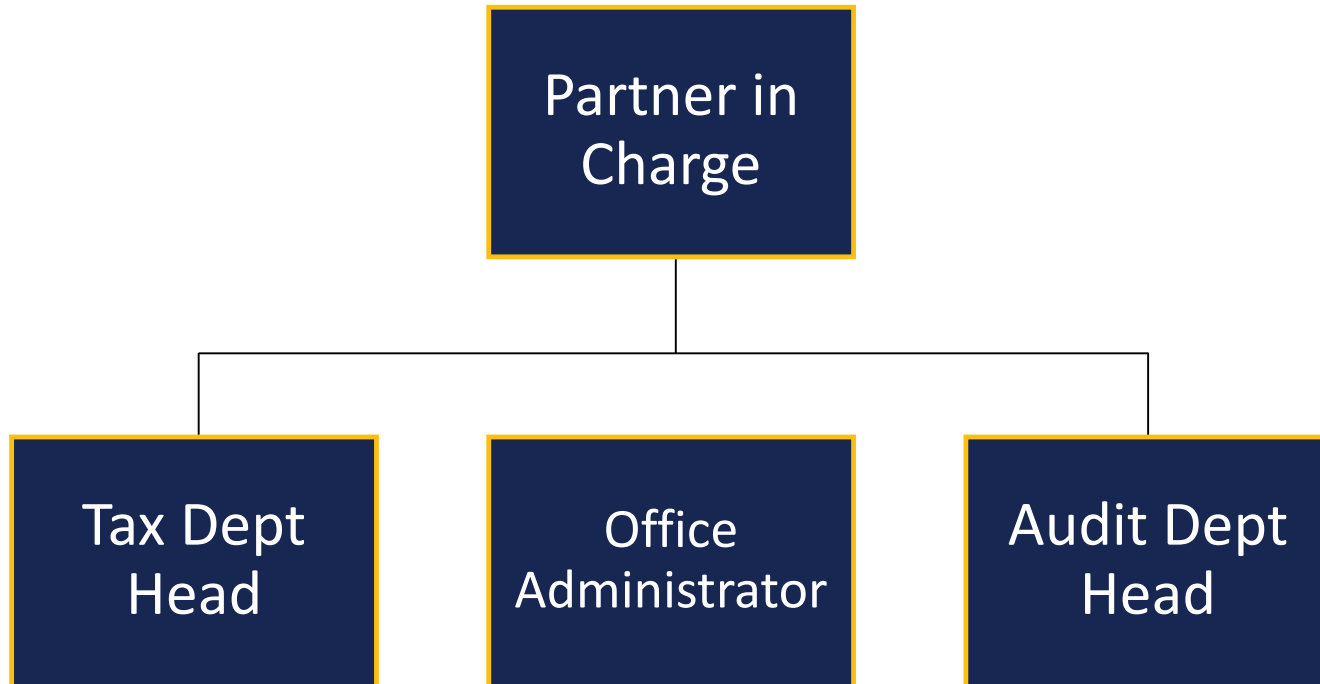


- **11%** HEALTHCARE
- **9%** MANUFACTURING & DISTRIBUTION
- **8%** FINANCIAL INSTITUTIONS
- **7%** NONPROFIT
- **5%** GOVERNMENT
- **60%** OTHER*

