



Empowered Progress: Leading With Trust and Respect

Annual Report 2022

Empowered Progress: Leading With Trust and Respect

As the industries we serve and the accounting industry undergo continuous transformation, Johnson Lambert remains at the forefront of change. Guided by our core values of trust and respect, we embrace an adaptable, people-centric approach that empowers our clients, colleagues, and staff to navigate new challenges with confidence and enthusiasm.

We are committed to driving empowered progress through transparency, integrity, commitment to quality, advocacy, listening, and recognition. Our unwavering dedication to these principles ensures that we continue to evolve and innovate in a way that benefits our business partners, our employees, and our future generations of accounting and advisory professionals.

Credits

Our team would like to extend our heartfelt thanks to the following people, whose dedication and hard work made this report possible.

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Transparency⁺

Transparency plays a large role in the culture and communication at Johnson Lambert. From the open and honest conversations with clients that lead to long-lasting, successful relationships to the forthcoming dialogue our leadership has with Johnson Lambert staff of all levels, we have built strong relationships based in trust and respect.

This commitment to transparency has also allowed us to attract top talent and foster growth within our team. As we continue to prioritize transparency in all aspects of our business, we are confident that we will continue to drive growth and achieve success.

Imparting Insight

Letter From Our Managing Partner



To our team, our clients, and friends of Johnson Lambert, I'm proud of the banner year that 2022 was for Johnson Lambert, and one in which we were thrilled to have more opportunities to connect in-person with clients, friends of the firm, and even one another. As you'll read herein, our major learning & development programs returned to all in-person, we attended conferences with our usual gusto, and I had the pleasure of visiting every one of our offices (and our remote workers in their virtual offices) for the purpose of understanding how we are doing as a firm and how our people are feeling individually.

We called this tour our "Culture Listening Tour", because I, along with our Chief Growth & Development Officer and our Director of Human Resources, wanted to sit down with all of our team members and listen. We came prepared with questions around eight major areas we

identified as having an impact on culture: relationships with managers and peers; recognition; autonomy and input; learning and development; flexibility, hybrid work, and work/life congruence; and psychological safety. We have probably a hundred pages of notes from all of the things we heard and learned, and it was an incredible opportunity to see how our culture feels to each and every employee, which I believe is critical in maintaining who we are and want to be as a firm: a choice employer for the industry's top talent as well as a valued business partner to each of our clients.

Overall, we heard a lot of things we are doing right: work/life fit and true flexibility for our teams; a deep investment in our learning & development programs; genuine relationships being built with leaders as well as with peers. We heard some things we can do better: making sure we keep our remote employees fully engaged in social interactions; more

peer-to-peer in-person connection points for our more senior staff; enhanced communication around the inevitable pace of change that is necessary to adopt new technologies and processes to better serve our clients.

Along with this year's Annual Report theme of "Leading with Trust and Respect", I am committed to an ever-evolving culture that listens to our two most important stakeholders: our employees and our clients. We are continually striving to support and develop our team members in ways that are designed to best serve our clients.

All the best,

John Prescott

John Prescott
Managing Partner



Amplifying Growth

In 2022, Johnson Lambert's growth was driven by a commitment to delivering exceptional client experiences and cultivating strong relationships based on trust and respect. As our clients took on new challenges and sought valuable insights, we evolved alongside them by embracing change, innovation, and emerging technologies. We prioritize our clients' success and aim to build lasting relationships by providing unwavering support throughout the year.

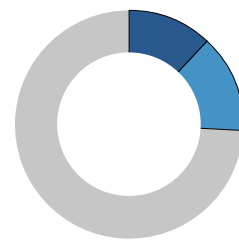
Growing our business

Thanks to the relentless support of our loyal clients and steadfast dedication of our talented staff, Johnson Lambert was proud to earn record revenue growth in 2022.

\$42.7M

revenue in 2022

Increasing 2021 revenue by nearly 18%, this growth is in large part due to expanded client relationships, referrals, brand awareness, and the strong industry connections made by our team.

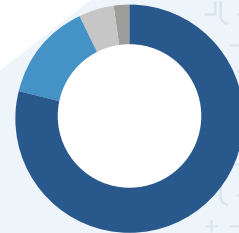


REVENUE BY PRACTICE

- 12% Consulting
- 14% Tax
- 74% Audit

REVENUE BY NICHE

- 79% Insurance
- 14% Nonprofit
- 5% Employee benefit plans
- 2% Other



Serving clients nationwide

We have the capacity to collaborate with our clients, regardless of their location, thanks to our widespread resources and local presence.

WORKING WITH CLIENTS IN



Expanding our team

Flexible work arrangements have allowed our team to continue to attract top talent, no matter the geographic location.



We've intentionally fostered a "One Johnson Lambert" culture, ensuring that every member of the firm feels like they are part of the same cohesive team, regardless of their physical location.



The Evolution of an Office

Marcia Jerding, Partner



In 2009, Marcia Jerding left her former firm to establish Johnson Lambert's Georgia office.

With hard work, perseverance, and a clear vision, Jerding has built a thriving office and helped grow the firm's national consulting arms.

- 2009** → Founding Partner Debbie Lambert asked Marcia to join the firm as a partner to launch an office in Atlanta, Georgia
- 2010** → Working with just one other employee, Marcia was involved in every aspect of the office, from auditing to recruiting to finding an office space and beyond
- 2013** → The firm formalized our business advisory services practice, which found its home in the Atlanta office
- 2019** → The Georgia office was recognized as a top 10 fastest growing accounting firm by Atlanta Business Chronicle
- 2020** → With multiple teams and service lines represented in the Atlanta office, the successful team and Marcia celebrated ten years since their founding
- 2022** → Marcia and other office leads did extensive research to find a new office space for the team of 20+ employees who now call the Johnson Lambert Atlanta office their home

Advancing our leadership team

Partners

In January 2022, we welcomed Rachel Ferguson and Tim Flaherty to the partnership. Rachel and Tim embody leadership not only within the firm but also in the communities and the industries they serve.



Rachel Ferguson, CPA

Rachel has national and local roles in IASA and was a 2021 APCIA Emerging Leader. Internally, she leads trainings, is a member of the DEI committee, and participated in a three-year Emerging Leaders Academy program conducted by Upstream Academy.

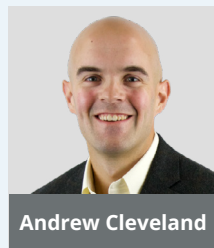


Tim Flaherty, CPA, ALMI

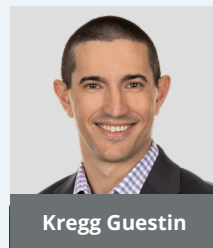
Tim holds national and local leadership roles in IASA, is co-founder and board member of LEADZ Networkers of Naperville, was a 2021 APCIA Emerging Leader, and was named in the 2019 "Emerging Leaders" list by the IASA.

Principals

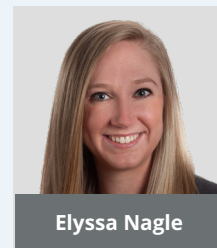
Seven new principals joined the leadership team in August 2022: **Andrew Cleveland, Kregg Guestin, Carleigh Moore, Calvin Marks, Elyssa Nagle, Steven Strickland,** and **Robert Waszak.**



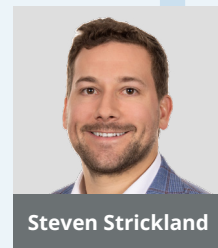
Andrew Cleveland



Kregg Guestin



Elyssa Nagle



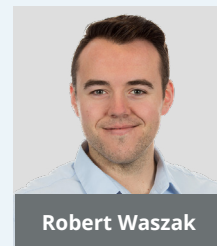
Steven Strickland



Carleigh Moore



Calvin Marks



Robert Waszak

Integrity and Commitment to Quality

As a business partner to our clients and as a leader in the accounting industry, **integrity** and **commitment to quality** are not only imperative, but they are constantly driving Johnson Lambert forward. Excellence doesn't come without effort, and in our pursuit of it, we put our clients and their needs first – in the relationships we build, in the leadership roles we take on, and in the impact we continue to make in the accounting world. By embracing innovation and new technologies into our processes, we provide high-quality deliverables and enhanced insight to each and every organization that comes to us with their challenges, their opportunities, and their ever-evolving aspirations.

Pursuing Excellence

For 35+ years, our team has focused on providing tailored solutions to the niche industries we serve. Combining our accounting knowledge with industry experience, we work to build, maintain, and expand our relationships with clients as we continue to make strides in the broader accounting industry.

