



PAYMENT SYSTEMS

DRIVING PAYMENTS, DELIVERING VALUE

Jefferson Parish, LA

Request for Proposal No. 0438
To Provide Payment Processing Services
May 24, 2022



May 24th, 2022



Jefferson Parish
Department of Purchasing
P. O. Box 9
Gretna, Louisiana 70054

Dear Sidney Duffy,

Value Payment Systems, LLC (VPS) is excited at the opportunity to partner and submit a response to Jefferson Parish's RFP No. 0438 to provide payment processing services. VPS is a leading provider of payment processing services for web, mobile, IVR, and POS (in-office) transactions. We have 14 years of experience providing configurable electronic payment processing services for more than 650 federal, state, and local government clients in over 40 states, including 14 State-level installations.

We understand the Parish has a wide range of needs and, having reviewed the entire scope of this RFP, VPS will meet and exceed your requests. We provide payment processing services to numerous high-volume, multi-department clients, such as the State of Indiana, where we serve over 35 agencies with varying levels of size and complexity. We are also proud to partner with the Internal Revenue Service for the past 13 years.

VPS' flexible solution will provide each Parish department with customized integrations to back-office software. We will work with each department within the Parish to design, develop, and implement the solution that best fits each department's current and future needs.

With VPS, the public can make payments via the web, mobile device, payment IVR, call center, and in person at government agency office locations throughout the United States. We provide convenient payment options ranging from traditional credit and debit cards to alternative payment methods including PayPal, Venmo, digital wallets, cryptocurrency, cash payments at local retailers, and more. By offering a wide range of payment channels and methods, we improve the speed of collections by making it easy for your residents to pay.

As a payment services provider responsible for confidential and sensitive data, VPS takes security very seriously. We maintain the highest industry levels of data security and transaction integrity to protect our customers and their constituents' data. Our policies include regular audits to ensure compliance with PCI DSS, NIST, SOC 2, and FISMA standards.

We firmly believe that our innovative payment options and channels uniquely position VPS to build a long-term, successful relationship with Jefferson Parish and its participating departments and agencies.

May 24th, 2022



As VPS' Executive Vice President, I am authorized to make contractual obligations for VPS and am pleased to stand behind this bid.

Gary Black, VPS Regional Sales Manager, will be Jefferson Parish's primary point of contact regarding questions or clarifications from the Parish Evaluation Committee.

Email: gblack@governmentbrands.com

Phone: (918) 931-9731

Please do not hesitate to contact me with any additional questions or clarifications. Thank you for considering VPS in your Request for Proposals process. We look forward to the opportunity to further discuss our proposed services with you and the Parish evaluation team.

Sincerely,

DocuSigned by:

E4C671C92498450...

Richard Stierwalt
Executive Vice President
Value Payment Systems
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(904) 421-7173

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TECHNICAL PROPOSAL

Scope of Work/Services

1. The Merchant service provider (or providers, if multiple contracts are awarded) will be required to provide and operate, consistent with Parish guidelines and oversight, its own front-end payment system to process customer payments for various debt types owed to the Parish.

VPS has been providing card processing services since 2008. With 14 years of experience, VPS currently provides payment services for more than 600 clients in the public sector in more than 40 states, including 14 State-level installations, as well as the Internal Revenue Service. Our vision and customer centric culture have guided VPS to these successful project deployments and delighted clients.

VPS owns and operates its own proprietary payment platform and gateway, which allows for reliable, expedited integration with existing and new backend software providers. VPS' proprietary gateway and associated product suites are replicable and scalable to meet any amount of customer growth and transaction amount. Our gateway scales to handle payments for low population towns and cities, all the way up to IRS federal tax payments.

The VPS payment platform was developed with the flexibility to develop products, and services that are cost-conscious to the end user. Our solution allow for quick implementation, seamless integration, and minimum-to-no disruption for clients. In addition, our platform allows for easy implementation, at the client's discretion, of new payment channels (e.g., mobile and in-office payments) as well as new payment methods (e.g., PayPal, Venmo) over time to share the most innovative, up-to-date methods with your residents.

VPS offers a wide range of payment channels to ensure all Parish constituents can leverage a payment medium they know and trust:

- Custom-designed websites for the Parish or department(s)
- Via a link sent to a customer by email or text message
- Mobile-optimized access via web browser on mobile device/tablet (no download required)
- Over the phone via IVR
- Over the phone with a US-based, bilingual Customer Service Center employee
- With cash at popular retail locations like Walmart, 7-Eleven, CVS, Dollar General, and more
- In-office, EMV-compliant counter terminals (provided at no cost to the Parish)
- Self-service payment kiosks with both indoor and outdoor model options



on the web



via text or mobile app



on the phone (IVR & TTY)



with a live agent



at a retail location



at the counter



at a kiosk

VPS understands that the Parish is looking for flexibility in its merchant card services provider to meet the needs and business rules of various different departments, ranging from library to utilities to the planning department. Because of our extensive experience working with large multi-department government clients, we are confident that we can provide the Parish with adaptable solutions to meet the needs of these various Parish departments, including the ability for departments to adopt the payment types, payment channels, and integrations that would best serve their citizens.