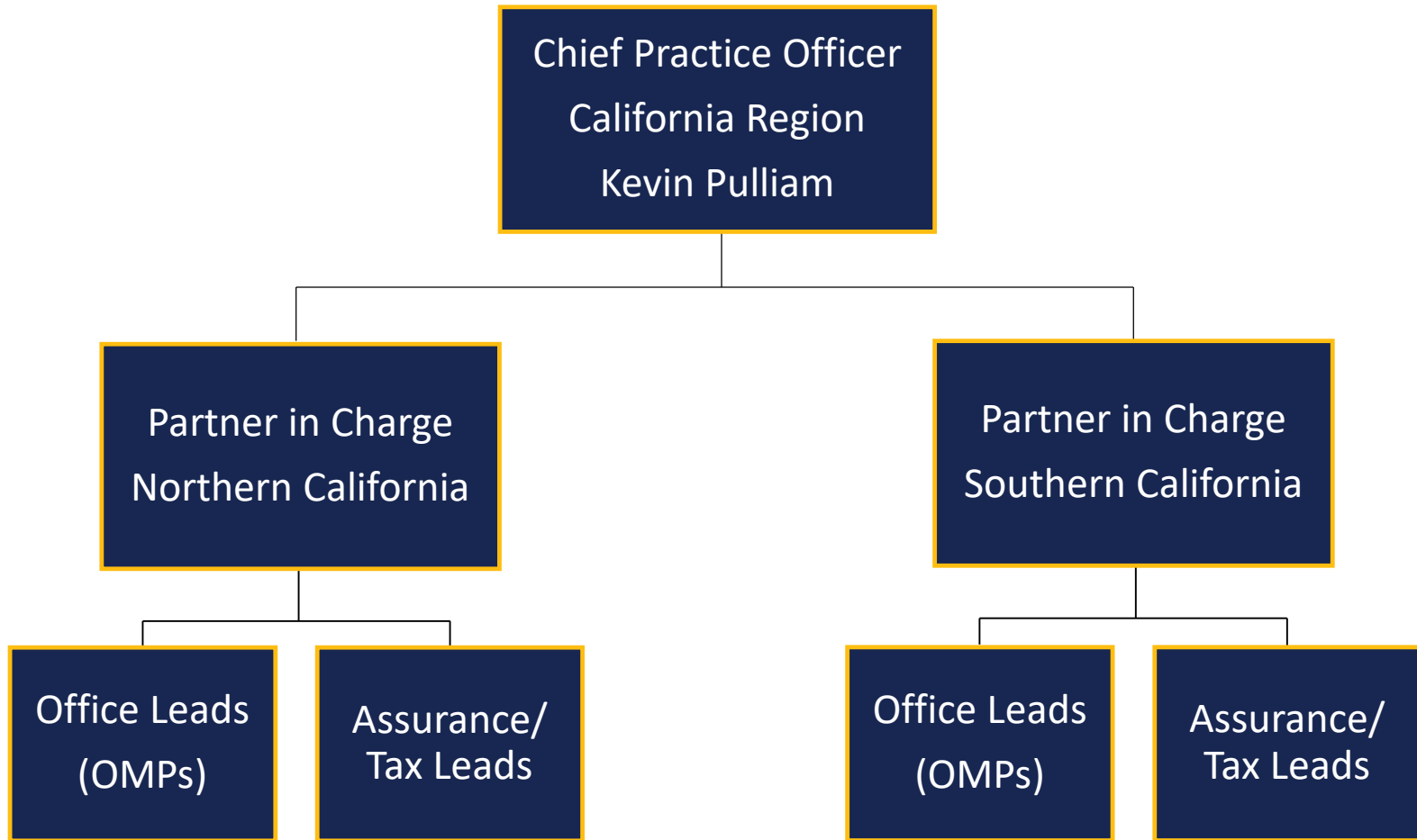
EIDE BAILLY MANAGEMENT STRUCTURE



HOW EIDE BAILLY OFFICES ARE STRUCTURED



HOW WILL CALIFORNIA BE MANAGED?



THE OPPORTUNITIES

- Fit with Growth Plan
- Culture Connection
 - Reputation for service
 - Positive client relationships
 - Good working environment
 - Both firms care about their staff and clients equally
- Impact on the community/state
 - Provide additional resources to meet the needs of the entities and high net worth individuals in California
 - Active involvement in our communities and around the state.
 - Provide those students graduating from the local universities an excellent place to work and grow.

THE OPPORTUNITIES

- Expansion of commercial base
- Additional service offerings for VTD client base
- Similar rate and fee structure
- Complimenting staff
- Ability to attract staff will be enhanced
- Added influence on marketplace

FIRM ADMINISTRATION

- Technology – Information Technology Services (ITS)
- Learning & Development
- Marketing/Business Development
- Finance
- Administration
- Human Resources

INFORMATION TECHNOLOGY SERVICES

- Microsoft Office 2013 Suite
- Microsoft Outlook 2013 running on Microsoft Exchange 2013
- Skype for Business
- Windows Server 2012 R2
- Practice Management: STAR
- Tax: CCH ProSystem fx, migrating to Access Tax later this year
- A&A: CCH ProSystem Engagement, TeamMate Analytics, Knowledge Coach
- Write-up: SAGE 100, Intacct, NetSuite, Quickbooks

MARKETING/BUSINESS DEVELOPMENT

- Internet www.eidebailly.com
- Firmworks (Intranet)
- Newsletters
 - External and Internal newsletters
- Business Development Resources
 - Lead tracking system
- Marketing Materials

