

# Full Service Banking Experts

## Fortner, Bayens, Levkulich & Garrison, P.C.

### Our Guarantee

- Financial Statement Audits
- Internal Audits and Risk Assessments
- Directors' Examinations
- Asset Review
- IT Security Audits
- Information Risk Analysis
- Regulatory Compliance Examinations and Training
- Mergers and Acquisitions, including Due Diligence
- Trust Services
- Tax Planning
- Tax Preparation
- Employee Benefit Plan Audits

Fortner, Bayens, Levkulich & Garrison, P.C., will provide the highest level of bank accounting and advisory expertise possible. As specialists in community and independent banks, our expertise cannot be matched by a general practice accounting firm.

We emphasize a continuous and open dialogue, and you will have direct, on-going contact with one of the shareholders in our company on every project.

We value communication so strongly that, as a rule, we do not charge for reasonable phone calls and consultations.

### Our Philosophy

Fortner, Bayens, Levkulich & Garrison, P.C., strives to provide unmatched expertise in financial institution services, delivered on time and at a competitive price. We believe that the needs of your institution are unique, and therefore our approach is client driven, not product driven. You have the flexibility to choose any combination of our services.

### Our Company

Fortner, Bayens, Levkulich & Garrison, P.C., has been in business since 1977, and we exclusively serve financial institutions. Our shareholders average more than 20 years of banking experience, and we draw on our wide range of banking expertise and on our unique perspective to identify options, and work with you to develop creative solutions.

We believe without a doubt that our growth and success are due to our commitment to custom tailor our services to your individual needs, while maintaining our trademark attention to detail and overall standard of excellence. We want to be your partner who provides expert guidance and helps ensure your prosperity.

**FORTNER, BAYENS, LEVKULICH  
■  
& GARRISON, P.C.**

**Banking is our business...  
our *only* business.**

1099 18th Street, Suite 2900  
Denver, Colorado 80202  
303-296-6033 [www.fblg-cpa.com](http://www.fblg-cpa.com)

# Audit Services

Fortner, Bayens, Levkulich & Garrison, P.C.'s Audit Services couple unmatched banking expertise with personalized attention.

Our firm provides services exclusively to banking clients, and our shareholders average more than 20 years experience in public accounting for financial institutions, banking, or a combination of both. You can count on direct, ongoing contact with the engagement partner, ensuring top-level expertise, consistency and accountability no typical firm can match.

We strongly encourage regular communication between you and our firm, and we do not charge for routine phone calls and reasonable consultations.

*Custom-tailored  
quality and  
excellence in  
everything we do.*

## Financial Audits and Directors' Examinations

Our engagement approach emphasizes quality, accountability and timeliness:

- ◆ Each engagement is staffed with the engagement partner and /or a manager of our firm, ensuring consistency of the engagement from year to year and ensuring that you will have an experienced individual who is directly accountable to you.
- ◆ Audit and tax work is performed in concert rather than by separate teams. This provides high-level expertise and ensures that our work is efficient and cost-effective.
- ◆ We perform on-site planning and risk assessment procedures during an interim visit so that critical matters are identified and discussed with you prior to year-end.
- ◆ We make it a policy to review our findings and recommendations with you during our fieldwork, and to provide written reports within the timeframes designated by you.

## Internal Audits and Risk Management Services

Our internal audit and risk management services draw on our broad banking perspective, and we customize risk identification and internal audit programs to your specific needs. We perform comprehensive risk assessments to identify and measure risks impacting your bank. We test the design effectiveness and operating effectiveness of internal controls. We assess the accuracy of system data and system calculations. We perform operational and management studies.

## Mergers & Acquisitions

We use our considerable banking expertise to evaluate your deal from every perspective. We review the accounting and tax implications of proposed transactions, review alternatives that may be considered, and illustrate the impact on post-transaction income statements, balance sheets and tax returns. We review compensation packages, vendor contracts and financing documentation to identify their impact on transactions. We assist with regulatory applications. We perform due diligence.