Delighting our clients

Paramount to our success is the success and satisfaction of our clients. With this in mind, we continued our client survey program in 2022 to gain a deeper understanding of how we can enhance our services to align with the progressing priorities and top concerns of our clients.

Amongst the feedback we requested, we utilized the Net Promoter Score (NPS) methodology to quantify our clients' satisfaction. NPS is often held up as the gold standard customer experience metric and is, essentially, a measure of how likely our clients are to recommend us to others.

Through the survey program, we have received a firmwide NPS of **92.47%** placing Johnson Lambert in the "world class" service group

This rating rings true, as our clients have been some of our biggest supporters and referral sources.



We are excited to celebrate the fresh faces who joined our growing portfolio of clients.

130
new clients

We appreciate the long-standing clients who have worked alongside us for years.

450+
clients celebrating **five or more years** working with Johnson Lambert

We look forward to continuing to evolve with the needs of the organizations we serve.

100+
expanded relationships

345+
organizations receiving multiple services

Leading with integrity

Through our involvement in key organizations, the Johnson Lambert team works tirelessly to stay at the forefront of laws, regulations, and other environmental factors that impact our clients. Our team continuously seeks out leadership roles within these groups to maintain an active seat at the decision-making table and help shape the future of the accounting industry.

The Association of International Certified Public Accountants (AICPA)

- AICPA Accounting and Review Services Committee
- AICPA Board of Examiners
- AICPA Fees Task Force
- AICPA Joint Trial Board
- AICPA Leadership Academy Alumni
- AICPA Private Companies Practice Section Technical Issues Committee

The Center for Audit Quality (CAQ)

- CAQ Professional Practice Executive Committee
- CAQ Small Firm Task Force

The Greater Washington Society of CPAs (GWSCPA)

- GWSCPA Board of Directors

- GWSCPA Young and Emerging Accounting Committee

The Illinois CPA Society

- ICPAS Ethics Committee
- ICPAS Women's Connections Committee

Illinois Department of Financial and Professional Regulation Public Accountant Registration and Licensure Committee

National Association of State Boards of Accountancy (NASBA)

- NASBA CPE Committee

The Vermont State Board of Accountancy

The Virginia Society of CPAs

- VSCPA Accounting and Assurance Advisory Committee

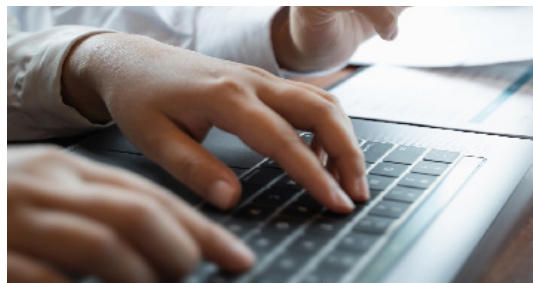
Alongside these leadership positions, Johnson Lambert is honored to be recognized as a 2022 Top 200 Firm by *INSIDE Public Accounting* (IPA) and to be named a 2022 Firm to Watch and Southeast Regional Leader by *Accounting Today*.

#118
in IPA's Top 200 Firms

Firm to Watch & Regional Leader

Embracing Innovation

Our firm is committed to implementing controls, tools, and effective processes to provide a secure and reliable environment for the data and people involved in our engagements. Each year, we continue to expand our strategic innovation plan, and 2022 was no exception. Utilizing a comprehensive suite of digital tools and technologies, Johnson Lambert provides clients with data-enhanced services that are optimized for precision.



Investing in automation



Launched firmwide utilization of an advanced analytics and automation platform.



Established a dedicated innovation budget to improve firm operations and client satisfaction.



Created a business automation role and brought on a dedicated automation engineer.



Fostered an innovation-focused culture at the firm by leveraging incentives and feedback from our employees to create better outcomes for our people and our clients.

The success of your business often depends on answering the questions you haven't thought of yet. Through our industry expertise, technical accounting knowledge, and integration of new technologies, Johnson Lambert is here to help you find those questions, and more importantly, those answers.

Advancing analytics capabilities

Our advanced data analytics software provides more structured, reliable, and comprehensive data services to our people, translating to a better service experience for our clients.

500+
analytic workflows

Millions
of rows of data

Streamlining document exchange

We processed thousands of request items through our document exchange software and securely downloaded tens of thousands of client-provided files, enabling our clients to have a secure and efficient solution to exchange documents.

This software **reduced email correspondence** for clients by an estimated **50%**

Advocacy

Advocacy is an integral aspect of leading with trust and respect, and at Johnson Lambert, it is exemplified two-fold. First and foremost, our team advocates for our clients – we are heavily involved within the industries we serve and consistently contribute to the growth and success of those communities. Secondly, and in conjunction with the first, we advocate for our employees. Supporting our staff through changes, challenges, and opportunities alike allows our firm to thrive, adapt, and grow alongside our clients.

Impacting Client Industries

COMMITMENT TO THE COMMERCIAL INSURANCE MARKET

Johnson Lambert understands the dynamic business environment in which insurance companies operate and the regulations to which they are subject. Combining our technical accounting knowledge with insurance industry experience, we provide clients with efficient and effective solutions to their most challenging questions.

Serving insurers

Our team works with an extensive array of commercial insurance companies, writing every line of property & casualty and life insurance operations, alongside a chosen range of health insurance businesses.

Over time, we have cultivated niche expertise in specific segments of the commercial insurance sector and affiliated organizations, such as:

- Agencies
- Holding companies
- Insurtechs and start-ups
- Managing general agents
- Medical professional liability
- Personal lines
- Third party administrators
- Workers' compensation

5th largest auditor of P&C insurers

7th largest auditor of life insurers

Johnson Lambert has once again been named the 5th largest property and casualty auditor and 7th largest life insurance auditor according to AM Best's Top Audit and Actuarial Firms, as shown in the December 2022 edition of Best's Review.

500+ insurance clients nationwide

Engaging in the insurance community

Our insurance team consistently speaks at and attends high-profile national and regional insurance-related conferences and attends NAIC meetings.

10 

presentations at locally and nationally attended insurance events

30 

Johnson Lambert-produced webinars, blogs, and white papers

30+ 

partnerships for industry conferences, sponsorships, and events

Leading with passion

In addition to involvement on the local level, our professionals are volunteers, board members, and committee members for a number of national industry groups.

American Property Casualty Insurance Association

- APCA 2022 Class of Emerging Leaders (Waszak)

The Association of International Certified Public Accountants

- AICPA Insurance Expert Panel (Darr)

The National Association of Insurance Commissioners (NAIC)

- NAIC/AICPA Task Force (Darr, Nowak)

The Society of Financial Examiners

- Board of Governors (Nelson)
- Executive Committee (Smith)

The Society of Insurance Financial Management

- SIFM President's Advisory Council (Malimban)
- Women of SIFM Steering Committee (Malimban)

Trending Topics

An Interview on InsurTechs and MGAs

Demystifying Leases Under ASC 842

Your Guide to Adopting Topic 326



Managing the Needs of Managing General Agents

Robert Waszak, Principal

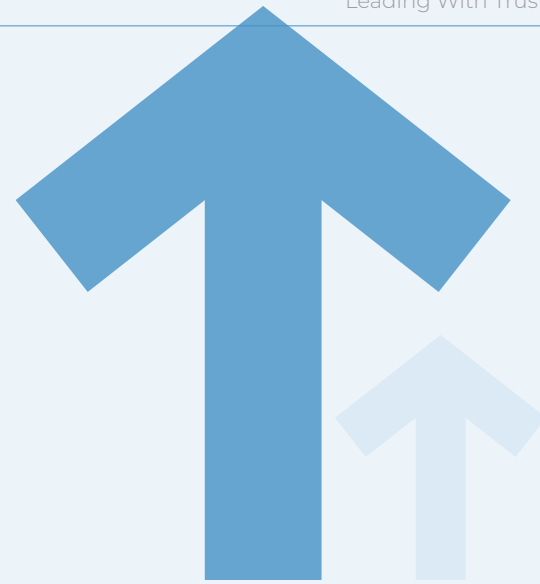
Robert Waszak is a valued member of the Johnson Lambert team and has been instrumental in the development of one of our newest insurance niches, which focuses on serving managing general agents (MGAs).

What is a big challenge that MGA clients are facing right now?

Most of the MGAs we have worked with don't have the level of resources that they could really use to be successful, so the number one thing they want to know from us is whether or not we can relieve some of their administrative burden.

What advantage can you offer MGAs when they choose to work with Johnson Lambert?

