



**COUNTY OF HENRICO  
DEPARTMENT OF FINANCE  
PURCHASING DIVISION  
CONTRACT EXTRACT  
NOTICE OF AWARD/RENEWAL**

DATE:	April 3, 2025
CONTRACT COMMODITY/SERVICE: <i>(include contracting entity if cooperative)</i>	Audit Services for School Activity Fund
CONTRACT NUMBER:	2769A
COMMODITY CODE:	946.20
CONTRACT PERIOD:	April 1, 2025 through March 31, 2028 (FY 2025,2026,2027) <b>*Get new Engagement Letters each year</b>
RENEWAL OPTIONS:	Two one-year renewals through 2030 (FY 2028, FY 2029)
USER DEPARTMENT:	Schools
Contact Name:	Kennedy Venaglia
Phone Number:	840-652-3640
Email Address:	kwvenaglia@henrico.k12.va.us
HENRICO COOPERATIVE TERMS INCLUDED:	Yes
SUPPLIER: Name:	Cherry Bekaert LLP
Address:	200 South 10 <sup>th</sup> Street Suite 900
City, State:	Richmond, VA 23219
Contact Name:	Laura Harden
Phone Number:	804-673-5700
Email address:	lharden@cbh.com
ORACLE SUPPLIER NUMBER:	2730
BUSINESS CATEGORY:	Non Swam
PAYMENT TERMS:	Net 45
DELIVERY:	n/a
FOB:	n/a
BUYER: Name:	Eileen Falcone, CPPB
Title:	Purchasing Manager
Phone:	804-501-5637
Email:	Fal51@henrico.gov

This contract is the result of a competitive solicitation issued by the Department of Finance, Purchasing Division. A requisition must be generated for all purchases made against this contract and the requisition must reference the contract number.

**Year 2025 of contract - \$123,516.00 (Letter of Engagement o**



COMMONWEALTH OF VIRGINIA

## County of Henrico

### Professional Services Contract

#### Contract No. 2769A

This Professional Services Contract (this “Contract”) entered into this 31<sup>st</sup> day of March, 2025, by Cherry Bekaert LLP (the “Contractor”) and the County School Board of Henrico, Virginia (“HCPS”)

**WHEREAS** HCPS has awarded the Contractor this Contract pursuant to Request for Proposals No. 24-2769-10EMF, dated October 29, 2024 (the “Request for Proposals”), for audit services for the School Activity Fund.

**WITNESSETH** that the Contractor and HCPS, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

**SCOPE OF CONTRACT:** The Contractor shall provide the services to HCPS as set forth in the Contract Documents.

**COMPENSATION:** The compensation HCPS will pay to the Contractor under this Contract shall be \$123,516 pursuant to Exhibit C. Each year this Contract is in effect, Cherry Bekaert may invoice HCPS for its annual fee in two equal installments.

**CONTRACT TERM:** The initial term of the contract shall be from the date of award through March 31, 2028 (“Initial Term”). During the Initial Term, Cherry Bekaert will separately audit the three fiscal years ending June 30, 2025, 2026, and 2027. After the initial term HCPS may, at its option, renew the contract for two (2) additional one-year terms upon 30 day’s notice prior to the expiration date of the Contract. Any increase in fees for the initial term or the extended one-year terms shall not exceed 3% or the Consumer Price Index for all Urban Consumers (CPI-U) average for the most recent 12 months available at the time of contract extension negotiations, whichever is the lesser. Cherry Bekaert shall provide HCPS with at least ninety (90) days prior written notice if it does not intend to renew the Contract at any annual renewal.

**CONTRACT DOCUMENTS:** This Contract hereby incorporates by reference the documents listed below (the “Contract Documents”) which shall control in the following descending order:

1. This Professional Services Contract between the County and Contractor.
2. The HIPPA Business Associate Agreement (Exhibit A)
3. The Negotiated Modifications (Exhibit B)
4. The General Contract Terms and Conditions included in the Request for Proposals.
5. Contractor’s Engagement Letter dated March 14, 2025 (Exhibit C)
6. Contractor’s response to questions dated January 3, 2025 and Best and Final Offer dated January 28, 2025 (Exhibit D).
7. Contractor’s Original Proposal dated November 21, 2024 (Exhibit E).
8. The Scope of Services included in the Request for Proposals.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound hereby.

Cherry Bekaert LLP

200 South 10<sup>th</sup> Street, Suite 900  
Richmond, VA 23219



Signature

Director

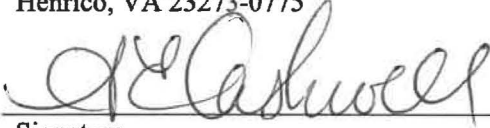
Printed Name and Title

3/20/2025

Date

County School Board of Henrico County,  
Virginia

P O Box 90775  
Henrico, VA 23273-0775



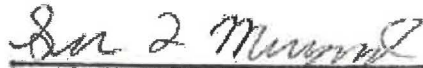
Signature

Amy E. Cashwell, Ed.D.  
Superintendent

3/27/25

Date

**APPROVED AS TO FORM**



Asst. COUNTY ATTORNEY 3/21/2025

## **EXHIBIT A HIPAA BUSINESS ASSOCIATE AGREEMENT**

**WHEREAS**, the County School Board of Henrico County (“HCPS”) and Cherry Bekaert, LLP (“Business Associate”) entered into a contract on March 31, 2025 for the performance of audit services for the School Activity Fund (the “Contract”); and

**WHEREAS**, HCPS is a hybrid entity including covered health care components and internal business associates under the federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the American Recovery and Reinvestment Act of 2009 (“ARRA”), Title XIII of ARRA, the Health Information Technology for Economic and Clinical Health Act (“HITECH”) Subtitle D; and

**WHEREAS**, HIPAA, HITECH, and the implementing regulations have established Privacy and Security Standards (the Privacy, Security, Breach Notification and Enforcement Rules at 45 C.F.R. §§ 160 and 164); and

**WHEREAS**, Business Associate is directly subject to HIPAA, Title XIII of ARRA, and amendments thereto, and HITECH Subtitle D, and all related rules and regulations in effect and any amendments thereto; and

**WHEREAS**, Business Associate may receive from HCPS and use and/or disclose records that include information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual; or with respect to which there is a reasonable basis to believe the information can be used to identify the individual (Protected Health Information, “PHI”); and

**WHEREAS**, the Privacy and Security Standards require a Business Associate Agreement to ensure that PHI is adequately safeguarded as part of the Contract provisions.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained in this Business Associate Agreement (“BAA”) and in the Contract and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, HCPS and Business Associate agree as follows:

### **I. DEFINITIONS**

The following terms used in this BAA have the same meaning as those terms in the Privacy and Security Standards: Breach, Business Associate, Disclosure, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Subcontractor, and Use.

### **II. OBLIGATIONS OF THE BUSINESS ASSOCIATE**

1. Permitted Uses and Disclosure of PHI. Business Associate’s activities for and/or on behalf of HCPS may involve the use and/or disclosure of PHI. Business Associate will use and/or disclose PHI only to the extent necessary to perform its duties and



obligations to HCPS or as otherwise required by law. Business Associate may permit the use of PHI by third parties, including its employees, contractors, agents, or other representatives, only to the extent directly related to and necessary for the performance of its duties and obligations to HCPS as required by the Contract or as otherwise permitted by law. Business Associate and its agents or subcontractors will only request, use and disclose the minimum PHI necessary to perform its duties and obligations in accordance with HIPAA, the HIPAA Regulations, and HITECH.

2. Safeguards Against Misuse of Information.

- a. Business Associate will use appropriate and reasonable safeguards to maintain the security of and prevent the improper use or disclosure of PHI.
- b. Business Associate will comply with 45 C.F.R. §§ 160.302 *et seq.* in utilizing administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI, as that term is defined in 45 C.F.R. § 160.103, that it creates, receives, maintains or transmits on behalf of HCPS.
- c. Business Associate will train employees in information security, designating a security officer, conducting an information risk analysis, and developing a risk management remediation plan.
- d. Business Associate will abide by the prohibitions under the ARRA regarding the sale and marketing of PHI.
- e. Business Associate will comply with any other conditions that the Secretary of the Department Health and Human Services requires with respect to electronic PHI.

3. Reporting Breaches and Other Security Incidents and Mitigation of Effect.

- a. Business Associate will promptly report to HCPS: (1) any use or disclosure of PHI not authorized by the Contract of which it becomes aware; and (2) any "security incident," as defined by 45 C.F.R. § 164.304, of which it becomes aware. Business Associate will take reasonable steps to cure any such security incident and implement procedures for mitigating the harmful effects from any such security compromise. Business Associate will report the measures it took to mitigate any security compromise that may have occurred and shall report any data loss or other information system compromise as a result of the incident.
- b. In the event of a breach of unsecured PHI as defined in 45 C.F.R. § 164.410, Business Associate will comply with the breach notification requirements of 45 C.F.R. § 164.410 and notify HCPS without reasonable delay, and no later than two (2) business days of when Business Associate becomes aware of a breach. Notification of security incidents will include the identity of each individual whose unsecured PHI has been or is reasonably believed to have been accessed, acquired, or disclosed inappropriately during such breach. Notifications will contain any other such information as Business Associate reasonably believes is

required for HCPS to further investigate. Business Associate will also provide such assistance and further information as reasonably requested by HCPS in meeting its responsibility to notify all individuals affected, as detailed in 45 C.F.R. § 164.404.

4. Use and Disclosure of PHI by Subcontractors and Agents.

- a. Business Associate will require any subcontractor or agent that is authorized to review, use or disclose PHI obtained by Business Associate from HCPS, to agree in writing to adhere to the same restrictions, conditions, and requirements regarding the use and disclosure of PHI and safeguarding of PHI that apply to Business Associate.
- b. Business Associate will ensure that any subcontractor or agent to whom it provides electronic PHI that was created, received, maintained or transmitted on behalf of HCPS agrees in writing to implement reasonable and appropriate safeguards to protect the confidentiality, security, and integrity of the electronic PHI.

5. Access to Information. Throughout the term of this BAA, Business Associate will make available to HCPS all PHI provided to Business Associate by HCPS for so long as such information is maintained. Upon written request from HCPS, Business Associate will make an individual's PHI available to HCPS within fifteen (15) days of an individual's request for such information as notified by HCPS. In the event that the requesting individual's PHI is neither maintained nor accessible on site by HCPS or the Business Associate, the extended timeframe set forth in 45 C.F.R. § 164.504(3)(2)(iii)(C) will be available for Business Associate to respond to HCPS request. In the event any individual requests access to HCPS-provided PHI directly from Business Associate, Business Associate shall forward such request to HCPS. Any denials of access to PHI requested shall be the responsibility of HCPS. Business Associate shall further conform with and meet all the requirements of 45 C.F.R. § 164.524.

6. Availability of PHI for Amendment. Upon receipt of a request from HCPS to update PHI for an individual, Business Associate will incorporate any such amendment into its records within thirty (30) days of the request or as may be required by 45 C.F.R. § 164.526. If Business Associate receives a request from an individual for an amendment to HCPS-provided PHI, Business Associate shall forward such request directly to HCPS. Any review and consideration of a requested amendment shall be the responsibility of HCPS.

7. Accounting of Disclosures. Upon request from HCPS, Business Associate will make available to HCPS such information as is in Business Associate's possession and is required for HCPS to make an accounting as required by 45 C.F.R. § 164.528. In the event the request for an accounting is delivered directly to Business Associate, Business Associate will forward such request to HCPS as soon as practicable. It shall be HCPS's responsibility to prepare and deliver any such accounting requested.

Business Associate will maintain an appropriate record keeping process to enable it to comply with the requirements of this Section.

8. Use and Disclosures for Business Associate's Purposes.

- a. Business Associate will only use or disclose PHI to the minimum necessary to carry out its duties and obligations under the Contract or as required by law. Business Associate may not use or disclose PHI in a manner that would violate 45 C.F.R. § 164.500 *et seq.*
- b. Business Associate may disclose PHI for its own proper management and administration or to carry out its legal responsibilities, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached.

9. Availability of Books and Records. Business Associate will make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of HCPS available to HCPS and the Secretary of the Department of Health and Human Services for purposes of monitoring compliance with the Privacy and Security Standards.

10. Indemnification. Business Associate will indemnify and defend HCPS, its agents, representatives, and employees from any claims, demands, losses, or liabilities including attorney's fees arising out of or related to Business Associate's breach of the terms of this BAA by Business Associate or any agent or subcontractor of Business Associate. The maximum aggregate liability of Business Associate with respect to this paragraph is five million dollars (\$5,000,000.00).

11. Compliance with Requirements. To the extent the Business Associate is to carry out one or more of the obligations of HCPS under 45 C.F.R. § 164.500 *et seq.*, Business Associate will comply with the requirements that apply to HCPS in the performance of such obligations.

### III. OBLIGATIONS OF HCPS

1. Notice of Privacy Practices. HCPS will notify Business Associate of any limitation in its Notice of Privacy Practices, which HCPS, or any of its departments, provides or makes available to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
2. Restrictions on Disclosures. If applicable to Business Associate, HCPS will notify Business Associate as soon as practicable of any request for restrictions by an individual of the use or disclosure of the individual's PHI that HCPS has agreed to accept. HCPS will also notify Business Associate, if applicable, of any changes in,

withdrawal, or revocation of any authorization or other permissions(s) granted HCPS by an individual for the use and disclosure of the individual's PHI.

3. Impermissible Requests. HCPS will not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy or Security Standards if done by HCPS. Nothing in this section shall preclude Business Associate from using or disclosing PHI for its management and administrative activities as provided in Section II.8 above.

#### **IV. MISCELLANEOUS**

1. Term. This BAA will remain in effect for the term of the Contract between HCPS and the Business Associate, including any extensions or renewals thereof.
2. Termination for Cause. Upon HCPS's knowledge of a material breach by Business Associate, HCPS will provide Business Associate an opportunity to cure the breach or end the violation. HCPS may terminate the Contract: (a) immediately if Business Associate has breached a material term and cure is not possible; or (b) upon Business Associate's failure to cure the breach or end the violation within the time specified by HCPS.
3. Effect of Termination.
  - a. Except as provided in paragraph b of this section, upon termination of this BAA for any reason, Business Associate will return or destroy all PHI received from HCPS, or created or received by Business Associate on behalf of HCPS. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate will not retain copies, including electronic copies, of the PHI.
  - b. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate will provide HCPS notification of the conditions that make return or destruction infeasible and extend the protections of this BAA to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.
4. Amendments. This BAA, and any provision thereof, may be amended, modified or deleted by written agreement of the parties. The parties may amend this BAA from time to time as necessary for HCPS and Business Associate to comply with the Privacy or Security Standards and all other applicable laws or regulations.
5. Survival. The respective rights and obligations of Business Associate and HCPS survive termination of this BAA and any underlying Contract.
6. Interpretation. This BAA shall be interpreted as broadly as necessary to implement and comply with the Privacy and Security Standards. Any ambiguities in this BAA will

be resolved in favor of a meaning that complies with the Privacy and Security Standards.

7. Governing Law and Venue. This BAA is governed by applicable federal laws and the laws of the Commonwealth of Virginia without regard to laws relating to choice of law or conflicts of law. Exclusive venue for any dispute arising hereunder will be resolved in the Circuit Court of the County of Henrico, Virginia.
8. Coordination of Documents. In the event of a conflict between a provision of this BAA and the Contract, the provisions of this BAA will control.
9. Notices. All notices, requests, demands and other communications required or permitted to be given or made under this BAA shall be in writing, shall be effective upon receipt, and shall be sent by (a) personal delivery; (b) certified or registered United States mail, return receipt requested; (c) overnight delivery services with proof of delivery; or (d) facsimile with return facsimile acknowledging receipt. Notices will be sent to the address below:

To Covered Entity:            Brandon Hinton, Privacy Officer  
County of Henrico  
4301 E. Parham Road  
P.O. Box 90775  
Henrico, Virginia 23273-0775  
Facsimile: (804) 501-4162

To Business Associate:      Rob Churchman  
Cherry Bekaert LLP  
200 South 10<sup>th</sup> Street, Suite 900  
Richmond, VA 23219

**IN WITNESS WHEREOF**, the parties hereto have signed this Business Associate Agreement.

Cherry Bekaert, LLP

By: Lana Hand

Title: Director

Date: 3/20/2025

County School Board of Henrico County,  
Virginia

By: M. Ghun

Title: Chair

Date: 3/27/25

**APPROVED AS TO FORM**

San 2 M...

Asst. COUNTY ATTORNEY 3/21/2025

**EXHIBIT B**  
**NEGOTIATED MODIFICATIONS TO AGREEMENT DOCUMENTS FOR**  
**CONTRACT NO. 2769A**

These Negotiated Modifications are hereby incorporated into Contract No.2769A (the “Contract”) for as of Audit Services for the School Activity Fun the effective date of the Contract.

**WHEREAS**, the County and Contractor desire to agree in writing to modify the final terms and conditions of the Contract.

**THEREFORE**, in consideration of the Recital set forth above and good and valuable consideration as set forth in the Contract, the parties agree that the General Contract Terms and Conditions in the Request for Proposals are modified as follows as of the date of the Contract:

1. Sec.V.F.1 – Termination by County - Shall now read:  
*The County may terminate the contract for cause or convenience and the Contractor may terminate for cause or convenience upon 60 days written notice.*
2. Sec. V.F.2.d – Termination by county – Shall now read:  
*d. An equitable adjustment in the Contract price shall be made for unpaid services satisfactorily rendered and goods satisfactorily delivered before the date the Successful Offeror receives the notice of. The Successful Offeror shall not be entitled to payment for services rendered or goods delivered after the date the Successful Offeror receives the notice of termination or for reimbursement of any cost the Successful Offeror incurs after the date the Successful Offeror receives the notice of termination.*
3. Sec. V.N - Indemnification – Shall now read:  
*Per our negotiated language in contract #1962A with HCPS, would propose usage of the language below with an update underlined:*  
*“(4) Indemnification - Cherry Bekaert agrees to indemnify, defend and hold harmless the County, School Board, their officers, agents and employees, from and against any and all claims, debts, liabilities, damages, demands, obligations, costs, expenses (including, without limitation, reasonable attorneys' fees and court costs), actions and causes of action arising from (a) the breach of any of the terms of this Agreement by Cherry Bekaert or any party acting by or through Cherry Bekaert (including, without limitation, any of its representatives); (b) the violation of any applicable law or regulation; or (c) the negligence of the Cherry Bekaert in the performance of this Agreement. This paragraph shall survive the termination or expiration of the Agreement including any renewal or extension thereof; provided, however, that the maximum*

*aggregate liability of Cherry Bekaert with respect to this paragraph shall not exceed the sum of five million dollars (\$5,000,000).”*

4. Sec.V.S.1 and 2 – Record Retention and Audits – Shall now read:

1. *The Successful Offeror shall retain, during the performance of the Contract and for a period of five years from the completion of the Contract, all records pertaining to the Successful Offeror’s proposal and any Contract awarded pursuant to this Request for Proposal. Such records shall include but not be limited to all paid vouchers including those for out-of-pocket expenses; other reimbursement supported by invoices, including the Successful Offeror’s copies of periodic estimates for partial payment; ledgers, cancelled checks; deposit slips; bank statements; journals; Contract amendments and change orders; insurance documents; payroll documents; timesheets; memoranda; and correspondence. Such records shall be available to the County upon reasonable written notice during the Successful Offeror’s normal working hours. To the extent that the Virginia Freedom of Information Act is applicable, the Successful Offeror must provide such records in a timely manner that complies with the County’s requirements under the Act.*
2. *County personnel may perform in-progress and post-audits of the Successful Offeror’s records as a result of a Contract awarded pursuant to this Request for Proposals. Files would be available upon reasonable written notice during normal working hours.*

5. Attachment E – Insurance Specifications – per the following changes.

*Automobile Liability*

*Cherry Bekaert has no owned vehicles*

*Professional Liability*

*Our coverage is per claim, not occurrence*

*Cyber Liability*

*Our coverage is per claim, not occurrence*

By signing the Contract, the parties thereto have approved these Negotiated Modifications.





March 14, 2025

**VIA EMAIL:**

jbwack@henrico.k12.va.us

John B. Wack, M.P.A., Chief Financial Officer  
 Henrico County Public Schools  
 3820 Nine Mile Road  
 Henrico, Virginia 23223

Dear Mr. Wack:

This engagement letter between Henrico County Public Schools (hereafter referred to as the "HCPS" or "you" or "your" or "management") and Cherry Bekaert LLP (the "Firm" or "Cherry Bekaert" or "we" or "us" or "our") sets forth the nature and scope of the services we will provide, the HCPS required involvement and assistance in support of our services, the related fee arrangements, and other Terms and Conditions, which are attached hereto and incorporated by reference, designed to facilitate the performance of our professional services and to achieve the mutually agreed-upon objectives of the HCPS.

## Summary of services

We will provide the following services to the HCPS as of and for the year ended June 30, 2025:

### Audit and attestation services

1. We will audit the combined Statement of Cash Receipts and Disbursements ("combined statement") of the School Activity Funds, prepared on the cash basis of accounting ("cash basis"), which is a basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP").
2. We will audit the supplementary information, as listed in the Table of Contents, and provide an "in relation to" opinion. As part of our engagement, we will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined statement or the combined statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America ("GAAS").

Collectively, hereinafter the combined statement, notes thereon, and supplementary information are referred to as the "financial statement".

3. Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*.
4. Management letter detailing any operational observations noted.