HUMAN RESOURCES

- Broad overview
 - Policies
 - Benefits
 - Practices

YEARS OF SERVICE

- Your original hire date with VTD is still your hire date with us
- Receive “credit” for VTD years of service for all benefits that are dependent upon years of service (such as PTO accrual, profit sharing eligibility and vesting)

CLASSIFICATION OF EMPLOYMENT

- Full-time (1,901 + hours per year)
- $\frac{3}{4}$ time (1,501 – 1900)
- $\frac{1}{2}$ time (1,001 – 1,500)
- Part-time (up to 1,000)
- Temporary/Intern/Seasonal

CLASSIFICATION OF EMPLOYMENT

Career Progression Levels

- Associate
- Senior Associate
- Manager
- Senior Manager
- Partner/Principal

PAY PERIODS AND PAYDAYS

- Bi-weekly – every other Monday (26 pay periods per year)
- Last VTD will be **July 22** to include all final hours and any accrued PTO
- First Eide Bailly Pay Dates
 - August 12 – Includes all hours from July 22 - August 3. This check will include first half premium deductions for those that enroll.
 - August 26 – Includes all hours from August 4 – 17. This check will include second half premium deductions for those that enroll.

BENEFITS SNAPSHOT

BENEFITS FOR YOUR PHYSICAL WELLNESS



- Health Insurance
- Dental Insurance
- Vision Insurance
- Savvy Benefits (including Teladoc, Doctors Online, Health Advocate Services, and Pharmacy Discounts)
- Wellness Screenings
- Wellness Reimbursement

BENEFITS FOR YOUR EMOTIONAL/SOCIAL WELLNESS



- Paid Time-Off (PTO) and Holidays
- Work Flex and Telecommuting Options
- Maternity/Paternity Leave and Milk Stork
- Adoption Assistance
- Volunteer Time
- Matching Donations
- Mental Health and Relationship Counseling

BENEFITS FOR YOUR FINANCIAL WELLNESS



- 401(k) Retirement and Profit Sharing Plans
- Flexible Spending Accounts
- Financial and Legal Counseling
- Student Loan Refinancing Assistance
- Life Insurance
- Short and Long-Term Disability Plans
- Business Travel Insurance
- Voluntary Benefits
 - Supplemental Life Insurance
 - Critical Illness Insurance
 - Accident Insurance
 - Legal Insurance
 - Pet Insurance

BENEFITS FOR YOUR CAREER WELLNESS



- Professional Certification Reimbursement
- CPA Certification Bonus
- Continuing Professional Education
- Tuition Reimbursement
- Career Conversations and Career Growth Opportunities
- Recognition Program
- Employee Referral Program
- Promotional Item Allowance

INSURANCE BENEFITS

- As long as you are expected to work over 1,000 hours/year, you are eligible for full health, dental, vision, life, LTD
- Effective August 1
 - Enrollment will be completed electronically beginning July 22.
 - Your VTD health insurance will continue through the month of July.

HEALTH INSURANCE

- Self-Insured Plan: Blue Cross Blue Shield of ND
- Deductibles
 - Single -- \$800
 - You & your spouse *or* you & your children – \$1,200
 - Family -- \$1,800
- \$20 office co-pay, 100% Preventative, 80/20 plan
- Staff cost per month
 - Single: \$94
 - You & your children: \$369
 - You & your spouse: \$498
 - Family: \$635
- Blue Card PPO. Check online for specific doctors: bluecares.com

HEALTH INSURANCE - KAISER

- Exploring continued access to this network of providers
- Continue Kaiser HMO through calendar year
- Those on Kaiser HSA – option to enroll in HMO
 - EB to consider premium differentials
- EB to determine options for 2020 calendar year

SAVVY BENEFITS

- Telemedicine through Teledoc
- 24/7 access to board certified doctors
- Able to diagnose, treat and prescribe medication
- Participation in the EB health plan is not required
- Coverage for you, your spouse and eligible dependents
- Enrollment packet sent to your home address

COMMITMENT TO HEALTH & WELLNESS

- Annual Screenings – Bravo Wellness

Confidential on-site health screenings

Blood pressure

Cholesterol

BMI

Nicotine usage

Direct impact on health premiums

Not subject to the differentials until the 2021 plan year

- Annual Allowance

Reimbursement on eligible fitness expenses

0 – <3 years	\$300
3 years and over	\$600

DENTAL INSURANCE

- Self-Insured Plan
- Delta Dental
- Staff cost per month
 - Single: \$0
 - You & your spouse: \$43
 - You & your children: \$43
 - Family: \$84
- Deductible
 - \$50 per covered person per year
 - \$150 family maximum

