

Proposal for Governmental Accounting Standards Board (GASB) Consulting Services

# City of Santa Ana

March 18, 2025 | RFP #25-025

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**Danny Martinez, CPA, CGFM**

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**Contents**

a. Cover Letter.....	1
b. Services Provided .....	3
c. Agreement Statement.....	4
d. Firm and Team Experience.....	5
e. Proposed Work Plan .....	15
f. References .....	17
2. Cost Proposal.....	19
Appendix A – Attachments & Certifications.....	21
Attachment B – Standard Terms & Conditions .....	28



## a. Cover Letter

March 18, 2025

Sarah Ro, Accounting Manager  
City of Santa Ana – Finance and Management Services  
20 Civic Center Plaza  
Santa Ana, CA 92701

Dear Sarah:

Cherry Bekaert is pleased to submit this proposal for Governmental Accounting Standards Boards (GASB) No. 87, 96, and 101 consulting services to the City of Santa Ana (the City). The field of governmental accounting and financial management is dynamic for both the City and your external auditors and advisors. Pronouncements from the GASB can have significant impact on your internal accounting and external reporting, and maintaining compliance with current and upcoming standards is critical to public trust, effective decision making, comparability and benchmarking, and accountability to your constituents.

At the same time, local governments are in an environment of accelerated change and greater expectations from the constituents they serve, combined with numerous operational and compliance issues that either contribute to or prohibit long-term growth and strategic success. In addition to new accounting standards, staffing shortages, uncertainty at the Federal level and increasingly complex grant compliance impose significant challenges on the City.

In the face of these challenges, it is critical to have the right government accountant providing the proper technical guidance, reducing the demands on government staff and allowing organizations to focus on their constituents. To help, we have a national team of governmental accounting advisors and a GASB-as-a-Service offering covering new accounting standards consulting and implementation to financial close and ACFR preparation to help our clients manage effectively, efficiently and responsively. We are one of the largest providers of audit and accounting services to the state/local government market, bringing unique insight on the operations and business of the public sector to the City.

We understand this engagement includes:

### **GASB 87 and 96**

- ▶ Data collection, contract and agreement review, accounting and reporting updates with necessary documentation and support.
- ▶ Assistance with discount rate determination utilizing DebtBook template
- ▶ Data input, review, and/or updates for identified lease and SBITA contracts in DebtBook and preparation of journal entries and footnote disclosures

### **GASB 101**

- ▶ Assessment of the City's current practices and liabilities for compensated absences.
- ▶ Methodology determination, data collection, and historical trend analysis.
- ▶ Calculation and preparation of year-end schedules, journal entries, and footnote disclosures for GASB 101.

**Ongoing and as-needed supplemental support** for future GASB pronouncements and annual reviews/updates to GASB 101.

With Cherry Bekaert, the City will benefit from:

- ▶ A comprehensive, established four-phase implementation approach that has been successfully deployed on GASBs 87 and 96 and currently being utilized on GASB 101, and team members experienced with DebtBook for reporting, journal entry posting and handling reporting queries.

- ▶ Tailored training from industry experts who have presented at national conferences, including the GASB 101 training at the National Government Finance Officers Association conference, and multiple team members who served at the Governmental Accounting Standards Board.
- ▶ Government accounting advisory expertise from a team who provide advisory services year-round, with implementation of new GASB standards one of the core services offerings. Our unique national approach ensures you are never put second to audit or other competing deadlines.
- ▶ Ready-built templates, checklists, and tools for GASB 101 that have been utilized by other governments and updated based on implementation lessons learned that will be tailored to align with the City's needs.
- ▶ Service team with experience implementing GASB 87 at several large California governments

We commit to perform all services in a timely manner. Our engagement procedures will be tailored specifically to the City's needs, streamlined through years of experience with similar organizations. We would consider it a privilege to partner with the City and we look forward to helping you achieve current and future goals. With Cherry Bekaert, you can rely on a Firm that meets its commitment to the highest level of quality service, a commitment that separates Cherry Bekaert from other firms.

Thank you again for this opportunity. If you have questions about this proposal or require additional information, please feel free to contact us directly. We would also love the opportunity for our partner, Danny Martinez, to be able to present our service approach and all of the things we've built to support our clients with GASBs 87, 96, and 101.

Sincerely,

Cherry Bekaert



**Danny Martinez, CPA, CGFM**

Partner, Cherry Bekaert Advisory LLC

*Government & Public Sector Accounting Advisory Lead*

P: 512.479.6000



## b. Services Provided

*A description of proposed services to be provided and how they meet the needs of the City as described in Exhibit I – Scope of Services.*

Cherry Bekaert will provide the City with a comprehensive, efficient approach in the implementation of GASB 101 and ongoing support for GASB 87 and 96. Our methodology takes our clients from a limited understanding of the pronouncement to having journal entries, disclosures and go-forward training in four streamlined steps. Your engagement will generally follow the framework summarized below and detailed in the Proposed Work Plan. Throughout the engagement we will have weekly status meetings where we go over our joint accountability tool, which provides visibility to all parties on tasks that are being worked on, responsible parties, committed due dates, and detailed action items for each of the next two (2) weeks of the project. Based on our unique structure as a national team focused solely on governmental accounting projects, we can scale up as quickly as any other firm in the country.

Phase	Brief Description
<b>Understanding the Statement</b>	For GASBs 87 and 96, this phase includes requesting contracts, evaluating the current state of SBITA and leases in DebtBook, and reviewing working papers. For GASB 101, this involves conducting interviews with responsible parties, requesting initial PBC lists, evaluating prior compensated absences balances, and reviewing working papers. We will deliver customized training to your implementation team to ensure they understand the standard and to promote effective communication and information gathering during the project's early stages. Additionally, we will hold collaborative sessions to break down the scope of work into specific tasks, assigning responsible parties and setting due dates.
<b>Completeness and Implementation Documentation</b>	For GASBs 87 and 96, this phase includes gathering contracts, reviewing for the presences of a lease or SBITA, and gathering data inputs for entry into DebtBook. Additionally, this phase will include assistance with lease or SBITA termination or renewal options during the year and assistance with lease or SBITA modifications or revisions during the year. For GASB 101, we will capture the different leave types offered by the City for further evaluation under GASB 101. This may include a review of your policies, payroll register, and trial balance to identify all potential compensated absences. We conduct walkthroughs with your HR and Payroll departments to ensure a comprehensive listing of compensated absences. The gathered information is then populated into a customized spreadsheet for your review and acceptance.
<b>Policies and Procedures</b>	For GASB 87 and 96, we will evaluate your current policies and procedures for leases and SBITAs to ensure a consistent approach is used for any management determinations. For GASB 101, we will evaluate the current processes and controls around accounting for compensated absences and provide recommendations for improvement. We also assess the clarity of your policies and procedures, offering suggestions to enhance them. If the approach for calculating compensated absences liability is not already defined or needs to be updated based on GASB 101, we assist in determining the appropriate method. We document the implementation year and ongoing policies and procedures to ensure completeness and accurate information capture.
<b>Entries, Disclosure, and Go Forward</b>	For GASB 87 and 96, this phase will include the preparation of lease and SBITA journal entries and disclosures. For GASB 101, this phase includes the preparation and calculation of GASB 101 compensated absences liability based on the steps described above. We will help with complex leave calculations and prepare the necessary journal entries, ensuring consistency. We also assist with preparing and reviewing the required disclosures. To wrap up the implementation, we conduct final training sessions to prepare you for handling GASB 101 requirements going forward. Our team members have been providing training sessions on GASB 101 since late 2022. Danny Martinez, proposed engagement partner, will lead these sessions; Danny has presented on GASB 101 at the National Government Finance Officers Association conference and is also presenting at the upcoming National Association of State Controllers Conference. Our team includes two (2) members who previously served at GASB, including senior associate Bailee Steinle, who was at GASB while 101 was being finalized.

Cherry Bekaert has already created certain tools for GASB 101 implementation to streamline effort for the City, including a GASB 101 Compensated Absence Evaluator, Implementation Memo and Liability Calculation Tool, among others. All these tools can be tailored to the City's needs. We will also work with the City to create additional tools to capture all necessary items for liability calculation.

### c. Agreement Statement

*Proposal shall include a statement outlining your concurrence or reference to concerns previously submitted with any and all provisions as contained in EXHIBIT II – Sample Agreement of this RFP (if any).*

As with any contractual relationship, Cherry Bekaert's desire to enter into a contract with the City is based on reaching a mutually positive negotiation of terms and conditions. After reviewing the RFP and Draft Agreement, we would like to offer some alternative language for your consideration, which was provided and acknowledged during the Q&A period per RFP Section D, Exceptions:

- ▶ **H. DATA RETENTION** – we request the following changes: “All materials, documents, data or information obtained from the City Data files or any City medium furnished to Contractor in the performance of an awarded contract will at all times remain the property of the City. Such data or information may not be used or copied for direct or indirect use by Contractor after completion or termination of this Contract without the express written consent of the City. All materials, documents, data or information, including copies, must be returned to the City at the end of the contract. ~~Nothing herein shall be deemed to affect in any way the Contractor's right to retain one copy of the Confidential Information in its files to comply with professional standards or for archival purposes, provided, however that such copy shall be protected in accordance with the terms of this Agreement. All data, documents and other products used, developed, or produced during response preparation of the RFP will become property of the City.~~ All responses to the RFP shall become property of the City. Proposer information identified as proprietary shall be maintained confidential, to the extent allowed under the California Public Records Act.”
- ▶ **P. NEGOTIATIONS** – we request including our standard terms and conditions in the final executed contract. A copy of the same has been included in this document for your review.
- ▶ **5. OWNERSHIP OF MATERIALS** – We request the following change: “This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement, ~~not to include Consultant's work papers,~~ (“Documents & Data”)...”
- ▶ **7. INDEMNIFICATION** – we request the following changes: “Consultant agrees to defend, and shall indemnify and hold harmless the City, its officers, agents, employees, contractors, special counsel, and representatives from liability: (1) for personal injury, damages, just compensation, restitution, judicial or equitable relief arising out of claims for personal injury, including death, and claims for property damage, which may arise from the negligent operations of the Contractor, its subcontractors, agents, employees, or other persons acting on its behalf which relates to the services described in section 1 of this Agreement; and (2) from any claim that personal injury, damages, just compensation, restitution, judicial or equitable relief is due by reason ~~of Consultant's breach of the terms of or effects arising from this~~ Agreement. This indemnity and hold harmless agreement applies to all claims for damages, just compensation, restitution, judicial or equitable relief suffered, or alleged to have been suffered, by reason of the events referred to in this Section ~~or by reason of the terms of, or effects, arising from this~~ Agreement. The Consultant further agrees to indemnify, hold harmless, and pay all costs for the defense of the City, including fees and costs for special counsel to be selected by the City, regarding any ~~covered action set forth by a third party challenging the validity of this Agreement, or asserting that personal injury, damages, just compensation, restitution, judicial or equitable relief due to personal or property rights arises by reason of the terms of, or effects arising from this~~ Agreement. City may make all reasonable decisions with respect to its representation in any legal proceeding. ~~Notwithstanding the foregoing, to the extent Contractor's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code~~

Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor. Notwithstanding anything to the contrary herein, the maximum aggregate liability of Contractor with respect to its indemnification obligations under this Contract shall not exceed the sum of five million dollars (\$5,000,000.00)."

- ▶ **13. EXCLUSIVITY AND AMENDMENT** – We request the following change: "...The parties agree that any terms or conditions of any purchase order or other instrument that are inconsistent with, or in addition to, the terms and conditions hereof, shall not bind or obligate Consultant or the City **unless mutually agreed to in writing executed by both parties...**"
- ▶ **20. MISCELLANEOUS PROVISIONS** – we request the following change and have included our standard terms and conditions within this document: "c. All Exhibits, **including the Contractor's terms and condition**, referenced herein and attached hereto shall be incorporated as if fully set forth in the body of this Agreement."
- ▶ **Insurance Requirements** – Please note that Professional Liability policy carrier will not name the City as an Additional Insured. We also request the "Acceptability of Insurers" requirement be changed to a current A.M. Best rating of no less than A-:VII.

Included in our response as Appendix are our standard terms and conditions for consulting/advisory services.

## d. Firm and Team Experience

*i. A general description of the firm, including size and number of employees working directly with the City on this agreement.*

Ranked among the largest assurance, tax and advisory firms in the U.S., Cherry Bekaert provides guidance and support that helps our clients move forward to reach their organizational goals. "Cherry Bekaert" is the brand name under which Cherry Bekaert LLP and Cherry Bekaert Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. Cherry Bekaert Advisory LLC is not a licensed CPA firm. Cherry Bekaert LLP is a licensed CPA firm that provides attest services, and Cherry Bekaert Advisory LLC and its subsidiary entities provide business advisory and non-attest services spanning the areas of transaction advisory, risk and accounting advisory, digital solutions, cybersecurity and tax. For more details, visit [cbh.com/disclosure](http://cbh.com/disclosure).

For more than 75 years, global corporations, public/private businesses and the public sector have relied on Cherry Bekaert to guide them forward. We provide digitally-driven, industry-aligned advisory, tax, and assurance services, leveraging practical knowledge and proven experience to design and deliver highly tailored solutions that help clients meet their financial, operational, and strategic goals and objectives.