### Nonattest accounting and other services

We will assist in the preparation of the financial statement and disclosures.

## **Your expectations**

As part of our planning process, we have discussed with you your expectations of Cherry Bekaert, changes that occurred during the year, your views on risks facing you, any relationship issues with Cherry Bekaert, and specific engagement arrangements and timing. Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed the HCPS' expectations. Our services plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

The HCPS recognizes that our professional standards require that we be independent from the HCPS in our audit of the HCPS' financial statement and our accompanying report in order to ensure that our objectivity and professional skepticism have not been compromised. As a result, we cannot enter into a fiduciary relationship with the HCPS and the HCPS should not expect that we will act only with due regard to the HCPS' interest in the performance of this audit, and the HCPS should not impose on us special confidence that we will conduct this audit with only the HCPS' interest in mind. Because of our obligation to be independent of the HCPS, no fiduciary relationship will be created by this engagement or audit of the HCPS' financial statement.

The engagement will be led by Laura Harden, who will be responsible for assuring the overall quality, value, and timeliness of the services provided to you.

## **Audit services**

Our audit will be conducted in accordance with GAAS; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The objective of our audit is to obtain reasonable assurance about whether the HCPS' financial statement as a whole is free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion(s) about whether the HCPS' financial statement is presented fairly, in all material respects, in conformity with the cash basis of accounting and to report on the fairness of the additional information referred to in the Summary of Services section when considered in relation to the financial statement taken as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statement in conformity with the basis of accounting noted above. The objective also includes reporting on internal control over financial reporting and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statement in accordance with *Government Auditing Standards*.

## **Auditor's responsibilities for the audit of the financial statement**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records, and other procedures as deemed necessary to enable us to express such an opinion about whether the financial statement is

fairly presented, in all material respects, in conformity with the cash basis of accounting. We will also:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of the HCPS and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statement, whether due to error or fraud, and to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the HCPS' internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statement that we have identified during the audit.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the HCPS' ability to continue as a going concern for a reasonable period of time.

## **Nonattest accounting and other services**

In connection with any of the audit, accounting, or other services noted below, we will provide a copy of all schedules or other support for you to maintain as part of your books and records supporting your basic financial statement. You agree to take responsibility for all documents provided by Cherry Bekaert and will retain copies based on your needs and document retention policies. By providing these documents to you, you confirm that Cherry Bekaert is not responsible for hosting your records or maintaining custody of your records or data and that Cherry Bekaert is not providing business continuity or disaster recovery services. You confirm you are responsible for maintaining internal controls over your books and records including business continuity and disaster recovery alternatives. In addition, any documents provided to Cherry Bekaert by the HCPS in connection with these services will be considered to be copies and will not be retained by Cherry Bekaert after completion of the accounting and other services. You are expected to retain anything you upload to a Cherry Bekaert portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

The accounting and other services described in this section are nonaudit services, which do not constitute audit services under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the

services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming HCPS' management responsibilities.

In conjunction with providing these accounting and other services, we may use third party software or templates created by Cherry Bekaert for use on third party software. Management expressly agrees that the HCPS has obtained no rights to use such software or templates and that Cherry Bekaert's use of the HCPS' data in those applications is not deemed to be hosting, maintaining custody, providing business continuity, or disaster recovery services.

### **Financial statement preparation**

We will assist in the preparation of the HCPS' financial statement and disclosures, based on information provided by the HCPS. However, the responsibility for the HCPS' financial statement and disclosures remains with the HCPS' management. This responsibility includes establishing and maintaining adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, the safeguarding of assets, and adjusting the financial statement for any material misstatements as well as reviewing and approving for publication the draft financial statement prepared with our assistance.

### **HCPS' management responsibilities related to accounting and other services**

For all nonattest services we perform in connection with the engagement, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, retain relevant copies supporting your books and records, and accept overall responsibility for the results of the services.

Prior to the release of the report, the HCPS' management will need to sign a representation letter acknowledging its responsibility for the results of these services, and acknowledging receipt of all appropriate copies.

### **HCPS' management responsibilities related to the audit**

The HCPS' management is responsible for designing, implementing, and maintaining internal controls, including evaluating and monitoring ongoing activities, relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error, and to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that the HCPS' management and financial information is reliable and properly reported. The HCPS' management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statement and all accompanying information in conformity with the cash basis of accounting, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

The HCPS' management is responsible for making all financial records and related information available to us, including additional information that is requested for purposes of

the audit (including information from outside of the general and subsidiary ledgers), and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the HCPS from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statement to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statement taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the HCPS involving (1) the HCPS' management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statement. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the HCPS received in communications from employees, former employees, grantors, regulators, or other. In addition, you are responsible for identifying and ensuring that the HCPS complies with applicable laws, regulations contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with the cash basis of accounting. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statement with any presentation of the supplementary information that includes our report thereon or make the audited financial statement readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the cash basis of accounting, (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the cash basis of accounting, (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The HCPS' management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The HCPS' management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the *Audit and attestation services* section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also

responsible for providing HCPS' management views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all the HCPS' management responsibilities relating to the financial statement and disclosures and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statement and disclosures and that you have reviewed and approved the financial statement and disclosures prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

## **Reporting**

We will issue a written report upon completion of our audit of the HCPS' financial statement. Our report will be addressed to the HCPS' School Board. Circumstances may arise in which our report may differ from its expected form and content based on the result of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report on internal control and compliance, and will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the HCPS' internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the HCPS is subject to an audit requirement that is not encompassed in the terms of the engagement, we will communicate to HCPS' management and those charged with governance that an audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Management representations**

The Firm will rely on HCPS' management providing the above noted representations to us, both in the planning and performance of the audit, and in considering any increase in the fees as provided in the Contract.

## **Fees**

The estimated fees contemplate only the services described in the Summary of Services section of this letter. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees which will be at our standard billing rates noted in the table below. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

## Standard Bill Rates

Skill Level	Bill Rate
Partner	\$580
Director	\$510
Senior Manager	\$495
Manager	\$375
Senior Accountant	\$325
Staff Accountant	\$240

The following summarizes the estimated range of fees for the services described above:

Per contract 2769A, our fee will be \$123,516, which will be billed periodically on agreed-upon dates per the contract.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. No change, modification, addition, or amendment to this letter shall be valid unless in writing and signed by all parties. The parties agree that this letter may be electronically signed and that the electronic signatures will be deemed to have the same force and effect as handwritten signatures.

If you have any questions, please email Laura Harden at lharden@cbh.com.

Sincerely,

**CHERRY BEKAERT LLP**

*Cherry Bekaert LLP*

**HENRICO COUNTY PUBLIC SCHOOLS**

ACCEPTED BY:

*John B. Wack*

TITLE:

Chief Financial Officer

DATE: 3/28/2025

**APPROVED AS TO FORM**

*San 2 M...*  
Asst. COUNTY ATTORNEY 3/21/2025



**Cherry Bekaert LLP**  
**Engagement Letter Terms and Conditions**

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The following terms and conditions are an integral part of the attached engagement letter and should be read in their entirety in conjunction with your review of the letter.

**Limitations of the audit report**

Should the HCPS wish to include or incorporate by reference the financial statement and our report thereon into *any* other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards ("GAAS") to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the HCPS will not include or incorporate by reference the financial statement and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

**Limitations of the audit process**

In conducting the audit, we will perform tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion on the financial statement. We also will assess the accounting principles used and significant estimates made by the HCPS' management, as well as evaluate the overall financial statement presentation.

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statement. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statement. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the HCPS) on the financial statement.

Similarly, in performing our audit we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. We will inform you with respect to errors and fraud, or illegal acts that come to our attention during the course of our audit unless clearly inconsequential. You agree that the HCPS will cooperate fully with any procedures we deem necessary to perform with respect to these matters.

We will issue a written report upon completion of our audit of the HCPS' financial statement. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed an opinion on the financial statement, we may decline to express an opinion or decline to issue a report as a result of the engagement. We will notify the appropriate party within your organization of our decision and discuss the reasons supporting our position.



## Audit procedures – general

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the HCPS' management, as well as evaluating the overall presentation of the financial statement. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statement is free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the HCPS or to acts by the HCPS' management or employees acting on behalf of the HCPS. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits, nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statement. However, we will inform the appropriate level of the HCPS' management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of balances with financial institutions. We will request written representations from the HCPS' attorneys as part of the engagement. At the conclusion of our audit, we will also require certain written representations from you about the financial statement; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS.

## Audit procedures – internal controls

Our audit will include obtaining an understanding of the HCPS and its environment, including internal controls relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statement, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statement and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statement. Our tests, if performed, will be less in scope than would be necessary to render an

opinion on internal control, including cybersecurity, and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to the HCPS' management and those charged with governance internal control related matters that are required to be communicated under American Institute of Certified Public Accountants ("AICPA") professional standards, and *Government Auditing Standards*.

## Audit procedures - compliance

As part of obtaining reasonable assurance about whether the basic financial statement is free of material misstatement, we will perform tests of the HCPS' compliance with provisions of applicable laws and regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

## Nonattest services

All nonattest services to be provided in the attached engagement letter shall be provided pursuant to the AICPA Code of Professional Conduct. The AICPA Code of Professional Conduct requires that we establish objectives of the engagement and the services to be performed, which are described under nonattest services in the attached letter.

You agree that the HCPS' designated individual will assume all the HCPS' management responsibilities for the nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In order to ensure we provide such services in compliance with all professional standards, the designated individual is responsible for:

- Making all financial records and related information available to us
- Ensuring that all material information is disclosed to us
- Granting unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence
- Identifying and ensuring that such nonattest complies with the laws and regulations

The accuracy and appropriateness of such nonattest services shall be limited by the accuracy and sufficiency of the information provided by the HCPS' designated individual. In the course of providing such nonattest services, we may provide professional advice and guidance based on knowledge of accounting, tax and other compliance, and of the facts and circumstances as provided by the HCPS' designated individual. Such advice and guidance shall be limited as permitted under the AICPA Code of Professional Conduct.

## Communications

At the conclusion of the audit engagement, we may provide the HCPS' management and those charged with governance a letter stating any significant deficiencies or material weaknesses which may have been identified by us during the audit and our recommendations designed to help the HCPS make improvements in its internal control structure and operations related to the identified matters discovered in the financial statement audit. As part of this engagement, we will ensure that certain additional matters are

communicated to the appropriate members of the HCPS. Such matters include (1) our responsibilities under GAAS, (2) the initial selection of and changes in significant accounting policies and their application, (3) our independence with respect to the HCPS, (4) the process used by HCPS' management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates, (5) audit adjustments, if any, that could, in our judgment, either individually or in the aggregate be significant to the financial statement or our report, (6) any disagreements with the HCPS' management concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statement, (7) our views about matters that were the subject of the HCPS' management's consultation with other accountants about auditing and accounting matters, (8) major issues that were discussed with the HCPS' management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards, and (9) serious difficulties that we encountered in dealing with the HCPS' management related to the performance of the audit.

## Other matters

### Access to working papers

The working papers and related documentation for the engagement are the property of the Firm and constitute confidential information. We have a responsibility to retain the documentation for a period of time to satisfy legal or regulatory requirements for records retention. It is our policy to retain all workpapers and client information for seven years from the date of issuance of the report. It is our policy to retain emails and attachments to emails for a period of 12 months, except as required by any governmental regulation. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties. Any parties seeking voluntary access to our working papers must agree to sign our standard access letter.

We may be requested to make certain documentation available to regulators, governmental agencies (e.g., SEC, PCAOB, HUD, DOL, etc.), or their representatives ("Regulators") pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators. The Regulators may intend to distribute to others, including other governmental agencies, our working papers and related documentation without our knowledge or express permission. You hereby acknowledge and authorize us to allow Regulators access to and copies of documentation as requested. In addition, our Firm, as well as all other major accounting firms, participates in a "peer review" program covering our audit and accounting practices as required by the AICPA. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for the HCPS may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

### Electronic transmittals

During the course of our engagement, we may need to electronically transmit confidential information to each other, within the Firm, and to other entities engaged by either party. Although email is an efficient way to communicate, it is not always a secure means of communication and thus, confidentiality may be compromised. As an alternative, we

recommend using our Client Portal ("Portal") to transmit documents. Portal allows the HCPS, us, and other involved entities to upload and download documents in a secure location. You agree to the use of email, Portal, and other electronic methods to transmit and receive information, including confidential information, between the Firm, the HCPS, and other third party providers utilized by either party in connection with the engagement.

### Use of third party providers and alternative practice structure

Cherry Bekaert LLP and Cherry Bekaert Advisory LLC (an associated, but not affiliated entity) are parties to an administrative services agreement ("ASA"). Cherry Bekaert LLP and Cherry Bekaert Advisory LLC are operating in an arrangement commonly described as an "alternative practice structure". Pursuant to the ASA, Cherry Bekaert LLP leases professional and administrative staff, both of which are employed by Cherry Bekaert Advisory LLC, to support Cherry Bekaert LLP's performance under this engagement letter. As a result, Cherry Bekaert LLP will share your confidential information with Cherry Bekaert Advisory LLC so that the leased employees are able to support Cherry Bekaert LLP's performance under this engagement letter. These leased employees are under the direct control and supervision of Cherry Bekaert LLP, which is solely responsible for the professional performance of the services under this engagement letter. The leased employees are subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and Cherry Bekaert LLP and Cherry Bekaert Advisory LLC have contractual agreements requiring confidential treatment of all client information.

To the extent Cherry Bekaert Advisory LLC will provide tax, advisory, and/or consulting services to you, Cherry Bekaert LLP will provide Cherry Bekaert Advisory LLC with access to your accounting, financial, and other records that Cherry Bekaert LLP maintains to enable Cherry Bekaert Advisory LLC to provide those services to you.

In addition to the structure noted above, in the normal course of business, we may on occasion use the services of an independent contractor or a temporary or loaned employee, all of whom may be considered a third party service provider. On these occasions, we remain responsible for the adequate oversight of all services performed by the third party service provider and for ensuring that all services are performed with professional competence and due professional care. We will adequately plan and supervise the services provided by the third party service provider; obtain sufficient relevant data to support the work product; and review compliance with technical standards applicable to the professional services rendered. We will enter into a contractual agreement with the third party service provider to maintain the confidentiality of information and be reasonably assured that the third party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

### Subpoenas

In the event we are requested or authorized by the HCPS, or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the HCPS, the HCPS will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request at standard billing rates.

## Dispute resolution provision

This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to any dispute or claim arising out of or relating to this engagement letter or the services provided hereunder, or any other audit or attest services provided by or on behalf of the Firm or any of its subcontractors or agents to the HCPS or at its request ("Disputes"), and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

## 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 ("CPR"), at the written request of a party, shall designate a mediator.

## Costs

Each party shall bear its own costs in the mediation.

## Waiver of trial by jury

**In the event the parties are unable to successfully arbitrate any dispute, controversy, or claim, the parties agree to WAIVE TRIAL BY JURY and agree that the court will hear any matter without a jury.**

## Independent contractor

Each party is an independent contractor with respect to the other and shall not be construed as having a trustee, joint venture, agency, or fiduciary relationship.

## No third party beneficiaries

The parties do not intend to benefit any third party by entering into this agreement, and nothing contained in this agreement confers any right or benefit upon any person or entity who or which is not a signatory of this agreement.

## Statute of limitations

HCPS agrees not to bring any claims against any partner or employee of the Firm in any form for any reason. HCPS and the Firm agree that any suit arising out of or related to the services contemplated by this engagement letter must be filed within one year after the cause of action arises. The cause of action arises upon the earlier of (i) delivery of the final work product for which the firm has been engaged, (ii) where applicable, filing of the final work product for which the firm has been engaged, or (iii) the date which the services contemplated under this engagement letter are terminated by either party.

## Terms and conditions supporting fees

The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from the HCPS' personnel, timely delivery of requested audit schedules and supporting information, timely communication of all significant accounting and financial reporting matters, the assumption that unexpected circumstances will not be encountered during the audit, as well as working space and clerical assistance as mutually agreed upon and as is normal and reasonable in the circumstances. We strive to ensure that we have the right professionals scheduled on each engagement. As a result, sudden HCPS requested scheduling changes or scheduling changes necessitated by the agreed information not being ready on the agreed-upon dates can result in expensive downtime for our professionals. Any last minute schedule changes that result in downtime for our professionals could result in additional fees. Our estimated fees do not include assistance in bookkeeping or other accounting services not previously described. If, for any reason, the HCPS is unable to provide such schedules, information, and assistance, the Firm and the HCPS will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

The estimated fees contemplate that the HCPS will provide adequate documentation of its systems and controls related to significant transaction cycles and audit areas.

In providing our services, we will consult with the HCPS with respect to matters of accounting, financial reporting, or other significant business issues as permitted by professional standards. Accordingly, time necessary to affect a reasonable amount of such consultation is reflected in our fees. However, should a matter require research, consultation, or audit work beyond that amount, the Firm and the HCPS will agree to an appropriate revision in our fee.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the HCPS at this time. Unless otherwise indicated, estimated fees do not include any time related to the application of new auditing or accounting standards that impact the HCPS for the first time. If new auditing or accounting standards are issued subsequent to the date of this letter and are effective for the period under audit, we will estimate the impact of any such standard on the nature, timing, and extent of our planned audit procedures and will communicate with the HCPS concerning the scope of the additional procedures and the estimated fees.

In the event of nonpayment of any invoice rendered by us, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this engagement letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid. If we elect to terminate our services for nonpayment, the HCPS will be obligated to compensate us for all time expended and reimburse us for all expenses through the date of termination.

This engagement letter sets forth the entire understanding between the HCPS and the Firm regarding the services described herein and supersedes any previous proposals, correspondence, and understandings whether written or oral. Any subsequent changes to the terms of this letter, other than additional billings, will be rendered in writing and shall be executed by both parties. Should any portion of this engagement letter be ruled invalid, it is agreed that such invalidity will not affect any of the remaining portions.



**January 3, 2025**

Eileen M. Falcone, CPPB - Purchasing Manager  
County of Henrico, Virginia  
8600 Staples Mill Road  
Henrico, VA 23273

*Re: RFP No. 24-2769-10EMF Audit Services for School Activity Fund*

Dear Ms. Falcone and Selection Committee Members:

Thank you for allowing Cherry Bekaert LLP to provide additional information to assist the Henrico County Public Schools (the "HCPS") in evaluating our response to your Request For Proposal for audit services. On Attachment A, we have provided information to address your questions.

As it was on day one of our contract, we consider it an honor to serve the HCPS and we are excited about the opportunity to continue to serve the HCPS. If you have any additional questions about our proposal or our responses to your request herein, please feel free to contact me directly, as an authorized representative of the Firm, at my office (804.673.5733), on my cell (804.647.8836) or electronically at [rchurchman@cbh.com](mailto:rchurchman@cbh.com).

Sincerely,

**Cherry Bekaert**

A handwritten signature in black ink, appearing to be 'R. Churchman', with a stylized flourish at the end.

**Robert H. Churchman, CPA, CGFM**

Partner, Cherry Bekaert LLP

Partner, Cherry Bekaert Advisory LLC



**1. During the presentation it was mentioned that your firm uses Suralink. Provide screen shots and any additional information about Suralink?**

Suralink provides accounting and other professional service firms with a single, secure platform to collaborate with clients, exchange documents at scale, and track the progress of engagements. With enterprise-grade security and an easy-to-use interface, Suralink's award-winning client interaction portal helps firms increase efficiency and improve their relationships with their clients.

Suralink works with more than 850 tax, advisory, and audit accounting clients, as well as legal services, security consulting, financial services, and banking companies worldwide. To date, Suralink has securely and compliantly transferred over 100M files between parties and has over 550K users.

To provide an informative look at the website's use and functionality, this hyperlink provides a short, but comprehensive tutorial on how to use the service - <https://www.youtube.com/watch?v=38JdvmqHSOc>.

**2. Provide a copy of any "End User License Agreement" or "Terms of Use" that the end user would have to agree to when using any software that requires HCPS staff to log into?**

As requested, and per their hyperlink <https://www.suralink.com/terms-and-conditions>, terms and conditions are as follows:

**"WEBSITE TERMS AND CONDITIONS"**

These Website Terms and Conditions (these "Terms") set forth the general terms and conditions of your use of the [www.suralink.com](http://www.suralink.com) website including any content, functionality, and services offered on or through [www.suralink.com](http://www.suralink.com) (the "Website"). These Terms are a legally binding agreement between you ("User," "you" or "your") and Suralink, Inc. ("Suralink," "we," "us" or "our"). By accessing and using the Website, you acknowledge that you have read, understood, and agree to be bound by these Terms. If you do not want to agree to these Terms, you must not access or use the Website.

**LINKS TO OTHER RESOURCES**

The Website may contain links to other sites and resources provided by third parties. Any such links are provided for convenience only, and we are not, directly or indirectly, implying any approval, association, sponsorship, endorsement, or affiliation with any such resources. We have no control over third-party websites and resources, and we accept no responsibility for them or for any loss or damage that may arise from your use of them. If you decide to access any of the third-party websites or resources linked to this Website, you do so entirely at your own risk and subject to the terms and conditions of use for such websites.