Visit www.deltadental.org to check for participating providers

VISION INSURANCE

- Administered by VSP
- Staff cost per month
 - Single: \$10.02
 - You and your spouse: \$20.08
 - You and your children: \$21.46
 - Family: \$34.32
- Co-pays and allowances for exams, frames, lenses, and contacts
- Visit www.vsp.com to check for participating providers

FLEXIBLE SPENDING (CAFETERIA PLAN)

- Medical Spending Account:
 - \$2,700 maximum contribution
 - \$500 carry over
 - Limited purpose available
- Dependent Care
 - \$5,000 maximum contribution
 - Daycare expenses for children
 - Adult care expense for disabled adult children or spouse
- Transportation Account
 - \$260 maximum per month contribution
 - Qualified parking and transportation expenses
- Debit Card
- January 1 – December 31 Plan year
- Group health, dental and vision premiums will be automatically deducted pre-tax

HOLIDAYS

- New Year's Day
- Memorial Day
- Independence Day
- The day after Independence Day
- Labor Day
- Thanksgiving
- The day after Thanksgiving
- Christmas Eve Day or one other religious holiday for those who do not recognize Christmas and do not take Christmas Eve Day off.
- Christmas Day or one other religious holiday for those who do not recognize Christmas and do not take Christmas day off.

PTO (PAID TIME OFF)

- Use PTO for vacation, illness, injury, etc.
 - Exempt staff – minimum use is 4 hour increments (no need to take PTO for absences of less than ½ a day)
 - Non exempt staff – may use in any increment (typically ½ hour or more)
- Your VTD years of service will apply to PTO accruals
- Transition from unlimited to accrual plan
 - Flexibility
 - Ability to go negative

PTO ACCRUAL & ELIGIBILITY

YEARS	HOURS PER MONTH	HOURS PER YEAR
1 st – 10 th	13.33	160
11 th and over	15	180
Managers	15	180

- Expected annual hours worked
 - 1,900 + 100% of the benefit
 - 1,501 - 1,900 75% of the benefit
 - 1,001 - 1,500 50% of the benefit
- Maximum – annual accrual plus 40 hours

401(K) PLAN

- Administrator – Alerus Retirement Solutions
- Elective Deferral (your contribution)
 - Everyone is eligible immediately
 - Maximum subject to IRS limitations
 - Pre-tax or Roth option available
- 100% vested in your own deferral
- You may change your deferral at any time
- Rollovers from your qualified 401(k) allowed
- Enrollment packet sent to your home address from Alerus (June)

PROFIT-SHARING PORTION OF 401(K)

- One year of service and 1,000 hours
 - Eligible years of service will include years of service with VTD
- The Firm will contribute the equivalent of 4% of your compensation on an annual basis
- Must be employed as of December 31st
- Contribution is made regardless of participation

VESTING SCHEDULE - PROFIT SHARING

Years of service

- After 1 year 20%
- After 2 years 40%
- After 3 years 60%
- After 4 years 80%
- After 5 years 100%

COMPENSATION CONVERSION

- Different benefit packages
- No bonus below manager level
- Equitable take home pay

COMPENSATION TIMELINE

- Manager bonuses paid in June
- Pay evaluated annually with increases effective around August 1
 - Utilize Mercer survey for client serving positions
 - Review internal equity
 - Analyze performance
- Promotions effective around August 1

CAREER DEVELOPMENT

Focus on career conversations

- Goals
- Accomplishments
- Challenges
- Feedback

STAFF RECOGNITION

- myRecognition located on Firmworks
- Social tool
 - Applaud special efforts
 - Career Achievements
 - Special Occasions
- Career Achievement Awards
 - Recognition at 1 and 3 years of service
 - Special recognition/award selection for 5, 10, 15 years, etc.



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QUESTIONS?