We allow different agencies to operate independently and configure payment types (credit cards, eChecks, digital wallets, cryptocurrency, etc.) and channels (web, mobile, POS, IVR) during implementation to meet the unique needs of their customers. By providing as many payment options as possible, VPS allows Parish constituents to pay in ways that are familiar and convenient to them. We make it easy to make payments, streamlining the collections process for both payers and the Parish.

In addition, VPS can provide different levels of integration to meet various software needs for Parish and Parish departments. We can offer APIs and/or hosted payment solutions, depending on what solution would work best for each agency's current environment and future needs. Integration methods can also be configured during implementation with the help of VPS' IT and development teams.

2. Online features of the merchant account management software - The vendor should highlight how the merchant account is managed by the accounting/finance functions. For example, describe all the tools and methods for viewing transactions/batches, changing account information, responding to charge backs, user management, etc.

Reporting

VPS' Client Portal provides the Parish with a fully secure, multi-user accessible reporting software to view transaction and payment information in real time. Data provided in reports includes but is not limited to chargebacks, refunds, voids, settlement, summary and detailed deposit reports, and summary and detailed transaction reports. VPS will provide daily electronic file transmissions of settled transactions for upload into various Parish systems.

Online reporting is capable of cross-balancing reports and viewing all payment transactions in real time. The Parish can access the Client Portal 24/7 to view a suite of reports including daily, weekly, and monthly detail and summary reports. These reports can be generated in real time with the most up-to-date information.

In addition to the standard suite of reports available, VPS can provide the Parish with ad hoc reports via email for custom reports requested by Parish staff or a specific department. VPS is extremely familiar with the wide range of reporting requirements for government clients and will work with the Parish to meet their needs.

Sample reports have been provided on the following pages for the Parish's review.

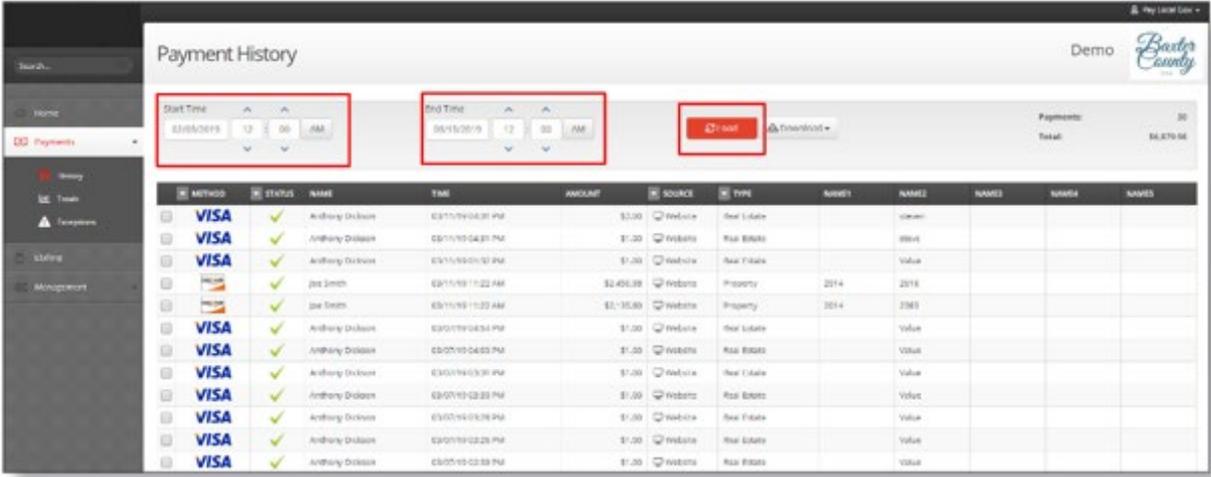
Client Portal Reporting

VPS will provide the Parish with a full online reporting tool, the Client Portal, where Parish authorized staff can cross-balance reports and view all payment transactions in real time. The Parish can access the Client Portal 24/7 to view a suite of detailed reports, including daily and monthly reports, as well as payment history that includes summary and detailed information on all payments.

Sample reports have been included for the Parish’s review below and on the following pages.