## PROHIBITED USES

In addition to any other restrictions set forth in these Terms, you are prohibited from using the Website:

- For any unlawful purpose;
- To solicit others to perform or participate in any unlawful acts;
- To violate any international, federal, provincial or state regulations, rules, laws, or local ordinances;
- To infringe upon or violate our intellectual property rights or the intellectual property rights of others;
- To harass, abuse, insult, harm, defame, slander, disparage, intimidate, or discriminate based on gender, sexual orientation, religion, ethnicity, race, age, national origin, or disability;
- To submit false or misleading information;
- To upload or transmit viruses or any other type of malicious code that will or may be used in any way that will affect the functionality or operation of the Website, third party products and services, or the Internet;
- To spam, phish, pharm, pretext, spider, crawl, or scrape;
- For any obscene or immoral purpose; or
- To interfere with or circumvent the security features of the Website, third party products and services, or the Internet.

## MONITORING AND ENFORCEMENT; TERMINATION

We have the right to:

- Take appropriate legal action, including without limitation, referral to law enforcement, for any illegal or unauthorized use of the Website.
- Terminate or suspend your access to all or part of the Website for any or no reason, including without limitation, any violation of these Terms.

## INTELLECTUAL PROPERTY RIGHTS

**“Intellectual Property Rights”** means all present and future rights conferred by statute, common law or equity in or in relation to any copyright and related rights, trademarks, designs, patents, inventions, goodwill and the right to sue for passing off, rights to inventions, rights to use, and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, rights to claim priority from, such rights and all similar or equivalent rights or forms of protection and any other results of intellectual activity which subsist or will subsist now or in the future in any part of the world. These Terms do not transfer to you any intellectual property owned by Suralink or third parties, and all rights, titles, and interests in and to such property will remain (as between the parties) solely with Suralink. All trademarks, service marks, graphics and logos used in connection with the Website, are trademarks or registered trademarks of Suralink or its licensors. Other trademarks, service marks, graphics and logos used in connection with the Website may be the trademarks of other third parties. Your use of the Website does not grant you any right or license to reproduce or otherwise use any trademarks of Suralink or third parties.

## LIMITATION OF LIABILITY

To the fullest extent permitted by applicable law, in no event will Suralink, its affiliates, directors, officers, employees, agents, suppliers or licensors be liable to any person for any indirect, incidental, special, punitive, cover or consequential damages (including, without limitation, damages for lost profits, revenue, sales, goodwill, use of content, impact on business, business interruption, loss of anticipated savings, loss of business opportunity) however caused, under any theory of liability, including, without limitation, contract, tort, warranty, breach of statutory duty, negligence or otherwise, even if the liable party has been advised as to the possibility of such damages or could have foreseen such damages. To the maximum extent permitted by applicable law, the aggregate liability of Suralink and its affiliates, officers, employees, agents, suppliers and licensors relating to the services will be limited to an amount of one dollar (\$1.00). The limitations and exclusions also apply if this remedy does not fully compensate you for any losses or fails of its essential purpose.

## INDEMNIFICATION

You agree to indemnify and hold Suralink and its affiliates, directors, officers, employees, agents, suppliers and licensors harmless from and against any liabilities, losses, damages or costs, including reasonable attorneys' fees, incurred in connection with or arising from any third-party allegations, claims, actions, disputes, or demands asserted against any of them as a result of or relating to your use of the Website or any willful misconduct on your part.

## STATUTORY EXCEPTIONS FOR PUBLIC INSTITUTIONS.

If User is a qualified public educational or government institution, and any provision of these Terms, such as, by way of example, all or part of the preceding indemnification provision, is invalid or unenforceable against User because of applicable state or federal law, then such provision shall be deemed invalid and unenforceable, as the case may be, and instead construed in a manner most consistent with applicable law.

## CHANGES AND AMENDMENTS

We reserve the right to modify these Terms at any time at our discretion. When we do, we will revise the updated date at the bottom of this page. We may also provide notice to you in other ways at our discretion, such as through the contact information you have provided. An updated version of these Terms will be effective immediately upon the posting of the revised Terms unless otherwise specified. Your continued use of the Website after the effective date of the revised Terms (or such other act specified at that time) will constitute your consent to and acceptance of those revised Terms.

## CONTACTING US

If you have any questions, concerns, or complaints regarding these Terms, we encourage you to contact us at [support@suralink.com](mailto:support@suralink.com)

**3. During the presentation it was mentioned that Suralink is used to facilitate the virtual audit process. What information/assurances can you provide that Suralink is a secure method of sharing sensitive client information (e.g., bank statements with account numbers, etc.)?**

As detailed on its website, Suralink incorporates industry leading security components within its service because they recognize that “You and your team handle sensitive client information every day, including financial, personal, payment data, and more. Ensuring that data remains secure is critical for both your clients’ and your business’s long-term success.”

Components include:

- Multi-factor authentication
- Inactivity time-out
- Encrypted third-party access
- Access restriction by role or engagement
- SSL AES 256-bit encryption
- SOC1, SOC2, and SOC3 compliant data centers

Specifically, Suralink details of its security measures in these key areas include:

- **“File Security - Encryption for the modern business**

All documents that are uploaded into Suralink are always secured with AES-256 bit encryption. Client organization names, engagement names, and all comments between users are treated as sensitive and are also encrypted at rest with AES-256 bit encryption.

- **Account Integrity - Password requirements**

Remembering 20 different passwords for 20 different applications is hard. But that’s no reason to be lax about security. Suralink has strict password requirements to ensure every login is as secure as possible.

- **Two-factor authentication**

Suralink offers all users the option to use third-party mobile authenticators to protect their account. Administrators can also require team members to have two-factor authentication enabled.

- **Session inactivity and timeout**

Every Suralink account is protected by session inactivity and timeout protocols. If you’ve been inactive for too long, we’ll log you out automatically to protect your data and ensure no one else can access your account.

- **Rigorous third-party testing**

To ensure the highest levels of security, we perform vulnerability and penetration security tests on a regular basis. These include internal and external scans from multiple third-party experts.

- **Specific data security compliance measures**

- SOC 2 - Developed by the American Institute of CPAs, defines criteria for managing customer data based on five “trust service principles” - security, availability, processing integrity, confidentiality and privacy.
- The General Data Protection Regulation (“GDPR”) is a legal framework that sets guidelines for the collection and processing of personal information from individuals who live in the European Union. Suralink is currently compliant with GDPR guidelines.”

Additionally, Suralink was awarded a cybersecurity score of 95 A by SecurityScorecard, who issues trusted and proven security ratings used by over 70,000 companies across the globe.

A hyperlink to Suralink's security page is <https://www.suralink.com/security>.

**4. Discuss details on what type of training your firm would provide to HCPS at no additional cost?**

In additional to providing specific Suralink training to HCPS' Finance personnel (e.g., Central Office and finance management at each school), we can provide specific training at bookkeeper training sessions/meetings held by HCPS. As mentioned in our oral presentation, we have on many occasions participated in client's annual/biannual bookkeeper's meetings to provide insight into what an audit is, why we are requesting the information we do, and how the results of the audit should be interpreted. This has been very successful with our clients to help ease any anxiousness related to the audit process, especially when there is considerable turnover in school personnel. All of this is in addition to having access to Cherry Bekaert online and in-person training sessions covering topics that may or may not be related to an audit, but would be of interest to school individuals (e.g., if they have a personal tax concern or want to better understand an emerging business trend like Artificial Intelligence). Our link to online trainings, podcasts, articles and the like is <https://www.cbh.com/insights/>.

**5. Provide information on your firm's staff turnover rate for the last year, particularly for those that work with the school activity fund audits.**

As noted in our proposal, page 17, “our turnover rate has been around 20% for the last three years, which is comparable to our peer firms” and comparable to our school activity fund audit clients. Turnover is attributable to multiple factors such as spousal/partner relocation or merging with other firms where staff decided to change their careers.

**6. *If awarded the contract how many of your staff would be assigned to our account?***

Consistent with the information provided to HCPS for inclusion in the Request for Proposal on page 2, upon appointment, our team will be comprised of 3-4 staff members, one (1) senior in-charge, one (1) manager or senior manager and two (2) partners/directors. If additional resources are needed, we will draw upon our bench strength providing Cherry Bekaert the wealth of deployable resources needed to ensure your engagement is performed efficiently, accurately and on your schedule.

January 28, 2025

### Non-Binding Cost Estimate

Dear Selection Committee Members:

On behalf of Cherry Bekaert LLP (“Firm”), we are pleased to submit our non-binding cost estimate to continue to serve the Henrico County Public Schools (“HCPS”) by providing audit services for the School Activity Funds for the three fiscal years ending June 30, 2025, 2026, and 2027, with the potential to extend the contract for two (2) additional one-year terms.

We are excited about this opportunity to continue our service to the HCPS and confirm that Cherry Bekaert continues to possess the resources, personnel, and commitment to the HCPS and the Commonwealth’s public sector to provide the high quality audit services you deserve, both today and in the future.

We understand and appreciate HCPS’ 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. Our fees are based on our best estimate of the tasks and hours to be incurred by our experienced engagement team. ***However, we do not want fees to be the dominant determinant in your selection process and would welcome the opportunity to discuss our non-binding cost estimate should you have any questions or suggested modifications.*** In developing our non-binding cost estimate, we made the following presumptions:

- ▶ Our estimate is based on no material changes in HCPS’ operational (e.g., systems), regulatory (e.g., Virginia law) or reporting (e.g., new schools added) environments. If at any time such material changes do occur, we would like the opportunity to discuss the impact, if any, on the scope of our audit and any corresponding costs.
- ▶ For fiscal years 2026, 2027 and any subsequent renewal years, our base fee will be determined as provided for within sections V (EE) (1) and (2) of the Request for Proposal (“RFP”).

Our proposed fee for fiscal year 2025 services, as outlined in the RFP, consistent with our prior contract and sections V (EE) (1) and (2) of the RFP, is 2.9% (CPI) higher than our 2024 services or \$123,516, inclusive of all travel and administrative expenses. As requested, estimated hours per team position are as follows:

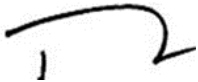
Audit Segment	Partner and Director	Manager	Senior	Staff	Total
Planning and Interim	4	8	24	-	36
Final Year-end Procedures	8	32	192	178	410
Reporting	8	16	4	-	28
Total Hours	20	56	220	178	474

Note: Fee per additional school added or reduced would be equal to the final negotiated fee divided by 75 (current schools in place).

As it was on day one of our contract, we consider it an honor to work with the HCPS. Based on our prior service, we believe Cherry Bekaert is the only service provider fully capable of meeting your current and future needs. If you have questions about this non-binding cost estimate, or require additional information, please feel free to contact me directly, as an authorized representative of the Firm, at (804) 647-8836 or electronically at [rchurchman@cbh.com](mailto:rchurchman@cbh.com).

Sincerely,

**Cherry Bekaert**



**Robert H. Churchman, CPA, CGFM**

Partner, Cherry Bekaert LLP

Partner, Cherry Bekaert Advisory LLC

## **Engagement Letter Draft and Scope of Services**

As provided in our response to the RFP, this attachment contains 1) our engagement letter draft and 2) our Scope of Services, covering items #1 and #3 in HCPS' Negotiation letter.



January 28, 2025

**VIA EMAIL:**

jbwack@henrico.k12.va.us

John B. Wack, M.P.A., Chief Financial Officer  
Henrico County Public Schools  
3820 Nine Mile Road  
Henrico, Virginia 23223

Dear Mr. Wack:

This engagement letter between Henrico County Public Schools (hereafter referred to as the "HCPS" or "you" or "your" or "management") and Cherry Bekaert LLP (the "Firm" or "Cherry Bekaert" or "we" or "us" or "our") sets forth the nature and scope of the services we will provide, the HCPS required involvement and assistance in support of our services, the related fee arrangements, and other Terms and Conditions, which are attached hereto and incorporated by reference, designed to facilitate the performance of our professional services and to achieve the mutually agreed-upon objectives of the HCPS.

## Summary of services

We will provide the following services to the HCPS, as of and for the year ended June 30, 2025:

### Audit and attestation services

1. We will audit the combined Statement of Cash Receipts and Disbursements ("combined statement") of the School Activity Funds, prepared on the cash basis of accounting ("cash basis"), which is a basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP").
2. We will audit the supplementary information, as listed in the Table of Contents, and provide an "in relation to" opinion. As part of our engagement, we will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined statement or the combined statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America ("GAAS").

Collectively, hereinafter the combined statement, notes thereon, and supplementary information are referred to as the "financial statement".

3. Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*.
4. Management letter detailing any operational observations noted.

### Nonattest accounting and other services

We will assist in the preparation of the financial statement and disclosures.

## **Your expectations**

As part of our planning process, we have discussed with you your expectations of Cherry Bekaert, changes that occurred during the year, your views on risks facing you, any relationship issues with Cherry Bekaert, and specific engagement arrangements and timing. Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed the HCPS' expectations. Our services plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

The HCPS recognizes that our professional standards require that we be independent from the HCPS in our audit of the HCPS' financial statement and our accompanying report in order to ensure that our objectivity and professional skepticism have not been compromised. As a result, we cannot enter into a fiduciary relationship with the HCPS and the HCPS should not expect that we will act only with due regard to the HCPS' interest in the performance of this audit, and the HCPS should not impose on us special confidence that we will conduct this audit with only the HCPS' interest in mind. Because of our obligation to be independent of the HCPS, no fiduciary relationship will be created by this engagement or audit of the HCPS' financial statement.

The engagement will be led by Rob Churchman, who will be responsible for assuring the overall quality, value, and timeliness of the services provided to you.

## **Audit services**

Our audit will be conducted in accordance with GAAS; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The objective of our audit is to obtain reasonable assurance about whether the HCPS' financial statement as a whole is free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion(s) about whether the HCPS' financial statement is presented fairly, in all material respects, in conformity with the cash basis of accounting and to report on the fairness of the additional information referred to in the Summary of Services section when considered in relation to the financial statement taken as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statement in conformity with the basis of accounting noted above. The objective also includes reporting on internal control over financial reporting and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statement in accordance with *Government Auditing Standards*.

## **Auditor's responsibilities for the audit of the financial statement**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records, and other procedures as deemed necessary to enable us to express such an opinion about whether the financial statement is

fairly presented, in all material respects, in conformity with the cash basis of accounting. We will also:

- ☐ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ☐ Obtain an understanding of the HCPS and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statement, whether due to error or fraud, and to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.
- ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the HCPS' internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statement that we have identified during the audit.
- ☐ Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the HCPS' ability to continue as a going concern for a reasonable period of time.

## **Nonattest accounting and other services**

In connection with any of the audit, accounting, or other services noted below, we will provide a copy of all schedules or other support for you to maintain as part of your books and records supporting your basic financial statement. You agree to take responsibility for all documents provided by Cherry Bekaert and will retain copies based on your needs and document retention policies. By providing these documents to you, you confirm that Cherry Bekaert is not responsible for hosting your records or maintaining custody of your records or data and that Cherry Bekaert is not providing business continuity or disaster recovery services. You confirm you are responsible for maintaining internal controls over your books and records including business continuity and disaster recovery alternatives. In addition, any documents provided to Cherry Bekaert by the HCPS in connection with these services will be considered to be copies and will not be retained by Cherry Bekaert after completion of the accounting and other services. You are expected to retain anything you upload to a Cherry Bekaert portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

The accounting and other services described in this section are nonaudit services, which do not constitute audit services under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming HCPS' management responsibilities.

In conjunction with providing these accounting and other services, we may use third party software or templates created by Cherry Bekaert for use on third party software. Management expressly agrees that the HCPS has obtained no rights to use such software or templates and that Cherry Bekaert's use of the HCPS' data in those applications is not deemed to be hosting, maintaining custody, providing business continuity, or disaster recovery services.

### **Financial statement preparation**

We will assist in the preparation of the HCPS' financial statement and disclosures, based on information provided by the HCPS. However, the responsibility for the HCPS' financial statement and disclosures remains with the HCPS' management. This responsibility includes establishing and maintaining adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, the safeguarding of assets, and adjusting the financial statement for any material misstatements as well as reviewing and approving for publication the draft financial statement prepared with our assistance.

### **HCPS' management responsibilities related to accounting and other services**

For all nonattest services we perform in connection with the engagement, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, retain relevant copies supporting your books and records, and accept overall responsibility for the results of the services.

Prior to the release of the report, the HCPS' management will need to sign a representation letter acknowledging its responsibility for the results of these services, and acknowledging receipt of all appropriate copies.

### **HCPS' management responsibilities related to the audit**

The HCPS' management is responsible for designing, implementing, and maintaining internal controls, including evaluating and monitoring ongoing activities, relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error, and to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that the HCPS' management and financial information is reliable and properly reported. The HCPS' management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statement and all accompanying information in conformity with the cash basis of accounting, and for

compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

The HCPS' management is responsible for making all financial records and related information available to us, including additional information that is requested for purposes of the audit (including information from outside of the general and subsidiary ledgers), and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the HCPS from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statement to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statement taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the HCPS involving (1) the HCPS' management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statement. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the HCPS received in communications from employees, former employees, grantors, regulators, or other. In addition, you are responsible for identifying and ensuring that the HCPS complies with applicable laws, regulations contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with the cash basis of accounting. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statement with any presentation of the supplementary information that includes our report thereon or make the audited financial statement readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP, (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The HCPS' management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The HCPS' management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the *Audit and attestation services* section of this letter. This responsibility includes relaying to us

corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing HCPS' management views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all the HCPS' management responsibilities relating to the financial statement and disclosures and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statement and disclosures and that you have reviewed and approved the financial statement and disclosures prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

## **Reporting**

We will issue a written report upon completion of our audit of the HCPS' financial statement. Our report will be addressed to the HCPS' School Board. Circumstances may arise in which our report may differ from its expected form and content based on the result of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report on internal control and compliance, and will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the HCPS' internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the HCPS is subject to an audit requirement that is not encompassed in the terms of the engagement, we will communicate to HCPS' management and those charged with governance that an audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Fees**

The estimated fees contemplate only the services described in the Summary of Services section of this letter. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees which will be at our standard billing rates noted in the table below. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

## Standard Bill Rates

Skill Level	Bill Rate
Partner	\$XXX
Director	\$XXX
Senior Manager	\$XXX
Manager	\$XXX
Senior Accountant	\$XXX
Staff Accountant	\$XXX
Intern	\$XXX
Paraprofessional	\$XXX
ASC Supervisor	\$XXX
ASC Coordinator	\$XXX
Administrative	\$XXX
GSS Manager	\$XXX
GSS Senior	\$XXX
GSS Staff	\$XXX

The following summarizes the estimated range of fees for the services described above:

Per contract \_\_\_\_\_, our fee increased from the prior year by \_\_\_\_% (lesser of 3% or CPI-U) to be \$XXX,XXX, which will be billed periodically on agreed-upon dates per the contract. If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. No change, modification, addition, or amendment to this letter shall be valid unless in writing and signed by all parties. The parties agree that this letter may be electronically signed and that the electronic signatures will be deemed to have the same force and effect as handwritten signatures.

If you have any questions, please email Rob Churchman at [rchurchman@cbh.com](mailto:rchurchman@cbh.com).

Sincerely,

**CHERRY BEKAERT LLP**



**Henrico County Public Schools**

ACCEPTED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_



**Cherry Bekaert LLP**  
**Engagement Letter Terms and Conditions**

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The following terms and conditions are an integral part of the attached engagement letter and should be read in their entirety in conjunction with your review of the letter.

**Limitations of the audit report**

Should the HCPS wish to include or incorporate by reference the financial statement and our report thereon into *any* other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards ("GAAS") to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the HCPS will not include or incorporate by reference the financial statement and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

**Limitations of the audit process**

In conducting the audit, we will perform tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion on the financial statement. We also will assess the accounting principles used and significant estimates made by the HCPS' management, as well as evaluate the overall financial statement presentation.

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statement. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statement. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the HCPS) on the financial statement.

Similarly, in performing our audit we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. We will inform you with respect to errors and fraud, or illegal acts that come to our attention during the course of our audit unless clearly inconsequential. You agree that the HCPS will cooperate fully with any procedures we deem necessary to perform with respect to these matters.

We will issue a written report upon completion of our audit of the HCPS' financial statement. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed an opinion on the financial statement, we may decline to express an opinion or decline to issue a report as a result of the engagement. We will notify the appropriate party within your organization of our decision and discuss the reasons supporting our position.



## Audit procedures – general

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the HCPS' management, as well as evaluating the overall presentation of the financial statement. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statement is free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the HCPS or to acts by the HCPS' management or employees acting on behalf of the HCPS. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits, nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statement. However, we will inform the appropriate level of the HCPS' management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of balances with financial institutions. We will request written representations from the HCPS' attorneys as part of the engagement. At the conclusion of our audit, we will also require certain written representations from you about the financial statement; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS.

## Audit procedures – internal controls

Our audit will include obtaining an understanding of the HCPS and its environment, including internal controls relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statement, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statement and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statement. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control, including cybersecurity, and, accordingly, no opinion will be

expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to the HCPS' management and those charged with governance internal control related matters that are required to be communicated under American Institute of Certified Public Accountants ("AICPA") professional standards, and *Government Auditing Standards*.

## Audit procedures - compliance

As part of obtaining reasonable assurance about whether the basic financial statement is free of material misstatement, we will perform tests of the HCPS' compliance with provisions of applicable laws and regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

## Nonattest services

All nonattest services to be provided in the attached engagement letter shall be provided pursuant to the AICPA Code of Professional Conduct. The AICPA Code of Professional Conduct requires that we establish objectives of the engagement and the services to be performed, which are described under nonattest services in the attached letter.