Johnson Lambert is nimble; we have a start up mentality and possess historical knowledge of the insurance industry. We are also able to provide additional resources, like our regulatory team which provides reassurance and guidance on entering new markets and navigating state regulations.



DEDICATION TO THE CAPTIVE AND ALTERNATIVE RISK INSURANCE INDUSTRY

In addition to our extensive experience with commercial insurance organizations, our team specializes in serving captive insurance entities and other alternative risk organizations. We provide audit, tax, and advisory services to alternative risk entities across all major domiciles, and we have strong relationships with captive management companies that enable efficient audits and strong communication with both the captive managers and the boards of directors.

Strengthening partnerships

From leadership roles in critical associations to sponsorships at local and international conferences, our people are excited to have a voice in this evolving environment. Our team members are a part of:

- Association of Governmental Risk Pools
- Georgia Captive Insurance Association
- National Risk Retention Association
- Self-Insurance Institute of America, Inc.
- South Carolina Captive Insurance Association
- Texas Captive Insurance Association
- Vermont Captive Insurance Association
- New Jersey Captive Insurance Association
- North Carolina Captive Insurance Association



15+ 

captive conferences and speaking engagements

300+

captive and alternative risk clients across all major domiciles



John Prescott Named in Captive Review Power 50

Responsible for implementing strategic direction and oversight of firm operations and overseeing the firm's alternative risk practice, John's 25+ years of experience working with captives differentiate him as a leader in the industry.



Johnson Lambert Named 2022 #1 RRG Auditor by the Risk Retention Reporter

The 2022 Risk Retention Group Actuary and Auditor Rankings identify Johnson Lambert as the primary auditing firm for 21% of all active risk retention groups (RRGs), a testament of our team's dedication to the alternative risk industry and our captive insurance team's expertise.



Johnson Lambert Listed as a Vermont Best Place to Work in 2022

Our Burlington, VT office was recognized for the fifth year in a row by Vermont Business Magazine and the Vermont Chamber of Commerce. As one of our dedicated captive teams, we're proud to see the group honored as a Best Place to Work.

Leadership in the captive insurance and alternative risk communities

Connecticut Captive Insurance Association (CTCIA)

- CTCIA Board of Directors

South Carolina Captive Insurance Association

- SCCIA Board of Directors

Vermont Captive Insurance Association

- VCIA Conference Committee
- VCIA Emerging Leaders Group

International Center for Captive Insurance Education

- Faculty Member

National Risk Retention Association

- Tax Group



PASSION FOR THE NONPROFIT COMMUNITY

We serve hundreds of nonprofit entities of various sizes, complexities of operations, and organizational types, including: trade associations, community development financial institutions (CDFIs), political action committees (PACs), membership organizations, professional societies, private foundations, public charities, religious-affiliated organizations, cultural & arts organizations, community development groups, social service organizations, and more.

Trending Nonprofit Topics

➔ **Using Analytics to Identify Incompatible Role Based Access**

➔ **Executive Insights:** Shedding Light on What's Next for Associations

➔ **Lease Disclosures and Implementation Best Practices**

Leading in the nonprofit community

Johnson Lambert professionals are board members, volunteers, speakers, and conference attendees for major industry groups, including ASAE, Association Forum, the Greater Washington Society of CPAs, and more. Our firm is proud to have leadership roles in many of these key organizations:

The Association of International Certified Public Accountants

- Not-for-Profit Advisory Council

Center for Nonprofit Advancement

- Faculty Member

The Financial Accounting Standards Board

- FASB Not-for-Profit Advisory Committee

Finance and Administration Roundtable

- FAR Board of Directors
- Program Committee

The Greater Washington Society of CPAs

- Not-for-Profit Section Committee

The Illinois CPA Society

- ICPAS Not-for-Profit Content Advisory Group
- ICPAS Not-for-Profit Accounting and Uniform Guidance Conference Task Force

20+ 

external presentations at nonprofit events, conferences, and webinars

10+ 

Johnson Lambert-produced webinars, blogs, and white papers covering industry trends, laws and regulations, new accounting rules, and other environmental factors impacting nonprofit organizations

250+ 

nonprofit clients nationwide

Serving our communities

While our team is proud to be able to handle the audit, tax, and advisory needs of our nonprofit clients so that they can focus their time and energy on their missions and work, our people are also passionate about actively giving back to the communities in which we live and work.

Firmwide Giving

In addition to donating our time through ongoing volunteer projects, Johnson Lambert is proud to financially support causes that are near and dear to our people. This year, we gave back to 22 organizations that supported health and advocacy, social empowerment, hunger relief, childhood enrichment, youth and development support, shelter and safety, and wildlife preservation.



Personal Community Service

All employees receive 16 hours of paid time off to work with the organizations that inspire their passion. Whether they're on the board of a nonprofit, volunteering at a food bank, or providing some TLC to the residents of their local shelter, we encourage all of our people to get involved and give back.



Our Florida office volunteered time to help at the Daniel Kids facility.

Office Service Projects

Each of our offices plays an important role in how Johnson Lambert supports its communities. Throughout the year, each office selects the service activities they will complete and the organizations they will work with. Each office typically plans up to four community service projects annually, which usually take place during business hours.

Boardrooms and Balance Sheets

Sarah McConnell, Partner



In her seventh year as the treasurer for Classroom Champions, Sarah shares insights gained from working on the other side of the boardroom.

How has volunteering on boards and in other advisory positions for nonprofits helped improve your work as a partner at Johnson Lambert?

Through my volunteer work I have experienced firsthand the successes and challenges that nonprofits face and gained a deeper understanding of the intricate needs of our nonprofit clients. Being on the other side of a boardroom has made me a better auditor.

What has been the most fulfilling aspect of your nonprofit leadership positions?

Bringing this knowledge to my auditing work has made me a better business partner and advisor for these organizations. I can give my clients real world examples and build the credibility that Johnson Lambert has as an industry leader and our people as experts.



EXCITEMENT FOR THE EMPLOYEE BENEFIT PLAN INDUSTRY

Employee Benefit Plan audits have been a focus of the Department of Labor (DOL) and the American Institute of CPAs (AICPA) in recent years, as both organizations look to ensure that quality audits of employee benefit plans are being conducted to protect the best interests of plan beneficiaries. Johnson Lambert cares about the best interests of plan beneficiaries and sponsors, and we enjoy partnering with plan administrators to ease the burden of the audit and tax compliance process.

75+  **benefit plan** clients

Memberships That Matter

Johnson Lambert is a member of the AICPA Employee Benefit Plan Audit Quality Center (EBPAQC). We have had recent partner representation on the Center's Executive Committee as well as the AICPA Employee Benefit Plan Expert Panel. The firm is also a member of the AICPA Center for Audit Quality.

Key Qualifications

Our select and specialized group of firm leaders and staff who serve employee benefit plans are all active in the employee benefit plan space, attending and speaking at employee benefit plan conferences conducted by the AICPA, GWSCPA, and other key groups.

3  **webinars** and external speaking engagements

7  **blogs** and white papers

Types of Plans We Serve

We audit 75+ employee benefit plans, including 401(k) plans, 403(b) plans, 401(a) plans, pension plans, and health and welfare plans. We also perform audits that fall under PCAOB standards for 11-K filers.

While many firms can provide benefit plan audits, Johnson Lambert truly specializes in serving benefit plans. We have significant experience auditing employer-sponsored benefit plans of varying sizes and complexity, including defined contribution, defined benefit, and health and welfare plans. Our client base consists of plans with assets from \$500,000 to in excess of \$5 billion. We understand the intricacies of plans like yours, your compliance requirements, and your desire to best serve your plan participants.

Trending Topics

- **FinREC Weighs in on Revenue Recognition for EBPs**
- **Breaking Down SAS 136 for Plan Sponsors**
- **EBSA Provides Data Security Tips for Plan Sponsors**
- **New Compliance Requirements Impacting Form 5500**

Supporting Our Staff

Instrumental to providing excellent client service is the continuous support and advocacy for our own team. Throughout the last few year, Johnson Lambert has made significant efforts to grow and restructure our team in a way that better supports the needs of the firm and provides our people with the opportunities to grow and develop in ways that support their ambitions.

Learning and Development

Johnson Lambert's learning and development program is crafted to foster technical mastery and self-assuredness in all our employees, from new intern to seasoned partner. Our employees are dedicated, curious, and always hungry to learn more.

The firm's training programs reflect the complex industries we serve –

covering challenging technical concepts in hands-on, easy-to-follow sessions that engage our people from start to finish. With a dynamic and immersive approach, we hold the belief that an enhanced learning environment contributes to a more satisfying professional journey.