Our experienced professionals can offer guidance through rapid growth and times of accelerated change. Let us be **Your Guide Forward** by delivering on our commitments to superior client service through:

- ▶ **Attention to Detail and Quality:** Outstanding service qualifications amplified by our commitment to prioritize your business and provide practical and timely support
- ▶ **Efficient, Business-Practical Guidance:** High levels of senior level involvement, continuity of service professionals and expertise on a year-round basis
- ▶ **Value-Driven Relationships:** Streamlined, focused attention on your strategic, operational and financial objectives



<a href="#">Vault Top Ranked Awards</a>	<ul style="list-style-type: none"> <li>▶ <a href="#">Most Prestigious Accounting Firms</a>: Accounting professionals across the nation rank the prestige of the firms they compete against.</li> <li>▶ <a href="#">Vault Accounting 25</a>: The VAULT ACCOUNTING 25 is compiled using a weighted formula that reflects the issues accounting professionals care most about, combining quality of life rankings (such as culture, satisfaction, work/life balance, and compensation) with overall prestige.</li> <li>▶ <a href="#">2024 Best Accounting Firms for Audit &amp; Assurance</a>: Accountants across the nation rate the top firms in their practice areas.</li> </ul>
Accounting Today	<ul style="list-style-type: none"> <li>▶ Top 100 Firms 2024</li> <li>▶ Top Tax Firms 2024</li> <li>▶ Regional Leaders 2024 - Southeast Region</li> </ul>
INSIDE Public Accounting (IPA)	<ul style="list-style-type: none"> <li>▶ <a href="#">IPA Top 100 Firms 2024</a></li> </ul>




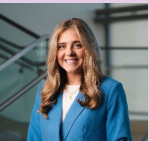

## Engagement Team

The Cherry Bekaert team responsible for the City's account brings specialized governmental accounting knowledge, with a deep understanding of GASB 87, 96, and 101, as well as current and future pronouncements. The team is led by Danny Martinez and Scott Anderson, who served as the AICPA Technical Issues Committee GASB Chair and as a GASB Practice Fellow, respectively. Senior associate Bailee Steinle, who was a GASB Postgraduate Technical Assistant during the development of GASB 101, and senior associate Tatiana Britton, who has extensive experience with GASB implementations, are the primary accountants on most of our GASB 101 projects. Additionally, the engagement team is proficient in using DebtBook and stays updated on its latest features and product updates to ensure the heights level of service for our clients.

What sets our team and approach apart from our competition is Cherry Bekaert's designated government advisory group that works on these types of projects year-round. This means the City's project will never be put second to competing deadlines. We ensure frequent and direct access to the partners, directors and managers who maintain responsibility for the engagement, employing a high ratio of partners and senior managers to staff. This allows the Firm to staff and supervise engagements with a higher level of experienced staff than most firms.

Name & Role	Professional Summary
 <p><b>Danny Martinez,</b> CPA, CGFM Partner</p>	<p>Danny is a licensed CPA with over 18 years of experience providing advisory and training services to a wide range of governmental and public sector entities, including state agencies, municipalities and their component units, special districts, counties, school districts, tribal governments, airports, ports, hospitals, higher education institutes, including assisting many large California governments with GASB 87 implementation. As the leader of the Government &amp; Public Sector Accounting Advisory group, he is responsible for the quality and growth of all of the Firm's Government/GASB accounting and financial reporting assistance, financial statement/ACFR writing, and Surge Team accounting advisory services. Danny is the past Zone 3 (GASB) Chair of the American Institute of Certified Public Accountants (AICPA) Technical Issues Committee</p>
 <p><b>Scott Anderson,</b> CPA Director</p>	<p>As the Firm's public sector Technical Director and a current member of the AICPA's State and Local Government Expert Panel, Scott advises clients and audit teams in all phases of auditing and financial reporting. He oversees engagement planning, performance of audit tests, report writing and overall audit quality. He has extensive experience with Uniform Grant Guidance and the audit requirements of governments. As a GASB Practice Fellow, Scott was on the forefront of evolving standards. Scott's involvement in the standard setting process provides us with unique insights and access to future developments.</p>



 <p><b>Jack McKee,</b> <b>CPA, CGFM</b> Senior Manager</p>	<p>Jack has spent the past nine years specializing in providing audit and advisory services to governments of all sizes, including municipalities, state agencies, counties, school districts, colleges, special districts, and tribes. His experience includes audit preparation and fieldwork, policy and procedure creation, lease implementation, SBITA review, Debtbook implementation, GASB technical accounting assistance, internal control review, risk assessments, state compliance review, and ACFR preparation and review. Jack has helped numerous governmental entities implement new accounting standards. Services to these clients included the review and classification of SBITA and Lease contracts, amortization schedule creation, journal entry preparation, and drafting of new footnotes for the implementation.</p>
 <p><b>Vicki Dallas,</b> <b>CPA, CITP</b> Senior Manager</p>	<p>Vicki has more than 10 years providing audit and advisory services to government entities of all sizes, including municipalities, counties, school districts, and special districts, including audit engagements with Single Audits. Her experiences include fund reporting, internal controls, budgeting, GASB 87, <i>Leases</i> and GASB 96, <i>Subscription Based IT Arrangements (SBITA)</i> implementation, Debtbook implementation, GASB technical accounting assistance, including cash, capital assets, and SEFA reconciliations, assistance with financial accounting software, and financial statements, including Annual Comprehensive Financial Reports, preparation, and review.</p>
 <p><b>Nicholas Keathley, CPA,</b> <b>CFE, CITP</b> Manager</p>	<p>Nicholas has over four years of experience auditing governmental and Not-for-Profit entities, including performing Single Audits. He has audited complex areas including pension and OPEB, leases, and debt refunding, amongst other areas. He also serves on the Annual Comprehensive Financial Report (ACFR) preparation team and has assisting with various account reconciliation projects</p>
 <p><b>Bailee Steidle</b> Senior Associate</p>	<p>Bailee has spent her entire career working with state and local governments and is a leader in the firm's GASB 101 implementation team. Prior to joining Cherry Bekaert, she spent one year in the Postgraduate Technical Assistant program at the Governmental Accounting Standards Board (GASB), allowing her to bring a unique perspective and background in financial standard setting to our clients. As a result of her time spent as a member of the teams developing standards that are set to become effective for governmental entities over the next few years, she is able to provide insights and expertise as standards continue to develop.</p>
 <p><b>Tatiana Britton,</b> <b>MBA</b> Associate</p>	<p>Tatiana is an Associate who's dedicated her entire career to servicing governmental clients and is a leader of the firm's GASB 101 implementation team. Since she joined Cherry Bekaert, she has worked with over 40 different cities and counties, state agencies, school districts, colleges/universities, , as well as privately-owned businesses. She primarily focuses on the implementation of new accounting standards, financial data compliance/control reviews and complex accounting ledger reconciliations. As lead staff, Tatiana assists with accounting standard compliance services and physical asset / accounting record compliance review projects to help clients overcome financial reporting, compliance and accounting challenges.</p>

**ii. Firm's nearest address serving the City of Santa Ana and headquarters address.**

Our nearest office is in Los Angeles (1925 Century Park E, Suite 1700, Los Angeles, CA 90067), and our headquarters is in North Carolina (3800 Glenwood Ave, Ste 200, Raleigh, NC 27612). The proposed engagement team is part of our national Government accounting advisory team, located across our Firm. We have collaborated with clients like the City to employ technology and tools that provided high quality engagements with flexible scheduling and greater cost efficiency. However, we understand building knowledge and trust for complex accounting pronouncements is important and frequent interaction is necessary. We utilize Microsoft Teams to meet remotely with clients and Suralink® to stay engaged with the City throughout the engagement. We understand that remote/virtual work does not work for all parts of the engagement and will determine appropriate on-site time and resources for the needs of the City. We will work

with your staff to determine what procedures/activities can be conducted remotely versus on-site during the planning phase.

**iii. Name and contact information of the supervising Project Manager/Principal Agent, to be assigned to the agreement..**

<b>Primary Point of Contact</b>	Danny Martinez, CPA, CGFM Partner, Cherry Bekaert Advisory LLC Government Accounting Advisory Leader
<b>Contact Information</b>	P: 512-838-3176   E: danny.martinez@cbh.com

**iv. Resumes for all key staff proposed describing relevant experience.**

Your proposed engagement team has guided many public sector clients through GASB implementation engagements and has the capacity to provide targeted consulting services to meet your deadlines. On your service team you have the past GASB Zone Chair of the AICPA's Technical Issues Committee and a current AICPA State and Local Government Expert Panel Member. In addition, two members of the service team previously served at GASB during the time when GASB 87, 96, and 101 were being issued. Lastly, we've selected team members who have worked on other Debtbook implementation engagements. Because of our national approach, we are able staff our engagements with professionals who have a higher level of experience than most firms. You can also expect timely and helpful responses to time sensitive questions; our team is available to you year-round. Bios of the key proposed professionals who will be assigned to this engagement begin below. **We commit to providing these key resources on this contract with the City.**



**Danny Martinez, CPA, CGFM**

**Partner, Cherry Bekaert  
Advisory LLC**

**Government & Public Sector  
Accounting Advisory Leader**

Danny is a licensed CPA with over 18 years of experience providing advisory and training services to a wide range of governmental and public sector entities, including municipalities and their component units, state agencies, counties, school districts, tribal governments, airports, ports, hospitals, and higher education institutes. **Danny previously assisted the City of Los Angeles, Port of Long Beach, Port of Los Angeles, San Diego County Regional Airport Authority and Los Angeles World Airports with GASB 87 Implementation.**

As the leader of the Government & Public Sector Accounting Advisory group, he is responsible for the quality and growth of all the Firm's Government/GASB accounting and financial reporting assistance, financial statement/ACFR writing, accounting modernization, and Surge Team accounting advisory services. Under his leadership the Firm had significant growth in these services and achieved high client satisfaction and retention scores.

He has presented on various governmental industry and accounting topics at national and regional conferences, including on GASB 101 implementation at last year's national GFOA conference and this year's National Association of State Controller's (NASC) conference.

Danny is the past Zone 3 (GASB) Chair of the American Institute of Certified Public Accountants (AICPA) Technical Issues Committee, a group that provides a voice for its constituents in the standard-setting process. In addition, Danny is a founding member of the firm's Government Standards Outlook Committee, a group of technical leaders in the firm that keeps abreast of all upcoming GASB, OMB, and AICPA changes and provides comment letters to those standard setting bodies.

**Education**

B.S. in Accounting, University of Southern California

**Areas of Expertise**

- ▶ GASB Technical Accounting Assistance
- ▶ Internal Control Evaluation and Modernization
- ▶ Audit Preparation and Remediation
- ▶ ACFR Writing

**Professional & Civic Involvement**

- ▶ Past GASB Zone Chair, AICPA Technical Issues Committee
- ▶ Association of Governmental Accountants, Dallas and New Mexico Chapters



**Scott Anderson, CPA**

**Director, Cherry Bekaert  
Advisory LLC**

**Government & Public Sector  
Technical Director**

A licensed Certified Public Accountant in Florida, North Carolina, and Virginia, Scott has served the Firm's clients since 2005. As the Firm's public sector Technical Director, Scott advises clients and audit teams in all phases of auditing and financial reporting. He oversees engagement planning, performance of audit tests, report writing and overall audit quality. He has extensive experience with Uniform Grant Guidance and the audit requirements of governments in Florida, Virginia and North Carolina.

Clients have sought Scott's knowledge in expertise on current technical developments in governmental accounting. He is a GASB alum, serving as a Practice Fellow for two years, returning to Cherry Bekaert with vast experience in governmental account and financial reporting standards. As a GASB Practice Fellow, Scott was on the forefront of evolving standards. Scott's involvement in the standard setting process provides us with unique insights and access to future developments.

Scott has also instructed at a number of external conferences and seminars, representing both the firm and the GASB, and webinars sponsored by the Firm on various technical GASB topics. Scott's professional involvement includes committees and panels, including the AICPA State and Local Government Experts Panel and the Government Finance Officers Association Special Review Committee.

**Education**

Master of Accounting, North Carolina State University

Bachelor of Arts, Utah State University

**Professional & Civic Involvement**

- ▶ American Institute of Certified Public Accountants
- ▶ AICPA State and Local Government Expert Panel Member
- ▶ GFOA Special Review Committee
- ▶ GASB Practice Fellow Program
- ▶ North Carolina Association of Certified Public Accountants
- ▶ Government Finance Officers Association



**Jack McKee, CPA, CGFM**

**Senior Manager, Cherry Bekaert  
Advisory LLC**

**Government & Public Sector  
Advisory Services**

Jack has spent the past nine years specializing in providing audit and advisory services to government entities of all sizes, including municipalities, state agencies, counties, school districts, colleges, special districts, and tribes. His experience includes audit preparation and fieldwork, policy and procedure creation, lease implementation, SBITA review, grants management, federal award compliance, GASB technical accounting assistance, internal control review, risk assessments, state compliance review, and ACFR preparation and review. Jack has helped numerous governmental entities implement new accounting standards. Services to these clients included the review and classification of SBITA and Lease contracts, amortization schedule creation, journal entry preparation, and drafting of new footnotes for the implementation.

Additionally, Jack works with government and not-for-profit organizations that expend federal and state funding. Services to these clients include OMB Circular/Uniform Grant Guidance compliance, policy review, SEFA and Data Collection Form preparation, lost revenue calculation review, and Single Audit preparation. Jack has also conducted training to clients across a full spectrum of topics and speaks at conferences on a regular basis.