Payments - History

The history report defaults to the prior day, midnight to midnight local time:



METHOD	STATUS	NAME	TIME	AMOUNT	SOURCE	TYPE	NAME1	NAME2	NAME3	NAME4	NAME5
VISA	✓	Anthony Dubois	08/11/2019 01:31 PM	\$1.00	Website	Real Estate					
VISA	✓	Anthony Dubois	08/11/2019 04:31 PM	\$1.00	Website	Real Estate					
VISA	✓	Anthony Dubois	08/11/2019 01:32 PM	\$1.00	Website	Real Estate					
Mastercard	✓	Joe Smith	08/11/2019 11:22 AM	\$2,450.00	Website	Property	2014	2014			
Mastercard	✓	Joe Smith	08/11/2019 11:22 AM	\$1-15.00	Website	Property	2014	2014			
VISA	✓	Anthony Dubois	08/07/2019 04:34 PM	\$1.00	Website	Real Estate					
VISA	✓	Anthony Dubois	08/07/2019 04:33 PM	\$1.00	Website	Real Estate					
VISA	✓	Anthony Dubois	08/07/2019 03:30 PM	\$1.00	Website	Real Estate					
VISA	✓	Anthony Dubois	08/07/2019 02:33 PM	\$1.00	Website	Real Estate					
VISA	✓	Anthony Dubois	08/07/2019 01:29 PM	\$1.00	Website	Real Estate					
VISA	✓	Anthony Dubois	08/07/2019 02:25 PM	\$1.00	Website	Real Estate					
VISA	✓	Anthony Dubois	08/07/2019 02:33 PM	\$1.00	Website	Real Estate					

Select Start Date/Time and End Date/Time, then click the red "Load" button.

Payments - Totals

The totals report defaults to the prior year, midnight to midnight local time:

Select Start Date/Time and End Date/Time, then click the red "Load" button. A report will display payments by month, source, and type.



Payments - Exceptions

The exceptions report displays refunds and other exceptions by date of payment:

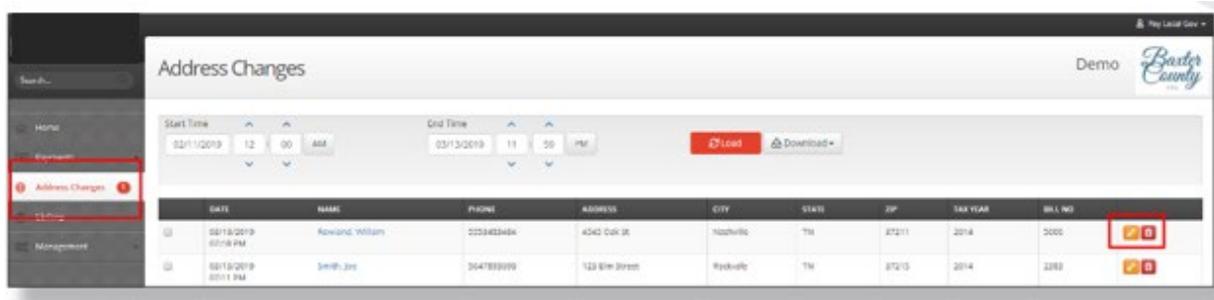
Start Time: 02/16/2019 12:00 AM
End Time: 03/18/2019 12:00 AM
Load
Download

METHOD	STATUS	TRANSACTION ID	ITEM ID	NAME	TIME	AMOUNT	SOURCE	TAX YEAR	INVOICE NUMBER	AMOUNT	AMOUNT	AMOUNT
echeck	Reversed	197E3212BC1FAA3C0D	7E3212BC13AA33D5F19	Sarah Schmitt	02/18/2019 03:22 AM	\$690.00	Website	2019	103115	2464701	4	151102
VISA	Refunded	197E8348B1732818	7E32148B79A1F9CD88C	Jason Bellow	02/20/2019 06:18 AM	\$1.00	Website	2019	Pin and Rescue Training	Sturgis Test Payment		
echeck	Reversed	197E32171D2AA3FD41	7E32171DAAA0D0F44D	Tammy Rendleton	02/22/2019 04:54 PM	\$2,199.00	Website	2016	184742	1702926	9	42693
echeck	Reversed	197E3218AC3A4D35C6	7E3218ADAFACD02FF5	Angela Bookler	02/27/2019 02:15 AM	\$130.00	Website	2018	700471	2365410	5	188917
echeck	Reversed	197E3218AC3A4D35C6	7E3218ADAFAA71425486	Angela Bookler	02/27/2019 02:15 AM	\$238.11	Website	2018	625870	2172711	6	188917
echeck	Reversed	197E3218AC3A4D35C6	7E3218ADAFAA3D03C28	Angela Bookler	02/27/2019 02:15 AM	\$6.48	Website	2018	974888	2488879	8	188917
echeck	Reversed	197E3218AC3A4D35C6	7E3218ADAFAA516F71AC	Angela Bookler	02/27/2019 02:15 AM	\$25.00	Website	2018	260758	2331611	74	188917
echeck	Reversed	197E3218AC3A4D35C6	7E3218ADAFAA1073388	Angela Bookler	02/27/2019 02:15 AM	\$4.53	Website	2018	255442	2143096	78	188917
echeck	Reversed	197E3218D0BA8D109	7E3218D0F99A48DAD38D	Rosealyn Kay	02/27/2019 08:30 AM	\$495.48	Website	2019	145881	2466248	2	278837
echeck	Reversed	197E321CBA29A5A4E8	7E321CBA9A49F28471	Jacqueline Winch	02/28/2019 02:14 AM	\$567.06	Website	2018	974053	2466042	3	161711
echeck	Reversed	197E321539AA13CB8	7E321539AA4D969F78	Melissa Keaton	03/07/2019 03:30 PM	\$25.00	Website	2019	847375	2448938	76	254385