164

hours of internal training hours offered



6,259+

CPE credits issued to internal recipients



105

certified public accountants at Johnson Lambert



20

other designations helped by our team members

"We hold the belief that an enhanced learning environment contributes to a more satisfying professional journey."

Annual trainings:



- Audit winter training
- Tax winter training
- Business advisory summer training
- Audit summer training
- Level up
- Manager training

Study halls

Most people learn best by doing. In 2022, Johnson Lambert piloted a new learning program that let people do just that. Rather than hosting webinar after webinar, we developed case study-based training "study halls." Each session focused on a new topic, ranging from technical to essential soft skills. Participants learned about a new topic and had the opportunity to practice it during training. This extra investment in time and effort is already paying dividends on the job.

First Year in Focus

As a new employee, it can be hard to know how you fit into the big picture. Our First Year in Focus program connects our newest people to the firm right away. Each month introduces a new topic and a new leader at the firm.

-  **We do that, too!** Business advisory services
-  **Making money:** metrics for measuring growth
-  **Industry experts:** leading the way in client education

"Each quarter, we workshop problems, brainstorm ideas, and sharpen skills."

Senior Success and Manager Meetup

While we dedicate plenty of time throughout the year to training and development days, we know some of the best learning happens on the job. Senior Success and Manager Meetup exist to connect our seniors associates and managers to their peers. Each quarter, we workshop problems, brainstorm ideas, and sharpen skills.

Coaching Program

Our formal coaching program was launched in 2020 as a specialized opportunity for up-and-coming talent to connect with firm partners. The

program is a two-year commitment during which participants have the opportunity to assess their personal and professional goals and develop pathways to grow and move toward these goals. 2022 ushered in our third cohort, as our first cohort concluded in the spring.

Mentorship Program

Johnson Lambert's mentorship program had 31 formal mentor pairs in 2022, with mentees ranging from associates to senior managers, and mentors ranging from senior associates to partners. Pairs are encouraged to set goals and meet at a minimum, every other month.



Belting Out a Green Belt

Regina Lappin, Engagement Resources Director

Regina completed the Lean Six Sigma Green Belt certification course, focusing on the audit confirmation process as her certification project. As the firm continues to look at tasks to transition to the ERT, the knowledge and skills gained from Lean Six Sigma will be important. "We don't want to just lift and shift a broken process. We want to evaluate the process and determine what can be done to create efficiencies, as well as help to eliminate the potential for process deviations to ensure quality output every time."

Lean Six Sigma also lends itself to promoting a continuous improvement mindset in all we do; knowing that when we re-engineer a process, that is simply the first phase, as that process must continue to be adapted to the changing environment in which we work.

Engagement Resources Team

In 2021, we announced the addition of an engagement resources team (ERT), whose goal was to centralize Johnson Lambert's internal processes pertaining to client engagements. This not only helped optimize firm resources, but also empowered client-facing staff to focus on other priorities, including client service and industry involvement.

With their first busy season under their belts, the ERT established themselves as key contributors to the overall success of an engagement and high-quality deliverables.

"This not only helped optimize firm resources, but also empowered client-facing staff to focus on other priorities, including client service and industry involvement."



Positive Impact

During a year of record new captive clients added to our portfolio, the engagement resources team worked closely with the captive team to successfully onboard these new clients.

The ERT was integral in coordinating system set up, gathering the necessary information to prepare and send engagement letters, and in many instances, reaching out to clients to begin the process of requesting documentation so audit teams had a head start on what they needed to be planning for the new client engagement.



Achievements

Completed the standardization of client deliverables across the firm.

Transitioned new tasks to their workload to bring the team up to nearly full capacity.

Other Team Members

After monitoring the use of variable workforce models for years, as well as vetting several of the on-demand talent providers, in mid-February of 2022, Johnson Lambert onboarded four consultant audit team members to supplement out 200+ staff members for four months during peak busy season.

Johnson Lambert partnered with a US-domiciled provider, who sources audit, tax, and consulting professionals from an international talent pool. Each of the contracted team members brought significant audit experience in our niche-industries, were interviewed by Johnson Lambert partners and staff, and went through the firm's extensive training and orientation programs.

Recognizing the importance of supporting our staff through the high points of their workloads, leadership wanted to ensure that each of our teams had the resources needed to meet client deadlines and provide the best possible service and timeliness.

4 consultant audit team members to supplement out **200+ staff**

Listening



Attentive **listening** is a cornerstone of how Johnson Lambert approaches the needs of our clients, the industries we serve, and our staff. By intently focusing on the words of others, we understand not just their verbalized needs, but also the underlying meanings behind what they're saying. Our commitment to listening manifests in three primary areas: delivering tailored solutions to our clients, sharing critical knowledge with our colleagues, and attracting top talent to our team. Through conscientious listening, we collectively contribute to the success of our firm and those we serve.

Delivering Solutions



Johnson Lambert's dedication to delivering high-quality and right-sized solutions requires our team to know the ins and outs of the industries we serve. Drawing from our deep industry involvement and extensive technical training, our audit, tax, and advisory teams know how to approach each engagement with a strategic and efficient process.

Audit and Assurance Services

We offer decision-making agility, bolstered by a robust quality management program, to efficiently respond to the evolving needs of our clients. Our commitment to maintaining the highest quality standards and efficient services has earned us longstanding trust and credibility in the industry, reflected in our Peer Review and PCAOB Report ratings.


Our audit and assurance services encompass:

- Financial Statement Audit
- Reviews
- Accounting Advisory Services
- SEC Compliance and Reporting
- Agreed Upon Procedures
- SOC 1, 2, 3, +, and Cybersecurity SOC

At Johnson Lambert, we transcend compliance work by fostering collaborative client relationships, while simultaneously anticipating and preparing for future organizational changes and strategic planning.

Tax Solutions

Johnson Lambert's specialized tax services are tailored to the unique needs, challenges, and opportunities of the insurance, nonprofit, and employee benefit plan sectors. Our tax team maintains a deep focus on these industries, allowing us to provide services that are:

-  **Timely**
-  **Customized**
-  **Dynamic**
-  **In line with evolving policies and legislation**

We prioritize high-quality service and an exceptional client experience, characterized by diligent project management, continuous dialogue, and easy-to-understand tax workpapers. Our team is invested in understanding your current standing and future aspirations to collaboratively design the optimal tax strategy.



Internal Audit

Johnson Lambert provides a versatile array of internal audit services, customizable to your specific needs. Whether you are establishing an internal audit function, maintaining SOX 404 or MAR compliance, mitigating fraud risk, or assessing internal controls, our team delivers efficient, cost-effective solutions. We believe internal audit can serve as a valuable compliance function and a source of insights to help meet organizational objectives. Leveraging our deep industry knowledge and disciplined project management, we can challenge your risk assessment process, offer compliance best practices, and focus on key business areas to drive process optimization.

Our approach blends a tested internal audit methodology with industry-specific expertise, advanced technologies, and tools. Key aspects of our methodology:

- Continuous training at all levels
- Customized risk and control matrices
- Efficient audit programs

- Testing templates in line with the IIA standards of internal audit testing
- Analytics workflows
- Clear and concise reporting

Cornerstone to all Johnson Lambert engagements, our internal audit team ensures we meet and often exceed firm and professional requirements.

Our teaming model options



Consulting Model:

Our team of industry experts advise on internal audit processes, meeting regulatory requirements and executing consulting engagements on behalf of internal audit. Teamed with our clients, we explore solutions and to offer forward-looking ideas during times of change or growth.



Outsourced Model:

Johnson Lambert provides an internal audit function based on your organization's complexity and needs. Our team can perform all steps of the internal audit process.



Co-Sourced Model:

Our team adds specialized skills like reinsurance expertise, IT security or investment accounting to execute your internal audit plan. You can quickly and efficiently scale your internal audit capabilities to meet internal and external demands.

Consulting and Business Advisory Services

As your organization prepares for seismic changes or has a seemingly small but complicated question, having an experienced and knowledgeable partner to call on can make the future clearer, the questions answerable, and the work more manageable.

Each client is facing a different challenge or opportunity, unique factors, and diverse stakeholders that drive needs, demands, and timelines. All Johnson Lambert consulting project plans are uniquely designed and carefully planned based on your dynamics.

How we helped clients overcome challenges in 2022



Lauren Reischman

Role-Based Access

The challenge: A client was facing pervasive issues across various security processes, including user administration, off-boarding, role configuration, administrative access, and access review.