You agree that the HCPS' designated individual will assume all the HCPS' management responsibilities for the nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In order to ensure we provide such services in compliance with all professional standards, the designated individual is responsible for:

- ☐ Making all financial records and related information available to us
- ☐ Ensuring that all material information is disclosed to us
- ☐ Granting unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence
- ☐ Identifying and ensuring that such nonattest complies with the laws and regulations

The accuracy and appropriateness of such nonattest services shall be limited by the accuracy and sufficiency of the information provided by the HCPS' designated individual. In the course of providing such nonattest services, we may provide professional advice and guidance based on knowledge of accounting, tax and other compliance, and of the facts and circumstances as provided by the HCPS' designated individual. Such advice and guidance shall be limited as permitted under the AICPA Code of Professional Conduct.

## Communications

At the conclusion of the audit engagement, we may provide the HCPS' management and those charged with governance a letter stating any significant deficiencies or material

weaknesses which may have been identified by us during the audit and our recommendations designed to help the HCPS make improvements in its internal control structure and operations related to the identified matters discovered in the financial statement audit. As part of this engagement, we will ensure that certain additional matters are communicated to the appropriate members of the HCPS. Such matters include (1) our responsibilities under GAAS, (2) the initial selection of and changes in significant accounting policies and their application, (3) our independence with respect to the HCPS, (4) the process used by HCPS' management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates, (5) audit adjustments, if any, that could, in our judgment, either individually or in the aggregate be significant to the financial statement or our report, (6) any disagreements with the HCPS' management concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statement, (7) our views about matters that were the subject of the HCPS' management's consultation with other accountants about auditing and accounting matters, (8) major issues that were discussed with the HCPS' management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards, and (9) serious difficulties that we encountered in dealing with the HCPS' management related to the performance of the audit.

## Other matters

### Access to working papers

The working papers and related documentation for the engagement are the property of the Firm and constitute confidential information. We have a responsibility to retain the documentation for a period of time to satisfy legal or regulatory requirements for records retention. It is our policy to retain all workpapers and client information for seven years from the date of issuance of the report. It is our policy to retain emails and attachments to emails for a period of 12 months, except as required by any governmental regulation. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties. Any parties seeking voluntary access to our working papers must agree to sign our standard access letter.

We may be requested to make certain documentation available to regulators, governmental agencies (e.g., SEC, PCAOB, HUD, DOL, etc.), or their representatives ("Regulators") pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators. The Regulators may intend to distribute to others, including other governmental agencies, our working papers and related documentation without our knowledge or express permission. You hereby acknowledge and authorize us to allow Regulators access to and copies of documentation as requested. In addition, our Firm, as well as all other major accounting firms, participates in a "peer review" program covering our audit and accounting practices as required by the AICPA. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for the HCPS may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

### Electronic transmittals

During the course of our engagement, we may need to electronically transmit confidential information to each other, within the Firm, and to other entities engaged by either party. Although email is an efficient way to communicate, it is not always a secure means of communication and thus, confidentiality may be compromised. As an alternative, we recommend using our Client Portal ("Portal") to transmit documents. Portal allows the HCPS, us, and other involved entities to upload and download documents in a secure location. You agree to the use of email, Portal, and other electronic methods to transmit and receive information, including confidential information, between the Firm, the HCPS, and other third party providers utilized by either party in connection with the engagement.

### Use of third party providers and alternative practice structure

Cherry Bekaert LLP and Cherry Bekaert Advisory LLC (an associated, but not affiliated entity) are parties to an administrative services agreement ("ASA"). Cherry Bekaert LLP and Cherry Bekaert Advisory LLC are operating in an arrangement commonly described as an "alternative practice structure". Pursuant to the ASA, Cherry Bekaert LLP leases professional and administrative staff, both of which are employed by Cherry Bekaert Advisory LLC, to support Cherry Bekaert LLP's performance under this engagement letter. As a result, Cherry Bekaert LLP will share your confidential information with Cherry Bekaert Advisory LLC so that the leased employees are able to support Cherry Bekaert LLP's performance under this engagement letter. These leased employees are under the direct control and supervision of Cherry Bekaert LLP, which is solely responsible for the professional performance of the services under this engagement letter. The leased employees are subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and Cherry Bekaert LLP and Cherry Bekaert Advisory LLC have contractual agreements requiring confidential treatment of all client information.

To the extent Cherry Bekaert Advisory LLC will provide tax, advisory, and/or consulting services to you, Cherry Bekaert LLP will provide Cherry Bekaert Advisory LLC with access to your accounting, financial, and other records that Cherry Bekaert LLP maintains to enable Cherry Bekaert Advisory LLC to provide those services to you.

Cherry Bekaert LLP and Cherry Bekaert Advisory LLC (an associated, but not affiliated entity) are parties to an administrative services agreement ("ASA"). See Amendment No. \_\_\_ to Contract \_\_\_\_\_ dated XXXXX XX, 2025 for further discussion.

In addition to the structure noted above, in the normal course of business, we may on occasion use the services of an independent contractor or a temporary or loaned employee, all of whom may be considered a third party service provider. On these occasions, we remain responsible for the adequate oversight of all services performed by the third party service provider and for ensuring that all services are performed with professional competence and due professional care. We will adequately plan and supervise the services provided by the third party service provider; obtain sufficient relevant data to support the work product; and review compliance with technical standards applicable to the professional services rendered. We will enter into a contractual agreement with the third party service provider to maintain the confidentiality of information and be reasonably assured that the third party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

## Subpoenas

In the event we are requested or authorized by the HCPS, or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the HCPS, the HCPS will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request at standard billing rates.

## Dispute resolution provision

This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to any dispute or claim arising out of or relating to this engagement letter or the services provided hereunder, or any other audit or attest services provided by or on behalf of the Firm or any of its subcontractors or agents to the HCPS or at its request ("Disputes"), and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

## 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 ("CPR"), at the written request of a party, shall designate a mediator.

## Costs

Each party shall bear its own costs in the mediation.

## Waiver of trial by jury

**In the event the parties are unable to successfully arbitrate any dispute, controversy, or claim, the parties agree to WAIVE TRIAL BY JURY and agree that the court will hear any matter without a jury.**

## Independent contractor

Each party is an independent contractor with respect to the other and shall not be construed as having a trustee, joint venture, agency, or fiduciary relationship.

## No third party beneficiaries

The parties do not intend to benefit any third party by entering into this agreement, and nothing contained in this agreement confers any right or benefit upon any person or entity who or which is not a signatory of this agreement.

## Statute of limitations

HCPS agrees not to bring any claims against any partner or employee of the Firm in any form for any reason. HCPS and the Firm agree that any suit arising out of or related to the services contemplated by this engagement letter must be filed within one year after the cause of action arises. The cause of action arises upon the earlier of (i) delivery of the final work product for which the firm has been engaged, (ii) where applicable, filing of the final work product for which the firm has been engaged, or (iii) the date which the services contemplated under this engagement letter are terminated by either party.

## Terms and conditions supporting fees

The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from the HCPS' personnel, timely delivery of requested audit schedules and supporting information, timely communication of all significant accounting and financial reporting matters, the assumption that unexpected circumstances will not be encountered during the audit, as well as working space and clerical assistance as mutually agreed upon and as is normal and reasonable in the circumstances. We strive to ensure that we have the right professionals scheduled on each engagement. As a result, sudden HCPS requested scheduling changes or scheduling changes necessitated by the agreed information not being ready on the agreed-upon dates can result in expensive downtime for our professionals. Any last minute schedule changes that result in downtime for our professionals could result in additional fees. Our estimated fees do not include assistance in bookkeeping or other accounting services not previously described. If, for any reason, the HCPS is unable to provide such schedules, information, and assistance, the Firm and the HCPS will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

The estimated fees contemplate that the HCPS will provide adequate documentation of its systems and controls related to significant transaction cycles and audit areas.

In providing our services, we will consult with the HCPS with respect to matters of accounting, financial reporting, or other significant business issues as permitted by professional standards. Accordingly, time necessary to affect a reasonable amount of such consultation is reflected in our fees. However, should a matter require research, consultation, or audit work beyond that amount, the Firm and the HCPS will agree to an appropriate revision in our fee.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the HCPS at this time. Unless otherwise indicated, estimated fees do not include any time related to the application of new auditing or accounting standards that impact the HCPS for the first time. If new auditing or accounting standards are issued subsequent to the date of this letter and are effective for the period under audit, we will estimate the impact of any such standard on the nature, timing, and extent of our planned audit procedures and will communicate with the HCPS concerning the scope of the additional procedures and the estimated fees.

In the event of nonpayment of any invoice rendered by us, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this engagement letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid. If we elect to terminate our services for nonpayment, the HCPS will be obligated to compensate us for all time expended and reimburse us for all expenses through the date of termination.

This engagement letter sets forth the entire understanding between the HCPS and the Firm regarding the services described herein and supersedes any previous proposals, correspondence, and understandings whether written or oral. Any subsequent changes to the terms of this letter, other than additional billings, will be rendered in writing and shall be executed by both parties. Should any portion of this engagement letter be ruled invalid, it is agreed that such invalidity will not affect any of the remaining portions.

## Tab 2 – Statement of the Scope

*In this tab, Offerors, in concise terms, shall state their understanding of the Scope of Services requested by this RFP in Section II.*

Cherry Bekaert understands and commits to fulfilling all components detailed in Section II. Specifically, we understand this engagement includes the annual financial statement audit of the HCPS' combined Statement of Cash Receipts, Disbursements, and Balances - Cash Basis of the School Activity Funds (the "financial statement" of the "Funds"), in accordance with auditing standards generally accepted in the United States of America (GAAS); *Government Auditing Standards*, issued by the Comptroller General of the United States; the State Board of Education's manual titled *School Activity Funds*, and policies set forth in the HCPS' *Finance Procedures Manual*, as of and for the fiscal years ending June 30, 2025 through 2027. The contract may be renewed for two (2) additional one (1) year periods, subject to mutual agreement between HCPS and Cherry Bekaert.



## Exceptions

As provided within our response to the RFP, please find below a Word version of the Exceptions section from our proposal for consideration.

### Tab 7 – Exceptions

*In this tab, Offerors shall list any exceptions taken to the Scope of Services and General Terms and Conditions of this Request for Proposals. The County intends to make the RFP and the Successful Offeror's proposal a part of the contract between the parties, so Offerors should list any exceptions for purposes of negotiating the contract. Offerors shall list the Section number and Item number they are taking exception to and propose alternative language.*

As with any contractual relationship, Cherry Bekaert's desire to enter into a contract with HCPS is based on reaching a mutually positive negotiation of terms and conditions. After reviewing the RFP, we would like to offer some alternative language for your consideration.

RFP Section	Desired Exception/Revision
<b>V(F)(1) Termination by County</b>	Cherry Bekaert requests rights to terminate for cause or for convenience upon 60 days written notice.
<b>V(F)(2)(d) Termination by County</b>	d. An equitable adjustment in the Contract price shall be made for unpaid services satisfactorily rendered and goods satisfactorily delivered before the date the Successful Offeror receives the notice of termination <del>minus the County's cost to complete the Successful Offeror's work.</del> The Successful Offeror shall not be entitled to payment for services rendered or goods delivered after the date the Successful Offeror receives the notice of termination or for reimbursement of any cost the Successful Offeror incurs after the date the Successful Offeror receives the notice of termination. <del>If the County's cost to complete the Successful Offeror's work exceeds the unpaid balance due to the Successful Offeror, the County will not owe the Successful Offeror any money; instead, the Successful Offeror shall pay to the County the difference between the unpaid balance due and the County's cost to complete the work.</del>
<b>V(N) Indemnification</b>	Per our negotiated language in contract #1962A with HCPS, would propose usage of the language below with an update underlined:  “(4) Indemnification - Cherry Bekaert agrees to indemnify, defend and hold harmless the County, School Board, their officers, agents and employees, from and against any and all claims, debts, liabilities, damages, demands, obligations, costs, expenses (including, without limitation, reasonable attorneys' fees and court

	<p>costs), actions and causes of action arising from (a) the breach of any of the terms of this Agreement by Cherry Bekaert or any party acting by or through Cherry Bekaert (including, without limitation, any of its representatives); (b) the violation of any applicable law or regulation; or (c) the negligence of the Cherry Bekaert in the performance of this Agreement. This paragraph shall survive the termination or expiration of the Agreement including any renewal or extension thereof; provided, however, that the maximum aggregate liability of Cherry Bekaert with respect to this paragraph shall not exceed the sum of <del>ten million dollars (\$10,000,000.00)</del> <u>five million dollars (\$5,000,000)</u>. This Section replaces and supersedes the indemnification language set forth in Section VI(J) of Exhibit G."</p>
<b>V(S)(1) and (2) Record Retention and Audits</b>	<p>1. The Successful Offeror shall retain, during the performance of the Contract and for a period of five years from the completion of the Contract, all records pertaining to the Successful Offeror's proposal and any Contract awarded pursuant to this Request for Proposal. Such records shall include but not be limited to all paid vouchers including those for out-of-pocket expenses; other reimbursement supported by invoices, including the Successful Offeror's copies of periodic estimates for partial payment; ledgers, cancelled checks; deposit slips; bank statements; journals; Contract amendments and change orders; insurance documents; payroll documents; timesheets; memoranda; and correspondence. Such records shall be available to the County <del>on demand and without</del> <u>upon reasonable written</u> advance notice during the Successful Offeror's normal working hours.</p> <p>2. County personnel may perform in-progress and post-audits of the Successful Offeror's records as a result of a Contract awarded pursuant to this Request for Proposals. Files would be available <del>on demand and without</del> <u>upon reasonable written</u> notice during normal working hours.</p>
<b>Attachment E – Insurance Specifications</b>	<p>Automobile Liability</p> <ul style="list-style-type: none"> <li>○ Cherry Bekaert has no owned vehicles</li> </ul> <p>Professional Liability</p> <ul style="list-style-type: none"> <li>○ Our coverage is per claim, not occurrence</li> </ul> <p>Cyber Liability</p> <ul style="list-style-type: none"> <li>○ Our coverage is per claim, not occurrence</li> </ul>



Proposal for Audit Services for School Activity Fund

# Henrico County Public Schools

November 21, 2024 | RFP No. 24-2769-10EMF

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**Rob Churchman, CPA, CGFM**  
Partner, Cherry Bekaert LLP  
Partner, Cherry Bekaert Advisory LLC  
  
P 804.673.5700  
E [rchurchman@cbh.com](mailto:rchurchman@cbh.com)

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[cbh.com](http://cbh.com)

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# Tab 1 – Introduction and Signed Forms

## Cover Letter

***a. Cover Letter – On company letterhead, signed by a person with the corporate authority to enter into contracts in the amount of the proposal.***

**November 21, 2021**

Eileen M. Falcone, CPPB - Purchasing Manager  
County of Henrico, Virginia  
8600 Staples Mill Road  
Henrico, VA 23273

*Re: RFP 24-2769-10EMF Audit Services for School Activity Fund*

Dear Ms. Falcone and Selection Committee Members:

Thank you for the opportunity to submit our proposal to continue providing financial and compliance audit services to Henrico County Public Schools (HCPS). Cherry Bekaert LLP (Cherry Bekaert or the Firm) understands that you need a service provider who understands both HCPS' past and its plans for the future, as well as the changing landscape facing the public sector; Cherry Bekaert offers industry-leading resources, personnel, and experience auditing nearly 200 governmental entities, combined with an unmatched commitment to HCPS, the Commonwealth of Virginia and the public sector as a whole. We remain committed to continue providing high-quality audit and attest services for years to come, as well as helping HCPS:

- ▶ Ensure **on-time and compliant report completion** by incorporating robust pre-planning, significant interim work, technology solutions and proven school activity fund auditing procedures, making our audit process **efficient and easy-to-navigate**.
- ▶ Implement and maintain compliance with new/changing guidance.
- ▶ **Assess regulatory changes through year-round discussion**, offering expertise and sharing lessons learned through compelling thought leadership and custom Continuing Professional Education (CPE) offerings, such as our Annual Government Seminar.
- ▶ **Improve ease of use** through comprehensive service plans, remote auditing, integrated Information Technology specialists and direct access/knowledge of systems.

As the largest government practice in the Commonwealth of Virginia, Cherry Bekaert's strategic laser focus allows our professionals to concentrate only on governmental accounting and auditing, delivering the valuable experience our clients expect from us. With multiple offices in Richmond, Tysons, and Virginia Beach, our Commonwealth's team of over 425 Cherry Bekaert professionals and staff live, play, raise families, and pay taxes as Virginia residents. They contribute leadership, funding, and hours to numerous service-based organizations focused on keeping their communities, including Henrico County, the best in the Commonwealth. We are excited about this opportunity to continue our service to HCPS, and our proposal demonstrates and confirms that we have the resources, personnel, and commitment to both HCPS and the Virginia public sector by providing audit services at the high level of quality you have experienced and deserve. Our proposal also demonstrates the value-added, experienced service we will continue to bring to HCPS and highlights the extensive public sector qualifications of our proposed team.



## **Continuity of Service**

Our previous service to HCPS is invaluable when considering the services requested by HCPS, as it eliminates the inevitable disruption and learning curve associated with a change in external auditors, while addressing any worries about the costs, risks, and efforts associated with a transition to a new auditor. We strongly believe that Cherry Bekaert continuing as your auditor provides the best of both worlds – an intricate knowledge of your operations and audit preferences, as well as a “fresh eye” approach to each year’s audit through our audit planning, execution, and engagement team make-up. While other firms may offer to discount their first-year audit or set-up fees as part of a lengthy “getting to know you” stage, choosing the continuity of Cherry Bekaert’s service allows HCPS to bypass any orientation phase completely. Our professional relationship with HCPS management and staff, along with our familiarity of HCPS’ systems, enables our team to control overall project costs while optimizing engagement efficiency and effectiveness.

## **Depth of Local & Industry Resources You Deserve**

HCPS provides excellent service to its students and employees. Cherry Bekaert shares HCPS’ commitment to service, as we have a long history of providing high quality service to public sector entities throughout the Commonwealth. You will continue to have access to all of the resources of one of the largest Certified Public Accountant (CPA) firms in the United States, while being served by a locally based Virginia team.

Cherry Bekaert has three offices in Virginia (Richmond, Tysons Corner, and Virginia Beach) and serves over 200 government entities firm wide. In fact, public sector services comprise the largest industry segment among our client base, representing more than 25 percent of our Firm’s total business. Specifically, in addition to serving the HCPS for the last five years, our current Virginia governmental clients include Schools Activity Funds (Chesterfield, Hampton, James City County, Richmond, Suffolk), School Divisions (Henrico, Chesterfield, Fairfax County, Williamsburg-James City County, Loudoun, Newport News, and Prince William), Counties (e.g., Henrico, Chesterfield, Fairfax, James City, Loudoun, Prince William), and Cities (e.g., Hampton, Suffolk, Newport News, Chesapeake and Virginia Beach). This considerable list underscores the trust and respect we have earned through our proven track record throughout the Commonwealth.

## **HCPS takes its deadlines seriously – a trait shared with Cherry Bekaert**

Cherry Bekaert is keenly aware of the need to provide timely, cost effective, and highly efficient services for the maximum benefit with minimal disruption. Our knowledge of, and experience with, HCPS and its peers throughout the Commonwealth, along with our firm-wide commitment to government services, allows our team to provide an audit approach that is very organized, streamlined, and tailored to your needs by conducting the audit effectively and efficiently to meet or beat your timelines.

## **Conclusion**

Since the beginning of our service to HCPS, we believe Cherry Bekaert has established trusted relationships based on value given and received. We are fully committed to extending our mutually beneficial relationship and will continue to invest time to understand you, deliver value added audit and attestation services, and serve as your trusted advisor for questions and concerns as they arise. We would consider it a privilege to continue serving HCPS and we look forward to helping you achieve current and future goals. We are dedicated to our clients with a passion to provide excellent professional services, while extending value at a fair fee. 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 me directly as an authorized representative of the Firm.

Sincerely,

**Cherry Bekaert**



**Rob Churchman, CPA, CGFM**

*Partner, Cherry Bekaert LLP*

*Partner, Cherry Bekaert Advisory LLC*

C: 804-647-8836

O: 804.673.5700


E: [rchurchman@cbh.com](mailto:rchurchman@cbh.com)

**Attachment A****b. Proposal Signature Sheet – Attachment A****ATTACHMENT A****PROPOSAL SIGNATURE SHEET**

My signature certifies that the proposal as submitted complies with all requirements specified in this Request for Proposal (“RFP”) No. 24-2769-10EMF Audit Services for the Activity Fund for Henrico County Public Schools.

My signature also certifies that by submitting a proposal in response to this RFP, the Offeror represents that in the preparation and submission of this proposal, the Offeror did not, either directly or indirectly, enter into any combination or arrangement with any person or business entity, or enter into any agreement, participate in any collusion, or otherwise take any action in the restraining of free, competitive bidding in violation of the Sherman Act (15 U.S.C. Section 1) or Sections 59.1-9.1 through 59.1-9.17 or Sections 59.1-68.6 through 59.1-68.8 of the Code of Virginia.

I hereby certify that I am authorized to sign as a legal representative for the business entity submitting this proposal.

LEGAL NAME OF OFFEROR (DO <u>NOT</u> USE TRADE NAME):	Cherry Bekaert LLP
ADDRESS:	200 South 10th Street, Suite 900
	Richmond, VA, 23219
FEDERAL ID NO:	56-0574444
SIGNATURE:	
NAME OF PERSON SIGNING (PRINT):	Rob Churchman
TITLE:	Partner
TELEPHONE:	(804) 673-5700
FAX:	(804) 673-4290
EMAIL ADDRESS:	rchurchman@cbh.com
DATE:	November 21, 2024



## Attachment B

### c. Business Classification Form – Attachment B

#### ATTACHMENT B BUSINESS CATEGORY CLASSIFICATION FORM

Company Legal Name: Cherry Bekaert LLP

This form completed by: Signature: [Signature] Rob Churchman Title: Partner

Date: November 21, 2024

PLEASE SPECIFY YOUR BUSINESS CATEGORY BY CHECKING THE APPROPRIATE BOX(ES) BELOW.