Select Start Date/Time and End Date/Time, then click the red "Load" button. Sort columns by clicking on any header.

Address Changes

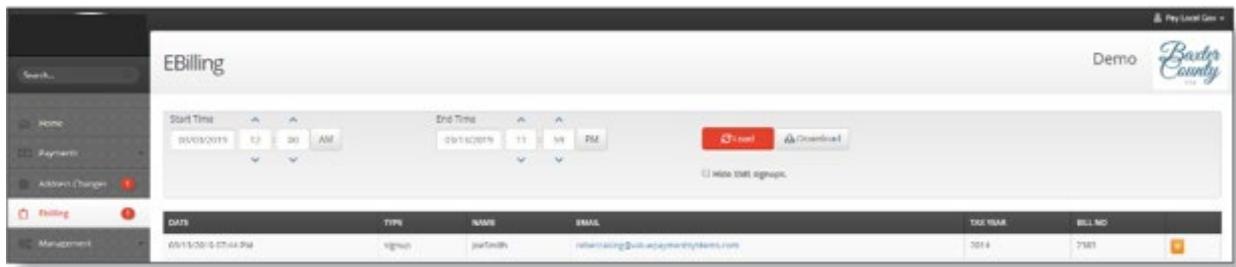
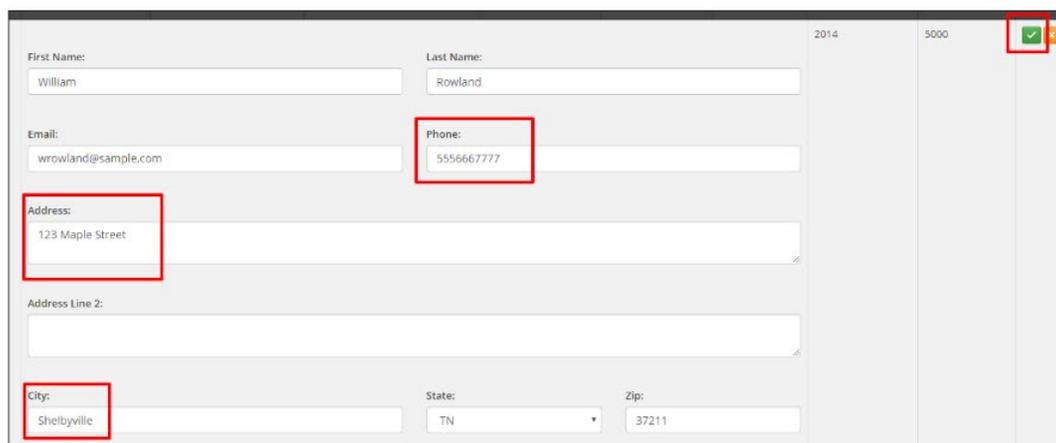
Generate a report of customers who have signed up online or via text for electronic billing notification:



In addition to generating an address change request report, requests can be edited or deleted.

e-Billing

Generate a report of customers who have signed up online or via text for electronic billing notifications.

First Name: Last Name:
 Email: Phone:
 Address:
 Address Line 2:
 City: State: Zip:

DATE	NAME	PHONE	ADDRESS	CITY	STATE	ZIP	TAX YEAR	BILL NO	
03/13/2019 07:18 PM	Rowland, William	5556667777	123 Maple St	Shelbyville	TN	37211	2014	5000	[Edit] [Delete]

Customer Accounts

VPS' online payment platform enables users to create online accounts on our secure payment site. The users will have the option to schedule recurring payments and automatic payments, as well as view account and payment history. Payment history includes summary and detailed information on all payments. The VPS system provides users with access to both view and print their payment history. Additionally, users can download their payment history in PDF format or send via email directly from the Client Portal.