The solution: "Johnson Lambert performed an in-depth analysis of existing system permissions

to detect and identify access anomalies, sensitive permissions, role clusters, and segregation of duties concerns. We defined the role matrix, recommended new roles to be developed, role modifications to restrict access related to job function, and worked with business and IT to approve a role matrix to facilitate user provisioning and access reviews. Additionally, we worked with IT to design an automated access review and access provisioning processes to maximize the use of existing tools."

The value:

- Set the foundation for rules-based analysis of user access, outlier profiling and simplified periodic access review.
- Identified opportunities to streamline access provisioning process to eliminate the need for interdepartmental handoffs.
- Recommended role updates to address segregation of duties concerns and limit risk or fraud.



Conor Granger

Data Call Support

The challenge: Insurers are required to report financial data to the Department of Insurance of every state in which they write policies. This client did not have the bandwidth to complete these large data calls accurately and efficiently.

The solution: "We assisted in completing 15 data calls across 10 states for this organization, analyzing hundreds of thousands of policy and claims transactions and translating that data into the financial data call forms required by the various state departments of insurance. Our advisory team leveraged our data analytics tool to build out custom workflows to create an effective and efficient process."

The impact:

- Saved the client time internally by completed all 15 data calls in a timely fashion.
- Supported compliance with all their respective states' departments of insurance.
- Created data analytics workflows that can now be used year-over-year to support the data call process.



Kim Mobley

IT Program Management

The challenge: When a client's IT program was supporting the company's strategic objectives through material programs and annual budget, ineffective delivery would negatively impact the company's ability to meet its objectives.

The solution: "Our advisory team analyzed the overall IT program management process and supporting tools, with a focus on project planning, project monitoring, quality control, and delivery."

The results:

- Supported the development of a program to establish a common, documented, and well understood IT Project Management framework.
- Limited the potential for budget overruns, wasted time, lost productivity, ineffective delivery, and quality risks through consistent, structured and efficient delivery.



Lauren Reischman

SOX Rationalisation

The challenge: A client's SOX IT general controls were outdated and had not been rationalized since inception of the SOX program.

The solution: "We teamed with the organization's internal audit staff to challenge the current SOX IT controls and testing procedures. By performing process walkthroughs with control owners and updating management's flow charts, we accurately captured current processes. In collaboration with the internal audit team, we identified the IT general control risks to internal control over financial reporting and designed test steps focused on relevant risks."

The value:

- Optimized SOX IT controls and limited the time required to test controls.
- Provided streamlined control matrices with customized test steps and accurate process flow charts for annual control certification by control owners.



Matt Flynn

Claims Data Migration

The challenge: An organization's legacy claims processing platform was outdated and no longer supported by the vendor. The claims data needed to be migrated from the legacy system to the Guidewire Insurance Now solution.

The solution: "Johnson Lambert met with IT, the claims team, and project managers to understand the full scope, approach, validation procedures, and issue management processes of the data migration. We evaluated the migration of a sample of open claims and the accompanying scripts from the legacy system to a model test environment within Guidewire Insurance Now."

The impact:

- Identified pain points that could delay the migration.
- Established project management controls to ensure tasks were properly assigned and completed in the agreed upon time frame with the business.

Through significant involvement and leadership in the focused industries we serve, we bring knowledge and expertise to each project in a way that differentiates our services from those providers without such deep industry immersion. We know what questions to ask, what to look for, and what trends we see in similar environments. While design and delivery is customized, the methodologies are tested, constantly improved, and targeted.

Sharing Knowledge

Johnson Lambert's thought leadership team works tirelessly to provide clients, colleagues, and friends of the firm with a balanced mix of expert commentary on technical updates, informed perspectives on hot-button topics, and nuanced understanding of the latest developments and industry trends. Throughout the year, we actively listen to the needs, concerns, and challenges faced by our clients to be able to provide them with the knowledge needed to move them forward.

Webinar Program

Our complimentary webinar program provides attendees with education on trending topics impacting their industries, helping them stay ahead of the curve and operate effectively in an ever-changing environment. During these interactive sessions, participants have the opportunity to engage in the discussion by posing their most urgent inquiries to our panel of experts in real time.

 **8 webinars** offering CPE, CRE, or CAE credit

 **3 new Executive Insights** webinars

 **22** presenters, including **7 external speakers**

 **1,546** colleagues, clients, and industry friends in attendance

Launched in 2022, our *Executive Insights* webinar program is a succinct discussion series, meticulously crafted to arm decision-makers and executives with authoritative perspectives and thoughtful analyses of today's

paramount topics. Each webinar features a subject matter expert and dedicates a focused ten-minute segment to addressing the audience's queries, ensuring we delve into the issues that matter most to our attendees.

Industry Insights

Johnson Lambert's comprehensive insights program distills complex topics into digestible articles, creating a bridge between abstract principles and practical implications. By focusing not just on what's new, but also on what's next, we provide an informed perspective on the evolving landscapes that insurance, nonprofit, and employee benefit plan professionals navigate.

 **5 cybersecurity** articles

 **7 employee benefit** plan articles

 **22 insurance** articles and **white papers**

 **4 internal controls** articles

 **6 nonprofit** articles

Hot Topics

- **Executive Insights: From Great Resignation to Great Inspiration**
- **2022 Investment Outlook: Risks and Opportunities**
- **Corporate Governance: Think Outside the Boardroom**
- **Corporate Governance and ESG: The Intersection of Profits and Principles**
- **The Great Resignation: A Solution for Your Internal Audit Team**
- **Snapshot Summary of GAAP Lease Accounting for Lessees**



Thoughts From a Thought Leader

Paul Preziotti, Partner

Paul is a frequent speaker at nonprofit industry events and conferences, as well as a leader in Johnson Lambert's webinar program. His thought leadership has provided invaluable guidance on technical topics, like lease accounting, as well as hot button issues.

What topics have been top-of-mind for clients and industry colleagues?

Mental health is a topic that has been top-of-mind for many executives in our client industries. While we have always known it was important, now more than ever, organizations need to prioritize how they support their employees' mental health through benefits, programs, and culture.

Why is speaking at industry events and webinars important to you?

People seek out thought leaders for advice and guidance on how to advance in their specific field or on a certain topic, and we want our clients and prospective clients to know that we are not only here to offer them the services they are seeking, but to also be a guiding hand through much more than just their audit.

Johnson Lambert External Features

Our professionals have become trusted voices not only within our firm's thought leadership program, but in a multitude of other communities. In addition to 35+ external speaking engagements in 2022, our team was featured in videos, podcasts, and articles as subject matter experts.

Adam Dubuque | Captive leaders reflect on ongoing evolution of industry

Captive International, *CICA 50th Anniversary Special Publication*

Carly Kanwisher | New York Cybersecurity Rules Update

IASA, *Additional Coverage Podcast*

Josh Keene | Executive Compensation Agreements Interview

Zell Law, *Blueprint for Wealth Podcast*

Kim Mobley | Cyber Risks Increase, Pressuring Insurers and Providers

Medical Professional Liability Association, *Inside Medical Liability Magazine*

Paul Preziotti | Lease Accounting Urgency Ramps Up for Not-For-Profits

AICPA & CIMA, *Journal of Accountancy*

Paul Preziotti | Kicking Off a Virtual Audit

Blackbaud, *The ENGAGE Podcast*

Andrea Wright | Blockchain and CPAs: Imagining the Partnership of the Future

Co-authored with David Fuge
Illinois CPA Society, *Insight Magazine*

Andrea Wright | The 5 W's of a Successful New-Hire Orientation

Co-authored with Hannah Price
Illinois CPA Society, *Insight Magazine*

Andrea Wright | How to Restore Passion, Engagement in Your 'Quiet Quitters'

Co-authored with Courtney Kiss
Illinois CPA Society, *Insight Magazine*

Andrea Wright | How Organizations Can Embrace Workplace Wellness

Co-authored with Jillian Mulcahy
Oklahoma Society of CPAs, *News Articles*




Attracting Talent



Johnson Lambert's commitment to attentive listening is a pivotal element in our talent acquisition strategy. Recognizing the profound impact of each individual's unique perspective, we have made it a priority to genuinely understand the needs, aspirations, and motivations of potential team members. This approach allows us to identify top talent that aligns with our values, and fosters a work environment that nurtures growth, facilitates learning, and promotes success. Through this strategic and discerning approach, we attract professionals who contribute to our collective success and uphold our commitment to serve our clients with trust and respect.

Nurturing the next generation

In 2022, Johnson Lambert's recruiting team exerted dedicated efforts to establish and strengthen relationships with students nationwide. We attended a plethora of fairs, 'Meet the Firm' events, and panel discussions, with the intent of presenting an authentic portrayal of life at Johnson Lambert and promoting the wide array of opportunities we offer to budding professionals.