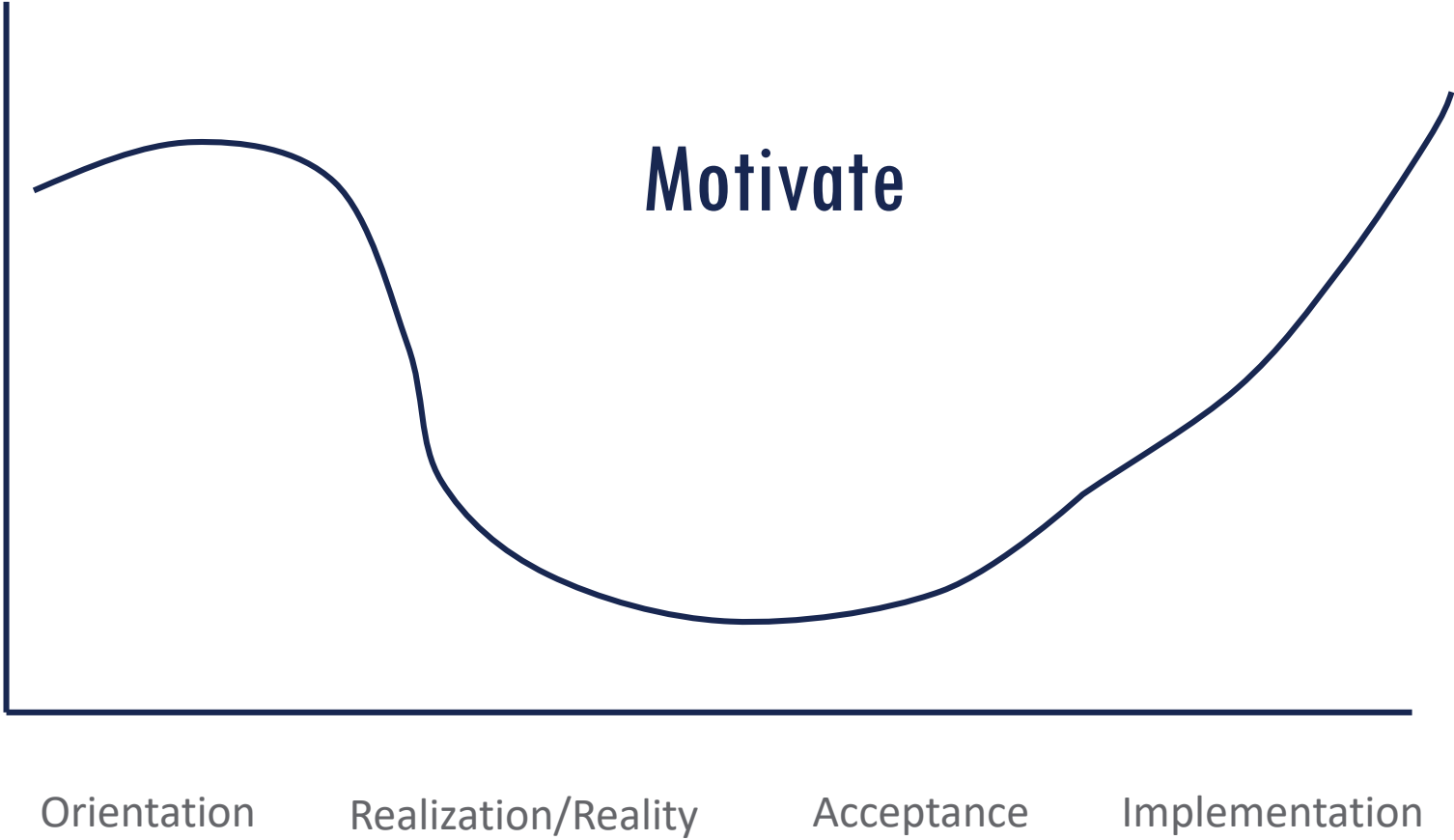
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CHANGE MANAGEMENT/TRANSITIONS

TRANSITIONS

- Orientations
- Realization/Reality
- Acceptance
- Implementation

TRANSITIONS



WHAT CAN WE DO?

- Recognize it
- Encourage endings, help others through their losses
 - Symbolic actions
- Help people ... capitalize on the opportunities
 - Communication:
 - Connect and show concern
 - Purpose, the picture, the plan and the part



CPAs & BUSINESS ADVISORS

UPCOMING COMMUNICATIONS

EXTERNAL COMMUNICATIONS PLAN

Members of both firms are now aware of our intentions, and the following communications plan is designed to make sure we communicate this news in a sequential manner

Task	Timing
Visits/Calls to clients, referrals, business contacts	Begins this week
Letters to clients, referrals, business contacts	May 17
Public Announcements (News Release/Social Media)	May 21

Please keep this news within our Firm until we have made our formal public announcement, which is scheduled for May 21.