(Check all that apply.)

- ☐ SMALL BUSINESS
- ☐ WOMEN-OWNED BUSINESS
- ☐ MINORITY-OWNED BUSINESS
- ☐ SERVICE-DISABLED VETERAN
- ☐ EMPLOYMENT SERVICES ORGANIZATION
- ☒ NON-SWam (Not Small, Women-owned or Minority-owned)

**SUPPLIER REGISTRATION** – The County of Henrico encourages all suppliers interested in doing business with the County to register with eVA, the Commonwealth of Virginia's electronic procurement portal, <http://eva.virginia.gov>.

eVA Registered? ☒ Yes ☐ No

If certified by the Virginia Minority Business Enterprises (DMBE), provide DMBE certification number and expiration date.

\_\_\_\_\_ NUMBER \_\_\_\_\_ DATE

#### DEFINITIONS

For the purpose of determining the appropriate business category, the following definitions apply:

**"Small business"** means a business, independently owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens, and together with affiliates, has 250 or fewer employees, or annual gross receipts of \$10 million or less averaged over the previous three years. One or more of the individual owners shall control both the management and daily business operations of the small business.

**"Women-owned business"** means a business that is at least 51 percent owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women.

**"Minority-owned business"** means a business that is at least 51 percent owned by one or more minority individuals who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more minority individuals.

**"Minority individual"** means an individual who is a citizen of the United States or a legal resident alien and who satisfies one or more of the following definitions:

1. "African American" means a person having origins in any of the original peoples of Africa and who is regarded as such by the community of which this person claims to be a part.
2. "Asian American" means a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands, including but not limited to Japan, China, Vietnam, Samoa, Laos, Cambodia, Taiwan, Northern Mariana Islands, the Philippines, a U.S. territory of the Pacific, India, Pakistan, Bangladesh, or Sri Lanka and who is regarded as such by the community of which this person claims to be a part.
3. "Hispanic American" means a person having origins in any of the Spanish-speaking peoples of Mexico, South or Central America, or the Caribbean Islands or other Spanish or Portuguese cultures and who is regarded as such by the community of which this person claims to be a part.
4. "Native American" means a person having origins in any of the original peoples of North America and who is regarded as such by the community of which this person claims to be a part or who is recognized by a tribal organization.

**"Service disabled veteran business"** means a business that is at least 51 percent owned by one or more service disabled veterans or, in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more individuals who are service disabled veterans and both the management and daily business operations are controlled by one or more individuals who are service disabled veterans.

**"Service disabled veteran"** means a veteran who (i) served on active duty in the United States military ground, naval, or air service, (ii) was discharged or released under conditions other than dishonorable, and (iii) has a service-connected disability rating fixed by the United States Department of Veterans Affairs.

**"Employment services organization"** means an organization that provides community-based employment services to individuals with disabilities that is an approved Commission on Accreditation of Rehabilitation Facilities (CARF) accredited vendor of the Department of Aging and Rehabilitative Services.

**Attachment C****d. Virginia State Corporation Commission Registration Information – Attachment C**

**ATTACHMENT C**  
**Virginia State Corporation Commission (SCC)**  
**Registration Information**

The Offeror:

☒ is a corporation or other business entity with the following SCC identification number:  
K000351-9 -OR-

☐ is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust -OR-

☐ is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the Bidder in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from Bidder's out-of-state location) -OR-

☐ is an out-of-state business entity that is including with this bid/proposal an opinion of legal counsel which accurately and completely discloses the undersigned Bidder's current contracts with Virginia and describes why those contracts do not constitute the transaction of business in Virginia within the meaning of §13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

Please check the following box if you have not checked any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for bids: ☐

## Attachment D

### e. Proprietary/Confidential Information – Attachment D

#### ATTACHMENT D PROPRIETARY/CONFIDENTIAL INFORMATION IDENTIFICATION

NAME OF OFFEROR: Cherry Bekaert LLP

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of Va. Code § 2.2-4342(F) in writing, either before or at the time the data or other materials are submitted. The Offeror must specifically identify the data or materials to be protected including the section(s) of the proposal in which it is contained and the pages numbers, and state the reasons why protection is necessary. A summary of trade secrets and proprietary information submitted shall be submitted on this form. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. Va. Code § 2.2-4342(F) prohibits an Offeror from classifying an entire proposal, any portion of a proposal that does not contain trade secrets or proprietary information, line item prices, or total proposal prices as proprietary or trade secrets. If, after being given reasonable time, the Offeror refuses to withdraw such classification(s), the proposal will be rejected.

SECTION/TITLE	PAGE NUMBER(S)	REASON(S) FOR WITHHOLDING FROM DISCLOSURE
N/A	N/A	N/A



## Attachment F

### *f. Direct Contact with Students – Attachment F*

#### **ATTACHMENT F DIRECT CONTACT WITH STUDENTS**

Name of Offeror: Cherry Bekaert LLP

Pursuant to Va. Code § 22.1-296.1(E), as a condition of awarding a contract for the provision of services that require the contractor or employees of the contractor to have direct contact with students on school property during regular school hours or during school-sponsored activities, the contractor shall provide certification of whether any individual who will provide such services has been convicted of any violent felony set forth in the definition of barrier crime in subsection A of Va. Code § 19.2-392.02; any offense involving the sexual molestation, physical or sexual abuse, or rape of a child, or the solicitation of any such offense; or any crime of moral turpitude.

Any individual making a materially false statement regarding any such offense is guilty of a Class 1 misdemeanor and, upon conviction, the fact of such conviction is grounds for the revocation of the contract to provide such services and, when relevant, the revocation of any license required to provide such services. School boards shall not be liable for materially false statements regarding the certifications required by Va. Code § 22.1-296.1(E).

Va. Code § 22.1-296.1(E), shall not apply to a contractor or his employees providing services to a school division in an emergency or exceptional situation, such as when student health or safety is endangered or when repairs are needed on an urgent basis to ensure that school facilities are safe and habitable, when it is reasonably anticipated that the contractor or his employees will have no direct contact with students.

For purposes of this certification, “services” means any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies.

The contractor is responsible for affirming certification information for his subcontractors.

Pursuant to Va. Code § 22.1-296.1(F), no school board shall award a contract for the provision of services that require the contractor or his employees to have direct contact with students on school property during regular school hours or during school-sponsored activities when any individual who provides such services has been convicted of any violent felony set forth in the definition of barrier crime in subsection A of § 19.2-392.02 or any offense involving the sexual molestation, physical or sexual abuse, or rape of a child, or the solicitation of any such offense.

Pursuant to Va. Code § 22.1-296.1(G), any school board may award a contract for the provision of services that require the contractor or his employees to have direct contact with students on school property during regular school hours or during school-sponsored activities when any individual who provides such services has been convicted of any felony or crime of moral turpitude that is not set forth in the definition of barrier crime in subsection A of § 19.2-392.02 and does not involve the sexual molestation, physical or sexual abuse, or rape of a child, or the solicitation of any such offense, provided that in the case of a felony conviction, such individual has had his civil rights restored by the Governor.

As part of this submission, the contractor certifies the following:

- ☒ None of the individuals who will be providing services that require direct contact with students on school property during regular school hours or during school-sponsored activities have been convicted of a violent felony set forth in the definition of “barrier

crime" in Va. Code § 19.2-392.02(A) or an offense involving the sexual molestation, physical or sexual abuse, or rape of a child, or the solicitation of any such offense;

And (select one of the following)

- ☒ None of the individuals who will be providing services that require direct contact with students on school property during regular school hours or during school-sponsored activities have been convicted of any felony or any crime of moral turpitude.

or

- ☐ One or more individuals who will be providing services that require direct contact with students on school property during regular school hours or during school-sponsored activities has been convicted of a felony or crime of moral turpitude that is not set forth in the definition of "barrier crime" in Va. Code § 19.2-392.02(A) and does not involve the sexual molestation, physical or sexual abuse, or rape of a child, or the solicitation of any such offense. (In the case of a felony conviction meeting these criteria, the contractor must submit evidence that the Governor has restored the individual's civil rights.).



\_\_\_\_\_  
*Signature of Authorized Representative*

Rob Churchman

\_\_\_\_\_  
*Printed Name of Authorized Representative*

Cherry Bekaert LLP

\_\_\_\_\_  
*Printed Name of Vendor  
(if different than Representative)*

## Tab 2 – Statement of the Scope

***In this tab, Offerors, in concise terms, shall state their understanding of the Scope of Services requested by this RFP in Section II.***

Cherry Bekaert understands and commits to fulfilling all components detailed in Section II. Specifically, we understand this engagement includes the annual financial statement audit of the HCPS' combined Statement of Cash Receipts, Disbursements, and Balances - Cash Basis of the School Activity Funds (the "financial statement" of the "Funds"), in accordance with auditing standards generally accepted in the United States of America (GAAS); *Government Auditing Standards*, issued by the Comptroller General of the United States; the State Board of Education's manual titled *School Activity Funds*, and policies set forth in the HCPS' *Finance Procedures Manual*, as of and for the fiscal years ending June 30, 2025 through 2027. The contract may be renewed for two (2) additional one (1) year periods, subject to mutual agreement between HCPS and Cherry Bekaert.

## Tab 3 – Default, Termination and Barred Certification Statement

*Pursuant to Section VI, Items L(3), L(4) and L(5), in this tab, Offerors shall certify (i) that it has not defaulted on any government contract in the last five years, (ii) that no government has terminated a contract with the Offeror for cause in the last five years, and (iii) that neither it nor any of its officers, directors, partners, or owners is currently barred from participating in any procurements by any federal, state, or local government body. If any of the aforementioned certifications cannot be made, Offerors must explain in reasonable detail.*

Cherry Bekaert confirms the following:

- ▶ The Firm has not defaulted on any government contract in the last five years
- ▶ No government has terminated a contract with Cherry Bekaert for cause in the last five years
- ▶ Neither the Firm, nor any of our officers, directors, partners, or owners are currently barred from participating in any procurements by any federal, state, or local government body



## Tab 4 - Offeror Qualifications, Experience, and Financial Stability

*In this tab, Offerors should demonstrate the Offeror's and their staff's qualifications and experience in providing the services as requested in the Request for Proposal (RFP). Offerors should provide at a minimum documentation demonstrating that their firm is a firm regularly engaged in providing services for a minimum of three (3) years for services solicited in this RFP.*

### About Cherry Bekaert

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. We exercise a deliberate curiosity to know our clients' industries and work collaboratively to create shared success. For more details, visit [cbh.com/disclosure](http://cbh.com/disclosure).

For more than 75 years, the public sector, global corporations, and public/private businesses 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. With multidisciplinary industry practices, Cherry Bekaert offers the full range of accounting and advisory services you would expect from a Big 4 firm, tailored to the public sector AND privately- or publicly-held middle-market companies. We seek to help clients ignite growth with integrated, forward-looking industry solutions that effectively deliver on our [Client Promise](#), empowering our people and investing in efficient innovative processes to become the Firm of the Future.

Headquartered in Raleigh, North Carolina, Cherry Bekaert serves clients across industries in all 50 U.S. states and internationally. With more than 2,500 associates, we have the depth of experience and specialized talent to address any financial situation and offer the highest caliber of personal attention, responsiveness and accessibility that our clients expect and deserve.

Cherry Bekaert provides a unique alternative to other national, regional, and local firms. **Clients choose us to be their professional services firm primarily because we provide the depth of knowledge, resources and experience of a national firm, but with a local firm's focus on service.** Our bench strength provides Cherry Bekaert the wealth of deployable resources needed to ensure your engagement is performed efficiently, accurately and on your schedule.

Our experienced professionals know how to apply the best practices of accounting and business to HCPS and 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



<u>Vault Top Ranked Awards</u>	<ul style="list-style-type: none"> <li>▶ <u>Most Prestigious Accounting Firms:</u> Accounting professionals across the nation rank the prestige of the firms they compete against.</li> <li>▶ <u>Vault Accounting 25:</u> 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>▶ <u>2024 Best Accounting Firms for Audit &amp; Assurance:</u> 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>▶ <u>IPA Top 100 Firms 2024</u></li> </ul>

## Government Auditing Experience

Government and public sector organizations are in an environment of accelerated change and greater expectations from the constituents they serve. From fluctuating budgets, new program demands, increasingly complex compliance restrictions, political uncertainty, economic changes, and the public need for greater access to services, we understand the distinct challenges state and local governments face.

Cherry Bekaert's Government & Public Sector (GPS) team has a deep understanding of the complex challenges federal, state and local governments face, and we focus on the areas of highest need to enable and improve the transparency, efficiency and effectiveness government. With extensive knowledge of the methods and techniques applicable to government auditing, we are one of the largest providers in the state and local audit and accounting space, serving clients around the nation; **we provide targeted, risk-based, effective government auditing and assurance services to nearly 200 school districts, municipalities, counties, public authorities/boards, and state agencies, ranging in size from \$2 million to \$9 billion.** Using a digital approach with data-driven practices, we increase audit efficiency and enable government managers and leaders to better focus on their mission and delivering results to constituents. In addition, we provide a wide range of advisory services to 110+ government and public sector clients, helping them manage effectively, efficiently and responsively. The experience gained through service to such a wide breadth and depth of public sector organizations provides us with invaluable insight into the issues and stresses impacting HCPS.

In the current environment, it is critical to have the right government accountant providing the proper technical guidance, reducing the demands on government staff and allowing entities to focus on their constituents. Our professionals have held key positions for the American Institute of Certified Public Accountants (AICPA) and state and local committees along with attending and teaching at conferences hosted by the Government Finance Officers Association (GFOA), the Association for School Business Officials (ASBO), and the Association of Government Accountants (AGA).

## Thought Leadership

The field of governmental accounting and financial management is dynamic for both you and your external auditors. Pronouncements from the following bodies all have significant impact on this sector:

- ▶ Commonwealth of Virginia's Auditor of Public Accounts (APA) (creating new compliance demands)
- ▶ Governmental Accounting Standards Board (GASB) (altering internal accounting and external reporting)
- ▶ AICPA (modifying audit standards and procedures)
- ▶ United States Office of Management and Budget (OMB) (creating new compliance demands associated with the expenditure of Federal funds)

We consider the training of our professionals to be extremely important to best meet the evolving needs of our profession and provide the highest quality of service to our clients. Furthermore, we are dedicated to the continuing education of our clients and the greater Public Sector community.

We offer webinars (<http://www.cbh.com/events/>) and seminars throughout the year. It is this commitment to education and leadership of the public sector that has set us apart from other firms. CPE topics we have provided to the Commonwealth's public sector in the past include:

- ▶ Evolution of Internal Control
- ▶ Behavioral Ethics
- ▶ Grant Administration Controls and Fraud Risks

- ▶ Risk Assessment topics
- ▶ Current Information Technology hot topics
- ▶ What's Your Fraud I.Q.?
- ▶ Coronavirus Relief Funds - Financial and Single Audit Considerations

Additionally, Cherry Bekaert's Government Services Blog (<http://www.cbh.com/industries/government/>) helps keep our governmental clients up to date on vital business and financial information.

## Virginia Government Auditing Experience

Cherry Bekaert brings extensive understanding of cash basis accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, GAAS, *Government Auditing Standards* and the APA. We have a thorough knowledge of methods and techniques applicable to government auditing. Our ability to apply this knowledge is demonstrated by our extensive list of public sector clients, as well as by our clients' satisfaction with our work. The experience gained through service (e.g., financial audits, control assessments, forensic audits) to such a breadth and depth of public sector organizations provides us invaluable insight into the issues and stresses affecting HCPS and its peers. In addition to serving HCPS as its auditor of the 1) School Activity Funds and 2) financial balances incorporated within the County of Henrico, Virginia's Annual Comprehensive Annual Report (ACFR) for the last five (5) years, other current Virginia local government clients include:

Client	Years Served	Financial and Compliance Audits	Schools	Separately Issued School Activity Funds
Henrico County <sup>#</sup> \$	2020 - Present	X	X	X
Chesterfield County <sup>#</sup> \$	2015 – Present	X	X	X
Fairfax County <sup>*</sup> \$	2016 – Present	X	X	
James City County <sup>*</sup> # \$	2023 - Present	X	X	X
Loudoun County <sup>*</sup> \$	2012 – Present	X	X	
Prince William County <sup>*</sup> # \$	2011 – Present	X	X	X
City of Chesapeake <sup>*</sup> \$	2008 – Present	X	X	
City of Hampton <sup>*</sup> #	2008 – Present	X	X	X

Client	Years Served	Financial and Compliance Audits	Schools	Separately Issued School Activity Funds
City of Newport News* \$	2004 – Present	X	X	
City of Suffolk# \$	2013 – Present	X	X	X
City of Virginia Beach* \$	2003 – 2016, re-engaged in 2021	X	X	
Richmond Public Schools* #	2011 – Present	X	X	X
Maggie L. Walker Governor’s School for Government and International Studies* #	2011 – Present	X	X	X

\* Standalone School ACFR

# Standalone School/Student Activity Fund Reporting

\$ AAA/Aaa rated

#### a. Years in business

#### b. Years in business under present name

Cherry Bekaert has been in business for more than 75 years, led by Harry Cherry. Charles Bekaert and William Holland joined the Firm in 1952 and 1953 respectively. In February 2013, Cherry Bekaert & Holland launched a strategic rebranding initiative under the new name of Cherry Bekaert LLP.



***c. Resumes of the personnel who will be assigned to the audit. These resumes should include a description of the individuals' professional qualifications and experience in auditing local governmental entities similar in size to HCPS. If the individuals have no experience in auditing local governmental entities of similar size, the resume should clearly so state.***

### Team Qualifications

The Cherry Bekaert team responsible for the HCPS' account brings specialized knowledge of the unique accounting, auditing and compliance issues you face. We commit to provide timely and helpful responses to time sensitive questions; your engagement team is available to you year-round. Your proposed team stays abreast of the ever-changing regulatory environment; team members are significantly involved in various organizations including the GFOA and the Virginia Society of CPAs, whether serving on related committees or presenting as subject matter experts at conferences throughout the year.

We have the considerable resources and expertise necessary to meet your service level and time requirements. We ensure frequent and direct access to the partners and managers who maintain responsibility for the engagement. Each engagement team is handpicked for alignment with the special needs and considerations of clients like HCPS. We employ a high ratio of partners/directors and managers to staff. This allows the Firm to staff and supervise engagements with a higher level of experienced staff than most firms.

### Commitment to Team Stability

We believe knowledge, efficiency and effectiveness are optimized over time in a client relationship. Therefore, we strive to maintain continuity in partners and key professionals from year to year. In the mentoring and developing our staff, we normally experience a progression of staff responsibility during the years of service on the engagement allowing their knowledge of the client to increase the efficiency of our team. For many of our tenured clients, we have professionals that began as staff accountants and progressed to serve as managers, senior managers and partners on that engagement. We will periodically introduce new staff to our clients as bringing fresh talent and insight to the engagement team provides new ideas, while maintaining team continuity, which creates efficiency and reduces the learning curve for new team members.

However, if we lose a key person, we will replace that person from the top rather than from the bottom. For example, if the senior needs to be replaced, the manager will step in to perform their role until a replacement has been assigned and has been brought up to speed on HCPS' engagement. We will keep you informed of all personnel changes and, consistent with auditing principles generally accepted in the U.S., seek your agreement before any changes are made to key personnel. Our turnover rate has been around 20% for the last three years, which is comparable to our peer firms.

To better engage with and encourage our employees in their careers, we launched our Transform Your Career initiative in 2022. This program provides growth and development opportunities, a meaningful approach to performance, and an enhanced comprehensive total rewards package. It has had a positive impact on employee engagement and retention as we accelerated our growth journey.

## Account Management

HCPS deserves responsiveness, quick turnaround time, efficient management and the benefit of our professionals' experience applied and leveraged on your behalf. We use a "relationship partner" concept to maintain continuity of service over time and a proactive understanding of your business and service needs. Having a relationship partner means that one person is ultimately responsible for all aspects of all services provided to HCPS. The relationship partner has the overall responsibility for coordinating all services and ensuring that HCPS receives timely and innovative support and that your expectations are met or exceeded. The relationship partner can make decisions on the spot and call upon the resources of the Firm to meet the special needs of each client. Rob Churchman will serve as relationship partner for HCPS.

In addition to ensuring service quality and consistency, involvement of a relationship partner:

- ▶ Improves the effectiveness of the process and ensures compliance with our quality assurance system
- ▶ Integrates expertise and, through active participation and observations, allows us to identify opportunities to consult you on industry-related issues

The entire engagement team that serves HCPS will work together to share information, documents and what we all know about your business and service needs (goals, other relationships, delivery expectations, etc.). We will have periodic meetings with you to hear about your business and learn from them. This approach promotes stability by effectively sharing knowledge and collaboratively developing engagement solutions, including timelines, standard checklists and involving specialized resources.

## Engagement Team Biographies

Our proposed core team members, consistent with prior years, are listed below, and their resumes follow.

- ▶ Robert Churchman – Audit Service Partner
- ▶ Laura Harden – Audit Quality Review Director
- ▶ Tyler Howell – Audit Senior Manager

All of our proposed key professionals assigned to the contract are properly licensed to practice as certified public accountants in the Commonwealth of Virginia.