If desired, Parish customers have the option of e-billing and electronic bill notification. Within their account, a user can adjust their account profile information and self-manage their account. Users can view exact replicas of previous billing statements, view all previous payments made, manage scheduled payments, change email, phone number, and password, and also opt into electronic bill delivery. If desired, a user who has 'opted in' to paperless billing will have the option of 'opting out,' and return to paper billing. These are all standard features of the Client Portal and do not require Parish administration.

Parish customers are provided with multiple options to edit their payment account information. These options include changes to email, password, phone number, verification information, and more. In all instances of user-initiated edits, the edits are validated immediately and reflected on the user's payment account.

Payers can opt in to receive alerts, such as email reminders, related to payments that are sent via email and can be accessed via any web-enabled device, including smartphones. Alerts are automatically sent 5 days before the due date of a scheduled future one-time payment or a future recurring payment. Email reminders are sent on the date selected by payer if a reminder is scheduled. Payers can schedule one-time future payments, future recurring payments, and email reminders by using "My Account."

Payers also receive alerts via email 30 days prior to a payment method expiring when recurring payments are set up on an account. Payers can elect to receive a text or email receipt (or both) when a payment is completed. The cardholder information is not included, but the user account information is. All emails and SMS are delivered within four hours of the event that triggers the notification and are typically delivered within a few minutes of the trigger.

User Management

An administrative account will be created on the VPS Client Portal to provide the capability of adding and editing users' rights, and there is no limit to the number of users that can be provided accounts. The Parish can assign individual user roles in the Client Portal to ensure that Parish personnel have access only to information related to their own operations.

The Client Portal can also create a hierarchy of user accounts that permits and restricts access based on the business rules of the Parish and its personnel, including more access for staff in need of higher administrative privileges (i.e., the Treasurer can view all Parish-wide activity, while field site staff can only view activity for their location).

Chargebacks

VPS maintains a thorough set of procedures for handling chargebacks, refunds, and any related failed transactions. Our teams strive to minimize exceptions through online, alert-based monitoring. For example, if a payment is not posted to a back-end system, VPS will receive notice - via the missing acknowledgement communication - that there is an exception to address. If exceptions require research, VPS has a robust reporting platform, with online access, that can be used by the Parish and VPS Account Managers to resolve the issue.

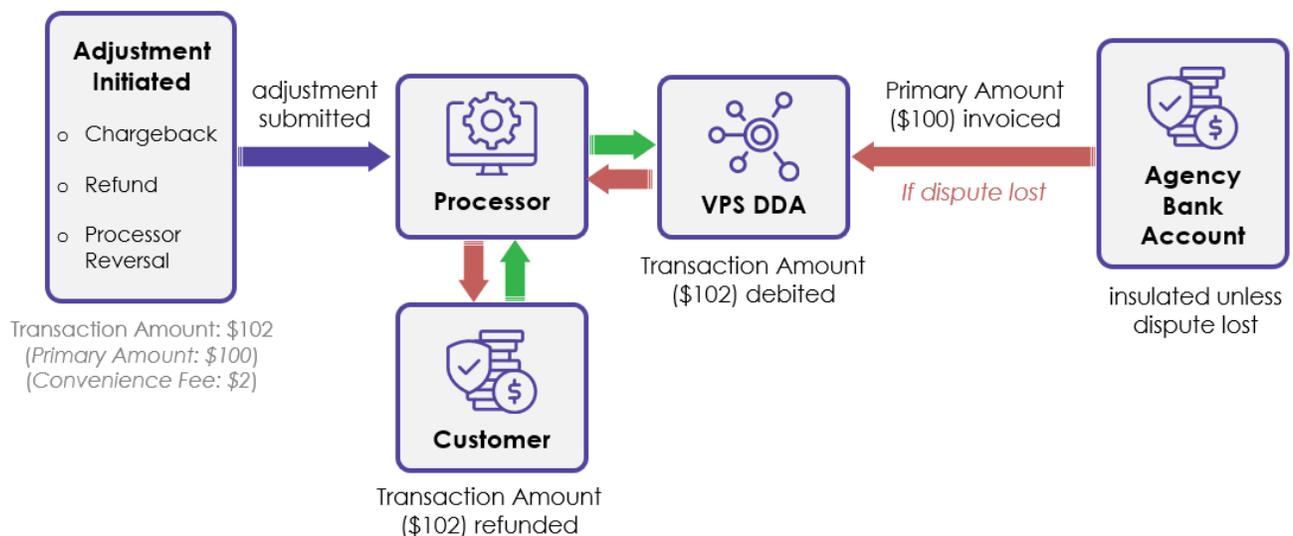
Only in cases where a chargeback is ruled in favor of the cardholder will the Parish's account be debited. VPS will notify the Parish, who will release the hold on the cardholder statement and mark the cardholder's payment as unpaid.