**Education**

B.S. in Accounting, Northern Illinois University

**Areas of Expertise**

- ▶ Governmental Accounting Pronouncement Implementation
- ▶ ACFR or Financial Statement Writing or Refresh
- ▶ Accounting Transformation
- ▶ Audit Preparation and Year-End Close Assistance
- ▶ Financial & Single Audit Finding Remediation
- ▶ GASB Technical Accounting
- ▶ Strategic Accounting Projects
- ▶ Surge Team Urgent Accounting Assistance
- ▶ Training & Continuing Professional Education

### Professional & Civic Involvement

- ▶ Tennessee Society of CPAs, Government and Not-for-Profit Committee
- ▶ Association of Government Accountants
- ▶ Tennessee GFOA
- ▶ Founding member of Cherry Bekaert's Governmental Standards Outlook Committee



**Vicki Dallas, CPA, CITP**

**Senior Manager, Cherry Bekaert Advisory LLC**

**Government Accounting Advisory Services**

As a Senior Manager in the Firm's Government and Public Sector based out of El Paso, Texas, Vicki has spent the past 10 years specializing in providing audit and advisory services to government entities of all sizes, including municipalities, counties, school districts, and special districts, including audit engagements with Single Audits. Her experiences include fund reporting, Uniform Guidance compliance, internal controls, budgeting, GASB 87, Leases and GASB 96, Subscription Based IT Arrangements (SBITA) implementation, GASB technical accounting assistance, including cash, capital assets, and SEFA reconciliations, assistance with financial accounting software, including QuickBooks, and financial statements, including Annual Comprehensive Financial Reports, preparation, and review.

### Education

Master of Accounting, New Mexico State University

Bachelor of Science, Southwestern Assemblies of God University

### Areas of Expertise

- ▶ Governmental Accounting Pronouncement Implementation
- ▶ Internal Control Evaluation and Transformation
- ▶ Risk Advisory
- ▶ GASB Technical Accounting Assistance
- ▶ Grants Management
- ▶ Federal Award Compliance

### Professional & Civic Involvement

- ▶ American Institute of Certified Public Accountants
- ▶ Texas Society of CPAs
- ▶ President - AGA, El Paso Chapter



**Nicholas Keathley, CPA, CFE, CITP**

**Manager, Cherry Bekaert Advisory LLC**

Nicholas has over four years of experience auditing governmental and Not-for-Profit entities, including performing Single Audits. He also serves on the Annual Comprehensive Financial Report (ACFR) preparation team and has assisting with various account reconciliation projects. He has audited complex areas including pension and OPEB, leases, and debt refunding, amongst other areas. As an auditor, he planned and performed risk assessments and tests of controls, conducted fieldwork and testing, and drafted financial statements for various governmental and Not-for-Profit entities. Nicholas had to consider the risks related to information technology (IT) as part of the financial statement risk assessment by gaining an understanding of an entity's IT control environment and identifying and evaluating IT controls. Nicholas often had to test significant IT controls to lower the assessed risk over IT controls to an acceptable level. Examples of IT controls he often tested include: application, user access, backup and recovery, and security management controls. Control deficiencies and recommendations were communicated with the entity.

### Education

Master of Accountancy, The University of Texas Rio Grande Valley

Bachelor of Business Administration, Accountancy, The University of Texas Rio Grande Valley

### Areas of Expertise

- ▶ Governmental & Not-for-Profit Accounting/Auditing
- ▶ Governmental and Not-for-Profit Financial Statements
- ▶ Texas Governmental Auditing and Accounting
- ▶ Federal Grants Compliance
- ▶ IT General Controls and Application Controls
- ▶ Internal Control over Financial Reporting
- ▶ Financial Close and Reporting

### Professional & Civic Involvement

- ▶ Member of the American Institute of Certified Public Accountants (AICPA)
- ▶ Member of the Texas Society of Certified Public Accountants (TXCPA)
- ▶ Member of Association of Certified Fraud Examiners (ACFE)





**Bailee Steinle**

**Senior Associate, Cherry Bekaert Advisory LLC**

**Government Accounting Advisory Services**

Bailee has spent her entire career working with state and local governments. Prior to joining Cherry Bekaert, she spent one year in the Postgraduate Technical Assistant program at the Governmental Accounting Standards Board (GASB), allowing her to bring a unique perspective and background in financial standard setting to our clients.

As a result of her time spent as a member of the teams developing standards that are set to become effective for governmental entities over the next few years, she is able to provide insights and expertise as standards continue to develop

**Education**

B.S., in Business Administration and Accounting, Nebraska College of Business

**Areas of Expertise**

- ▶ Governmental Accounting Pronouncement Implementation
- ▶ Accounting Advisory
- ▶ Grants Management
- ▶ Federal Award Compliance
- ▶ Internal Control Evaluation and Transformation



**Tatiana Britton, MBA**

**Associate, Cherry Bekaert Advisory LLC**

**Government & Public Sector Risk Advisory**

Tatiana is an Associate with three years of accounting advisory experience. Since she joined Cherry Bekaert, she has worked with over 40 different school districts, colleges/universities, cities and counties, as well as privately-owned businesses. She primarily focuses on the implementation of new accounting standards, financial data compliance/control reviews and accounting ledger reconciliation. As lead staff, Tatiana assists with accounting standard compliance services and physical asset / accounting record compliance review projects to help clients overcome financial reporting, compliance and accounting challenges.

Prior to Cherry Bekaert, Tatiana had six years of full cycle accounting and financial data compliance experience, including working with the Pennsylvania Army National Guard to conduct an operational review to identify risks and improve payroll efficiency and effectiveness. She collaborated with her fellow Guardsmen in order to develop strategies to address and identify potential risks.

**Education**

MBA, Kutztown University of Pennsylvania

B.S, Accounting, East Stroudsburg University of Pennsylvania

**Areas of Expertise**

- ▶ Compliance Data Collection and Review
- ▶ Governmental Accounting Pronouncement Implementation
- ▶ Financial Data and Accounting Ledger Review
- ▶ Bank Reconciliation
- ▶ Bookkeeping
- ▶ Accounts Receivable and Accounts Payable Reconciliation
- ▶ Capital Asset Reconciliation
- ▶ Capital Assets and Physical Inventory Audit

*v. A description of the Proposer's experience in providing similar services to those requested in this RFP.*

Cherry Bekaert's Government & Public Sector (GPS) team has a deep understanding of the complex challenges local governments face, focusing on the areas of highest need to enable and improve the transparency, efficiency and effectiveness government reporting. With extensive knowledge and experience of government accounting and audit

requirements, we are one of the largest providers in the public sector space, serving clients around the nation; **we provide targeted services to 200 municipalities, counties, public authorities/boards, school districts, and state agencies, ranging in size from \$2 million to \$9 billion.**

Local governments face extreme staffing challenges and knowledge drain, leaving them with open budgeted positions and without technical accounting knowledge. At the same time, the Governmental Accounting Standards Board (GASB) requirements are becoming increasingly complex and operational needs are expanding from unprecedented federal funding. We understand the distinct challenges that government finance and accounting managers face, and our GPS Advisory team provides a comprehensive GASB-as-a-Service offering that helps governments overcome them. While other professional services firms may have significant governmental accounting expertise, Cherry Bekaert has a dedicated team of professionals who only provide governmental accounting advisory services. This provides governments with the confidence that their needs will not be placed second to competing audit regulatory deadlines. We provide accounting services specific to the public sector—everything from financial close assistance and account reconciliation to internal control reviews, technical accounting, standards implementation, and ACFR preparation — to help our clients manage effectively, efficiently and responsively. We understand your unique challenges and remain up-to-date with industry developments to help you take advantage of growth opportunities and promote sustainable, compliant operations.

The Firm frequently produces targeted thought leadership, which is available at the [Guidance](#) section of our website. Cherry Bekaert is also proud to have several team members who worked with the GASB on technical matters. Our professionals were on the forefront of evolving standards, including GASB 1010. This involvement provides unique insights we can share with our clients. Our capabilities include:

### Implementation of New Accounting Standards

Over the years, we have assisted our clients with GASB pronouncement implementation, providing research and advice to resolve many complex accounting issues, including:

- ▶ Assisting with analysis of the accounting and reporting aspects of compensated absences (GASB 101)
- ▶ Assisting with analysis of the accounting and reporting aspects of subscription-based technology agreements (GASB 96)
- ▶ Assisting with analysis of the accounting and reporting aspects of public-public or public-private partnerships (GASB 94)
- ▶ Assisting with analysis of the accounting and reporting aspects of lease accounting (GASB 87)
- ▶ Assisting with analysis of the reporting aspects of fiduciary activities (GASB 84)
- ▶ Providing assistance interpreting the fair value measurement and disclosure requirements under GASB 72 and the guidance for certain external investments pools and participants under GASB 79

### Annual Comprehensive Financial Report (ACFR) Writing

Many governments are finding that they do not have the bandwidth and/or the technical expertise to draft their ACFRs and decide to outsource or co-source this work to us. These reports are often 100 to 200 pages and go through multiple layers of review, each resulting in changes that frequently need to be made in many places throughout the document. Leveraging Cherry Bekaert to prepare your ACFR affords you with the in the following benefits:

- ▶ Begin with a template ACFR created using Government Finance Officer's Association Framework and tailored to your organization's needs, which rolls forward from year to year with minimal rework
- ▶ Employ engagement management software to ensure consistent groupings year over year
- ▶ Assistance with cash, modified accrual and full accrual accounting conversion entries
- ▶ Assistance with net position and fund classification calculations, including net investment in capital assets
- ▶ Completion of multiple reviews by governmental accountants
- ▶ Ability to access account groupings in Excel format to easily disaggregate basic financial statement balances

The GFOA Certificate of Achievement for Excellence in Financial Reporting is highly recognized as the epitome of financial accountability and quality reporting. As a firm, we have provided support in obtaining and maintaining the certification to more than 75 governments, with several of our partners/directors participating in the program as certificate reviewers. As with all our GFOA submitting entities, we will assist you in any way necessary to help you receive this award every year. We will review your ACFR in comparison to our Firm's standard governmental reporting checklist and the current GFOA reporting checklist to help ensure that the Annual Report is in compliance with the certificate program requirements. Additionally, we will review the prior year GFOA comments to ensure that they have been properly addressed and/or corrected.

### **Account Reconciliation and Financial Close Assistance**

We provide on-demand accounting and financial close support for many financial statement areas to government and public sector organizations who are significantly behind on their accounting and reporting. We also offer more targeted services such as assistance with bank reconciliations or reconciling capital assets across multiple systems. Examples of accounting reconciliation and financial close assistance we provide include:

- |   |  |
|---|--|
| ▶ Analytical review of trial balance                                | ▶ Accounts receivable or accounts payable reconciliations                                    |
| ▶ Bank reconciliations and outstanding items analysis               | ▶ Fund allocation calculations and journal entries   |
| ▶ Grant closeout, investigation and reconciliation assistance       | ▶ Subledger reconciliations and analysis   |
| ▶ Revenue and expense recognition for grant and other funds         | ▶ Fixed asset reconciliations and depreciation calculations                                  |
| ▶ Data comparison between multiple accounting systems               | ▶ Pension and other post-employment benefit calculations                                     |
| ▶ Review and analysis of payroll data for completeness and accuracy | ▶ Preparation and reconciliation of the schedule of expenditures of federal and state awards |
|   | ▶ Audit PBC (prepared by client) list assistance   |

### **Financial Management Policy and Procedure Refresh**

Recently, many governments have made significant operational changes within their accounting and finance function, often due to staffing challenges or moving to a more remote or hybrid working environment. These changes lead to outdated or inaccurate policies and procedures that do not reflect the day-to-day reality of the organization. We work with governments to refresh their policies and procedures to take advantage of the efficiencies they've found as well as benchmark them against other governments and provide additional opportunities for improvement. Examples include:

- ▶ Cash Management procedures for receiving, depositing and disbursing cash and cash equivalents
- ▶ Accounts Payable procedures for verifying invoices, purchasing cards, and travel and per diem requests
- ▶ Accounts Receivable procedures for billing, recording and collecting, including the process for managing outstanding balances and tax collections
- ▶ Budgeting procedures for developing, approving and monitoring the government's budget
- ▶ Capital Asset procedures for acquiring, recording and disposing of fixed assets to maintain fixed asset records
- ▶ Payroll procedures for processing payroll, including calculating and withholding taxes and other deductions.
- ▶ Grant Management procedures for grants and other external funding sources, including the process for applying for grants, monitoring grant spending and reporting on grant activities
- ▶ Financial Reporting procedures that encompass preparing financial statement and other financial reports, including the process for ensuring accuracy and compliance with accounting standards

### **Enterprise Resource Planning (ERP) and Accounting Module Implementation or Remediation Assistance**

Many governments see the need to implement new accounting systems to reap the benefit of newer technology and the efficiencies these systems provide. When implementing these systems, it is important to have the governmental

expertise necessary to ensure that charts of accounts and all related modules are implemented appropriately. Cherry Bekaert has decades of experience both as the project manager on the implementation of these systems as well as providing remediation work when an implementation does not go as expected.