**Robert H. Churchman, CPA, CGFM**

Partner, Cherry Bekaert LLP

Partner, Cherry Bekaert Advisory LLC

Assurance Services

VA-15638, DC-CPA702514

Rob has worked with public sector federal, state and local governments and not-for-profits since 1989. He serves as the Firm's Audit Leader in Virginia for the Government Services Group. He provides clients with a full range of audit and accounting services, including Single Audits. Throughout his career, Rob has served public sector organizations as a teacher and subject matter expert. He has served as a member of several related teams, such as the AICPA Other Post Employment Benefits task force, the Commonwealth of Virginia's Auditor of Public Accounts' GASB #34 and #45 task forces and the VSCPA Government Issues Task Force.

Prior to joining Cherry Bekaert, Rob was the Public Sector Partner in Virginia for a Big Four accounting firm. In this role, he managed multi-faceted, multi-component engagements for high-profile public sector clients throughout the Commonwealth and the District of Columbia. Rob was also a key member of the firm's national public sector and quality control infrastructure systems, participating in key audit methodology, client service product development and quality review teams.

Rob has more than 40 hours of relevant continuing education during each of the last three years as required by *Government Auditing Standards*.

**Education**

BBA, James Madison University

**Professional & Civic Involvement**

- ▶ American Institute of Certified Public Accountants
- ▶ Virginia Society of Certified Public Accountants
- ▶ National and Virginia chapters of the Government Finance Officers Association
- ▶ Association of Government Accountants

**Relevant Experience**

County and Schools (\* including standalone School/Student Activity Fund audits)

- |                  |                |              |
|------------------|----------------|--------------|
| ▶ Henrico *      | ▶ Fairfax      | ▶ Loudoun    |
| ▶ Arlington      | ▶ Hanover *    | ▶ Roanoke *  |
| ▶ Chesterfield * | ▶ James City * | ▶ Stafford * |

City and Schools (\* including standalone School/Student Activity Fund audits)

- |                |              |                  |
|----------------|--------------|------------------|
| ▶ Chesapeake   | ▶ Norfolk    | ▶ Virginia Beach |
| ▶ Hampton *    | ▶ Richmond * | ▶ Fairfax        |
| ▶ Newport News | ▶ Suffolk *  | ▶ Roanoke        |



## Laura Harden, CPA

Director, Cherry Bekaert LLP

Director, Cherry Bekaert Advisory LLC

### Assurance Services

VA-37079

As an Audit Director in the Firm's Virginia Beach office, Laura focuses her practice on meeting the audit needs of entities in the public sector. She provides audit and attest services to not-for-profit organizations and governments, and has advised some of the largest counties, cities, school boards, authorities, and commissions in the Commonwealth of Virginia.

Since 2008, Laura has specialized in attestation services for the public sector, including financial audits, agreed-upon procedures, and single and compliance audits, as well as risk assessment procedures and internal control testing for various types of entities. Laura also specializes in providing state and local government entities with financial statement audits in accordance with Government Auditing Standards (including Uniform Grant Guidance) to ensure compliance with Virginia and Federal laws, regulations, contracts and grants.

Laura is a member of the American Institute of Certified Public Accountants and the Virginia Society of Certified Public Accountants.

Laura has more than 40 hours of relevant continuing education during each of the last three years as required by *Government Auditing Standards*.

### Education

BBA in Accounting, James Madison University

MS in Accounting, James Madison University

### Relevant Experience (\* including Schools with standalone School/Student Activity Fund audits)

- |  |                                      |
|--|--------------------------------------|
| ▶ County of Henrico and Schools *      | ▶ City of Suffolk and Schools *      |
| ▶ County of Chesterfield and Schools * | ▶ City of Chesapeake and Schools *   |
| ▶ James City County and Schools *      | ▶ Fairfax County                     |
| ▶ City of Hampton and Schools *        | ▶ City of Virginia Beach and Schools |



**Tyler Howell, CPA****Senior Manager, Cherry Bekaert LLP****Senior Manager, Cherry Bekaert Advisory LLC****Assurance Services**

Tyler has been with the firm for six years. As an Assurance Senior Manager in Cherry Bekaert's Richmond Practice, Tyler performs and assists in all phases of the review and audit process including engagement planning and management, designing and reviewing assigned audit procedures, and ensuring timely deliverables of client reports and financials.

Managing a wide range of clients across several industries, Tyler takes pride in the relationships that he has built with his clients. He strives to understand his client's needs and devise solutions to create an exceptional audit experience every step of the way.

Tyler has more than 40 hours of relevant continuing education during each of the last three years as required by *Government Auditing Standards*.

**Education**

B.B.A. in Business, Accounting and Minor in Computer Information Systems, James Madison University

Master of Science in Accounting, James Madison University

**Areas of Expertise**

- ▶ Government & Public Sector
- ▶ Real Estate & Construction
- ▶ Professional Services

**Professional & Civic Involvement**

- ▶ American Institute of Certified Public Accountants
- ▶ Virginia Society of Certified Public Accountants

**Relevant Experience** (\* including Schools with standalone School/Student Activity Fund audits)

- ▶ County of Henrico and Schools \*
- ▶ County of Hanover and Schools \*
- ▶ County of Chesterfield and Schools \*
- ▶ Richmond Public Schools \*

***d. Include in each resume whether or not the individual is committed to participate in other local government audit engagements. If so, state the maximum hours they will be involved with each of these other engagements. In addition, please state whether or not the chief financial officer of each of these entities has been informed that these individuals might serve on HCPS' engagement and whether or not each of these chief financial officers believes serving on the HCPS audit may be a conflict of interest.***

As evidenced by review of our resumes, we are currently committed to perform similar engagements for many multiple public sector clients throughout Virginia. However, HCPS will have a dedicated team committed to your engagement and meeting your timelines. Hours each member is dedicated to similar audit engagements vary, but we place careful consideration when deciding team assignments to make sure our personnel have the necessary availability to complete the respective services. Workloads are dictated by a client's fiscal year and prioritized based on annual reporting deadlines. With 200+ GPS professionals within the Firm experienced and trained to serve the public sector, HCPS can be confident we have ample capacity to serve you.

Regarding confirmation of no conflicts of interest, it is not the practice of Cherry Bekaert to notify current clients of the potential of renewing our service with clients until work has been awarded. However, with the depth and breadth of our clients throughout the Commonwealth, it has been our experience through our service to, and direct inquiry of, clients that no current or prior client has ever expressed a concern over conflict of interest with Cherry Bekaert serving multiple public sector clients concurrently each audit season. Also, with respect to hours incurred by our team for other clients, HCPS can be assured that all members of our proposed engagement team have been selected not only for their experience, but for their availability to fully perform the HCPS' engagement within the required and desired timeframe. While working on HCPS' audit, our staff will only be dedicated to HCPS and not splitting their time with other entities.

As a leading national audit and advisory firm, Cherry Bekaert understands the importance of providing impartial, unbiased advice to our clients, free of any conflicts of interest. Our Organizational Conflict of Interest ("OCI") mitigation plan outlines how we avoid, neutralize or mitigate any actual or potential OCI associated with this engagement. We also are independent of the HCPS in accordance with the Code of Professional Ethics of the AICPA, and will comply with all Federal, State and Local laws and regulations in the performance of this engagement.

Our approach to mitigating any actual or perceived conflicts of interest and managing perceived or real conflicts of interest is founded in our methods to managing independence for our clients. Our client independence and conflict checks are verified annually and monitored by our in-house counsel and our professional practices group during the annual evaluation of continuance of client relationships. Prior to entering into an engagement for any professional services we evaluate the implications of any proposed services on conflicts, in fact and in appearance. Cherry Bekaert will immediately disclose to the Contracting Officer any actual or potential OCI that involves the firm. Upon disclosure of an actual or potential COI, Cherry Bekaert will confer with the client concerning the appropriate course of action to address the circumstances.

***e. The name, position and telephone number of the contact person or persons authorized to conduct negotiations and discuss this proposal.***

Rob Churchman will be HCPS' contact authorized to conduct negotiations and discuss this proposal.

<b>Name</b>	Rob Churchman, CPA, CGFM
<b>Position</b>	Partner
<b>Telephone Number</b>	C: 804-647-8836 O: 804.673.5700
<b>Email</b>	<a href="mailto:rchurchman@cbh.com">rchurchman@cbh.com</a>

***f. The firm is independent of the County of Henrico as that term is defined in the Ethical Rules of the American Institute of Certified Public Accountants and the Government Auditing Standards.***

Cherry Bekaert is independent of the County and HCPS, in accordance with the Code of Professional Ethics of the AICPA and *Government Auditing Standards*, and will comply with all Federal, State and Local laws and regulations in the performance of this engagement. Our client independence is verified annually and monitored by our in-house counsel and our professional practices group during the annual evaluation of continuance of client relationships.

Furthermore, we are not aware of any existing or potential relationships between Cherry Bekaert and HCPS or its employees that could impair our independence and objectivity. Prior to entering into an engagement for any professional services, including advisory services, we evaluate the implications of any proposed services to an attest client will have on independence, in fact and in appearance. In addition, all professional staff assigned to your engagement must reaffirm their independence prior to the conclusion of the engagement. We communicate to our clients all conclusions with respect to the independence at the beginning and end of each engagement.

Should HCPS engage us to perform audit services, we will always establish strict guidelines for what the firm can and cannot do under the applicable independence rules that apply to the industry and service; however, in most cases we are able to provide the level of service desired by our clients while maintaining strict independence.

***g. The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of Virginia.***

Cherry Bekaert LLP, its partners, directors, and associates, are appropriately licensed to perform the audit/attest procedures required by HCPS as provided in the applicable laws of the Commonwealth of Virginia and by the laws of other states in which we provide services. Our State Corporation Commission # is K000351-9.

# Commonwealth of Virginia



## State Corporation Commission

*I Certify the Following from the Records of the Commission:*

On October 08, 1999 an application for registration as a limited liability partnership was filed in this office by CHERRY BEKAERT & HOLLAND, L.L.P.

Nothing more is hereby certified.



*Signed and Sealed at Richmond on this Date:  
April 11, 2007*

  
Joel H. Peck, Clerk of the Commission

CIS0353

***h. The firm has met the peer review standards of the American Institute of Certified Public Accountants and Government Auditing Standards.***

Cherry Bekaert has passed, without exception, 15 consecutive peer reviews conducted under the auspices of the AICPA. A copy of our most recent peer review report as well as the acceptance letter from the AICPA is included in Tab 6 – *References*, as requested. The review included a number of specific engagements for which *Government Auditing Standards* apply.



The Firm is a member of the AICPA's SEC Practice Section and Private Companies Practice Section (PCPS) of the Division for CPA Firms and practices under the AICPA-recognized quality control program. Selected Firm professionals are approved by the AICPA to perform peer review, quality assurance review and consulting review of other CPA firms' quality assurance programs. Firm leaders and partners in charge of industry practice areas maintain vital links to policy-making bodies in public accounting. Our personnel committee assignments and industry associations include (but are not limited to):

- ▶ Accounting Standards Executive Committee
- ▶ AICPA Professional Ethics Committee
- ▶ AICPA Auditing Standards Organization
- ▶ AICPA Accounting and Review Services Committee
- ▶ AICPA Accounting Practice Committee

### **Virginia APA Review Report**

As part of the APA's standard quality review program, Cherry Bekaert's public sector team is reviewed every three (3) years for audit quality, completeness of audit procedures performed and compliance with APA standards. Cherry Bekaert's audit of the Greater Richmond Convention Center Authority, as of and for the year ended June 30, 2020, was reviewed in 2021 and received an unmodified report – the highest grade permitted. A copy of our APA peer review report is included in Tab 6 – *References*, as requested.

#### ***i. The firm will provide adequate supervision on a day-to-day basis.***

As discussed throughout this proposal, the depth of our talent pool has allowed us to dedicate professionals to specific specialty industries. Each engagement team is handpicked for its balanced understanding of the challenges inherent throughout the public sector. This quality is ensured by the high ratio of partners and senior managers to staff. This staffing and service philosophy allows the Firm to staff and supervise engagements with a higher level of experienced staff than most firms. Accordingly, as requested and per Firm policy, we have and will continue to maintain adequate supervision of all staff on a day-to-day basis as we serve HCPS.

We also believe adequate supervision of the entire engagement is achieved through open and continuous communication – a factor that truly sets us apart. Through clear communication, we can discover not only your concerns as it relates to the audit, but also understand HCPS' operation and opportunities. In addition to pre-planned meetings, the day-to-day processes of the audit can be managed through Cherry Bekaert's online portal, as HCPS has used for the last five (5) years, which is how we manage our "prepared by client" listings and house all client provided data. It is secure and user-friendly. This allows multiple HCPS personnel to provide requested information while allowing the main contact to track what has been provided. We can establish a standard agenda for status meetings. Proposed agenda items include:

- ▶ Current status of testing and reporting
- ▶ Open items (Cherry Bekaert and HCPS)
- ▶ Any new developments

Throughout all phases of the engagement, the Cherry Bekaert audit manager, at minimum, will conduct continuous reviews of the work being performed to ensure smooth progress, address any matter as they arise, and exceed your expectations for the engagement. We commit to regular status meetings with management to ensure timely delivery of services, a seamless working relationship with HCPS personnel and mutual understanding and agreement on the progress of the engagement and upcoming deadlines.

These regular status meetings also allow us to have a “no surprises” audit. Any potential matters identified in the current year are discussed as they develop during the audit, and not at the conclusion of the audit.

Cherry Bekaert will incorporate all project deliverables into our project management approach, including a project plan, project timeline, and weekly project status reports, as requested. We follow a “working partner” approach to client service. This ensures frequent and direct access to the partners who maintain responsibility for the engagement. We employ 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. Per Firm policy, we will maintain adequate supervision of all staff on a day-to-day basis, in the field, office or remotely.

***j. Staff assigned to the audit has met the continuing education requirements required by Government Auditing Standards issued by the Comptroller General of the United States.***

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

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

We consider the training of our professionals to be extremely important to best meet the evolving needs of our profession and provide the highest quality of service to our clients. We believe that to consistently offer our clients the most current information, continuing education of our personnel is a mission-critical objective. It is the policy of Cherry Bekaert that all professional personnel:

- ▶ Comply with the continuing professional education requirements of the AICPA, the appropriate state boards of accountancy, the Yellow Book requirements and other regulatory agencies
- ▶ Maintain an adequate awareness and understanding of current developments in technical literature
- ▶ Assist in the training and development of staff members under their supervision

We require that all client service professionals complete at least 20 hours of qualifying CPE every year and at least 120 hours every three (3) years. In addition, all client service professionals who serve governmental entities are required to complete 80 hours of CPE every two (2) years with at least 24 hours in subjects that directly relate to government auditing and/or the government environment. CPE is obtained through various sources, including AICPA, national and state GFOA conferences, state society of CPA industry conferences and webinars, other industry conferences and internally provided seminars and webinars. 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*. Government-specific CPE courses that our professionals have taken over the last five years include the following:

<ul style="list-style-type: none"> <li>▶ Yellow Book Independence &amp; Quality Control</li> <li>▶ Yellow Book Update</li> <li>▶ Internal Control Considerations-Focus on Non-profits and Governmental Entities</li> <li>▶ Future Technology for Governmental Accounting/Finance Department</li> </ul>	<ul style="list-style-type: none"> <li>▶ Common Frauds in Governmental Entities</li> <li>▶ Government Risk Assessment</li> <li>▶ Governmental Entities and Cyber Frauds</li> <li>▶ Local Government Accountability Update</li> <li>▶ National/State GFOA Annual Conferences</li> </ul>
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# Tab 5 – Service Approach, Implementation and Methodology

*In this tab, Offerors should provide in detail their approach to fulfilling the scope of services being solicited in this RFP and demonstrate their compliance with the requirements of the Scope of Services.*

## Financial Statement Audit Approach

Cherry Bekaert utilizes a risk-based, tailored audit program, employing a time-tested methodology that facilitates quality and delivers comprehensive, compliant and timely reports. Our approach focuses on a targeted examination of your financial statements by addressing the risks related to the fair presentation of the financial statement in accordance with the cash basis of accounting to help HCPS achieve procedures and controls that assure accountability of public funds while maximizing the use of available resources.

Our audit of HCPS will feature CCH Engagement software, a state-of-the-art automated environment enabling our audit documentation to be virtually paperless and our engagement team members to share files via wireless technology. We tailor Thomson Reuters PPC audit and accounting guidance to specifically address the audit and risk areas associated with each local government client. These audit programs will reflect the identified areas of risk and help us ensure that such areas receive the proper degree of audit consideration. Cherry Bekaert, like multiple accounting firms across the U.S., uses PPC's Audit and Accounting guidance and audit engagement workflow tools as a starting point for our audit program sheets. PPC provides the breadth and depth for specific industry coverage and is always at the forefront of new and changing standards. Then the audit team will tailor these audit programs based on the specific risks (inherent, control and overall risk of material misstatement) that have been identified during the planning and brainstorming session by the audit team assigned to HCPS' audit.

The following chart shows the key procedures and audit segmentation applied during each of the defined stages of the audit engagement:

I. Planning	
<b>Initial Meeting with Management:</b> We will schedule an entrance conference to re-introduce all key personnel, discuss the planned audit scope, and verify any changes to existing communication channels and working relationships. These early discussions will ensure HCPS' awareness and compliance with any new requirements. We will discuss the following:	
<ul style="list-style-type: none"> <li>▶ Anticipated audit issues</li> <li>▶ New auditing updates</li> <li>▶ New regulations expected to impact HCPS</li> <li>▶ Any staff concerns</li> </ul>	<ul style="list-style-type: none"> <li>▶ Audit approach and dates, as well as dates and times for periodic audit progress meetings</li> <li>▶ Reporting requirements and deadlines</li> <li>▶ Assistance to be provided by HCPS staff</li> </ul>



**Perform Preliminary Analytical Review Procedures**

We will perform a preliminary analytical review to analyze the financial statements for unusual trends and results and to identify in advance the high audit risk areas. To strengthen audit confidence and risk assessment compliance, Cherry Bekaert uses MindBridge, an AI-enhanced auditing data analytic tool to analyze 100% of transactions using a risk-scoring mechanism based on predefined control points, including rule based, statistical and AI learned selection criteria. Using data analytics provides efficient means to spotting risks and anomalies. Having insight into riskier transactions and data anomalies enables our engagement team to better understand the risk of material misstatement and design more effective audit procedures. Extended audit procedures are then focused on the areas of unusual results or potential audit risk.

**Determine Audit Materiality**

We will calculate materiality during the preliminary planning process for the audit. However, it must be pointed out that this calculated materiality is only a starting point. Auditing standards define materiality from the viewpoint of the user of the financial statements, not the auditor. The question we have to ask is, "Would it affect the user's conclusions regarding the financial position or results of operations of HCPS, if the adjustment was not made or a particular fact was not disclosed?"

As a result, for certain areas, such as compliance requirements or potential fraud related to cash receipts, our materiality levels may be adjusted to take into account the user's perspective.

**Assess the Risk of Fraud:** The auditor's consideration of inherent, fraud, and internal control risk (including control environment, risk assessment, communication, and monitoring) affects the nature, timing, and extent of testing. During the planning phase, we will identify and document all risks and associate them with significant financial statement line items and assertions during the Risk Assessment Synthesis. For each risk identified, we will also document the nature and extent of the risk and condition(s) that gave rise to the risk. Typical procedures include:

- ▶ Hold audit team meetings to "brainstorm" ideas regarding how fraud could be perpetrated and concealed.
- ▶ Inquire of management and others significantly involved in financial reporting to (1) identify known instances of fraud and (2) determine how someone could rationalize, perpetrate, and conceal fraud.
- ▶ Evaluate the possibility that management could override internal controls.

Statement on Auditing Standard No. 99, *Consideration of Fraud in a Financial Statement Audit*, requires us to document fraud risk factors related to the misappropriation of assets and fraudulent financial reporting and to design and perform additional procedures, if necessary. We document these risk factors through discussions with key accounting department personnel during the planning stage. The goal is to identify areas of risk, inquire as to your knowledge of any occurrence of fraud and to inquire of any areas where you may have a concern. Should additional tailored procedures be required, we will develop them and integrate them into our audit approach.

**Inherent Risk Assessment:** Inherent risk involves the degree to which a financial statement assertion is susceptible to misstatement due to the nature of the account. The objective of our inherent risk assessment is to take into consideration all that we have learned about the organization, changes that have occurred during the year, its operating environment, and about the risk of fraud and determine what our audit response, if any, should be. The risks identified and our planned responses to these risks will be summarized and documented in our working papers.



**Identify Areas of Audit Risk and Define Major Objectives:** Based on our updated understanding of the operating environment, the financial statement format, and our analytical review, we will identify focus areas for our audit efforts. We will then define the audit's objectives, concentrating on the identified areas of audit risk and other areas we know are important to the funds.

**Update HCPS' Tailored Audit Program** – Our audit of the Funds will feature CCH Engagement software, a state-of-the-art automated environment enabling our audit documentation to be virtually paperless and our engagement team members to share files via wireless technology. Our tailored Audit Program Guides enable our teams to create audit programs for the Funds' receipt, disbursement and cash reconciliation processes and accounts.

## II. Year-End Testing Procedures

We will perform substantive tests to form conclusions about whether the financial statements are free from material misstatements. These customized audit procedures come directly from our risk assessment procedures.