VPS will actively work chargebacks with the bank on the Parish's behalf at no additional cost to the Parish. VPS' Merchant Chargeback Analyst (MCA) will review the reason for the chargeback. If there are no extra charges or data discrepancies, the MCA will proceed with protesting the chargeback and notify the Parish representative of the chargeback on the same day. The involvement by the Parish is limited to responding to the chargeback notification and placing a hold on the payer's account until the issue is resolved.

If additional information is required from the Parish, the MCA will notify the Parish within 48 hours of receipt. The MCA will be the point of contact to accept any information or documentation from the Parish to dispute the claim and accept or deny the chargeback via email, fax, or online, and will confirm receipt of the information from the Parish.

Based on information gathered during the exception handling process, our customer service department will provide feedback and best practices to reduce chargebacks as they occur.

Chargeback / Reversal Flow Overview



3. Merchant account - management software must be able to identify sub departments in transactions or multiple accounts.

VPS is always able to differentiate between deposits made to separate Parish departments. Each department is assigned a separate Merchant ID (MID) that is used to identify transactions by department acceptance. In the case of deposits, each department has its own MID that is used to separate and differentiate from the other departments for reconciliation and reporting purposes.

VPS provides the Parish with the ability to have MIDs and bank accounts for each individual department, as well as unique terminal IDs for point-of-sale devices. These are standard practices that VPS has implemented for our multi-department government clients.

Reconciliation reports are available to the Parish on demand via the Client Portal. These reports can be viewed in real time, scheduled daily and monthly, or run ad hoc, depending on the preferences of the Parish and its departments. These reports enable the Parish to export the data in a variety of formats, including PDF or MS Excel (.xlsx or .csv) format.

VPS will provide daily electronic file transmissions of settled transactions for upload into various department systems. All reports and files can be formatted to display information relative to the Parish's local time.

4. Merchant service provider is asked to provide application programming interface (API) for the debit/credit card processing that is .NET based and can be imbedded in any Jefferson Parish .Net application software.

VPS' e-payment platform is built and maintained on the .NET framework.

VPS is experienced in integrating with our clients' software partners and has integrations with dozens of popular software providers currently in production. We are confident our team of in-house developers will create seamless and secure integrations.

VPS can provide different levels of integration to meet various department software needs within the Parish. The applications are as follows:

- **Hosted Checkout Service API** - The API Service allows authorized clients, government, and software partners ("Partners") the ability to integrate online payment services (Electronic Payments) into their software for payments. By providing this service, customers get immediate confirmation once their Electronic Payment is authorized and completed. The payment date will equal the date the payment was authorized offering customers peace of mind that their payment was made on time. This API is typically used by partners that do not want to collect, transmit or store cardholder information and be subject to PCI compliance requirements. All communication is done through HTTPS POSTs. Prior to implementation, the Partner will provide two URLs - one URL will be for VPS to post payment information and the other will be for VPS to redirect the payer after completion.
- **Gateway API** - This API is used in rare cases where an existing Partner has a PCI-certified payment application used to collect payment data (i.e. cardholder information), and needs backend payment processing services only - without a VPS hosted payment application. Where needed by an agency, VPS will provide this API Specification and support.

In addition to the APIs above, VPS also provides the following hosted payment solutions:

- **Hosted Bill Presentment Solution** - This solution helps in areas of your collection where you need to present a billing information to your consumer online but are unable do so through your software/website. On a predefined basis, you send a file of eligible consumer data over to our secure file transfer. When the customer enters their unique identifier into our hosted payment application, such as an account number, the payer will be able to see their billing information. Once the billing information is presented, the payer can review and where applicable initiate a payment transaction.
- **End User Validated Web E-Payment Solution** - For areas of collection where an integrated or bill presentment solution is not necessary, we can offer an End User Validated Solution that is accessed via a unique URL. Once the customer accesses our secure hosted application, they just enter their identifying information, payment amount, and corresponding payment method details to process a payment.

VPS' solutions were developed with the knowledge that every government client has a different use case for what they need to deliver to their citizens. The platform is adaptable so that each Parish department will have a solution that works for them, and not a one-size-fits-all solution that agencies would have to conform to. We work to build each solution around the goals of the agency.

5. Merchant service provider must also be able to work with other Parish Vendors to develop APIs between their payment system and service delivery or billing software.

VPS' payment platform provides an API driven architecture that allows us to safely and securely create cloud hosted solutions to meet the needs of each of our customers' best business practices. Custom interfaces can be established between VPS and the Parish's applications.