**FORTNER, BAYENS, LEVKULICH  
& GARRISON, P.C.**

1099 18th Street, Suite 2900  
Denver, Colorado 80202  
303-296-6033 [www.fblg-cpa.com](http://www.fblg-cpa.com)

# Asset Review

Fortner, Bayens, Levkulich & Garrison, P.C.'s Asset Review services provide you with a full menu of the most extensive review services available, performed by seasoned professionals that will help identify potential concerns in your loan portfolio.

Every member of the Asset Review team has worked in the banking industry or with a regulatory agency. A number have held such positions as chief operating officer, loan officer or internal auditor. The Asset Review staff at Fortner, Bayens, Levkulich & Garrison, P.C., averages nearly 20 years of professional banking experience.

*Dependable  
banking experts  
you can trust.*

## Loan Portfolio Reviews

We select a sample from your loan portfolio designed to encompass credits from the entire spectrum: new and seasoned credits, loans approved by various committees and loans approved at the officer level, current and past due loans, and loans of different types from different locations. This enables us to obtain a fair representation of your portfolio to test general underwriting practices, the accuracy of your loan grading system in light of Board approved policies and regulatory guidance, and the effectiveness of your ongoing credit monitoring programs. Our review will identify loans with noted exceptions to prudent lending standards and your loan policy. We will also consider loan administration issues including adequate cash flow analysis of borrowers and early identification of potential problem credits, as well as regulatory compliance issues associated with the various types of loans reviewed. Finally, we will review your Allowance for Loan and Lease Loss methodology for compliance with regulatory guidance and Generally Accepted Accounting Principles.

## Loan Documentation

A byproduct of our loan review is an assessment of the accuracy and effectiveness of your documentation system. We will review file documentation to ensure that necessary filings are complete and timely. Additionally, we will test file documentation, such as financial statements and tax returns, to ensure these are obtained and reviewed for ongoing credit compliance. Our loan administration review analyzes the operations of the loan department to determine that policies and procedures are adequate to protect the bank from unnecessary loss. We will note inaccuracies in loan boarding and maintenance.

## Due Diligence

We can provide a thorough due diligence review of any potential bank acquisitions, including an assessment of the accuracy and adequacy of the target's Allowance for Loan and Lease Losses.

**FORTNER, BAYENS, LEVKULICH  
■  
& GARRISON, P.C.**

1099 18th Street, Suite 2900  
Denver, Colorado 80202  
303-296-6033 [www.fblg-cpa.com](http://www.fblg-cpa.com)

# Information Technology Security Services

Fortner, Bayens, Levkulich & Garrison, P.C.'s Information Technology Security Services can help you evaluate your current information security risk profile and develop appropriate controls to manage identified risks.

We can assess your external security posture and also mimic an attack by real-world hackers to determine how secure your network and firewalls are, and then use what we learned to tailor your systems to promote information and data security.

We can assess your internal security posture to identify threats to data and system integrity.

We can evaluate your information technology policies and procedures for compliance with regulatory and GLBA requirements.

*Data integrity  
is critical to  
your success.*

## Internal and External Vulnerability Assessments

Assessing the external and internal threats that could result in unauthorized disclosure, misuse, alteration or destruction of customer information and bank records can be a difficult process. Adopting security measures that you conclude are appropriate can be just as challenging. Our professional auditors use a variety of tools to assess your security posture to identify vulnerabilities and compliance issues in your information technology infrastructure. Additionally, we will evaluate the social engineering aspects of security with employees and management and conduct social engineering assessments from both a physical and psychological viewpoint. Our External and Internal Vulnerability Assessments conform to National Institute of Standards and Technology requirements and the Information Systems Audit Standards issued by the Information Systems Audit and Control Association.