 **1,337**
connections made with students on campus


35 schools recruited from, across 13 states

79 campus recruiting events, including career fairs, presentations, alumni panels, skill developing sessions and more

ELITE, Johnson Lambert's exclusive summer leadership program, is curated for students who are more than one year from completing 150 credit hours and possess a strong interest in public accounting. Participants of this program are

granted a unique opportunity to engage with Johnson Lambert's practice leaders, gaining a comprehensive understanding of our team dynamics and operational structure. Capping off this two-day event, attendees have the chance to interview for internship positions, providing a tangible path towards professional advancement within our firm.

 **45**
participants in our **ELITE summer leadership program**

 **80%**
of participants continued on to become **Johnson Lambert interns**

Our internship program serves as a dual investment: a commitment to the future growth of our firm and a nurturing platform for the next generation of accounting professionals. Offering paid summer and winter opportunities, we grant students a tangible glimpse into their prospective careers within our firm. Interns are entrusted with meaningful tasks, mirroring the responsibilities they would shoulder in a full-time role.

This hands-on approach facilitates the development of both technical acuity and interpersonal competencies, indispensable for their future careers.

 **48**
interns, including 21 in the winter and 27 in the summer

 **59%**
acceptance rate of **full-time positions** from 2022 intern class

As we continue to invest in these bright, burgeoning talents, Johnson Lambert remains committed to fostering an environment where they can develop crucial skills and gain invaluable experiences, ultimately paving their path toward a promising career in the industry.





A Day in the Life: Auditor Edition

Caroline Cross, Associate

8:00 am: Start my day with a strong cup of coffee

8:30 am: Dive into my daily tasks, which typically involve performing audit testing and reviewing sections of client workpapers

9:30 am: Grab a morning snack, talk to my coworkers (or pet my dog if I am working from home)

10:00 am: Check in with the rest of my team, ask questions, and give status updates

11:00 am: Join team meetings, where we discuss our progress on various projects and address any challenges that we encounter

12:00 pm: Head to lunch, arguably the most important part of the day

1:00 pm: Attend a training session or another meeting. As auditors we are always trying to expand our skills, so training is a big part of our role

3:00 pm: Enjoy a quick snack and chat with my coworkers

4:00 pm: Start wrapping up anything I need to get done before the end of the day

5:00 pm: Log off and spend some time outside

Elevating experienced professionals

Integral to Johnson Lambert's evolution is the strategic acquisition of seasoned professionals who enrich our talent pool. These individuals, wielding industry acumen, diverse experiences, and fresh perspectives, hail from a variety of unique backgrounds, adding a multifaceted dimension to our firm.



17%

of **new hires in 2022** were experienced professionals

The experienced professionals that join our firm contribute to the dynamic and innovative environment we strive to cultivate. These seasoned professionals have experience as:

- Small business owners
- Big Four alumni
- Insurance professionals
- IT specialists
- Much more

Emphasizing employee wellbeing and work-life harmony, Johnson Lambert is committed to empowering our team members to thrive in all aspects of their lives. We foster an intentional culture that not only benefits our existing staff but continues to attract professionals to our team. The following facets of life at Johnson Lambert resonate profoundly with our employees and prospective candidates alike:

Genuine Appreciation: We celebrate our team's milestones and accomplishments regularly, reinforcing our recognition through a dedicated program that awards tokens of appreciation for exceptional efforts and achievements.

Adaptive Work Arrangements:

In respecting individual needs, we support flexible work arrangements, facilitated by innovative IT solutions that enable seamless remote work and endorse diverse working conditions.

Support for Working Parents:

Our firm extends comprehensive support to working parents, offering provisions like paid parental leave and Dependent Care Flexible Spending Accounts, designed to assist at every stage of their parenting journey.

Wellness Initiatives:

Johnson Lambert values physical and mental wellness, offering gym reimbursements for employees on business travel and a comprehensive employee assistance program that includes confidential counseling and other mental health resources.

Equal Opportunities and

Inclusion: We prioritize merit-based recruitment, creating an inclusive environment where all voices are heard, and expertise is rewarded, reinforcing our commitment to opportunity for all.

By actively seeking and integrating accomplished professionals, Johnson Lambert embraces the diverse expertise and perspectives they bring. This, in tandem with our commitment to employee wellbeing, work-life balance, and an inclusive work culture, solidifies our position as a firm where talent thrives, setting the foundation for a future rich in opportunity and innovation.

Recognition

Recognition serves as a fundamental pillar in the architecture of Johnson Lambert's culture, embodying the firm's appreciation for each individual's unique contributions. This principle is instrumental in fostering an environment of trust and respect among our employees. Our commitment to acknowledging the merit of our team members manifests itself in the efforts to facilitate and advance a culture of belonging and connectivity.


Celebrating Belonging

Supporting diversity, equity, and inclusion


Johnson Lambert is committed to fostering a diverse, equitable, and inclusive environment. Intrinsically linked to our mission and core values is the goal to ensure that all – our employees, clients, and industry colleagues – feel safe, comfortable, celebrated, and valued equally and equitably. This commitment extends to cultivating an inclusive culture that empowers our team members to show up to work as their authentic selves. Through the proactive endeavors of our diversity, equity, and inclusion (DEI) committee, firm-wide activities, and an array of other initiatives, we are dedicated to encouraging dialogue and understanding among staff of all levels, locations, and backgrounds. Inclusivity is not merely a statement but a lived experience ingrained in our operational philosophy.

A Committed Committee

A key force in moving the DEI needle forward at Johnson Lambert is our DEI committee. Comprising 24 members across levels, service lines, and representing various geographies, the committee itself is ethnically diverse and includes LGBTQIA+ community representation. Formally founded in 2020, the committee continues to grow.

6  partners and principals were active committee members

12+% of our employee population volunteered in firm DEI programs

6  firm-wide open discussions were hosted by the committee

 **2,400** hours of PTO used for busy seasons breaks by client-facing staff

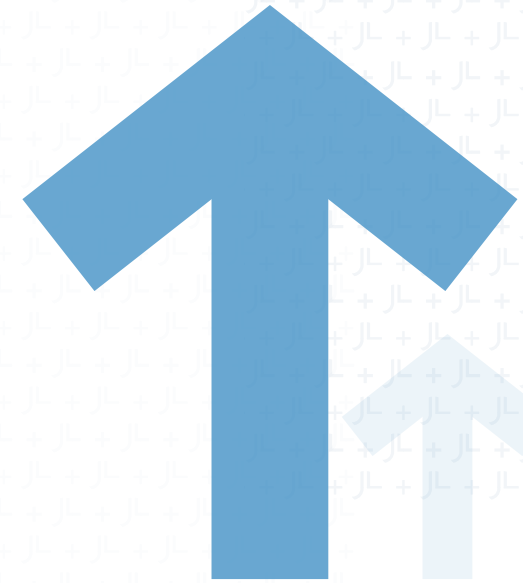
Taking Time (Off) for What Matters

Beyond facilitating a flexible work environment and fostering dialogues on mental health, we actualize our commitment to employee wellness through tangible measures. In addition to Johnson Lambert’s seasonal half-day Fridays, generous PTO policy, and paid holidays, we encourage staff to schedule time off during busy season for much-needed rest. We also added two new events to our 2022 holiday calendar.

In January, we established a **floating holiday** to support employees in celebrating holidays that align with their personal values.

- 75% participation firmwide
- Used for federal holidays, religious observations, extra time off around Thanksgiving and Christmas, and more

In the summer, we introduced a **wellness break** from July 1-5. During this period, our offices were closed and employees were encouraged to disconnect and rejuvenate.



Reading Between the Lines

With the purpose of challenging team members to better understand the complexities surrounding some of today’s most significant social issues, the education sub-committee of Johnson Lambert’s DEI committee established a DEI book club. Through the lens of literature and the solace of a safe space, our club members were encouraged to learn, to ask questions, and to empathize.

 **2** featured books

 **4** discussion sessions

In addition to these wonderful new initiatives, Johnson Lambert continued to maintain other DEI initiatives, including facilitating our courageous conversations open dialogue series, publishing a firmwide inclusive holiday calendar, conducting DEI committee meetings with each new hire class, and holding a firmwide virtual Day of Listening for leadership to hear the thoughts, concerns, and ideas of staff.

By integrating DEI principles in every aspect of the organization, Johnson Lambert not only fosters an environment where every individual is valued and respected but also champions for a more inclusive, equitable, and diverse professional landscape.

Firm Involvement



Commemorating Achievements

Johnson Lambert takes great pride in commemorating the significant achievements and landmarks in the lives of our team members. This spans from professional advancements to personal milestones and impactful life events. We are committed to celebrating the professional and personal evolution of our people in tandem with the growth of the firm.