VPS understands that the Parish needs flexibility in its payment processing service provider. Our adaptable solutions currently meet the needs of agencies of all sizes, scopes, and requirement sets. We look forward to providing Parish departments the ability to not only adopt the payment types and payment channels they desire, but also integrate with the existing (and future) software tools that make up your unique Information Technology (IT) environment.

VPS' payment processing solution is highly configurable and can fully integrate with current and future back-office technologies for seamless, real-time transaction processing and system updating. We offer APIs and hosted payment solutions. Integration methods can be configured during implementation with the help of VPS' IT and development teams, based on each department's current environment and future needs.

VPS' payment system will integrate with the Parish's internet portal(s) and various other software vendors. Using secure, established Application Programming Interfaces (APIs), VPS can retrieve and publish payment-related data in real time and provide Parish users with real-time updates in the systems they use every day. This integration methodology will ease the administrative burden Parish teams may face today of having to manually update internal systems with payment data.

6. All software (API) provided must be PCI compliant.

As a payment services provider processing millions of transactions annually, VPS maintains a Tier 1 - Service Provider PCI DSS compliance status, the highest level in the industry. This compliance includes all of our applications and APIs, and it requires constant monitoring for security breaches, security weaknesses, and effective security controls on Personally Identifiable Information (PII).

As part of our PCI DSS compliance, VPS also submits to an annual security audit by a PCI-Qualified Security Assessor (QSA), which creates a report on compliance. The PCI compliance approval is completed by our QSA annually to ensure no gaps in compliance.

VPS will provide a copy of our latest PCI DSS Attestation of Compliance for the Parish's review upon request.

VPS Key Data Security and PCI Features:

- PCI DSS Level 1 Compliance; Payment Gateway and Process Handling
- SOC 1 and SOC 2 certified
- Compliant with FISMA security controls based on cybersecurity standards
- Provides an SSL site certificate on all payment sites
- Security Tab on payment sites ensuring customer of their secure payments

These Data Security and PCI features ensure that our processing systems are secured at the highest level.

7. All payments made by a customer must be immediately deposited directly into a designated Parish bank account through a Parish-approved banking partner, and at no time would flow through the Contractor's bank account.

VPS' settlement platform leverages Dynamic Payout capabilities that give the Parish the ability to have funds settled "Next-Day" via ACH, "Same-Day" via ACH or "Same-Hour" (settlement within 30 minutes) via FastAccess Funding.

<p>1 Same-day ACH</p> <p>Funding instructions executed on the same day as submission.*</p> <ul style="list-style-type: none"> • Supports all funding instruction types • Available everyday, except weekends and holidays 	<p>2 Next-day ACH</p> <p>Funding instruction executed after the daily cut-off time.</p> <ul style="list-style-type: none"> • Standard use of funding instructions • Settlement occurs within two business days, sometimes faster 	<p>3 FastAccess funding</p> <p>Allows funds transfer to certain debit cards within 30 minutes of submission.</p> <ul style="list-style-type: none"> • Increased speed and frequency of payouts • Weekend and holiday funding • Increased merchant satisfaction
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Our settlement platform provides the ability to execute payouts for all major credit and debit card brands (Visa, Mastercard, Discover, American Express). We process transactions through the appropriate Card Association and settle directly from the settlement bank to the Parish's designated bank account **without** flowing through VPS' bank account. The convenience fee is processed similarly and sent to VPS' existing bank account. We are also able to fund departments that need deposits split across multiple bank accounts.

- **Plans for necessary training, where applicable.**

Upon being awarded the contract, VPS will assign a designated Account Manager who will lead Parish staff through the implementation process, including training and technical assistance.

Introductory training is typically completed within 2-3 days. VPS will provide training to Parish staff to utilize the reporting functionality, understand industry best practices, introduce new products, educate on data entry, and more.

Typically, VPS account managers can coordinate all implementation processes remotely via phone or webinar due to the flexibility of the VPS payment gateway and system. However, VPS is committed to providing on-site support, if desired by the Parish, including spending time at Parish offices to assist with implementation of payment terminals, provide training, and more.

As part of the initial implementation, VPS will provide Parish staff with all training materials, including manuals for operation and procedures of all hardware and software provided (payment terminals, card readers, Client Portal, etc.) via email and/or hard copy.

Core training will include, but is not limited to:

POS Training

- User guides and training provided for all equipment
- POS installation provided
- On-site group training available
- POS terminals pre-configured according to project specifications
- Test transactions performed alongside Parish staff
- Test refund and batch closing processes performed

Client Portal Training

- User guides and training provided for online reporting functionalities
- Training on the Client Portal's reporting features, including filters to generate and download reports
- Daily Reports training
- Training on transaction refund and void from within the Client Portal
- Training on user accounts and account hierarchy creation

Web Payment Site Training

- User guides and training provided for the payment site
- Walkthrough of the payment site in a testing environment
- Test transactions performed alongside Parish staff to ensure the payment site is accepting and processing payments according to project specifications

API Training

- Testing and training is typically conducted by the integrator.
- VPS support until certification is achieved.