### **Internal Control and Compliance Evaluation and Transformation**

Lending or granting federal and state funds and ensuring compliance from subrecipients involves significant, new and changing compliance complexities that many public sector organizations may be unfamiliar with. We assist governments with evaluation of their internal control and compliance structure or those of their related entities as subrecipients. Our support extends beyond compliance and seeks to help funding recipients identify efficiencies or implement templates and checklists to enhance their processes going forward.

### **Tailored Training and CPE**

The field of governmental accounting and fiscal management is dynamic for both the City and its external consultants. Pronouncements from the following bodies all have significant impact on this sector:

- ▶ Government Accounting Standards Board (GASB) (altering internal accounting and external reporting)
- ▶ AICPA (modifying audit standards and procedures)
- ▶ OMB (creating new compliance demands associated with the expenditure of federal funds)

With staffing shortages and average employee tenures decreasing, it is imperative that governmental accounting and finance personnel receive adequate training to perform their roles and responsibilities. We maintain a robust library of trainings on a variety of governmental accounting and financial reporting topics and can deliver/facilitate targeted training to your teams. All proposed service team members have more than 40 hours of relevant continuing education during each of the last two years, including the continuing education required by *Government Auditing Standards*.

### **Experience**

A list of current and recent clients includes:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Alaska Railroad</li> <li>▶ <b>Alliance Health*</b></li> <li>▶ Augusta Richmond County, Georgia</li> <li>▶ Broward Metropolitan Planning Organization, Florida</li> <li>▶ Cabarrus County, North Carolina</li> <li>▶ Central Florida Tourism Oversight District</li> <li>▶ Central New Mex</li> <li>▶ Chesapeake Public Schools, Virginia</li> <li>▶ Chicago Transit Authority, Illinois</li> <li>▶ Cincinnati Metropolitan Housing Authority, Ohio</li> <li>▶ <b>City of Asheville, North Carolina*</b></li> <li>▶ <b>City of Chesapeake, Virginia*</b></li> <li>▶ City of Deming, New Mexico</li> <li>▶ City of Fayetteville, North Carolina</li> <li>▶ <b>City of Fort Myers, Florida*</b></li> <li>▶ City of Kerrville, Texas</li> <li>▶ <b>City of Hallandale Beach, Florida</b></li> <li>▶ City of Livonia, Michigan*</li> <li>▶ City of Richardson, Texas</li> <li>▶ City of Roanoke Rapids, North Carolina</li> <li>▶ City of Suffolk, Virginia</li> </ul> | <ul style="list-style-type: none"> <li>▶ Florida Agricultural &amp; Mechanical University</li> <li>▶ Fayetteville State University, North Carolina</li> <li>▶ <b>Forsyth County, North Carolina*</b></li> <li>▶ Greater Raleigh Visitors and Convention Bureau</li> <li>▶ Georgia Regents Real Estate Corporation</li> <li>▶ <b>Hampton City Schools, Virginia*</b></li> <li>▶ Hampton Roads Sanitation District, Virginia</li> <li>▶ Louisville Metropolitan Housing Authority, Kentucky</li> <li>▶ Mecklenburg County Sheriff's Office, North Carolina</li> <li>▶ North Carolina Central University</li> <li>▶ North Carolina Department of Environmental Quality</li> <li>▶ North Carolina Department of Information Technology</li> <li>▶ North Carolina Department of Cultural and Natural Resources</li> <li>▶ North Carolina Department of Public Instruction</li> <li>▶ Newport News Public Schools, Virginia</li> <li>▶ Oneida Nation</li> <li>▶ Orange County Public Schools, Florida</li> <li>▶ Richmond Metropolitan Transportation Authority</li> <li>▶ Roosevelt County, New Mexico</li> </ul> |
|--|--|



<ul style="list-style-type: none"> <li>▶ City of Vero Beach, Florida</li> <li>▶ City of Winston-Salem, North Carolina</li> <li>▶ Central New Mexico Community College</li> <li>▶ Collier County Public Schools, Florida</li> <li>▶ <b>Columbia County, Georgia*</b></li> <li>▶ Community College of Philadelphia</li> <li>▶ Cumberland County, North Carolina</li> <li>▶ Eddy County, New Mexico</li> <li>▶ ElectriCities of North Carolina</li> <li>▶ <b>Escambia County School District*</b></li> <li>▶ Fairfax County Department of Housing and Community Development, Virginia</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sandhills Center, North Carolina</li> <li>▶ St. Johns County School District, Florida</li> <li>▶ St. Lucie County School District, Florida</li> <li>▶ State of Oklahoma</li> <li>▶ State of Rhode Island</li> <li>▶ Town of Holly Springs, North Carolina</li> <li>▶ <b>University of Mary Washington*</b></li> <li>▶ University of Memphis</li> <li>▶ Virginia Beach Public Schools, Virginia</li> <li>▶ William James City County Schools, Virginia</li> </ul> <p><b>*DebtBook was utilized by client for GASB 87, 94, and 96</b></p>
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## e. Proposed Work Plan

*Proposed Approach, including: i. Anticipated approach to performing services as specified herein; ii. Suggestions or special concerns the evaluation committee should take into consideration (if any); iii. Description of deliverables and implementation plan. Proposer shall submit a general description of the deliverables, implementation plan, and timeline. iv. Data requirements from the City, if any*

### GASB 101 Implementation

Cherry Bekaert has developed a comprehensive four phase approach to implementing GASB 101, *Compensated Absences* that we are currently providing to governments throughout the country. This four-phase approach takes our clients from not knowing about the pronouncement to having journal entries, disclosures, and go-forward training. The Scope of Services provided by the City aligns very closely with our approach and achieves the primary objectives of your RFP to ensure full compliance with GASB 101 and help align current accounting practices for the new accounting standard. **Cherry Bekaert's Comprehensive Four-Phase Implementation Approach** includes:

Phase/Activities		Deliverables
<b>Phase 1: Understanding the Statement</b>		
1.0	Training and initial discussion on GASB 101 <i>Compensated Absences</i>	GASB 101 Presentation
1.1	Assistance with general communication and information gathering within the organization (for decentralized organizations or systems)	Tailored GASB 101 Memo
<b>Phase 2: Completeness and Implementation Documentation</b>		
2.0	Provide Cherry Bekaert "GASB 101 Summary" Excel template to assist with the capture of compensated absences applicable to the organization and potential liability recognition	Compensated Absences Summary Excel Template
2.1	Complete detailed review of client's policies, payroll register, and trial balance to assist in the identification of all potential compensated absences	Annotated documents and a list of identified compensated absences
2.2	Conduct walkthroughs with HR and Payroll departments to assist in the discovery of the government's full compensated absences listing	List of identified compensated absences
2.3	Populate Cherry Bekaert "GASB 101 Summary" Excel template for client review and acceptance	Completed Compensated Absences Summary Excel Template
<b>Phase 3: Policies and Procedures</b>		
3.0	Assess current state processes and controls around accounting for compensated absences and provide recommendations for improvement	Accounting Policy Recommendations
3.1	Assess clarity of client's policies and procedures (e.g., more likely than not determination, termination assumptions, flows assumption, accumulation assumptions) and provide recommendations for improvement	Accounting Policy Recommendations

Phase/Activities		Deliverables
3.2	Assist client with determining the approach to be used for calculating compensated absences liability, if not already in policy or if changing based on the implementation of GASB 101	Accounting Policy Recommendations
3.3	Document implementation year and go-forward policies and procedures to address completeness, information capture, and subjective determinations	Implementation Memo
<b>Phase 4: Entries, Disclosure, and Go Forward</b>		
4.0	Assist with calculation of GASB 101 compensated absences liability based on the client's determined approach	Compensated Absences Computation Tool
4.1	Assist with complex leave calculations based on multiple leave payout percentages or allocations (i.e., police and/or fire departments)	Compensated Absences Computation Tool
4.2	Assist with preparation of GASB 101 compensated absences journal entry, including allocation of liability if necessary	Journal Entry
4.3	Review client-prepared GASB 101 compensated absences journal entry for consistency with GASB 101	Journal Entry
4.4	Assist with preparation and/or review of GASB 101 disclosures	Updated and Reviewed Note Disclosures
4.5	Conduct final GASB 101 training (preparing client to handle going forward)	Go-Forward Presentation

Cherry Bekaert has a team of government advisors that provides these services year-round and can get started on this project as soon as the week after the contract is signed. From the start of services to the completion of training development will be eight weeks.

## Sample Tools/ Templates & Training Materials

Cherry Bekaert has developed proprietary tools and templates to help with GASB 101 implementation, which we will use for this engagement. Below are samples of our Compensated Absences Liability Calculation and Compensated Absences Leave Analysis Summary Tools.

GASB 101 Compensated Absences Liability Calculation Tool										
Instructions: XXX										
Process for determining compensated absences: XXX										
Payroll Register			Payroll Policy			Cherry Bekaert Calculations				Liability Measurement
Employee	Total Hours	Payrate at Balance Sheet Date	Years of Service	% Paid Out at Termination	Hours Earned	Hours Accumulated	(A) Hours Paid at Termination	(B) Estimated Hours Used Per Year	(C) Average Tenure of Employee (in years)	(A + (B * C)) Hours More Likely Than Not to be Used
Town Admin 1						0	0	0	0.000	0.00
Town Admin 2						0	0	0	0.000	0.00
Town Admin 3						0	0	0	0.000	0.00
Town Admin 4						0	0	0	0.000	0.00
Town Admin 5						0	0	0	0.000	0.00
GASB 101 Compensated Absences Leave Analysis Summary Tool										
Instructions: XXX										
Process for determining compensated absences: XXX										
STEP 1: Identify Types of Leaves and Potential Recognition Timelines			STEP 2: Determine How the Compensated Absence is Settled			STEP 3: Identify Whether a Potential Liability Exists for Unsettled Leaves				
Type of Leave	Compensated Absence Liability Recognition	Per company policy, how is the compensated absence settled?	Is there a potential compensated absence liability to be recognized?	(1) Does the leave accumulate?	(2) Is the leave attributable to services already rendered?	(3) Is the leave more likely than not to be used or otherwise paid in cash or settled through non-cash means (other than conversion to defined benefit postemployment benefits)?	Is there a potential compensated absence liability to be recognized?			
Paid Time Off (PTO)	Recognize a liability when the leave is earned and available	Cash settlements	Yes, Proceed to Step 3	Yes	No	Yes	No Liability			
Sick	Recognize a liability when the leave is earned and available			No	Yes	Yes	No Liability			
Sabbatical (Unsettled)	Recognize a liability when the leave is earned and available									
Holiday Leave	Recognize when leave is used									

## GASB 87 and GASB 96 Review and Update

The lease accounting standard change was one of the most disruptive changes to accounting in over 40 years, and as one of the nation's top public sector audit firms, Cherry Bekaert has been helping local governments understand and plan to address the myriads of accounting and reporting requirements related to GASB 87 and GASB 96 since our 2019 audit season. To assist the City with maintaining compliance and audit readiness, this engagement will focus on helping the City review lease universe completeness, including embedded leases and materiality threshold, and re-evaluating the design and/or implementation of appropriate processes, procedures and control functions. Our general methodology includes:

### Phase 1- Understanding the Statement

- Scoping and objective call with the City, which includes initial high-level overview of standards as well as discussion of type of leases and SBITA contracts in scope.

- ▶ Provide working and/or training session to the City pertaining to any accounting implementations and reporting requirements under the GASB standards.
- ▶ Set up a schedule with management to coordinate weekly check-ins, milestones and timelines.
- ▶ Mobilize team members and provide client and project overview to discuss deliverables.