**Conduct Substantive Tests:** The objective of our substantive testing is to:

- ▶ Determine if financial statement assertions are materially misstated
- ▶ Form an opinion about whether the principal statements are presented fairly in accordance with the cash basis of accounting

Substantive test procedures will be applied to all significant assertions in each financial statement line item. The extent of substantive testing is based largely upon our assessed level of combined risk. For example, if we assess combined inherent risk and risk of misstatement as low, then we can perform reduced testing. If, however, we assess combined risk as high, we must obtain higher levels of assurance from substantive testing to express an opinion on the financial statement. The two main types of substantive tests are:

- ▶ **Analytical review procedures** involve establishing an expectation of what a significant balance or transaction total should be. If the actual amount is within a certain limit of the established expectation, then the auditor may determine that no further testing is necessary or that additional detail testing is desirable.
- ▶ **Detail tests** are procedures applied to individual items selected for testing and include confirmations and vouching. We will select the most effective and efficient testing procedure under each testing circumstance:
  - Observation involves physically observing HCPS personnel performing their activities.
  - Inquiry involves making either oral or written inquiries of HCPS personnel responsible for specific accounting activities to determine what they do or how they perform and execute their task(s).
  - Inspection involves examining documents and records for evidence that a transaction actually occurred.

The timing of tests will depend upon the type of test. Observations, for example, should be conducted during the period under audit, whereas inspections could be performed after year-end, as long as documents being examined are from the period under audit. The auditor will determine the extent of testing based upon the level necessary to assess the effectiveness of HCPS' procedures. We will also review internal controls over compliance with laws and regulations that could have a direct and material effect on the financial statement.

**Conduct Tests Related to Fraud Risks:** We will perform testing for fraud risks identified during the planning phase that are not mitigated by internal controls. Testing will be combined with substantive and compliance testing to the extent practical. In addition to testing for specifically identified fraud risk, we will perform the following procedures to identify fraud related to management override of controls:

- ▶ Examine journal entries and other significant adjustments.
- ▶ Evaluate the operational rationale for significant and non-recurring transactions, if any.

**Evaluate Known and Likely Misstatements:** Misstatements, if any, will be evaluated both in quantitative and qualitative terms. Based largely on these considerations and our evaluation, we will determine the type of audit opinion and internal control and compliance reports to render.

### III. Final Procedures and Reporting

**Complete Overall Analytical Review Procedures:** Once any final adjustments are recorded and a final draft of the financial statement has been prepared, we will conduct analytical review procedures. Specifically, we will review the financial statement and supporting trial balances for key relationships and determine if audit evidence is consistent with variances noted during preliminary analytical procedures. Our analytic review will include trend and comparative analyses.

**Determine Adequacy of Audit Procedures and Audit Scope:** In the planning phase, we determined planning materiality based on preliminary information. Based on planning materiality, we determined design and test materiality levels, which impacted the nature and extent of testing. We now will determine a final materiality based upon audited balances. In light of the final assessment of combined risk and final materiality level, we will consider if the extent of substantive audit procedures was sufficient.

**Evaluate Known and Likely Misstatements:** Misstatements, if any, will be evaluated both in quantitative and qualitative terms. Based largely on these considerations and our evaluation, we will determine the type of audit opinion and internal control and compliance reports to render

**Review Compliance:** Before issuance of our audit reports, we will review the financial statement reporting package in comparison to our Firm's standard reporting checklist to help ensure compliance with the cash basis of accounting and GAAS.

We will prepare the following reports in accordance with GAAS and *Government Auditing Standards*:

- ▶ Opinion on the fair presentation of the financial statement in conformity with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.
- ▶ Report on compliance and on internal control over financial reporting based on an audit of the financial statement performed in accordance with *Government Auditing Standards*. Our report will communicate any instances of noncompliance that could have a material effect on the financial statement, along with any deficiencies in internal controls over financial reporting and operations.
- ▶ A report to those charged with governance as required by GAAS.
- ▶ Management letter of all observations and recommendations as noted, when applicable.

Consistent with our prior service to HCPS and Cherry Bekaert policy, our auditors are required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to HCPS management.

**Review Reports with Management, Finalize and Present to Governing Body:** We will review our draft auditor's reports, management letter and other matters with management and solicit their input. After meeting with management, the auditor's reports will be finalized and signed, and we will present the audit to the Audit Committee.

The culmination of all our audit testing is an opinion on the fair presentation of the financial statement. This objective is achieved through the conscious effort of both Cherry Bekaert and HCPS personnel to proactively address any reporting matters and by meeting with management to keep all apprised.

**Approach to Management Letters:** Consistent with our service to HCPS, in preparing management recommendations, our service team utilizes a "bottom-up" review approach to avoid any surprises. This allows any draft comments or recommendations to be initially reviewed at the level within the department where direct management responsible for the activity rests and is only subsequently discussed at higher levels.

Any suggestions for improvements will be constructive – we do not employ a "gotcha" strategy to our comments and the facts behind any observation will be agreed to by both Cherry Bekaert and the Funds before any finding progresses forward towards reporting. Our findings will contain a statement of condition describing the situation and the issue that needs attention, what should be corrected, and why. Our suggestions will withstand the four basic tests of corrective action:

- ▶ The recommendations will be cost effective
- ▶ The recommendations will be the simplest to implement to address the matter
- ▶ The recommendations must go to the heart of the problem and not just correct the "symptoms"
- ▶ The corrective action will document why the deficiency occurred

We do not dwell on matters of insignificance; rather, we design our letters to be useful and beneficial for improving our client's performance.

***a. If subconsultants are to be utilized, describe the services they will be providing. Offerors shall provide a projected schedule for performing key phases of the audit, including estimated time frames.***

Cherry Bekaert supports subcontracting goals and/or requirements set forth by clients and prospects. We typically leverage subcontractors in cases where the subcontracting firm has specific experience that is critical to successfully completing an engagement. However, based on our understanding of the size and scope of the services being requested, we believe Cherry Bekaert has the depth of experience and qualified personnel necessary to execute this engagement without the use of subcontractors. Please see section (b.) below for our estimated timeline.

***b. Offerors shall provide a projected schedule for performing key phases of the audit, including estimated time frames.***

The audit of HCPS is an important undertaking, one with which we have specific, proven experience and ability to accomplish. We understand that timeliness is an essential condition of our service. Our team is committed to continue expediting the audit to meet all HCPS' deadlines and we will plan our work with HCPS' personnel to achieve. Consequently, planning and fieldwork timelines will be coordinated with HCPS to be as nonintrusive as possible.



We recognize the audit process is a distraction from your day-to-day operations, so we will work with management to set a more detailed timeline once we are selected as HCPS' auditor. Based on the audit schedule during our years of service, a suggested timeline is presented herein. Although we can be flexible with the timeline to best meet your needs, we commit to meeting all requested deliverable issuance dates per Section II (A) and Section VII (B) (6) (b) of the Request for Proposal.

Within one week of award notification, we will have an initial planning meeting with HCPS' management to begin the audit planning process for the June 30, 2025 audit season.

Activity	Timing
Orientation and Planning	April - May
Year-end onsite/virtual testing procedures	July 15 – August 15
Year-end review and completion procedures	July 15 – October 15
Audit Exit Conference with the Chief Financial Officer and Director of Internal Audit	Mutually convenient date before September 7
Draft financial statement, management letter and Audit Committee presentation for review	On or before September 7
Final financial statement, management letter and Audit Committee presentation to the Audit Committee	Hard copy issuance on or before October 15, with presentation to Audit Committee at its convenience

***c. Offerors shall provide sample reports that are included as part of their proposal.***

Cherry Bekaert understands the above request. In addition to letters we have issued to HCPS over the years, below is a sample management letter for audit services. We have not provided additional documentation to protect client confidentiality.

**Sample Management Letter**

ACME

Anywhere, VA 20000

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of ACME, Virginia ("ACME"), as of and for the year ended June 30, 20XX, in accordance with auditing standards generally accepted in the United States of America, we considered ACME's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACME's internal control. Accordingly, we do not express an opinion on the effectiveness of ACME's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, during our audit we did note opportunities for strengthening internal controls and operating efficiencies. This letter does not affect our report on the financial statements of ACME. We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various ACME personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

**Federal Financial Reporting**

Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") requires that the grant amounts per the Schedule of Expenditures of Federal Awards ("SEFA") be fairly presented in all material respects in relation to the basic financial statements taken as a whole. During testing of the SEFA, we noted that multiple federal grants were understated in relation to the general ledger, which were adjusted in the final SEFA. We recommend that ACME perform reconciliations and other procedures to ensure the SEFA is complete in all material respects.

## **Information Technology (IT)**

### ***IT Internal Control Environment***

During our review of the ACME's IT control environment, we noted the ACME does not perform user access reviews for its business, personal property, or real estate tax and revenue collection systems. Users access reviews are a fraud detective control to help identify unauthorized accounts or individuals with roles and permissions on the system that do not align with their job responsibilities. As a best practice, we recommend that ACME perform user access reviews for all financial applications at least annually. At a minimum, the reviews should focus on higher risk accounts, such as those with administrative permissions within the system. ACME's IT department personnel should help facilitate the access reviews by providing related ACME departments with current access listings to review, verify, and confirm the appropriateness of access noted.

### ***IT Entity Level Controls***

ACME has not performed a formal risk (e.g., security, access, change management) assessment of its IT environment. We suggest ACME perform a formal IT risk assessment to include a penetration test, ideally by an independent entity, performed at least once every three years to identify high risk areas that may exist. Results of the assessment should be shared with senior management and incorporated into an overall IT Strategic Plan, as appropriate.

### ***Backup & Recovery Controls***

ACME does not perform periodic restores of its financial data to ensure the data can be restored in a timely manner. We suggest ACME perform restores of backup data on a scheduled basis (i.e., semi-annually) to ensure files can be adequately restored completely and on a timely basis. We also recommend ACME strengthen its backup policy to define the specific backup and recovery procedures to be employed to include schedules, responsibilities, and procedures for off-site rotation of data.

### ***Password Security***

ACME's current password protocol does not meet the industry best practices for account lockout settings at the network and application levels. Specifically, current settings, with related best practices, are as follows:

<b><i>Current Settings:</i></b>	<b><i>Minimum Best Practice Settings:</i></b>
Network (Windows/Active Directory):	Network (Windows/Active Directory):
<ul style="list-style-type: none"> <li>Minimum Password Age: 0 days</li> </ul>	<ul style="list-style-type: none"> <li>Minimum Password Age: 1 day</li> </ul>
ABC System:	ABC System:
<ul style="list-style-type: none"> <li>Password Expiration: 0</li> </ul>	<ul style="list-style-type: none"> <li>Password Expiration: 90 days</li> </ul>
<ul style="list-style-type: none"> <li>Password History: 0</li> </ul>	<ul style="list-style-type: none"> <li>Password History: 5</li> </ul>
<ul style="list-style-type: none"> <li>Minimum Password Length: 0</li> </ul>	<ul style="list-style-type: none"> <li>Minimum Password Length: 6-8</li> </ul>

*This communication is intended solely for the information and use of management, those charged with governance and others within ACME, and is not intended to be and should not be used by anyone other than these specified parties.*



***d. Offerors submitting a proposal shall include a statement that they will provide all audit services necessary as outlined in this RFP.***

Consistent with our prior years of service, Cherry Bekaert is committed to providing all audit services necessary as outlined in this RFP.

***e. Offerors shall demonstrate their ability to complete projects within specified completion dates and on budget.***

A smooth engagement begins with detailed planning and execution. As HCPS has experienced through our service, we provide our clients with an organized approach, clear expectations for both parties, and detailed timelines. We hold regular status meetings with our clients to highlight current procedures completed or in progress, upcoming milestones and budgets. Through these meetings, our clients can see the percentage of procedures completion and any potential internal control or compliance observations noted to date. Each observation is presented with a solution and discussed with management to ensure we have been provided all related information and to discuss any recommendations. If a significant observation arose, we immediately communicate with our clients, along with a proposed solution, rather than wait for the next regularly scheduled status meeting.

Our priority is our clients and executing the projects we commit to. We will not commit to projects that we do not have the bandwidth to complete. In all projects, there are unexpected issues or challenges, which typically come down to meeting deadlines that are set forth for our clients to provide the necessary information needed to complete the project. We understand that government managers are faced with demands and responsibilities from all directions, and that this is just one of the many things on your plate. We work to mitigate risk in project delays by creating an SOW that both parties agree to and can commit to. Weekly meetings and progress reports provide a venue for us to work together, manage deadlines and progress towards completion.

We commit to no "surprise" billings and encourage open lines of communication throughout the year as part of our services. Our initial planning meeting held with HCPS' management will continue to ensure that expectations and deliverables are mutually agreed upon, and our ongoing communication with you throughout the year will help to keep both parties aware of the engagement status.

***f. Offeror shall include a discussion of its current workload with particular reference to personnel and other resources being proposed along with staff continuity during the contract period.***

Although we are currently committed to perform similar engagements for many School Boards and related counties and cities across the Commonwealth, HCPS will continue to have a dedicated team committed to HCPS and meeting your timelines. Specifically, regarding Section VII (5) (D) of the Request For Proposal, it is not the practice of Cherry Bekaert to notify current clients of the potential continuance of existing client opportunities until work has been awarded. However, with the depth and breadth of our clients throughout the Commonwealth, it has been our experience through our service to and direct inquiry of them, that no current or prior client has ever expressed a concern over conflict of interest with Cherry Bekaert serving multiple public sector clients concurrently each audit season.

At Cherry Bekaert, we employ an industry-first approach where all associates have the opportunity to pursue industry specializations and develop technical experience as they progress in their careers. Our Firm-wide GPS practice has more than 200 professionals experienced and trained to understand the many facets of the public sector, affording us with ample capacity to serve HCPS.



The GPS coordinates and allocates all resources and talent for public sector engagements and is responsible for assuring seamless service delivery and quality control. We focus on having teams with the right skills, knowledge and expertise to serve you and who are capable of exceeding client expectations. As displayed through the years of experience working with HCPS, our proposed engagement team knows how to plan the audit time and execute our procedures efficiently and effectively to serve HCPS and exceed expectations, especially as it relates to completing the audit and reporting on the results to HCPS' Audit Committee.

## Tab 6 – References

*In this tab, Offerors shall include a minimum of three references where the Offeror has provided governmental auditing services to entities similar in size to HCPS. The information provided shall include a contact person's name, position, current telephone number and email address, the organization for which the contact person works, and time period the services were performed.*

The best indicator of our ability to serve clients in a professional yet personalized manner is the outstanding references provided by our clients. Afterall, satisfied clients are the strongest endorsement of the technical skills and consistently high-quality service Cherry Bekaert delivers. As demonstrated throughout this proposal, in addition to our prior service to HCPS, our service in the public sector, especially within the Commonwealth, is extensive. Provided are some of our references served by members of your engagement team. We can provide additional references if needed. We encourage you to call any of the individuals listed and ask them about our services and expertise.

### **Chesterfield County Public Schools (served since 2015)**

Katie Johnson, Assistant Director of Finance

P: 804-748-1569

E: [katiek\\_johnson@ccpsnet.net](mailto:katiek_johnson@ccpsnet.net)

Services: Overall County contract for financial and compliance audit includes County, Schools, and separately issued Student Activity Funds

### **Suffolk Public Schools (served since 2013)**

Wendy Forsman, Chief Financial Officer

P: 757-925-6754

E: [wendyforsman@spsk12.net](mailto:wendyforsman@spsk12.net)

Services: Overall City contract for financial and compliance audit, which includes separately issued Student Activity Funds

### **Fairfax County Public Schools (served since 2016)**

Seema Ajrawat, Comptroller

P: 571-246-6611

E: [sajrawat@fcps.edu](mailto:sajrawat@fcps.edu)

Services: Overall County contract for financial and compliance audit includes County and Schools

**Loudoun County Public Schools (served since 2012)**

Susan Casale, Executive Director of Financial Services

O: 571-252-1366

C: 571-246-0042

E: [Susan.Casale@lcps.org](mailto:Susan.Casale@lcps.org)

Services: Financial and compliance audit

**Richmond Public Schools (served since 2011)**

Wanda Payne, Director of Finance

O: 804-780-7833

E: [wpayne@rvaschools.net](mailto:wpayne@rvaschools.net)

Services: Financial and compliance audit, which includes separately issued Student Activity Funds

*In addition, Offeror shall furnish a copy of the report on the firm's most recent peer review.*

**EISNERAMPER**

**EisnerAmper LLP**  
111 Wood Avenue South  
Iselin, NJ 08830-2700  
T 732.243.7000  
F 732.951.7400  
[www.eisneramper.com](http://www.eisneramper.com)

#### Report on the Firm's System of Quality Control

November 29, 2022

To the Partners of Cherry Bekaert LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans; an audit performed under FDICIA; and an examination of service organizations (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Cherry Bekaert LLP has received a peer review rating of pass.



EisnerAmper LLP  
Iselin, New Jersey

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

National Peer  
Review Committee

December 16, 2022

Michelle Thompson  
Cherry Bekaert LLP  
3800 Glenwood Ave Ste 200  
Raleigh, NC 27612-5532

Dear Michelle Thompson:

It is my pleasure to notify you that on December 16, 2022, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is October 31, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,



Michael Wagner  
Chair, National PRC

+1.919.402.4502

cc: Marc Fogarty, Steven Siegel

Firm Number: 900010011816

Review Number: 594133





Staci A. Henshaw, CPA  
Auditor of Public Accounts

## Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

December 29, 2021

Cherry Bekaert LLP  
200 South 10th Street, Suite 900  
Richmond, Virginia 23219

We have reviewed the working papers for the audit of the Greater Richmond Convention Center Authority for the year ended June 30, 2020. The purpose of our review was to determine whether:

- A. the audit complies with the Specifications for Audits of Authorities, Boards, and Commissions, issued by the Auditor of Public Accounts;
- B. the audit complies with Government Auditing Standards, issued by the Comptroller General of the United States; and
- C. the annual financial report complies with generally accepted accounting principles for governmental entities.

We conducted our review in accordance with the 2020 Quality Control Review Program for Audits of Local Governments and Commonwealth Entities, developed by the Auditor of Public Accounts. The review was limited to the audit of the Greater Richmond Convention Center Authority and did not extend to any other engagements performed by your firm.

We found that for the audit of the Greater Richmond Convention Center Authority, for the year ended June 30, 2020, the working papers appropriately supported the requirements listed in A through C above. Firms can receive a rating of pass, pass with deficiencies, or fail. Cherry Bekaert LLP has received a review rating of pass.

This report is intended for the information and use of management. However, it is a public record and its distribution is not limited.

Sincerely,

Staci A. Henshaw, CPA  
Auditor of Public Accounts

cc: Greater Richmond Convention Center Authority  
Virginia Board of Accountancy  
Virginia Society of Certified Public Accountants

## Tab 7 – Exceptions

*In this tab, Offerors shall list any exceptions taken to the Scope of Services and General Terms and Conditions of this Request for Proposals. The County intends to make the RFP and the Successful Offeror's proposal a part of the contract between the parties, so Offerors should list any exceptions for purposes of negotiating the contract. Offerors shall list the Section number and Item number they are taking exception to and propose alternative language.*

As with any contractual relationship, Cherry Bekaert's desire to enter into a contract with HCPS is based on reaching a mutually positive negotiation of terms and conditions. After reviewing the RFP, we would like to offer some alternative language for your consideration.

RFP Section	Desired Exception/Revision
<b>V(F)(1) Termination by County</b>	Cherry Bekaert requests rights to terminate for cause or for convenience upon 60 days written notice.
<b>V(F)(2)(d) Termination by County</b>	d. An equitable adjustment in the Contract price shall be made for unpaid services satisfactorily rendered and goods satisfactorily delivered before the date the Successful Offeror receives the notice of termination <del>minus the County's cost to complete the Successful Offeror's work.</del> The Successful Offeror shall not be entitled to payment for services rendered or goods delivered after the date the Successful Offeror receives the notice of termination or for reimbursement of any cost the Successful Offeror incurs after the date the Successful Offeror receives the notice of termination. <del>If the County's cost to complete the Successful Offeror's work exceeds the unpaid balance due to the Successful Offeror, the County will not owe the Successful Offeror any money; instead, the Successful Offeror shall pay to the County the difference between the unpaid balance due and the County's cost to complete the work.</del>
<b>V(N) Indemnification</b>	Per our negotiated language in contract #1962A with HCPS, would propose usage of the language below with an update underlined:  “(4) Indemnification - Cherry Bekaert agrees to indemnify, defend and hold harmless the County, School Board, their officers, agents and employees, from and against any and all claims, debts, liabilities, damages, demands, obligations, costs, expenses (including, without limitation, reasonable attorneys' fees and court costs), actions and causes of action arising from (a) the breach of any of the terms of this Agreement by Cherry Bekae1i or any party acting by or through Cherry Bekaert (including, without limitation, any of its representatives); (b) the violation of any applicable law or regulation; or (c) the negligence of the Cherry Bekae1i in the performance of this Agreement. This paragraph shall survive the termination or expiration of the Agreement including any renewal or extension thereof; provided, however, that the maximum aggregate liability of Cherry Bekaert with respect to this paragraph shall not exceed the sum of <del>ten million dollars (\$10,000,000.00)</del> <u>five million dollars (\$5,000,000)</u> . This Section replaces and supersedes the indemnification language set forth in Section VI(J) of Exhibit G.”