WHAT TO EXPECT: WEEKS OF JUNE 3 & JUNE 10

- Group Meeting
 - Benefit Overview
 - Benefit Enrollment Process Review
- Individual Meetings with Staff
 - Offer Letter/Staff Agreement
 - I-9 Document Review – Must bring proper documentation (originals)
 - Review of Benefits | Salary | Schedule
 - Answer Questions

Q & A



**WILL I BE WORKING WITH
THE SAME CLIENTS?**

Q & A



**WILL THE FEES WE CHARGE
OUR CLIENTS CHANGE?**

Q & A



**WILL I STILL HAVE OPPORTUNITIES
FOR ADVANCEMENT?**

Q & A



**WHAT TYPES OF DECISIONS CAN BE
MADE AT THE LOCAL OFFICE LEVEL
VERSUS DIRECTED FROM THE
FIRM PERSPECTIVE?**

Q & A



**WHO CAN I CONTACT IF
I HAVE QUESTIONS?**

Q & A



**WHAT CAN WE EXPECT FROM
A TRAINING PERSPECTIVE?**

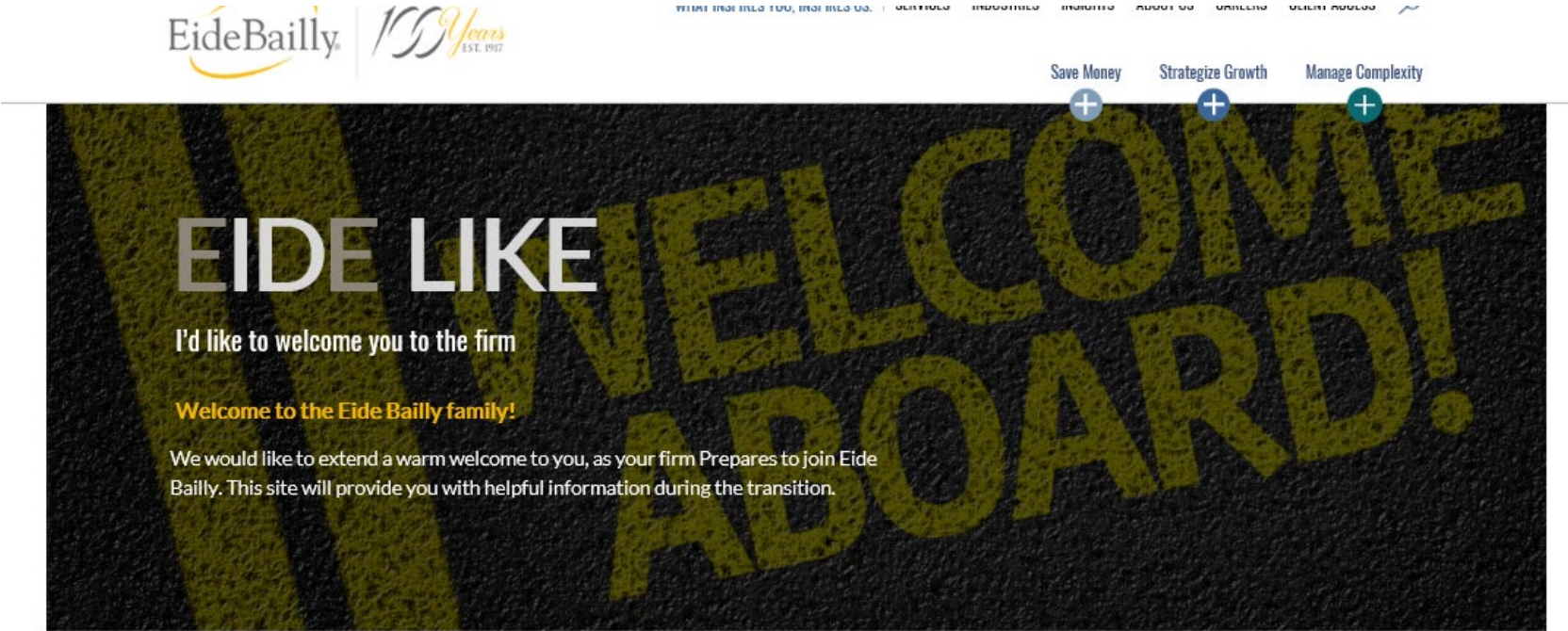
INTERIM RESOURCES | QUESTIONS

- www.eidebailly.com
- Annual Report
- Social Media
- Benefits Quick Guide and more on website



WELCOME WEBSITE

Email will be distributed with login information.



Start your journey below!

*Full Name:

*Password:

SUBMIT



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