



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**May 20, 2025**

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**TOPIC:** Award a Contract to Cherry Bekaert Advisory LLC for Governmental Accounting Standards Board (GASB) Consulting Services

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**AGENDA TITLE**

Contract to Cherry Bekaert Advisory LLC for Governmental Accounting Standards Board (GASB) Consulting Services (General Fund)

**RECOMMENDED ACTION**

Authorize the City Manager to execute an agreement with Cherry Bekaert Advisory LLC to provide Consulting Services to implement new GASB standards for a total amount not to exceed \$156,000 for a two-year period beginning with the fiscal year ending June 30, 2025 through June 30, 2026, with a provision for three, one-year extensions for the fiscal years ending June 30, 2027, June 30, 2028, and June 30, 2029. (Agreement No. A-2025-XXX).

**GOVERNMENT CODE §84308 APPLIES:** Yes

**DISCUSSION**

The Governmental Accounting Standards Board (GASB) issues accounting and financial reporting standards that state and local governments must follow under Generally Accepted Accounting Principles (GAAP). These standards help make financial information reliable, transparent, and comparable, so the public and decision-makers can better understand and evaluate how government funds are managed. The City of Santa Ana is required to follow GASB standards to ensure that the City's audited Annual Comprehensive Financial Report (ACFR) is prepared in accordance with GAAP and GASB financial reporting requirements. This also helps the City remain compliant and eligible to continue receiving state and federal grant funding.

In recent years, GASB has issued several complex new standards, including GASB 87 (Leases), GASB 96 (Subscription-Based Information Technology Arrangements), and GASB 101 (Compensated Absences). These new requirements have created significant challenges for many government agencies, including Santa Ana, due to their technical complexity and tight reporting timelines.

To comply with GASB 87 and 96, the City's Accounting Division reviews over 200 lease and technology subscription contracts each year, researches payment records, prepares detailed documentation, and makes the necessary accounting adjustments. For the current fiscal year, the Division is also responsible for implementing GASB 101, which requires a detailed review of all employee labor contracts and a new method for calculating the City's liability for compensated absences.

To help manage this additional workload and ensure the City remains in compliance with GASB requirements, staff is recommending the use of a qualified consultant to assist with implementation efforts. This approach would provide the necessary technical support to meet complex reporting requirements without delaying the City's financial reporting deadlines.

A total of seven consulting firms submitted proposals in response to the Request for Proposal (RFP) No. 25-025 (Exhibit 2): Badawi & Associates, BerryDunn LLC, Cherry Bekaert Advisory LLC, Eide Bailly LLP, LSL LLP, Macias, Gini & O'Connell LLP, and The Pun Group. The seven proposals were evaluated and ranked by a Review Committee (Committee) comprised of Accounting Manager, Supervising Accountant, and Senior Accountant. The evaluation was based on the following factors:

- Compliance with the requirements of the RFP, including thoroughness of proposed scope of work, value to new and/or innovative product or service suggestions, or other new ideas and enhancements
- Experience, resources, and qualifications of the firm and assigned staff
- Experience with similarly sized governmental agencies in providing the types of services outlined in the RFP
- Reasonableness of cost budget

Based on the Committee's evaluation and interviews with top-ranked proposers, Committee selected Cherry Bekaert Advisory LLC (Cherry Bekaert) as the most qualified firm to provide the consulting services (Exhibit 3). Cherry Bekaert demonstrated a high level of technical knowledge regarding all aspects of the City's engagement and experience in the field of governmental accounting with similarly sized governments. Unlike other consultants that share their staff across audit engagements, Cherry Bekaert has a dedicated government accounting advisory team that provides only advisory services year-round, with implementation of new GASB standards as one of the core services. In addition, they have developed templates and tools for GASB 101 that can be tailored to align with the City's needs. Their highly experienced team will allow the City to meet its financial reporting deadlines and ensure continued compliance with complex GASB standards.

As such, staff recommends contracting with Cherry Bekaert to perform GASB consulting services for a two-year period, with the option to renew for up to three additional one-year terms. A contingency of \$26,000 is included to account for potential increases in

workload, as the consultant's proposed cost is based on the estimated number of leases or contracts reviewed each year. The actual number of documents reviewed may vary. This contingency may also be used to support implementation of future GASB pronouncements and to assist in drafting related policies and procedures.

The Request for Proposal (RFP) No. 25-005 was advertised on February 24, 2025 and offers were solicited. A summary of the RFPs and offers received is as follows:

- 481 Vendors were notified
- 24 Vendors downloaded the RFP
  - 1 Santa Ana vendors notified
  - 7 Proposals received
  - 1 Proposal received from Santa Ana vendor

#### Outreach Efforts

The Purchasing Division advertised this project on the City's online bid management and publication system, which directly notified one Santa Ana vendor, one of which downloaded the RFP. The vendor based in Santa Ana submitted a proposal for consideration. However, it did not rank in the top four.

Staff's outreach efforts also included directly reaching out to consulting firms well-known in the local government circles requesting submission of proposals for the above-referenced RFP.

#### **ENVIRONMENTAL IMPACT**

There is no environmental impact associated with this action.

#### **FISCAL IMPACT**

Funding is available in the FY24-25 budget and funding for subsequent fiscal years will be included in the proposed budgets for City Council consideration. Any remaining balances not expended at the end of the fiscal year will be presented to City Council for approval as carryover.

<b>Fiscal Year</b>	<b>Accounting Unit – Account #</b>	<b>Fund Description</b>	<b>Accounting Unit, Account Description</b>	<b>Amount</b>
<b>Contract (2-Year Term)</b>				
2024-25	01110110-62300	General Fund	FIN/MGMT SVS-Accounting, Contract Services-Professional	\$51,600
2025-26	01110110-62300	General Fund	FIN/MGMT SVS-Accounting, Contract Services-Professional	\$24,000

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<b>Fiscal Year</b>	<b>Accounting Unit – Account #</b>	<b>Fund Description</b>	<b>Accounting Unit, Account Description</b>	<b>Amount</b>
Optional Three One Year Extensions				
2026-27	01110110-62300	General Fund	FIN/MGMT SVS-Accounting, Contract Services-Professional	\$25,200
2027-28	01110110-62300	General Fund	FIN/MGMT SVS-Accounting, Contract Services-Professional	\$26,400
2028-29	01110110-62300	General Fund	FIN/MGMT SVS-Accounting, Contract Services-Professional	\$28,800
<b>Total</b>				<b>\$156,000</b>

**EXHIBIT(S)**

1. Professional Services Agreement with Cherry Bekaert Advisory LLC
2. Request for Proposal (RFP) #25-025, GASB Consulting Services
3. Response to RFP #25-025 – Cherry Bekaert Advisory LLC

Submitted By: Alex Trinidad, Acting Executive Director, Finance and Management Services Agency

Approved By: Alvaro Nuñez, City Manager