Applauding Anniversaries

In 2022, we had the privilege to honor 35 employees for their milestone work anniversaries, celebrating the professional evolution of our people in tandem with the growth of the firm.

 **35**
milestone
anniversaries

20 Years

- ✓ Andrea Wright
- ✓ Josh Partlow

Some of my favorite memories over the years have come from the days the partner groups have spent together at our annual partner meetings. Not only do we grow together as a team with more opportunity to grow the firm, but we always have a lot of fun.



- Josh Partlow

15 Years

- ✓ Lauren Darr
- ✓ Brad Klein
- ✓ Debrita Stevens
- ✓ Amy Strachan

I've had a lot of great memories throughout the years, but my favorite so far was attending a conference with my Johnson Lambert mentor and meeting Peyton Manning while we were there! We work hard but what sets us apart is our ability to enjoy one another and make special memories like this along the way.



- Lauren Darr

10 Years

- ✓ Steve Plettau
- ✓ Kristin Hogan
- ✓ Dustin Barnwell

I have always been so thankful for the flexibility that Johnson Lambert has given me over the years. With three boys all under the age of five, being able to be pulled in all of the different directions with support from work has meant a lot to me. It is what has allowed me to work towards principal, which is probably my all time favorite memory!



- Kristin Hogan

5 Years

- | | | |
|--------------------|--------------------|--------------------|
| ✓ Helena Adams | ✓ Carly Kanwisher | ✓ Robert Smutsky |
| ✓ Tina Braziel | ✓ Andrew Kulig | ✓ Camp Stoneburner |
| ✓ Emily Deming | ✓ Rick Nelson | ✓ Courtney Whaley |
| ✓ Rachel Hane | ✓ Lauren Reischman | ✓ Corey Witt |
| ✓ Kaitlyn Hardwick | ✓ Carter Roberts | |

Enjoying Life's Little Moments

In addition to celebrating professional achievements, the firm values commemorating other moments that make an impact in the lives of our staff. In fact, our firm had a lot to celebrate this year. Our people shared some of their favorite "firsts" from 2022.



Staff in Florida showered their colleague with well wishes uring her office baby shower.

New additions to the family

Employees across the firm celebrated becoming grandparents, adopting puppies, welcoming cats to their families, and transitioning to the role of new parents.



26%
of employees have **cats**



58%
of employees have **dogs**

New titles

Outside of their Johnson Lambert titles, staff took on a number of new roles in 2022.

- | | |
|-----------------|------------------------|
| • Girl-mom | • Gardener |
| • Solo traveler | • Husband |
| • Spouse | • Raffle winner |
| • MBA | • CISA |
| • Juror | • Chili cookoff winner |
| • Board member | • Vegetarian |
| • CPA | • Volunteer |
| • Dadda | • Pet foster parent |
| • Home owner | • Busy season survivor |
| • Graduate | • Talent show winner |
| • Fiancé | • Musician |
| • Grandma | • Roommate |
| • Cat mom | |
| • Coffee lover | |

New life experiences

Members of the Johnson Lambert team spent the year experiencing new activities, professional milestones, personal achievements, and much more.

- | | |
|--|-------------------------------------|
| • Working in public accounting | • Saying "I do" and getting married |
| • Bringing a significant other to the office holiday party | • Getting promoted |
| • Breaking 80 in a round of golf | • Moving out of my home state |
| • Leasing an apartment solo | • Learning how to crochet |
| • Swimming with dolphins | • Trying Trader Joe's |
| • Seeing Moose tracks on a Colorado ski trip | • Seeing a Broadway play |
| | • Teaching family members to drive |

New detinations and adventures

With 25 days of paid time off, as well as clients nationwide, our staff have a multitude of opportunities to see new places and new spaces. In 2022, some standout destinations included:

- Seattle
- Baltimore
- Paris
- North Carolina
- Europe
- New York
- Las Vegas
- Philadelphia



Looking for an exciting new adventure? Find some inspiration from the Johnson Lambert team's recent experiences:

- Running a marathon
- Spotting a humpback whale during a boat trip
- Hiking a "14er" (mountain above 14,000 feet)
- Paragliding
- Buying a camper
- Kayaking in international waters

No matter the event, accomplishment, or story, we're proud to foster a supportive environment based in trust and respect that celebrates the big and little moments alike.



Teammates from our New Jersey office celebrated wedding together.

Crafting a Culture of Appreciation

Through our employee recognition program, our people are able to acknowledge the contributions of others in a tangible, real-time, and individually meaningful way.

In October 2022, Johnson Lambert celebrated its third annual Spirit Week, honoring its committed and dynamic team with five days of virtual and in-person events, competitions, and firmwide activities. The event recognized our team's exceptional efforts in driving client satisfaction and business growth.



Memorable Monday

Johnson Lambert kicked off the week with a firmwide call, and throughout the day, our people shared some of their favorite Johnson Lambert memories. While we always enjoy hearing some of JL's finest, funniest, and most heartwarming stories, we also look forward to all the great memories to come.

"Holiday parties and social events with my office are always a favorite."

"Being surrounded by individuals who know more than me and show me the ropes makes being a new member of the team easier."

"Having a team that shows up with passion and builds transparent relationships that help bring in amazing candidates."

Tranquil Tuesday

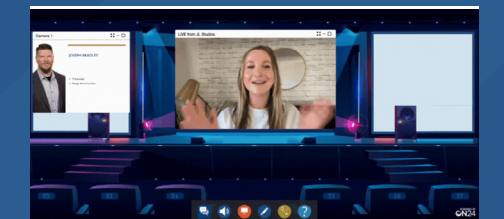
Throughout the day, our people were encouraged to share their favorite self-care activities and ways to unwind. During the afternoon, chiropractor Dr. Meyer led an interactive "hunch" and learn, sharing best practices for the workday, including workspace setup guidance, stretches and exercises for better posture, and other helpful tips for those working in an office or work-from-home setting.



Worthwhile Wednesday

For the third day of Spirit Week, the firm came together to cheer on our talented staff who participated in a firmwide talent show.

The performances ranged from baking skills, to musical prowess, to a mastery of calligraphy, and beyond. While our people are incredibly skilled at their work, it's exciting to recognize their passions and interests outside of the office.



Johnson Lambert Talent Show Named a 2022 **Webinar that Rocked** by On24



Thrilling Thursday

Celebrating the hard work and accomplishments of our people, we asked employees to share something thrilling they have accomplished, either in their personal or professional life. During the afternoon, staff members faced-off in a game night-style competition, where teams battled through three rounds of games to earn points and win prizes.



Fire Friday

The culmination of Spirit Week was marked by "Fire Friday" and the firm's inaugural Impact Awards. Based on our core values of agility, trust, and respect, the awards recognize outstanding employees who embody these values in and outside of work.

Post-ceremony, the team assembled for a group celebration and photo in matching Spirit Week attire.



Respect Award Winner

Ashley Devolder
Audit Senior Associate, Illinois

Trust Award Winner

Andrew Cleveland
Audit Principal, Georgia

Agility Award Winner

Regina Lappin
Engagement Resources Director, Illinois

Through our 2022 appreciation and celebration initiatives, Johnson Lambert consistently affirmed our gratitude for individual contributions and achievements, creating a culture where success is celebrated, personal growth is championed, and every team member feels valued and integral to the firm's mission.



Strengthening Connectivity

Although our firm comprises more than 200 employees, serves clients in 40+ states, and specializes in three distinct industries, our collective identity as "one Johnson Lambert" remains central to our culture. This unity is expressed through the collaborative approach our staff adopts in every engagement and their active participation in an intentional culture that permeates our physical offices and remote work environments alike. Through a variety of firmwide and local activities and events, we continually reinforce and evolve the connections among our employees. This increasing connectivity fosters an environment rich in recognition, but also enhances operational efficiency and performance. Our firm is proud to create a productive and motivated workplace culture, one fun event at a time.

Listening and learning

Committed to continuous improvement, our leadership team takes steps each year to ensure our employees are being heard and understood, and that their thoughts, concerns, and feedback are being utilized to move the firm forward.

Day of Listening and Understanding

In 2020, John Prescott joined the now-2,200+ CEOs and leaders in signing the CEO Action for Diversity & Inclusion pledge. In concert with CEO Action pledge commitment, we hosted our first annual Day of Listening and Understanding in 2021.