#### **Phase 2- Completeness and Implementation Documentation**

- ▶ Evaluation of any new potential lease or SBITA contracts entered into during the year. Identify/Review the Population of Leases (current operating leases, capital asset listings, source of cash receipts) and SBITAs (current IT arrangements, capital asset listings, source of cash receipts) and management to compile a population of agreements, including those contracts with a lease embedded within.
- ▶ Collect and Categorize Data: Gather all supporting agreements, amendments, and extensions, and group agreements with similar characteristics.
- ▶ Extract and input into DebtBook Key Terms and Conditions: Review information gathered and identify key terms and conditions such as the lease term, options to extend or terminate, payment terms, service or maintenance components, and analysis of the incremental borrowing rate used as the discount rate.
- ▶ Perform necessary fieldwork including weekly or bi-weekly client meetings to discuss progress.
- ▶ Assist with updating the incremental borrowing rate to be used utilizing the template provided by DebtBook

#### **Phase 3- Entries, Disclosure, and Go Forward**

- ▶ Prepare journal entries to record the subscription liability and right of use subscription asset, lease liability and leased assets, lease receivable and deferred inflow of resources; assist the City with drafting new leasing and/or SBITA policy, including the impact of updated control environment surrounding the initiation, approval, processing and recording of transactions impacted; and assist with drafting footnote disclosure
- ▶ Work with the City in running the Day 1 journal entry along with the transition entry necessary to catch up to the current period based on implementation completion date.
- ▶ Work with the City in the drafting and developing the GASB 87 & GASB 96 annual disclosures
- ▶ Conduct "day 2" accounting training and use of software

Provide deliverables will include but are not limited too; technical GASB implementation memos; database setup which includes key lease/contract terms abstracted and inputted into lease software; and/or supporting working papers. We also commit to being here for the City following this engagement if you run into issues or have questions around monthly journal entries, ongoing compliance questions/issues, changes to the control environment and/or annual reporting disclosures. We have developed the following service offerings to assist with compliance and provide long-term business solutions:

- |  |  |
|--|--|
| ▶ General diagnostics discussion with management                         | ▶ Review of your management's GASB 87 and GASB 96 GAAP policies and practices  |
| ▶ Consultation and interpretive guidance, including GASB interpretations | ▶ Compare and contrast reviews for the ability of your entity's current processes and controls and IT systems to meet the requirements of GASB 87 or GASB 96 |
| ▶ Checklists and other tools for GASB 87 and GASB 96 implementation      | ▶ Analysis of potential impact on debt covenants   |
| ▶ Assistance with tool identification and vendor evaluation              | ▶ Assistance with implementation and IT system changes, if necessary, through Cherry Bekaert's IT system partners.   |
| ▶ Assistance in identifying additional reports and data needed           |  |

## **f. References**

Customer Name	City of Fayetteville, North Carolina
Contact Individual	Jeff Yates, Assistant City Manager
Address	433 Hay Street, Fayetteville NC, 28301
Phone Number	910.433.1474

Email	<a href="mailto:jeffreyyates@fayettevillenc.gov">jeffreyyates@fayettevillenc.gov</a>
Contract Amount	\$914,000
Year	January 2023 - Present
Description of supplies, equipment, or services provided	<p>Wide range of accounting, financial and pre-financial audit services for fiscal years 2022 - 2025 . We started by gaining an understanding of the entity's system of internal controls after their ERP implementation, similar to what would have been done in a financial statement audit. The purpose was to better develop tailored accounting and financial reconciliation procedures necessary for significant transaction cycles that had yet to be reconciled. The reconciliations included bank reconciliations (including pooled cash), accounts receivable and payable subledgers, capital assets, and fund balance classification, among others. Portions of the reconciliations were fully outsourced while others were done in conjunction with City finance staff. As part of the co-sourced account and financial closing process, we proposed journal entries and assisted with preparation of the final trial balance for the auditors.</p> <p>The City was required to implement GASB 87 as part of their fiscal year 2022 closing procedures and also decided to implement GASB 96 a year early. We assisted with the implementation of both of these standards, which included template creation for departments lease/subscription contract identification, detailed review of contracts, data analytics on the City's General Ledger to identify embedded leases, assistance developing go-forward policies and procedures, and required journal entries and disclosures. We also assisted with note disclosures and other procedures related to the drafting of the Annual Comprehensive Financial Report.</p>
Customer Name	City of Fort Myers
Contact Individual	Christine Tenney, Director of Financial Services
Address	2200 Second Street, Fort Myers, FL 33901
Phone Number	239.321.7186
Email	<a href="mailto:ctenney@cityftmyers.com">ctenney@cityftmyers.com</a>
Contract Amount	\$247,500
Year	November 2023 - Present
Description of supplies, equipment, or services provided	<p>We assisted the City with ACFR preparation, which included:</p> <ul style="list-style-type: none"> <li>▶ Coordinating with the City's finance department to develop a timeline for completion, including team member assignments and review responsibilities</li> <li>▶ Providing a template with a list of items (statements, schedules, footnotes, Stat tables) needed</li> <li>▶ Holding weekly status update meeting to ensure progress goals were met</li> <li>▶ Assisting with: <ul style="list-style-type: none"> <li>○ Full accrual journal entries</li> <li>○ Long-term debt, pension and OPEB footnotes</li> <li>○ Government-wide reconciliations</li> <li>○ Identifying and correcting grouping issues</li> <li>○ Completion of the basic financial statements within the City's software (Statement Builder)</li> </ul> </li> <li>▶ Performing multiple reviews of the ACFR before submission to the City's external auditors.</li> <li>▶ Helping the City ensure that GFOA requirements were met</li> </ul>
Customer Name	City of Richardson, TX
Contact Individual	Herman Chavez, CPA, Controller
Address	2360 Campbell Creek Blvd. Suite 550 Richardson, TX 75082
Phone Number	972.744.4062
Email	<a href="mailto:herman.chavez@cor.gov">herman.chavez@cor.gov</a>
Contract Amount	\$321,500
Year	June 2023 - Present



<b>Description of supplies, equipment, or services provided</b>	The City needed bank reconciliation support for an entire fiscal year, particularly for transactions from January to September 2023 that were not reconciled because of a new ERP system implementation. We created a data capture template for all 19 departments and interviewed multiple personal early in the project to understand the nature of several transactions made. We also proposed a blueprint for automating this process in the future. This approach streamlined the City's reconciliation template to reduce reconciliation time for monthly close from three weeks to one week. We are also providing best practice recommendations and remediation efforts for departments that need improvement in their reconciliation process.
<b>Customer Name</b>	<b>North Carolina Department of Public Instruction</b>
<b>Contact Individual</b>	Jessica Mapes, Accounting Controls & Reporting Manager
<b>Address</b>	301 North Wilmington Street, Raleigh, NC 27601-2825
<b>Phone Number</b>	984.236.2373
<b>Email</b>	<a href="mailto:jessica.mapes@dpi.nc.gov">jessica.mapes@dpi.nc.gov</a>
<b>Contract Amount</b>	\$107,885
<b>Year</b>	September 2022 - Present
<b>Description of supplies, equipment, or services provided</b>	Cherry Bekaert prepared the financial statements for the Department for the years ending June 30, 2022, and 2023. The Department's financial information was spread across several software platforms, requiring extensive reconciliations to ensure that billions of dollars in federal and state grant funding could be accurately disaggregated by individual subrecipients for the mandatory supplementary schedules. Cherry Bekaert also assisted with cash basis, modified accrual and full accrual journal entries, and helped the Department build new disclosures for GASB 87 and 96. As part of the financial statement preparation, Cherry Bekaert provided the Department with an in-depth understanding of the mapping of their account structure, flow of information from different software platforms, and closing journal entries. This increased transparency enabled the Department to have a more seamless review of the financials during the audit process. Additionally, the fiscal year 2023 financial statement preparation was completed several months earlier than had been historically possible for the Department. This additional time allowed for a more thorough review of the financials without the pressure of a looming deadline.
<b>Customer Name</b>	<b>North Carolina Department of Information Technology (NCDIT)</b>
<b>Contact Individual</b>	Beth Lane, Finance Director
<b>Address</b>	301 North Wilmington Street, Raleigh, NC 27601-2825
<b>Phone Number</b>	919.609.3421
<b>Email</b>	<a href="mailto:beth.lane@nc.gov">beth.lane@nc.gov</a>
<b>Contract Amount</b>	\$102,000
<b>Year</b>	November 2021 - Present
<b>Description of supplies, equipment, or services provided</b>	Assisted NCDIT with the implementation of GASB 96, <i>Subscription-Based Information Technology Arrangements</i> . NCDIT has very complex subscription arrangements that required deep analysis and discussion with multiple parties to arrive at the appropriate accounting treatments. In addition to technical contract review, we documented completeness and other implementation considerations, prepared journal entries and related disclosures, and provided Day 2 go-forward training. The following year, we provided NCDIT with Year 2 support related to both GASB 87 and GASB 96. Prior to these engagements, we also provided internal service fund audit and agreed-upon procedures to NCDIT.

## 2. Cost Proposal

We understand and appreciate your desire for professional service providers who are not only highly qualified, but who are also cost-conscious and cost-effective about the work they perform. We are mindful that cost is always a consideration in selecting a professional services firm. Accordingly, we have structured our fee based on our strong desire to develop a mutually rewarding, long-term relationship. Our fees are generally based on the time required to complete the work at our established billing rates. Our fees are also based on other factors such as the complexity of

the work, the skill required, time limits, the experience and abilities of our personnel, and the value of the services rendered.

Within the table below you will see our hourly rates for these services. A key benefit of our engagements is that we can scale up or scale down the level of effort in certain areas based on client budget. We also provide a detailed WIP summary each week so our clients are completely aware of where they are within their budget and what areas the fees correspond to.

Experience Level	Hourly Consulting Rates
Partner/Principal	\$295
Managing Director/Director	\$275
Senior Manager	\$250
Manager	\$210
Senior Associate	\$185
Associate	\$165

The fee below by fiscal year and task is based on the anticipated number of hours needed on the engagement. Should the engagement take fewer hours, you will only be billed for the hours incurred. Our total fiscal year 2025 fee is \$42,550 and our total fiscal year 2026 fee is \$19,500. This leaves an additional \$37,950 for optional supplemental services if the City were to use the entire \$100,000 budget identified. As stated in the RFP, the City is not obligated to spend the entire \$100,000 and will only be billed for time incurred. Please note the reduction in fee in fiscal year 2026 is based on the fact that GASB 101 is largely an implementation year challenge and the tools and templates created in year one make this standard easier to manage in subsequent years.

Service	Hours	Fee
<b>Fiscal Year 2025</b>		
GASB 87	40	\$7,400
GASB 96	40	\$7,400
GASB 101	150	\$27,750
<b>Total Year One</b>	<b>230</b>	<b>\$42,550</b>
<b>Fiscal Year 2026</b>		
GASB 87	40	\$7,800
GASB 96	40	\$7,800
GASB 101	20	\$3,900
<b>Total Year Two</b>	<b>100</b>	<b>\$19,500</b>
<b>Optional supplemental services contingent upon availability of funds</b>	<b>200</b>	<b>\$37,950</b>
<b>Total Fee for Initial of Agreement</b>	<b>530</b>	<b>\$100,000</b>

#### Additional Details

- ▶ Renewal - Cherry Bekaert agrees not to increase annual fees by more than five (5) percent per year, over the prior year, for the three (3) annual renewals. This five percent (5%) limit does not apply to any new services added during the term of this Agreement.
- ▶ A change in fees will apply should the scope of work change significantly. Should this occur, or there is a change in scope because of a change in your operations, we would meet with you to obtain your agreement on any increase in the fee ranges before proceeding.

#### Out-of-Scope Services

We encourage open lines of communication throughout the year as part of our services. Generally, we do not bill for routine telephone consultations, including calls received during the year regarding compliance questions.

However, should a matter require major research or services not included above, we will bill for these services at established hourly rates as rendered. Before beginning any additional work outside the scope of this proposal, we will discuss anticipated fees with your management to obtain understanding and approval, as well as any anticipated discount based on the timing and complexity of the service.

## Appendix A – Attachments & Certifications

### ATTACHMENT A

#### PROPOSER'S CERTIFICATION, PROPOSAL PRICING

**Certification** - I certify that I have read, understand and agree to the terms and conditions of this Request for Proposals. I have examined the Scope of Services (Exhibit I) and am qualified to provide services being requested as specified herein. I understand and agree that I am responsible for reporting any errors, omissions or discrepancies to the City for clarification prior to the submission of my proposal.

PROPOSER'S STATEMENT: I have read, understood and agree to the terms and conditions on all pages of the Request for Proposals. Upon request, I will transfer and deliver goods or services to the City in accordance with said terms and conditions.

Cherry Bekaert Advisory LLC

512 838 3176

LEGAL NAME OF COMPANY

PHONE AND FAX NUMBERS

1925 Century Park E, Ste 1700, Los Angeles, CA 90067

BUSINESS ADDRESS

Danny Martinez, CPA, CGFM

Partner, Cherry Bekaert Advisory LLC

PRINTED NAME OF AUTHORIZED AGENT

TITLE



03/18/2025

danny.martinez@cbh.com

SIGNATURE OF AUTHORIZED AGENT

DATE

E-MAIL ADDRESS

88-2730877

FEDERAL ID NUMBER (IF APPLICABLE)

CONTRACTOR LICENSE NUMBER  
(IF APPLICABLE)

**THIS FORM MUST BE COMPLETED AND INCLUDED WITH THE PROPOSAL.**  
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## ATTACHMENT B

## REFERENCES

List and describe fully the contracts performed by your firm which demonstrate your ability to provide the supplies, equipment or services included in the scope of the proposal specifications. Attach additional pages if required. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

**REFERENCE**Customer Name: City of Fayetteville, NC Contact Individual: Jeff Yates, Assistant City ManagerAddress: 433 Hay Street, Fayetteville NC, 28301 Phone Number: 910.433.1474EMAIL: jeffreyyates@fayettevillenc.govContract Amount: \$914,000 Year: January 2023 - Present

Description of supplies, equipment, or services provided:

Please see section F of our proposal**REFERENCE**Customer Name: City of Richardson, TX Contact Individual: Herman Chavez, CPA, ControllerAddress: 2360 Campbell Creek Blvd. Suite 550 Richardson, TX 75082 Phone Number: 972.744.4062EMAIL: herman.chavez@cor.govContract Amount: \$321,500 Year: June 2023 - Present

Description of supplies, equipment, or services provided:

Please see section F of our proposal**REFERENCE**Customer Name: North Carolina Department of Public Instruction Contact Individual: Jessica Mapes, Accounting Controls & Reporting ManagerAddress: 301 North Wilmington Street, Raleigh, NC 27601-2825 Phone Number: 984.236.2373EMAIL: jessica.mapes@dpi.nc.govContract Amount: \$107,885 Year: September 2022 - PresentDescription of supplies, equipment, or services provided: Please see section F of our proposal

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## ATTACHMENT C

## PROPOSER'S STATEMENT

Proposer understands and agrees that this written RFP (or any part thereof specifically designated and accepted by the City of Santa Ana, hereinafter City) shall constitute the entire agreement between proposer and the City only after it has been accepted by the City Council, endorsed by the Clerk of the Council with her signature and official seal noting hereon the action of approval of the Council, signed by the Executive Director or his duly authorized agent, and signed by the City Attorney, denoting his approval of the form of this document, and its execution, and when it or an exact copy of it has been either delivered to proposer or deposited with the United States Postal Service properly addressed to the proposer with the correct postage affixed thereto.