<b>V(S)(1) and (2) Record Retention and Audits</b>	<p>1. The Successful Offeror shall retain, during the performance of the Contract and for a period of five years from the completion of the Contract, all records pertaining to the Successful Offeror's proposal and any Contract awarded pursuant to this Request for Proposal. Such records shall include but not be limited to all paid vouchers including those for out-of-pocket expenses; other reimbursement supported by invoices, including the Successful Offeror's copies of periodic estimates for partial payment; ledgers, cancelled checks; deposit slips; bank statements; journals; Contract amendments and change orders; insurance documents; payroll documents; timesheets; memoranda; and correspondence. Such records shall be available to the County <del>on demand and without</del> <b>upon reasonable written</b> advance notice during the Successful Offeror's normal working hours.</p> <p>2. County personnel may perform in-progress and post-audits of the Successful Offeror's records as a result of a Contract awarded pursuant to this Request for Proposals. Files would be available <del>on demand and without</del> <b>upon reasonable written</b> notice during normal working hours.</p>
<b>Attachment E – Insurance Specifications</b>	<ul style="list-style-type: none"> <li>▶ Automobile Liability <ul style="list-style-type: none"> <li>○ Cherry Bekaert has no owned vehicles</li> </ul> </li> <li>▶ Professional Liability <ul style="list-style-type: none"> <li>○ Our coverage is per claim, not occurrence</li> </ul> </li> <li>▶ Cyber Liability <ul style="list-style-type: none"> <li>○ Our coverage is per claim, not occurrence</li> </ul> </li> </ul>

## Sample Engagement Letter

November 21, 2025

**VIA EMAIL:**

jbwack@henrico.k12.va.us

John B. Wack, M.P.A.  
Chief Financial Officer  
Henrico County Public Schools  
3820 Nine Mile Road  
Henrico, Virginia 23223

Dear Mr. Wack:

This engagement letter between the Henrico County Public Schools (hereafter referred to as the "HCPS", or "you" or "your" or "management") and Cherry Bekaert LLP (the "Firm" or "Cherry Bekaert" or "we" or "us" or "our") sets forth the nature and scope of the services we will provide, the HCPS' required involvement and assistance in support of our services, the related fee arrangements, and other Terms and Conditions, which are attached hereto and incorporated by reference, designed to facilitate the performance of our professional services and to achieve the mutually agreed-upon objectives of the HCPS.

### Summary of services

We will provide the following services to the HCPS, as of and for the year ended June 30, 2025:

#### Audit services

1. We will audit the combined Statement of Cash Receipts, Disbursements, and Balances – Cash Basis ("combined statement") of the School Activity Funds, prepared on the cash basis of accounting ("cash basis"), which is a basis of accounting other than accounting principles generally accepted in the United States of America.
2. We will audit the supplementary information, as listed in the Table of Contents, and provide an "in relation to" opinion. As part of our engagement, we will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined statement or the combined statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America ("GAAS").  
  
Collectively, hereinafter the combined statement, notes thereon, and supplementary information are referred to as the "financial statement".
3. Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. Management letter detailing any operational observations noted.

**Henrico County Public Schools**  
**November 21, 2025**  
**Page 2**

**Nonattest accounting and other services:**

We will assist in the preparation of the financial statement and footnotes.

**Your expectations**

Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed the HCPS' expectations. Our services plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

The HCPS recognizes that our professional standards require that we be independent from the HCPS in our audit of the HCPS' financial statement and our accompanying report in order to ensure that our objectivity and professional skepticism have not been compromised. As a result, we cannot enter into a fiduciary relationship with the HCPS and the HCPS should not expect that we will act only with due regard to the HCPS' interest in the performance of this audit, and the HCPS should not impose on us special confidence that we will conduct this audit with only the HCPS' interest in mind. Because of our obligation to be independent of the HCPS, no fiduciary relationship will be created by this engagement or audit of the HCPS' financial statement.

The engagement will be led by Rob Churchman, who will be responsible for assuring the overall quality, value, and timeliness of the services provided to you.

**Audit services**

Our audit will be conducted in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The objective of our audit is to obtain reasonable assurance about whether the HCPS' financial statement as a whole is free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether the HCPS' basic financial statement is presented fairly, in all material respects, in conformity with the cash basis of accounting and to report on the fairness of the additional information referred to in the Summary of Services section when considered in relation to the financial statement taken as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statement in conformity with the cash basis of accounting noted above. The objective also includes reporting on internal control over financial reporting and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statement in accordance with *Government Auditing Standards*.



**Henrico County Public Schools  
November 21, 2025  
Page 3****Auditor's responsibilities for the audit of financial statement**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records and other procedures as deemed

necessary to enable us to express such opinion about whether the financial statement is fairly presented, in all material respects, in conformity with the cash basis of accounting. We will also:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Update our understanding of the HCPS and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statement, whether due to error or fraud, and to design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Update our understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the HCPS' internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statement that we have identified during the audit.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the HCPS' ability to continue as a going concern for a reasonable period of time.

**Nonattest accounting and other services**

In connection with any of the audit, accounting, or other services noted below, we will provide a copy of all schedules or other support for you to maintain as part of your books and records supporting the financial statement. You agree to take responsibility for all documents provided by Cherry Bekaert and will retain copies based on your needs and document retention policies. By providing these documents to you, you confirm that Cherry Bekaert is not responsible for hosting your records or maintaining custody of your records or data and that Cherry Bekaert is not providing business continuity or disaster recovery services. You confirm you are responsible for maintaining internal controls over your books and records including business continuity and disaster recovery alternatives. In addition, any documents provided to Cherry Bekaert by the HCPS in connection with these services will be considered to be copies and will not be retained by Cherry Bekaert after completion of the accounting and other services. You are expected to retain anything you upload to a Cherry Bekaert portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the

**Henrico County Public Schools****November 21, 2025****Page 4**

storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

The accounting and other services described in this section are nonaudit services, which do not constitute audit services under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming HCPS' management responsibilities.

In conjunction with providing these accounting and other services, we may use third party software or templates created by Cherry Bekaert for use on third party software. Management expressly agrees that the HCPS has obtained no rights to use such software or templates and that Cherry Bekaert's use of the HCPS' data in those applications is not deemed to be hosting, maintaining custody, providing business continuity, or disaster recovery services.

**Financial statement preparation**

We will assist in the preparation of the HCPS' financial statement and related notes, based on information provided by HCPS. However, the responsibility for the HCPS' financial statement and notes remains with the HCPS' management. This responsibility includes establishing and maintaining adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, the safeguarding of assets, and adjusting the financial statement for any material misstatements, as well as reviewing and approving for publication the draft financial statement prepared with our assistance.

**HCPS' management responsibilities related to accounting and other services**

For all nonattest services we perform in connection with the engagement, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, retain relevant copies supporting your books and records, and accept overall responsibility for the results of the services.

Prior to the release of the report, the HCPS' management will need to sign a representation letter acknowledging its responsibility for the results of these services and acknowledging receipt of all appropriate copies.

**HCPS' management's responsibilities related to the audit**

The HCPS' management is responsible for (1) designing, implementing, and maintaining internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error, and to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that the HCPS' management and financial information is reliable and properly reported. The HCPS' management is also responsible for implementing systems designed to achieve compliance with applicable laws,



**Henrico County Public Schools****November 21, 2025****Page 5**

regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statement and all accompanying information in conformity with the cash basis of accounting; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

The HCPS' management is responsible for making all financial records and related information available to us, including additional information that is requested for purposes of the audit (including information from outside of the general and subsidiary ledgers), and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (2) additional information that we may request for the purpose of the audit and (3) unrestricted access to persons within the HCPS from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statement to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statement taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the HCPS involving (1) the HCPS' management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statement. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the HCPS received in communications from employees, former employees, grantors, regulators, or other. In addition, you are responsible for identifying and ensuring that the HCPS complies with applicable laws, regulations contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with the cash basis of accounting. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statement with any presentation of the supplementary information that includes our report thereon or make the audited financial statement readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the cash basis of accounting, (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the cash basis of accounting, (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

**Henrico County Public Schools**  
**November 21, 2025**  
**Page 6**

The HCPS' management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The HCPS' management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the *Audit Services* section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing HCPS' management views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

The HCPS' management agrees to assume all management responsibilities relating to the financial statement and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statement and disclosures and that you have reviewed and approved the financial statement and disclosures prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience, evaluate the adequacy and results of those services, and accept responsibility for them.

### Reporting

Our report will be addressed to the HCPS' School Board. Circumstances may arise in which our report may differ from its expected form and content based on the result of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or may withdraw from this engagement.

We will also provide a report on internal control and compliance, and will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the HCPS' internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the HCPS is subject to an audit requirement that is not encompassed in the terms of the engagement, we will communicate to HCPS' management and those charged with governance that an audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### Management Representations

The Firm will rely on the HCPS' management providing the above noted representations to us, both in the planning and performance of the audit, and in considering the fees that we will charge to perform the audit and attestation services.



**Henrico County Public Schools**  
**November 21, 2025**  
**Page 7**

## Fees

The estimated fees contemplate only the services described in the Summary of Services section of this letter. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees which will be at our standard billing rates noted in the table below. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

### Standard Bill Rates

Skill Level	Bill Rate
Partner	\$ XXX
Director	\$ XXX
Senior Manager	\$ XXX
Manager	\$ XXX
Senior Accountant	\$ XXX
Staff Accountant	\$ XXX
Intern	\$ XXX
Paraprofessional	\$ XXX
Audit Service Center	\$ XXX
Administrative	\$ XXX

Our fees are documented within the agreed-upon fee schedule per contract XX-XXXX, which will be billed periodically on agreed-upon dates with HCPS.

**Henrico County Public Schools**  
**November 21, 2025**  
**Page 8**

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. No change, modification, addition, or amendment to this letter shall be valid unless in writing and signed by all parties. The parties agree that this letter may be electronically signed and that the electronic signatures will be deemed to have the same force and effect as handwritten signatures.

If you have any questions, please call Rob Churchman at (804) 673-5733.

Sincerely,

**CHERRY BEKAERT LLP**

ATTACHMENT A – Engagement Letter Terms and Conditions

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**HENRICO COUNTY PUBLIC SCHOOLS**

ACCEPTED BY: \_\_\_\_\_

TITLE: Chief Financial Officer DATE: \_\_\_\_\_

**Attachment A - Page 1****Cherry Bekaert LLP**  
**Engagement Letter Terms and Conditions**

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The following terms and conditions are an integral part of the attached engagement letter and should be read in their entirety in conjunction with your review of the letter.

**Limitations of the audit report**

Should the HCPS wish to include or incorporate by reference this financial statement and our report thereon into any other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by GAAS to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the HCPS will not include or incorporate by reference this financial statement and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

**Limitations of the audit process**

In conducting the audit, we will perform tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion on the financial statement. We also will assess the accounting principles used and significant estimates made by the HCPS' management, as well as evaluate the overall financial statement presentation.

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statement. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statement. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the HCPS) on the financial statement.

Similarly, in performing our audit we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. We will inform you with respect to errors and fraud, or illegal acts that come to our attention during the course of our audit unless clearly inconsequential. You agree that the HCPS will cooperate fully with any procedures we deem necessary to perform with respect to these matters.

We will issue a written report upon completion of our audit of the HCPS' financial statement. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed an opinion on the financial statement, we may decline to express an opinion or decline to issue a report as a result of the engagement. We will notify the appropriate party within your organization of our decision and discuss the reasons supporting our position.



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### Audit procedures – general

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the HCPS' management, as well as evaluating the overall presentation of the financial statement. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statement are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the HCPS or to acts by the HCPS' management or employees acting on behalf of the HCPS. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits, nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statement. However, we will inform the appropriate level of the HCPS' management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of certain assets and liabilities by correspondence with funding sources, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statement; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS.

### Audit procedures – internal controls

Our audit will include obtaining an understanding of the HCPS and its environment, including internal controls relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statement, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statement and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statement. Our tests, if performed, will be less in scope than would be necessary to render an

## Attachment A - Page 3

opinion on internal control, including cybersecurity, and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to the HCPS' management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### Audit procedures - compliance

As part of obtaining reasonable assurance about whether the basic financial statement are free of material misstatement, we will perform tests of the HCPS' compliance with provisions of applicable laws and regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### Nonattest services

All nonattest services to be provided in the attached engagement letter shall be provided pursuant to the AICPA Code of Professional Conduct. The AICPA Code of Professional Conduct requires that we establish objectives of the engagement and the services to be performed, which are described under nonattest services in the attached letter.

You agree that the HCPS' designated individual will assume all the HCPS' management responsibilities for the nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In order to ensure we provide such services in compliance with all professional standards, the designated individual is responsible for:

- Making all financial records and related information available to us
- Ensuring that all material information is disclosed to us
- Granting unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence
- Identifying and ensuring that such nonattest complies with the laws and regulations

The accuracy and appropriateness of such nonattest services shall be limited by the accuracy and sufficiency of the information provided by the HCPS' designated individual. In the course of providing such nonattest services, we may provide professional advice and guidance based on knowledge of accounting, tax and other compliance, and of the facts and circumstances as provided by the HCPS' designated individual. Such advice and guidance shall be limited as permitted under the AICPA Code of Professional Conduct.

### Communications

At the conclusion of the audit engagement, we may provide the HCPS' management and those charged with governance a letter stating any significant deficiencies or material weaknesses which may have been identified by us during the audit and our recommendations designed to help the HCPS make improvements in its internal control



## Attachment A - Page 4

structure and operations related to the identified matters discovered in the financial statement audit. As part of this engagement, we will ensure that certain additional matters are communicated to the appropriate members of the HCPS. Such matters include (1) our responsibilities under GAAS, (2) the initial selection of and changes in significant accounting policies and their application, (3) our independence with respect to the HCPS, (4) the process used by HCPS' management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates, (5) audit adjustments, if any, that could, in our judgment, either individually or in the aggregate be significant to the financial statement or our report, (6) any disagreements with the HCPS' management concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statement, (7) our views about matters that were the subject of the HCPS' management's consultation with other accountants about auditing and accounting matters, (8) major issues that were discussed with the HCPS' management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards, and (9) serious difficulties that we encountered in dealing with the HCPS' management related to the performance of the audit.

### Other matters

#### Access to working papers

The working papers and related documentation for the engagement are the property of the Firm and constitute confidential information. We have a responsibility to retain the documentation for a period of time to satisfy legal or regulatory requirements for records retention. It is our policy to retain all workpapers and client information for seven years from the date of issuance of the report. It is our policy to retain emails and attachments to emails for a period of 12 months, except as required by any governmental regulation. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties. Any parties seeking voluntary access to our working papers must agree to sign our standard access letter.

We may be requested to make certain documentation available to regulators, governmental agencies (e.g., SEC, PCAOB, HUD, DOL, etc.), or their representatives ("Regulators") pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators. The Regulators may intend to distribute to others, including other governmental agencies, our working papers and related documentation without our knowledge or express permission. You hereby acknowledge and authorize us to allow Regulators access to and copies of documentation as requested. In addition, our Firm, as well as all other major accounting firms, participates in a "peer review" program covering our audit and accounting practices as required by the AICPA. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for the HCPS may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

### Electronic transmittals

During the course of our engagement, we may need to electronically transmit confidential information to each other, within the Firm, and to other entities engaged by either party. Although email is an efficient way to communicate, it is not always a secure means of communication and thus, confidentiality may be compromised. As an alternative, we recommend using our Client Portal ("Portal") to transmit documents. Portal allows the HCPS, us, and other involved entities to upload and download documents in a secure location. You agree to the use of email, Portal, and other electronic methods to transmit and receive information, including confidential information, between the Firm, the HCPS, and other third party providers utilized by either party in connection with the engagement.

### Use of third party providers and alternative practice structure

Cherry Bekaert LLP and Cherry Bekaert Advisory LLC (an associated, but not affiliated entity) are parties to an administrative services agreement ("ASA"). Cherry Bekaert LLP and Cherry Bekaert Advisory LLC are operating in an arrangement commonly described as an "alternative practice structure". Pursuant to the ASA, Cherry Bekaert LLP leases professional and administrative staff, both of which are employed by Cherry Bekaert Advisory LLC, to support Cherry Bekaert LLP's performance under this engagement letter. As a result, Cherry Bekaert LLP will share your confidential information with Cherry Bekaert Advisory LLC so that the leased employees are able to support Cherry Bekaert LLP's performance under this engagement letter. These leased employees are under the direct control and supervision of Cherry Bekaert LLP, which is solely responsible for the professional performance of the services under this engagement letter. The leased employees are subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and Cherry Bekaert LLP and Cherry Bekaert Advisory LLC have contractual agreements requiring confidential treatment of all client information.

To the extent Cherry Bekaert Advisory LLC will provide tax, advisory, and/or consulting services to you, Cherry Bekaert LLP will provide Cherry Bekaert Advisory LLC with access to your accounting, financial, and other records that Cherry Bekaert LLP maintains to enable Cherry Bekaert Advisory LLC to provide those services to you.

In addition to the structure noted above, in the normal course of business, we may on occasion use the services of an independent contractor or a temporary or loaned employee, all of whom may be considered a third party service provider. On these occasions, we remain responsible for the adequate oversight of all services performed by the third party service provider and for ensuring that all services are performed with professional competence and due professional care. We will adequately plan and supervise the services provided by the third party service provider; obtain sufficient relevant data to support the work product; and review compliance with technical standards applicable to the professional services rendered. We will enter into a contractual agreement with the third party service provider to maintain the confidentiality of information and be reasonably assured that the third party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

### Alternative practice structure

Cherry Bekaert LLP and Cherry Bekaert Advisory LLC (an associated, but not affiliated entity) are parties to an administrative services agreement ("ASA"). See Amendment No. \_\_\_\_ to Contract \_\_\_\_ dated \_\_\_\_ for further discussion.



### Subpoenas

In the event we are requested or authorized by the HCPS, or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the HCPS, the HCPS will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request at standard billing rates.

### Dispute resolution provision

This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to any dispute or claim arising out of or relating to this engagement letter or the services provided hereunder, or any other audit or attest services provided by or on behalf of the Firm or any of its subcontractors or agents to the HCPS or at its request ("Disputes"), and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

### 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 ("CPR"), at the written request of a party, shall designate a mediator.

### Costs

Each party shall bear its own costs in mediation.

### Waiver of trial by jury

In the event the parties are unable to successfully arbitrate any dispute, controversy, or claim, the parties agree to WAIVE TRIAL BY JURY and agree that the court will hear any matter without a jury.

### Independent contractor

Each party is an independent contractor with respect to the other and shall not be construed as having a trustee, joint venture, agency, or fiduciary relationship.

### No third party beneficiaries

The parties do not intend to benefit any third party by entering into this agreement, and nothing contained in this agreement confers any right or benefit upon any person or entity who or which is not a signatory of this agreement.

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### Statute of limitations

The HCPS and the Firm agree that any suit arising out of or related to the services contemplated by this engagement letter must be filed within one year after the cause of action arises. The cause of action arises upon the earlier of (i) delivery of the final work product for which the firm has been engaged, (ii) where applicable, filing of the final work product for which the firm has been engaged, or (iii) the date which the services contemplated under this engagement letter are terminated by either party.

### Terms and conditions supporting fees

The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from the HCPS' personnel, timely delivery of requested audit schedules and supporting information, timely communication of all significant accounting and financial reporting matters, the assumption that unexpected circumstances will not be encountered during the audit, as well as working space and clerical assistance as mutually agreed upon and as is normal and reasonable in the circumstances. We strive to ensure that we have the right professionals scheduled on each engagement. As a result, sudden HCPS requested scheduling changes or scheduling changes necessitated by the agreed information not being ready on the agreed-upon dates can result in expensive downtime for our professionals. Any last minute schedule changes that result in downtime for our professionals could result in additional fees. Our estimated fees do not include assistance in bookkeeping or other accounting services not previously described. If, for any reason, the HCPS is unable to provide such schedules, information, and assistance, the Firm and the HCPS will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

The estimated fees contemplate that the HCPS will provide adequate documentation of its systems and controls related to significant transaction cycles and audit areas.

In providing our services, we will consult with the HCPS with respect to matters of accounting, financial reporting, or other significant business issues as permitted by professional standards. Accordingly, time necessary to affect a reasonable amount of such consultation is reflected in our fees. However, should a matter require research, consultation, or audit work beyond that amount, the Firm and the HCPS will agree to an appropriate revision in our fee.

The estimated fees are based on auditing standards effective as of the date of this engagement letter and known to apply to the HCPS at this time, but do not include any time related to the application of new auditing standards that impact the HCPS for the first time. If new auditing standards are issued subsequent to the date of this letter and are effective for the period under audit, we will estimate the impact of any such standard on the nature, timing, and extent of our planned audit procedures and will communicate with the HCPS concerning the scope of the additional procedures and the estimated fees.

In the event of nonpayment of any invoice rendered by us, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this engagement letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid. If we elect to terminate our services for nonpayment, the HCPS will be obligated to compensate us for all time expended and reimburse us for all expenses through the date of termination.

**Attachment A - Page 8**

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This engagement letter sets forth the entire understanding between the HCPS and the Firm regarding the services described herein and supersedes any previous proposals, correspondence, and understandings whether written or oral. Any subsequent changes to the terms of this letter, other than additional billings, will be rendered in writing and shall be executed by both parties. Should any portion of this engagement letter be ruled invalid, it is agreed that such invalidity will not affect any of the remaining portions.

SAMPLE



## Tab 8 – Assumptions

*In this tab, offerors shall list any assumptions made when responding to this Request for Proposals.*

Not applicable.

## Tab 9 – Appendices

*Optional for Offerors who wish to submit additional material that will clarify their response.*

Not applicable.