 **120** participants

Through last year's session, our leaders gained invaluable insight on employee concerns and hopes as well as direction for the DEI committee. Since then, we have seen great effort made and change

occur. We cannot let up or slow our momentum. In our 2022 Day of Listening and Understanding, the partnership listened to staff express their thoughts on what the firm could and should do to move toward a culture of even greater inclusivity, fostering a deep sense of belongingness for all employees.

Culture Listening Tours

New in 2022, was our culture listening tour initiative. Focused on further understanding the challenges and opportunities of our firm to evolve and grow, our managing partner, chief growth and development officer, and director of HR traveled to each of our

offices to host focused discussions with employees of all levels. They held confidential conversations to look at the trends across levels, practice groups, and geographies on workplace topics.

- Relationships with managers and peers
- Recognition
- Autonomy and flexibility
- Learning and development
- Psychological safety

 **8** office tours

 **1** virtual session



CPA Chefs Series

Jim Murphy, Partner

Led by Jim Murphy, the CPA chef series consists of virtual culinary classes, during which Jim imparts his expertise in creating the featured meal. In January, he gracefully guided staff firmwide through the intricate process of preparing a shrimp étouffée dinner and a mouth-watering bananas foster dessert. This series not only enhances our team-building experiences but also enriches our collective culinary skill set, making it a cherished series.



Cultivating cross-firm relationships

Developing strong relationships within employees' immediate teams is critical to a healthy and cohesive culture, but advancing cross-firm connectivity helps individuals better comprehend their role within the larger strategic plan. It also provides opportunities for them to connect with colleagues on a deeper level, which is especially crucial for our remote teams.

Johnson Lambert Communities

Launched in September 2021, Johnson Lambert communities are digital spaces for employees to make connections and foster meaningful relationships with people from across the firm who share similar interests, hobbies, experiences, and more:

10 active communities

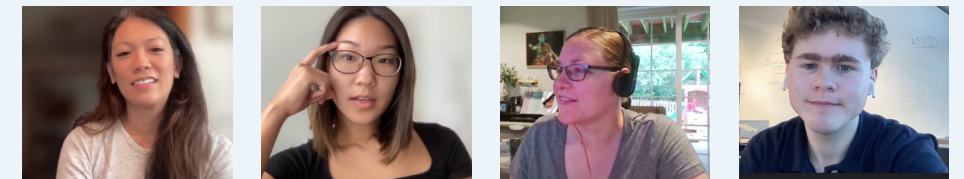
In 2022, we continued to learn about staff's favorite podcasts, books, and movies in our *Hit List* community, while seeing incredible photos from recent travels in the *Out of Office* community. The firm favorite, however, continues to be the *Other Peoples' Pets* community, where team members shared countless photos of their furry friends.



Firmwide Scavenger Hunt

Throughout June and July, 50+ staff members competed in Johnson Lambert's third annual scavenger hunt. During the event, ten teams worked together to complete a list of challenges, including virtual activities with teammates from across the firm, contests against opposing teams, and more!

Teams scheduled virtual coffee breaks to get to know each other and fuel up for their days.



Participants were asked to show off their go-to outfits of the day – work from home and in-office style.



Members from each team coordinated outfits in a challenge to be the team with the most matches among accessories and articles of clothing.



Annual Costume Contest

As Halloween approaches, the Johnson Lambert team greets it happily with our annual costume contest. Employees firmwide submitted their 2022 Halloween costumes for a chance to win a special prize. Voting took place on Instagram, where our followers identified their favorite fits. In addition to our staff contest, we host an exclusive pet competition as well.

Because we understand that our employees' pets are an integral part of our extended family, we also host an exclusive competition for pets, adding an extra layer of festive joy to our celebrations.

First place winner
Mia Andreozzi

Paul Blart Mall Cop



Second place winner
Andrew Hassler

The Belcher Family



Fostering friendships

Throughout 2022, our offices and practice groups explored local eateries, sat side-by-side as they cheered on their favorite sports teams, and dressed to impress to celebrate their progress and achievements. A strong team is the cornerstone of a successful organization, and Johnson Lambert is proud to see our people continue to connect and grow on a deeper level.



Nothing but Net

At our Illinois office's annual March Madness party, basketball, delicious eats, and friendly competition made it a memorable event! Who needs the NCAA when you have your own team games?

Sips and Trips

Our Virginia office made a few fun stops during their spring break outing! The team raised a glass to celebrate their accomplishments at a local winery and enjoyed the ambiance at a brewery.

Lucking Out in Raleigh

Homemade snacks, themed drinks, and great coworkers were the perfect recipe for a busy season break. Our North Carolina office had a shamrockin' good time at their St. Patrick's Day and March Madness social hour.



Ifs, Ands, Oar Boats

St. Augustine's pedal boat excursion was a hit among our Florida team. A day of sightseeing and relaxation was just what they needed for their annual spring break outing.

Happy Hour Happenings

Giant games, craft cocktails, and a radiant rooftop set the stage for our Illinois office's fun-filled happy hour in the city. The team snacked on scrumptious apps while holding their breaths during intense rounds of Jenga.

Fasten Your Seatbelts

Six Flags offered our New Jersey team an exhilarating day filled with thrilling rides, hearty laughter, and memorable bonding moments. An outing that truly lifted our team, and their spirits, high!



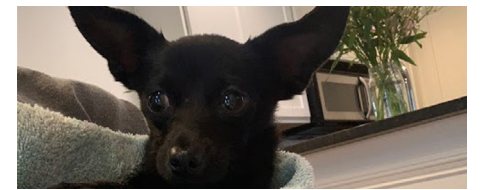
Stepping up to the Plate

A Nationals game was the perfect setting for our Virginia office's intern outing. A good game, great company, and loads of fun rounded off their day at the ballpark.



Yes to the Address

Following diligent planning, our Georgia team proudly inaugurated their new Atlanta office. The space's grand opening party heralded a fresh chapter for the local team.



The Dog Days Are Over

Discovering a stray dog in their parking lot, our South Carolina team sprang into action. A kind-hearted team member fostered the pup, who is now set for a new home with her sibling!



Out for Lunch

Team lunch with a side of laughter? Count us in! The Florida team went out for lunch, savoring a delicious meal and enjoying fun-filled conversations.



Swing Into Summer

Seizing the day, and some golf clubs, our Illinois team took advantage of some warm weather during their summer golf outing. Post-game, they savored a hearty lunch and celebrated team promotions.



Sunshine and Good Times

The North Carolina audit team celebrated the end of busy season in style...well, in grass skirts! The luau was the perfect way to celebrate some very hard work!



Team Goals

Our New Jersey team took to the rink, immersing themselves in the electrifying atmosphere of an intense hockey game. Cheers, food, and drinks were enjoyed by all.



Painting the Town Red

Creativity flowed during our Florida office's busy season brain break, painting with a twist! Taking a reprieve from their usual work, they honed in on their artistic skills for a refreshing change of pace.



Falling Into Team Spirit

Competing in a cake decorating competition, eating autumn-inspired treats, and sipping on some specially-themed refreshments were just a few of the fall-themed festivities at the Illinois office's Spirit Week happy hour.



Deck the Office Halls

The Virginia team's annual office party was a hit, complete with ugly sweaters, tasty treats, and gifts. Another successful year toasted in style!



Vermont June Celebrations

Busy season deadlines are out the door and the good times are filing in! The Vermont team held their annual June 30th celebration, which included putt-putt in the office, paint n' sip, massages, and much more!



(Gingerbread) Home for the Holidays

Bringing the competitive spirit to clash with holiday spirit, our Engagement Resource Team faced off in a gingerbread house decorating party.



Be Our Guest

The weather was cool, but the hospitality was warm as our remote regulatory services team visited the Raleigh area to participate in the North Carolina office holiday party activities!



'Tis the Season

Dressed to impress, our Georgia team celebrated the end of the year with a spectacular holiday party, dancing the night away.



That's a Wrap

While one of the greatest gifts is having an excellent team by your side, a fun gift exchange doesn't hurt either! Our New Jersey team celebrated the holidays with gifts and games.



Getting into the Swing of Things

During their internships they strive, on the links they drive. Our Vermont office summer interns had a blast playing a round of golf with Managing Partner John Prescott!

Regardless of our team members' geographical locations, Johnson Lambert ardently pursues strategies to foster connections among them, ensuring a sense of belonging and community. We have made substantial progress in cultivating these relationships, both on a local and firmwide scale. However, we remain committed to expanding our current initiatives to further enrich the experience of our employees.

We understand that retaining exceptional talent requires time and meticulous attention, and our firm is prepared to continue to invest in resources to sustain our team's high caliber, thereby ensuring we continue to deliver unmatched service to our clientele.



Empowered Progress: Leading With Trust and Respect

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