Proposer further agrees that upon delivery (as defined above) of the accepted agreement he/she will furnish City all required bonds and certificate of liability insurance within ten (10) days (excluding Saturdays, Sundays and City's legal holidays), or the funds, check, draft, or proposer's bond substituted in lieu thereof accompanying this proposal shall become the property of the City and shall be considered as payment of damages due to the delay and other causes suffered by City because of the failure to furnish the necessary bonds and because it is distinctly agreed that the proof of damages actually suffered by City is difficult to ascertain; otherwise said funds, check drafts, or proposer's bond substituted in lieu thereof shall be returned to the undersigned.

Proposer understands that a proposal is required for the entire work, that the estimated quantities set forth in the RFP schedule are solely for the purpose of comparing proposals, and that final compensation under the contract will be based upon the actual quantities of work satisfactorily completed.

All terms contained in the specifications, the certification of nondiscrimination by contractors, and the required insurance certificates are to be incorporated by reference into this agreement and are made specifically as part of this RFP.

Firm Cherry Bekaert Advisory LLC

Signed and Printed Name: Danny Martinez, CPA, CGFM

Title Partner, Cherry Bekaert Advisory LLC



Date 03/18/2025

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## ATTACHMENT D

## NON-COLLUSION AFFIDAVIT

(Title 23 United States Code Section 112 and Public Contract Code Section 7106)

To the CITY OF SANTA ANA

In accordance with Title 23 United States Code Section 112 and Public Contract Code 7106 the proposer declares that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the proposer has not directly or indirectly induced or solicited any other proposer to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived or agreed with any proposer or anyone else to put in a sham proposal, or that anyone shall refrain from bidding; that the proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the proposer or any proposer, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other proposer, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the proposer has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

Note: The above non-collusion affidavit is part of the proposal. Signing this proposal on the signature portion thereof shall also constitute signature of this non-collusion affidavit. Proposers are cautioned that making a false certification may subject the certifier to criminal prosecution.

Signed



State of

Tennessee

County of

Davidson

Subscribed and sworn to (or affirmed) before me on this 13 day of March, 2025, by Charles A. Wright IV, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Notary Public Signature



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## ATTACHMENT E


## NON-LOBBYING CERTIFICATION

The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in conformance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

Signed:   
Title: Partner, Cherry Bekaert Advisory LLC  
Firm: Cherry Bekaert Advisory LLC  
Date: 03/18/2025

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## ATTACHMENT F

## NON-DISCRIMINATION CERTIFICATION


The undersigned consultant or corporate officer, during the performance of this contract, certifies as follows:

1. The Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
2. The Consultant shall, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
3. The Consultant shall send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Consultant's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The Consultant shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. The Consultant shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation, to ascertain compliance with such rules, regulations, and orders.
1. In the event of the Consultant's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the Consultant may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.
2. The Consultant shall include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontract or purchase order as the administering agency may direct as means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Consultant becomes



involved in, or is threatened with, litigation with a subconsultant or vendor as a result of such direction by the administering agency, the Consultant may request that the United States enter into such litigation to protect the interests of the United States.

8. Pursuant to California Labor Code Section 1735, as added by Chapter 643 Stats. 1939, and as amended, no discrimination shall be made in the employment of persons upon public works because of race, religious creed, color, national origin, ancestry, physical handicaps, mental condition, marital status, or sex of such persons, except as provided in Section 1420, and any consultant of public works violating this Section is subject to all the penalties imposed for a violation of the Chapter.

Signed:   
\_\_\_\_\_  
Title: Partner, Cherry Bekaert Advisory LLC  
Firm: Cherry Bekaert Advisory LLC  
Date: 03/18/2025

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## Attachment B – Standard Terms & Conditions



### MASTER SERVICES AGREEMENT

This **MASTER SERVICES AGREEMENT** is entered into as of \_\_\_\_\_, 20\_\_\_\_  
("Effective Date"), by and between \_\_\_\_\_ ("Customer") and CHERRY  
BEKAERT ADVISORY LLC, a Delaware limited liability company ("Cherry Bekaert" and, together with  
Customer, the "Parties," and each of them individually, a "Party").

### RECITALS

**WHEREAS**, Customer desires to retain Cherry Bekaert to provide those certain Services (defined below) set forth in each applicable SOW (defined below) to Customer pursuant to this Agreement.

**NOW THEREFORE**, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, Cherry Bekaert and Customer hereby agree as follows:

**1. Definitions.** Unless otherwise stated in this Agreement, the defined terms set forth below shall have the following meanings:

1.1. "Agreement" means this Master Services Agreement together with all applicable addenda and amendments signed by each Party, and all schedules, exhibits, annexes, and SOWs attached to this Master Services Agreement or otherwise incorporated herein by reference.

1.2. "Background IP" means all documents, hardware, data, know-how, methodologies, software, templates, and other materials, including computer programs, reports, and specifications, including all Intellectual Property Rights therein, provided by or used by Cherry Bekaert in connection with performing the Services, in each case developed or acquired by Cherry Bekaert prior to the commencement or independently of this Agreement.

1.3. "Customer Data" means any data, information or material provided, inputted, or submitted by Customer or on Customer's behalf to enable the performance of the Services or otherwise in relation to this Agreement or the Services.

1.4. "Intellectual Property Rights" means all rights comprising or relating to intellectual property, including, but not limited to: (a) patents, patent disclosures and inventions (whether patentable or not), (b) trademarks, service marks, trade dress, trade names, brand name, logos, corporate names and domain names, and all other similar indicia of source of goods and services, in each case together with all of the goodwill associated therewith, (c) works of authorship (whether or not copyrightable), expressions, designs, copyrights and copyrightable works (including, but not limited to computer software, programs, and applications), mask works, moral rights, industrial design rights, and rights in data and databases, (d) trade secrets, know-how and other confidential information, and (e) all other intellectual property rights, in each case whether or not registered and including all registrations and applications for, and continuations, continuations-in-part, reissues, divisions, renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection pursuant to the laws of any jurisdiction in any part of the world.

1.5. "Services" means the professional services and Work Product, if any, to be provided by Cherry Bekaert to Customer under this Agreement as described in more detail in each applicable SOW.

1.6. "Statement of Work" or "SOW" means each Statement of Work entered into by the Parties from time-to-time and incorporated herein by reference.

1.7. "Technology Partner IP" means all documents, hardware, data, know-how, methodologies, software, templates, and other materials, including computer programs, reports, and specifications, including all Intellectual Property Rights therein, provided by or used by a Technology



Partner (as defined in Section 2.3 below) in connection with performing or providing any Technology Partner Service (as defined in Section 2.3 below).

1.8. **"Work Product"** means any and all works, materials, designs, specifications, systems, innovations, documentation or reports that are developed, produced, generated or provided by Cherry Bekaert to Customer in connection with Cherry Bekaert's performance of the Services as set forth in each applicable SOW, but specifically excluding any Background IP, Customer Data, Technology Partner Service and Technology Partner IP.

2. **Services.** Cherry Bekaert agrees to provide to Customer the Services described in each SOW in accordance with this Agreement. SOWs signed by both Parties may be added to this Agreement from time-to-time by reference to this Agreement. The method and means of providing the Services shall be under the control, management, and supervision of Cherry Bekaert, giving due consideration to the requests of Customer. The Services may include advice and recommendations of Cherry Bekaert, but management decisions in connection with the execution and communication of such advice and recommendations are Customer's sole responsibility.

2.1. **Non-exclusivity.** Nothing herein shall be deemed to preclude the Parties from retaining or performing the same or similar type of services for other persons or entities undertaking the same or similar functions as those undertaken by Customer or Cherry Bekaert hereunder or from independently developing or acquiring goods or services that are similar to, or competitive with, the goods or services, as the case may be, contemplated under this Agreement.

2.2. **Use of Third-Party Service Providers.** In connection with Cherry Bekaert's performance of the Services, Cherry Bekaert may use the services of domestic and foreign (as permitted by applicable law) independent contractors or temporary or loaned employees, all of whom may be considered a third-party service provider (each, a **"Third-Party Service Provider"**). Cherry Bekaert remains responsible for the oversight of all Services performed by the Third-Party Service Provider and for ensuring that such Services are performed in accordance with this Agreement. Cherry Bekaert will enter into a contractual agreement with the Third-Party Service Provider to maintain the confidentiality of confidential information.

2.3. **Technology Partners.** In connection with Cherry Bekaert's performance of the Services, Cherry Bekaert may use, offer, make available, provide access to, sell, resell, incorporate, embed and/or install certain software, application, hardware and/or technological communication products or services (each, **"Technology Partner Service"**) offered by third-party technology providers (each, a **"Technology Partner"**), including, but not limited to software-as-a-service (SaaS), infrastructure-as-a-service (IaaS), and platform-as-a-service (PaaS) whether or not such Technology Partner Service works in conjunction with the Services or is provided on a stand-alone basis. Customer agrees that Cherry Bekaert does not make any representations or warranties as to, and Cherry Bekaert will have no liability regarding, any Technology Partner Service, Technology Partner IP or any products or services of any Technology Partners regardless of whether or not such Technology Partner or their products or services are designated by Cherry Bekaert as "a partner," "validated," "certified" or otherwise. Customer releases Cherry Bekaert from any liability or obligations arising from any Technology Partner Service, Technology Partner IP or any products or services of any Technology Partners. Customer agrees to comply with all additional terms of use, end user license agreements, user agreements, or other terms and conditions of the Technology Partner that are applicable to Technology Partner Service or Technology Partner IP, each as required by the Technology Partner. Any exchange of Customer Data, trade secrets, Confidential Information (defined below), or proprietary information or other interaction between Cherry Bekaert and/or a Customer and a Technology Partner, and any purchase by Cherry Bekaert or a Customer of any product or service offered by such Technology Partner, is solely between Cherry Bekaert and/or Customer and the Technology Partner and subject to the applicable Technology Partner terms of use, end user license agreements, user agreements, or other terms and conditions of the Technology Partner, each as required by such Technology Partner. Except as may be agreed to in writing by such Technology





Partner, the Technology Partner and its licensors are, and shall remain, the sole and exclusive owners of all right, title and interest in and to the Technology Partner Service and Technology Partner IP, including all Intellectual Property Rights therein.

2.4. **Change Orders.** If Customer desires to change the scope or performance of the Services to be provided, Customer shall submit details of the requested change to Cherry Bekaert in writing. Cherry Bekaert shall, within a reasonable time after receiving a Customer-initiated request, provide a written estimate to Customer of: (a) the estimated time required to implement the change; (b) any necessary variations to the Fees and other charges for the Services arising from the change; and (c) the likely effect of the change on the Services. Promptly after receipt of the written estimate, the Parties shall negotiate and seek to agree in writing on a change order amendment to this Agreement or the applicable SOW regarding the terms of such change. Neither Party shall be bound by any change request or change order amendment unless it is mutually agreed upon in writing and executed by each Party.

### **3. Term and Termination.**

3.1. **Term: Automatic Renewal.** The term of this Agreement shall commence on the Effective Date and shall continue for an initial period of one (1) year. Thereafter, the term of this Agreement shall automatically renew for successive periods of one (1) year each unless either Party provides the other Party with written notice of its election not to renew this Agreement at least thirty (30) days prior to the scheduled renewal date. In the event a Party provides such notice of its intent not to renew, the term of this Agreement shall continue until the later of (a) such scheduled renewal date or (b) immediately following the termination or expiration of all SOWs entered into in connection herewith, at which point this Agreement will automatically expire.

3.2. **Termination for Convenience.** Either Party may terminate this Agreement upon providing the other Party with written notice of at least thirty (30) days. In the event a Party properly provides such notice of its intent to terminate this Agreement under this Section 3.2, this Agreement shall continue until the later of (a) thirty (30) days after such notice or (b) immediately following the termination or expiration of all SOWs entered into in connection herewith, at which point this Agreement will automatically terminate.

3.3. **Termination for Cause.** In addition to any other termination rights under this Agreement, either Party upon written notice to the other Party (a) may terminate this Agreement if such other Party materially breaches this Agreement and such breach is not cured within thirty (30) days after receipt of written notice of such breach from the terminating Party, (b) may terminate an SOW if such other Party materially breaches such SOW and such breach is not cured within thirty (30) days after receipt of written notice of such breach from the terminating Party, and (c) may terminate this Agreement and any SOW if such other Party becomes the subject of any involuntary petition in bankruptcy that is not dismissed or vacated within 60 days after filing or any voluntary proceeding relating to insolvency, bankruptcy, receivership, liquidation, or composition for the benefit of creditors, or otherwise dissolves or ceases to do business. Customer's non-payment of Fees or other amounts due to Cherry Bekaert under this Agreement will be deemed a material breach of this Agreement and the applicable SOW by Customer. In the event a Party properly provides such notice of its intent to terminate this Agreement, this Agreement shall continue until the later of (i) the date that this Agreement would terminate pursuant to this Section 3.3 (after giving effect to the cure periods therein), or (ii) immediately following the termination or expiration of all SOWs entered into in connection herewith, at which point this Agreement will automatically terminate.