## IT Examinations & GLBA Compliance Services

A solid Information Technology security policy is the foundation of a strong Information Technology security program -- a requirement for regulatory compliance. Our professionals will define and document a technical and network security compliance baseline. We will establish and document compliance traceability including the mapping of organizational policies to GLBA regulatory requirements and to FFIEC control objectives.

Our efforts focus specifically on industry best practices and section 501 of the Gramm-Leach-Bliley Act, which requires that appropriate standards be established for the administrative, technical, and physical safeguards of your nonpublic personal information. Such information is frequently contained on media such as paper documents, back-up tapes, disks, and other storage devices. Protection of this data requires protection of the media. Theft, destruction, or other loss of the media could result in the exposure of corporate secrets, breaches in customer confidentiality, or the disruption of business activities. Our combined testing procedures are intended to test GLBA technical controls.

**FORTNER, BAYENS, LEVKULICH  
& GARRISON, P.C.**

1099 18th Street, Suite 2900  
Denver, Colorado 80202  
303-296-6033 [www.fblg-cpa.com](http://www.fblg-cpa.com)

# Regulatory Compliance

Fortner, Bayens, Levkulich & Garrison, P.C.'s Regulatory Compliance services have been specifically designed to fill the manpower gap for community banks. Too often, community banks do not have the required resources to stay current on extensive, constantly changing regulations. These new developments require the training of bank personnel and monitoring to ensure that regulations are being followed by all employees, and this is a role at which our compliance experts excel.

We design our services to fit your needs. Services we provide to community banks range from telephone consultations on specific issues to training and sampling and testing procedures similar to those performed during regulatory examinations.

## Regulatory Compliance Reviews

The scope of the compliance reviews are similar to that which would be performed by regulatory agencies. Our sampling and testing procedures are based in large part on the interagency examination procedures. Also included are consultations and training on new product disclosures, lending, deposits and Internet-focused practices. Our training program emphasizes best practices for internal compliance officers and other staff members. We also provide guidance during the review process on your bank's policies and procedures to help ensure compliance. Modifications to the procedures may be made according to the types of services and products you offer.

## Automated Clearing House Reviews

We conduct an annual review of your bank's procedures and recordkeeping as required under the National Automated Clearing House Association rules.

## Bank Secrecy Act

Performed in accordance with the most recent *Interagency BSA Examination Manual*, our BSA examination includes a review of your bank's Bank Secrecy Act/Anti-Money Laundering policies and procedures, and a review of your risk assessment for reasonableness given your risk profile. We provide comments and recommendations regarding the effectiveness of your BSA/AML program and conduct transactional testing on high risk areas. We will also identify high risk accounts and services. We evaluate your management team's efforts to resolve violations and deficiencies noted in previous audits and, following the Department of the Treasury's Financial Recordkeeping and Reporting of Currency guidelines, we check for monitoring and reporting of large cash transactions.

**FORTNER, BAYENS, LEVKULICH  
& GARRISON, P.C.**

1099 18th Street, Suite 2900  
Denver, Colorado 80202  
303-296-6033 [www.fblg-cpa.com](http://www.fblg-cpa.com)

# Trust Services

Fortner, Bayens, Levkulich & Garrison, P.C.'s Trust Services are designed to review your Trust Department in the following areas: Risk Assessment, Compliance and Account Administration, Asset Management and Accounting and Physical Security Controls.

We have experience working with personal trust, agency, employee benefit and corporate trust fiduciaries with assets under management of up to \$3 billion.

We offer a thorough assessment that can enhance your profitability and identify income opportunities. We will provide examinations of your bank's trust department to ensure regulatory compliance and assess risk. We will review your trust administration services and conduct an analysis of your fee income.

## Risk Assessment

The scope of the risk assessment includes reviewing recent risk assessments in regard to applicable regulatory pronouncements and changes in fiduciary laws and regulations, in light of changes to account fiduciary holdings and account assets, as well as changes to personnel and department structure. We design our services to fit your needs.