4. **Fees and Billing Procedures.** Customer agrees to pay Cherry Bekaert for the Services in accordance with the fee(s) set forth herein and in each applicable SOW ("**Fees**").





4.1. Time of Payment and Billing. Except as otherwise provided in the applicable SOW, Fee(s) are due and payable upon receipt by Customer of an invoice from Cherry Bekaert. If any Fees or other amounts due to Cherry Bekaert under this Agreement are more than ten (10) days past due, Cherry Bekaert: (a) may charge Customer a service charge equal to the lower of 1.5% per month or the maximum rate permitted by applicable law on any such past due amounts, with a minimum charge of \$2.00 per month, and (b) may stop all Services until Customer's account is brought current and the individuals performing the Services become available. Except as otherwise provided in the applicable SOW, invoices may be rendered monthly, and Cherry Bekaert will forward invoices via email to the billing contact specified by Customer for the Services rendered pursuant to each applicable SOW then payable.

4.2. Expenses. Subject to the prior approval by Customer, and upon receipt by Customer of an invoice from Cherry Bekaert, Customer shall reimburse Cherry Bekaert for reasonable travel and out-of-pocket expenses incurred in connection with the performance of the Services. Upon Customer's written request, Cherry Bekaert will provide copies of the expense report and evidence of the travel and out-of-pocket expense(s) incurred by Cherry Bekaert.

4.3. Disputed Fees/Amounts. In the event Customer disputes a Fee or other amount on an invoice, Customer must deliver a written statement to Cherry Bekaert within thirty (30) days of Customer's receipt of such invoice listing all disputed Fee(s) and other amounts and providing a reasonably detailed description of each disputed item. Fees and other amounts not so disputed shall be deemed accepted and shall be paid within the agreed upon period. The Parties shall seek to resolve all such disputes expeditiously and in good faith.

## 5. Confidential Information.

### 5.1. Non-Disclosure.

5.1.1. "Confidential Information" means any and all non-public information that is disclosed by a Party (the "Disclosing Party") to the other Party (the "Receiving Party"), which is marked "confidential" or "proprietary" or which should reasonably be understood by the Receiving Party to be confidential or proprietary, including, without limitation, the contents of this Agreement, and any confidential or proprietary information that relates to its business affairs, products or services, prices, business plans, marketing, finances, Intellectual Property Rights, or third-party confidential information, whether disclosed orally or in written, electronic, or other form or media; provided, however, the term "Confidential Information" does not include any information or documentation that: (i) was known to the Receiving Party prior to its disclosure by the Disclosing Party; (ii) is or becomes publicly known through no wrongful act of the Receiving Party; (iii) has been rightfully received from a third-party authorized to make such disclosure without restriction; (iv) is independently developed by the Receiving Party without use of or reference to the Confidential Information of the Disclosing Party; or (v) has been approved for release by the Disclosing Party's prior written authorization.

5.1.2. During the term of the applicable SOW and for a period of three (3) years following completion of the Services contemplated therein, the Receiving Party agrees: (a) not to disclose Confidential Information of the Disclosing Party provided to the Receiving Party in connection with the Services contemplated in such SOW to any third-party without the prior written consent of the Disclosing Party; provided, however, that the Receiving Party may disclose the Confidential Information of the Disclosing Party to its employees, members, consultants, independent contractors, vendors, Third-Party Service Providers, Technology Partners, agents and representatives who have a "need to know" and who are bound by confidentiality obligations at least as restrictive as those set forth in this Section 5; and (b) to use the Confidential Information of the Disclosing Party only for the purposes of performing its obligations under this Agreement or, in the case of Customer, to make use of the Services. Unless otherwise agreed to by the Parties in writing, the Confidential Information of the Disclosing Party will be and remain the property of the Disclosing



Party. This Agreement supersedes and controls over any and all confidentiality agreements, non-disclosure agreements, and similar agreements regarding non-disclosure of information entered into by the Parties prior to the Effective Date, it being agreed that all of each Party's rights and obligations with respect to information are governed by this Agreement.

5.2. Surrender and Destruction of Confidential Information. Following the expiration or termination of the applicable SOW and upon the written request of the Disclosing Party, the Receiving Party shall at its option promptly destroy or return to the Disclosing Party all Confidential Information held by the Receiving Party. In the event the Receiving Party destroys such Confidential Information, the Disclosing Party may request written certification of such destruction from the Receiving Party. Notwithstanding the foregoing, Cherry Bekaert has the right to retain a copy of Confidential Information that is captured by automatic backup and electronic storage systems in the ordinary course of business or as may be required by applicable professional standards; provided, however, all such retained Confidential Information shall remain subject to this Agreement.

5.3. Compelled Disclosure of Confidential Information. If the Receiving Party becomes legally compelled to disclose any Confidential Information by governmental regulation, subpoena, or other legal process, the Receiving Party shall provide: (a) prompt written notice of such requirement to the Disclosing Party (unless prohibited by law) so that the Disclosing Party may seek, at its sole cost and expense, a protective order or other remedy; and (b) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing such notice and assistance as required herein, the Receiving Party remains legally required to disclose any Confidential Information, the Receiving Party shall disclose no more than that portion of the Confidential Information which, on the advice of the Receiving Party's legal counsel, the Receiving Party is legally required to disclose. In the event Cherry Bekaert is requested or authorized by Customer or required by government regulation, subpoena, or other legal process to produce Customer's Confidential Information, Customer Data, Work Product or Cherry Bekaert's personnel as witnesses with regard to Services performed for Customer, Customer will, so long as Cherry Bekaert is not a party to the proceeding in which the information is sought, reimburse Cherry Bekaert for its professional time and expense, as well as the reasonable fees and expenses of Cherry Bekaert's counsel, incurred in responding to such a request.

## **6. Work Product and Intellectual Property Rights.**

6.1. Work Product. Except as provided in Section 6.2, and subject to Cherry Bekaert's receipt of Customer's payment for all Fees and other amounts owed by Customer to Cherry Bekaert, Customer is, and shall be, the sole and exclusive owner of all right, title, and interest in and to all Work Product, including all Intellectual Property Rights therein. Cherry Bekaert agrees that with respect to any Work Product that may qualify as "work made for hire" as defined in 17 U.S.C. § 101, such Work Product is hereby deemed a "work made for hire" for Customer. If and to the extent that Cherry Bekaert may, under applicable law, be entitled to claim any ownership interest in the Work Product, Cherry Bekaert hereby transfers, grants, conveys, and assigns to Customer any and all Intellectual Property Rights that Cherry Bekaert now has or may hereafter acquire in and to the Work Product. Upon Customer's written request and at Customer's sole cost and expense, Cherry Bekaert agrees to use commercially reasonable efforts to assist Customer and to take further actions, including execution and delivery of instruments of conveyance, as may be reasonably required to give full and proper effect to such assignment. Notwithstanding any provision of this Agreement to the contrary, in the event that working papers are compiled by Cherry Bekaert in connection with the Services, then such working papers (but not the Customer Data contained in them) shall be the sole property of Cherry Bekaert and shall not be Work Product.

6.2. Background IP. The Parties acknowledge and agree that Cherry Bekaert and its licensors are, and shall remain, the sole and exclusive owners of all right, title and interest in and to the





Background IP, including all Intellectual Property Rights therein. If, and to the extent that, any Background IP is embodied or reflected in the Work Product, Cherry Bekaert hereby grants to Customer an irrevocable, perpetual, non-exclusive, worldwide, royalty-free, fully paid up, sublicensable right and license to use, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such Background IP and any derivative works thereof to the extent incorporated in, combined with or otherwise necessary for the use of the Work Product solely to the extent reasonably required in connection with Customer's receipt or use of the Services.

6.3. Customer Data. Unless otherwise agreed by the Parties in writing, Customer Data shall be and remain the sole and exclusive property of Customer. Customer hereby grants Cherry Bekaert and its employees, members, consultants, independent contractors, vendors, agents, representatives, and any Third-Party Service Providers and/or Technology Partners engaged by Cherry Bekaert in connection with its performance of the Services a license to use, store, record, process, transmit, maintain, and display Customer Data to the extent necessary in providing the Services. Customer covenants, represents and warrants that Customer owns or has the necessary licenses, rights, consents and permissions to use and authorize Cherry Bekaert and its employees, members, consultants, independent contractors, vendors, agents, representatives, and any Third-Party Service Providers and/or Technology Partners engaged by Cherry Bekaert in connection with its performance of the Services to use all Customer Data in the manner contemplated under this Agreement, and to transfer and process such Customer Data as may be required by applicable law. Customer alone is responsible for the accuracy, content, currency, completeness, quality, legality and delivery of all Customer Data. If Customer Data, Confidential Information, or other materials disclosed or made available to Cherry Bekaert in connection with this Agreement may be subject to heightened protections under applicable privacy laws, data protection laws, or other applicable laws, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), then Customer must notify Cherry Bekaert in advance of such disclosure or access (email acceptable). If performance of the Services requires Cherry Bekaert to process the personal data of European Union or United Kingdom residents, Customer will notify Cherry Bekaert and the Parties will work together in good faith to execute a data processing addendum covering such processing. Cherry Bekaert shall and shall use reasonable efforts to cause its employees, members, consultants, independent contractors, agents, representatives, and any Third-Party Service Providers and/or Technology Partners engaged by Cherry Bekaert in connection with its performance of the Services to implement, maintain and enforce commercially reasonable security measures to help prevent the unauthorized access, use, corruption, loss or disclosure of non-public Customer Data and Confidential Information.

6.4. No License; Advertising and Publicity. Except as otherwise provided in this Agreement, no license or other right is granted by this Agreement and this Agreement shall not be construed to grant a license or other right to either Party by the other Party with respect to Confidential Information, Background IP, or Customer Data. Neither Party shall use the name or logo of or refer to the other Party directly or indirectly in any advertisement, news release, or professional or trade publication without prior written approval from the other Party; provided, however, Cherry Bekaert may use Customer's name and logo, and otherwise refer to Customer, on any customer list of Cherry Bekaert.

7. Representations and Warranties. Each Party represents and warrants to the other Party that: (a) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, organization, or chartering; (b) it has the full right, power, and authority to enter into this Agreement, to grant the rights and licenses, if applicable, granted under this Agreement, and to perform its obligations under this Agreement; (c) the execution of this Agreement by its representative on the signature page hereto has been duly authorized by all necessary entity action; (d) when executed and delivered, this Agreement will constitute a legal, valid, binding and enforceable obligation, except as may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally; and (e) it will comply in all material respects with applicable federal, state, local, international,



or other laws and regulations applicable to the performance by it of its obligations under this Agreement, and it has or will obtain all applicable permits and licenses required of it in connection with its obligations under this Agreement.

**8. Limited Service Warranty: Disclaimer.**

8.1. Cherry Bekaert warrants that the Services will be performed in a professional manner and in accordance with, in all material respects, any specifications set forth in the applicable SOW. Cherry Bekaert's entire liability, and Customer's sole and exclusive remedy, for breach of the warranty in this Section 8.1 is Cherry Bekaert using reasonable efforts to correct such breach. Notwithstanding the foregoing, the above warranty does not apply to the extent the breach of warranty was caused by or arises from (a) any modification or repair to the Services unless provided by Cherry Bekaert, (b) any unauthorized or improper use of the Services, or (c) any third-party product, software, application or service (including in combination with the Services).

8.2. Cherry Bekaert warrants that, to Cherry Bekaert's knowledge, the Services contemplated herein (exclusive of the Customer Data, Technology Partner Service and Technology Partner IP) do not infringe upon any United States copyright, registered or issued patent, trade secret, or other proprietary right, or misappropriate any trade secret, of any third-party; provided, however, that Cherry Bekaert assumes no liability for infringement or misappropriation claims (and the provisions of the warranty set forth in this Section 8.2 shall not have been breached) to the extent such claims are caused by modifications, alterations or additions to the Services that are performed by any person or entity other than Cherry Bekaert.

8.3. EXCEPT FOR THE EXPRESS WARRANTIES OF CHERRY BEKAERT IN THIS AGREEMENT, CHERRY BEKAERT HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, UNDER OR IN RELATION TO THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ANY IMPLIED WARRANTIES ARISING FROM THE COURSE OF DEALING OR COURSE OF PERFORMANCE.

**9. Customer's Obligations.** Customer shall: (a) cooperate in good faith with Cherry Bekaert in its performance of the Services, including providing Cherry Bekaert with reasonable access to facilities and timely access to Customer's materials, information, systems and personnel as Cherry Bekaert may reasonably request for the purposes of performing the Services; (b) respond promptly to any Cherry Bekaert request to provide direction, information, approvals, authorizations, or decisions that are reasonably necessary for Cherry Bekaert to perform the Services in accordance with this Agreement; (c) designate an authorized representative on each SOW to oversee the performance of the Services contemplated in this Agreement, receive communications regarding the Services, make any management decisions, perform any management functions related to the Services, evaluate the adequacy of the Services, and accept overall responsibility for the results of the Services; and (d) provide any required notices and materially comply with all applicable laws in relation to the Services, to the extent relating to Customer's business, premises, staff or equipment or any Customer Data.