## Compliance and Administration

We conduct an independent review of your bank's procedures and administration to determine whether personnel are following the Board of Directors guidance. We ensure the Trust Review committee properly approves and reviews accounts and account changes according to regulatory requirements and your policies and procedures. We also determine if discretionary fiduciary account assets are invested in ways or offerings that might affect the judgment of management or fall outside of compliance with regulatory or bank policies. Administratively, we will review accounts for proper account administration and asset management practices. We will provide to you a written report documenting our work.

## Accounting and Physical Security Controls

We will test your reconciliations of significant operating and safekeeping accounts and verify assets with safekeeping agents. We will also test internal controls over fiduciary assets and determine that your trust operations and accounting functions are operating effectively.

**FORTNER, BAYENS, LEVKULICH  
& GARRISON, P.C.**

1099 18th Street, Suite 2900  
Denver, Colorado 80202  
303-296-6033 [www.fblg-cpa.com](http://www.fblg-cpa.com)

# Tax Services

Fortner, Bayens, Levkulich & Garrison, P.C.'s Tax Services will help put you in a position to maximize your tax benefit. We will conduct a prompt assessment of your bank's current tax position. We have extensive experience and keep current on Internal Revenue Service and bank regulatory concerns about bank tax issues so you can avoid problems before they arise. Our experienced staff can identify problem issues regarding intercompany tax payments for bank holding companies.

*Unmatched  
expertise at a  
competitive price.*

## Tax Compliance

Our staff has been thoroughly trained in taxation of banks. With our experience with numerous banks and our participation in nationally recognized tax seminars, we remain current with developments affecting banking. We help banks interpret regulatory requirements relating to the recording of deferred tax assets. We provide specialized tax services regarding mergers and acquisitions, in addition to trust tax returns, employee benefit returns, exempt organization and select individual returns.

## Tax Planning

We will be actively involved in the planning process to ensure maximum tax savings while avoiding the possible pitfalls related to the allowance for loan losses, alternative minimum taxes and net operating losses. We closely examine your status to not only review the reasonableness of the income tax account balances, but also to determine whether there are any tax planning strategies available that may be implemented before year end. Since we will be intimately familiar with your tax situation, we are able to provide advice on current developments affecting your institution.

**FORTNER, BAYENS, LEVKULICH  
■  
& GARRISON, P.C.**

1099 18th Street, Suite 2900  
Denver, Colorado 80202  
303-296-6033 [www.fblg-cpa.com](http://www.fblg-cpa.com)

# Employee Benefit Plan Audits

Fortner, Bayens, Levkulich & Garrison, P.C., provides Employee Benefit Plan Audits that comply with the annual reporting obligation under the Employee Retirement Income Security Act of 1974 (ERISA). We will obtain plan documents and test contribution and allocation data for compliance with these plan documents as well as both ERISA and Department of Labor regulations.

## 401(k) Profit Sharing Plans

Our 401(k) and Profit Sharing Plan audits include an analytical review of plan transactions, including income, gains and losses, deferrals and contributions. We compare deferrals and contributions to payroll records, employee election forms and plan documents. We obtain allocation and other transaction reports from plan trustees or third-party administrators and test these for compliance with the plan documents and applicable regulations. We test payroll records for accuracy of deferrals and related computations and also test a sample of non-participating employees for complete documentation. Finally, we will review IRS Form 5500 for accuracy as required by auditing standards, or we will prepare Form 5500 if requested.

## Employee Stock Ownership Plans

Our Employee Stock Ownership Plan (ESOP) Audits include the same analytical reviews, reconciliations, and testing as our 401(k) Profit Sharing Plan audits with the addition of ESOP allocation testing and ESOP loan reconciliation and testing.

**FORTNER, BAYENS, LEVKULICH  
& GARRISON, P.C.**

1099 18th Street, Suite 2900  
Denver, Colorado 80202  
303-296-6033 [www.fblg-cpa.com](http://www.fblg-cpa.com)