**10. Non-Solicitation of Employees.** During the term of this Agreement and for a period of twelve (12) months after the termination or expiration of this Agreement, Customer agrees not to, directly or indirectly, solicit, recruit or hire, attempt to solicit, recruit or hire, or assist any third-party to solicit, recruit or hire (for employment or engagement as a consultant or otherwise), any employee of Cherry Bekaert who was involved in matters relating to the Services, without the prior written consent of Cherry Bekaert. Notwithstanding the foregoing, this Agreement shall not be construed to prohibit Customer from (a) placing general advertisements or a notice of a job listing or opening in any media, so long as not directed at the employees of Cherry Bekaert, (b) hiring employees or former employees of Cherry Bekaert who contact Customer of their own accord, or (c) recruiting or hiring employees or former employees of Cherry





Bekaert through agencies (so long as Customer does not direct such agencies to solicit Cherry Bekaert's employees). In the event Customer breaches this Section 10, Cherry Bekaert may elect to require Customer to pay to Cherry Bekaert as liquidated damages an amount equal to 33.33% of the total gross compensation (including base salary and any bonuses or incentive compensation) paid to the employee by Cherry Bekaert during the 12-month period immediately preceding the separation of the employee from Cherry Bekaert. The Parties acknowledge and agree: that Cherry Bekaert has invested significant time, effort and expense into the recruitment, training and retention of its employees; that the Parties cannot now determine the amount of the damages that Cherry Bekaert would sustain upon the breach by Customer of any of the provisions of this Section 10; and that it would be very difficult to determine and quantify that amount upon a breach by Customer of any of the provisions of this Section 10.

**11. Indemnification.** Customer agrees to defend, indemnify and hold harmless Cherry Bekaert and its members, officers, directors, employees, agents, successors and permitted assigns from any and all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind (including reasonable attorneys' fees and court costs) and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers arising out of or resulting from any claim or action arising out of or relating to: (a) the conduct of Customer's business, including, without limitation, the use by Customer of the Services unless solely caused by Cherry Bekaert's gross negligence or willful misconduct; (b) bodily injury, death of any person, or damage to real or tangible property resulting from the negligent or willful acts or omissions of Customer; (c) Customer's material breach of any representation, warranty, or obligation in this Agreement or any breach of any applicable Technology Partner terms of use, end user license agreement, user agreement, or other terms and conditions of any Technology Partner; (d) allegations that any Customer Data or the use thereof infringes or misappropriates any intellectual property or proprietary rights of a third party or violates any applicable law; or (e) known misrepresentations by a member of Customer's management.

**12. Limitation of Liability.**

**12.1. EXCEPT FOR LIABILITY ARISING FROM ANY BREACH OF SECTION 4 OR FOR A PARTY'S OBLIGATIONS PURSUANT TO SECTION 11 HEREIN, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER OR TO ANY THIRD-PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.**

**12.2. EXCEPT FOR LIABILITY ARISING FROM ANY BREACH OF SECTION 4 OR FOR A PARTY'S OBLIGATIONS PURSUANT TO SECTION 11 HEREIN, IN NO EVENT SHALL THE AGGREGATE CUMULATIVE LIABILITY OF CHERRY BEKAERT HEREUNDER, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE TOTAL AMOUNT OF FEES ACTUALLY PAID TO CHERRY BEKAERT UNDER THE SOW FROM WHICH THE CLAIM ARISES. CUSTOMER ACKNOWLEDGES THAT THE FEES PAID BY IT REFLECT THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT CHERRY BEKAERT WOULD NOT ENTER INTO THIS AGREEMENT OR A PARTICULAR SOW WITHOUT THESE LIMITATIONS ON LIABILITY.**

**12.3. Timely Claims.** Excluding claims related to taxes or the non-payment of Fees, and to the extent permitted by law, no Party shall bring any claim related to this Agreement more than eighteen (18) months after the cause of action accrues.



**13. Dispute Resolution Procedures.** In the event that a dispute arises between the Parties relating to this Agreement, the Parties shall meet and confer to attempt to resolve in good faith such dispute. If after thirty (30) days the dispute has not been resolved, the following shall apply:

13.1. Mediation. All disputes shall be first submitted to nonbinding confidential mediation by written notice to the Parties, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. If the Parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution, at the written request of a Party, shall designate a mediator.

13.2. Arbitration. If a dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the Parties so agree in writing), the mediation shall terminate and the dispute shall be resolved by binding arbitration to be held at a mutually agreeable location. The arbitration shall be conducted in accordance with the International Institute for Conflict Prevention and Resolution Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the “Arbitration Rules”), before a panel of three arbitrators. Each of Customer and Cherry Bekaert shall designate one arbitrator in accordance with the “screened” appointment procedure provided in the Arbitration Rules, and the two Party-designated arbitrators shall jointly select the third arbitrator in accordance with the Arbitration Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce this Agreement and to abide by the Arbitration Rules. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Any discovery shall be conducted in accordance with the Arbitration Rules. The result of the arbitration shall be binding on the Parties, and judgment on the arbitration award may be entered in any court having jurisdiction. Each Party shall bear its own costs and expenses in any such mediation and in any such arbitration.

**14. Independence and Attest Services; Alternative Practice Structure and Associated Entities.**

14.1. In the event Cherry Bekaert LLP (an associated, but not affiliated entity) performs financial statement attest services for Customer, Cherry Bekaert will be subject to the independence requirements of the American Institute of Certified Public Accountants (“AICPA”) which preclude Cherry Bekaert from providing certain services to Customer. In order for Cherry Bekaert to maintain its independence with any attest client in accordance with AICPA rules, Customer’s management shall be responsible for: (a) making decisions on behalf of Customer’s management; (b) managing or performing a new accounting standards adoption project; (c) selecting accounting policies or accounting positions; (d) drafting accounting policies and manuals; (e) calculation of amounts and related journal entries; (f) designing and/or implementing manual or IT processes for the application of new or revised accounting literature; (g) evaluating the adequacy of all services provided; and (h) accepting overall responsibility for the results of Services. In the event Cherry Bekaert LLP performs financial statement attest services for Customer, Cherry Bekaert can provide the following services while maintaining its independence in accordance with AICPA rules provided Customer’s management complies with their responsibilities as outlined above: (t) general diagnostic discussion with Customer’s management; (u) provide and discuss authoritative guidance; (v) provide and discuss interpretive guidance including the Financial Accounting Standards Board, Governmental Accounting Standards Board and AICPA interpretations; (w) assist in identifying additional reports and data needed; (x) analyze potential impact on debt covenants; (y) analyze potential impact on compensation agreements; and (z) assist in assessing the tax impact.

14.2. Cherry Bekaert Advisory LLC and Cherry Bekaert LLP are operating in an arrangement commonly described as an “alternative practice structure”. Cherry Bekaert LLP leases professional and administrative staff, all of whom are employed by Cherry Bekaert Advisory LLC, to support Cherry Bekaert LLP’s performance of its professional services. Cherry Bekaert LLP and Cherry Bekaert Advisory





LLC require confidential treatment of all Customer Data. To the extent Cherry Bekaert LLP provides professional services relating to Customer, Customer consents to Cherry Bekaert LLP, Cherry Bekaert Advisory LLC, and any other affiliate or associated entity sharing Customer's Confidential Information, Customer Data, and other financial records to provide such services.

**15. Miscellaneous.**

15.1. Entire Agreement; Amendment. This Agreement, including all applicable addenda, schedules, exhibits and SOWs attached to this Agreement or otherwise incorporated by reference, constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings, communications, negotiations, representations, and agreements, both written and oral, with respect to such subject matter. Any changes to this Agreement must be agreed to in writing by both Parties. In the event of any conflict between any portion of this Agreement and an applicable SOW, such applicable SOW will govern and control (excluding with regard to Section 12 of this Agreement), but only with respect to the Services set forth therein. No term or condition contained in Customer's acceptance or purchase order documentation will apply unless specifically agreed to by Cherry Bekaert, in writing, even if Cherry Bekaert has accepted the order or engagement, and all other terms or conditions are otherwise hereby expressly rejected by Cherry Bekaert.

15.2. Relationship Between the Parties. The Parties are independent contractors. This Agreement shall not be construed as creating any agency, partnership, joint venture, franchise, employment, or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

15.3. Taxes. Cherry Bekaert shall be solely responsible for all payroll taxes and fringe benefits of Cherry Bekaert's employees. Customer shall be solely responsible for all sales, use, excise, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by Customer hereunder.

15.4. Effect of Customer Delays. Cherry Bekaert is not liable for any late delivery or delay or failure of performance under this Agreement (or any late filings, penalties, interest, missed elections or other consequences) to the extent such delay or failure is caused, directly or indirectly, by (a) Customer's delay in performing, or failure to perform, any of its obligations under this Agreement, (b) any stoppage of Services by Cherry Bekaert due to non-payment of Fees or other amounts by Customer, or (c) the unavailability or absence of key Customer personnel or Customer Data. In the event of any such delay or failure, Cherry Bekaert may extend all or any subsequent due dates or milestones set forth in the applicable SOW as Cherry Bekaert deems reasonably necessary.

15.5. Force Majeure. Notwithstanding any provision of this Agreement to the contrary, neither Party shall be liable to the other Party to the extent fulfillment or performance of any obligations under this Agreement, except for any obligations to make payments to the other Party hereunder, are delayed or prevented due to any causes or events beyond such Party's commercially reasonable control, including, but not limited to: acts of God, fire, earthquake, explosion, flood or other natural catastrophe, pandemic, epidemic, quarantine, governmental legislation, acts, orders, stay-at-home orders, war, invasion, riot, civil unrest, or acts of terrorism, labor strikes, shortages, or labor difficulties (excluding those involving a Party's employees), or service disruptions involving hardware, software, cloud-related services, web-hosting, internet service or power systems, in each case for so as long as such causes or events remain beyond the commercially reasonable control of the delayed or prevented Party.

15.6. No Waiver; Cumulative Remedies. The failure of either Party at any time to require performance by the other Party of any provision of this Agreement shall in no way affect that Party's right to enforce such provisions, nor shall the waiver by either Party of any right or breach of any provision of



this Agreement be taken or held to be a waiver of any further right or breach of the same provision. All rights and remedies of each Party shall be in addition to all other rights and remedies available at law or in equity, including, without limitation, specific performance for the enforcement of this Agreement, and temporary and permanent injunctive relief.

15.7. Notices. All notices, consents, waivers and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered by hand; (b) when transmitted by email if sent prior to 5:00 p.m. Eastern Time on a business day and otherwise on the next following business day; (c) five business days after it is mailed, if mailed by registered or certified mail, postage prepaid (return receipt requested); or (d) one business day after it is sent, if sent by a nationally recognized overnight delivery service (e.g. FedEx) with tracking; in each case to the Parties at the addresses on the signature page to this Agreement (or such other address for a Party as shall be specified by like notice, provided that notices of a change of address shall be effective only upon receipt thereof).

15.8. Choice of Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, in all respects, without regard to conflicts of law principles. The Parties hereby consent to the jurisdiction of the courts of Henrico County of the Commonwealth of Virginia and of the United States District Courts located in Henrico County of the Commonwealth of Virginia (to the extent such courts have subject matter jurisdiction) in connection with any action, suit, or other proceeding in connection with, arising out of, or relating to this Agreement, and agree not to assert in any such action, suit, or proceeding that it or he is not personally subject to the jurisdiction of such courts, that the action, suit, or proceeding is brought in an inconvenient forum, or that venue of the action, suit, or proceeding is improper.

15.9. **WAIVER OF TRIAL BY JURY. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.**

15.10. Assignment; Third Party Beneficiaries. Except as otherwise provided in this Agreement, neither Party may assign or delegate this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of the other Party. Each Party shall have the right to assign this Agreement without the other Party's consent to its affiliate or in connection with a merger, acquisition, restructuring, reorganization, or a sale or other disposition of all or substantially all of its assets or equity interests. Any assignment or delegation in violation of the foregoing shall be void. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the Parties, their successors and permitted assigns. Except as set forth in Section 11, the Parties do not confer any rights, benefits, or remedies upon any person or entity other than the Parties to this Agreement and their respective successors and permitted assigns.

15.11. Counterparts; Electronic Signature. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures delivered by email of a .pdf file or by an electronic method shall be enforceable to the same extent as an original signature. A facsimile or photocopy of a signature or electronic signature shall have the same legal effect as an original ink signature.

15.12. Severability. If any provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement or invalidate or render unenforceable such provision in any other jurisdiction. Upon a determination that any provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to affect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.





15.13. Construction. The headings used in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement. Both Parties had the opportunity to negotiate the provisions of this Agreement. No provisions of this Agreement are intended to or shall be construed against any Party by reason of such Party being deemed to have drafted such provisions or this Agreement. Where agreement, approval, acceptance, consent or similar action by either Party is required by any provision of this Agreement, such action shall not be unreasonably delayed or withheld.

15.14. Survival. The provisions of Sections 4, 5, 6, 10, 11, 12, 13, and 15 of this Agreement and any provision of this Agreement which, by its nature, should survive termination or expiration of this Agreement, will survive any such termination or expiration of this Agreement.

[Signature Page Follows]



IN WITNESS WHEREOF, the undersigned authorized representative of each Party has executed this Master Services Agreement as of the dates set forth below to be effective as of the Effective Date.

**CUSTOMER:**

**[CUSTOMER LEGAL NAME]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

Email: \_\_\_\_\_

**CHERRY BEKAERT:**

**CHERRY BEKAERT ADVISORY LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attn: [Partner Name] \_\_\_\_\_

Email: \_\_\_\_\_

With a Copy To: [CBHLegal@cbh.com](mailto:CBHLegal@cbh.com)