Our clients are very familiar with our systems once they perform testing prior to going live. If a department needs further training, this can be handled through the assigned account manager on an ongoing basis.

Information demonstrating an affirmative statement shall be required that the proposer has reviewed the scope of work, understands the nature thereof and is willing and capable of providing the services thereof.

VPS has reviewed the scope of work of Jefferson Parish's RFP No. 0438. We have demonstrated in our response that we understand the nature thereof and are willing and capable of providing the services thereof.

PROPOSAL QUALIFICATIONS AND EXPERIENCE

Proposers shall provide a detailed statement of related services to government entities or private entities which identifies customer satisfaction, demonstrated volume of merchants, etc.

VPS has 14 years of experience processing major credit cards, debit cards and electronic checks and alternative payment solutions. VPS' management team has more than 100 years of combined government payment processing and government payment marketing experience.

We process more than \$2.7 billion annually for clients at the local and state level, as well as federal tax payments. We currently provide services for more than 650 clients across over 40 states, including the Internal Revenue Service (payusatax.com) and the following state-level clients:

- State of Indiana

40+ Agency installations including:
 Department of Child Services
 Secretary of State
 Department of Administration
 Department of Workforce Development
 Department of Natural Resources
 Department of Finance
 Department of Labor
- State of New York

Statewide Payment Processing Services
 (in partnership with Worldpay)
- State of Kansas

Dept. of Revenue (Income Taxes)
 Dept. for Children and Families (Child Support)
- State of Illinois

Dept. of Revenue (Income Taxes)
- State of Minnesota

Dept. of Revenue (Income Taxes)
- State of Alabama

Dept. of Revenue (Income Taxes)
- State of California

Dept. of Child Services (Child Support)
- State of Colorado

Dept. of Human Services (Child Support)
- State of New Jersey

Division of Family Development (Child Support)
- State of Wyoming

Dept. of Family Services (Child Support)
- State of North Dakota

Dept. of Human Services (Child Support)
- State of Hawaii

Child Support Enforcement Agency (Child Support)

Proposer must provide a detailed description of customer service capabilities, including resumes of personnel assigned, total number of personnel and timeline of customer inquiries and complaints, as applicable.

VPS is committed to delivering exemplary day-to-day customer care for clients and their customers. VPS' Customer Support Center (CSC) exceeds industry standard performance metrics and is strategically staffed to meet the Parish's demands for peak seasons.

End User Support

The VPS CSC is located within the United States and staffed by full-time VPS employees. The Parish and its customers can reach the bilingual (English and Spanish) call center for support via a toll-free number from 7:00 a.m. – 7:00 p.m. CT, Monday through Friday. Additionally, the Parish's customers can reach the CSC from the payment site via instant message.

CSC representatives can assist with processing payments, respond to questions regarding the products/services, respond to email inquiries, and escalate issues should any arise. In addition, VPS includes a list of frequently asked questions (FAQs) on the payment application website to assist customers 24 hours a day, 7 days a week.

Client Support

For the Parish's internal users and stakeholders, VPS offers a Client Support team that has the experience required to ensure Parish payment processing solutions are fully supported and operational 24/7.

The Parish's Tier 1 Client Support team will act as the first point of contact and can escalate all technical issues to product development and IT staff as required.

To provide the highest level of support and service to the Parish, VPS provides a dedicated client support hotline so Parish internal users can reach us whenever there is a question about a payment or the payment processing services. A dedicated Client Support team and Client Support hotline means the Parish is never waiting in the queue behind citizens making payments – participants have a direct line to a specialist who is trained and specifically focused on meeting the Parish's needs.

Ticket Process

Support tickets are immediately vetted and prioritized according to criticality and resolved according to standard SLA timeframes.

General guidelines for incident classifications are as follows but open to some subjective interpretation:

- **Critical** (resolved as quickly as possible)
 - Critical Business unit/service down
 - Employees unable to fulfill core business practices
- **High** (resolved within same day to 3 days)
 - Administrative or Configuration change (guidance)
 - Interruption of service to a business unit or process, but alternative method is available
 - Intermittent issue disrupting core business practices
 - "How to" request
- **Medium** (resolved within 3 to 5 days)
 - Feature requests
 - Defect report (non-Critical)
 - Form or report request change
- **Low** (typically resolved within 10 days; may not require immediate resolution, but the Parish would like VPS to be aware of a situation of interest)
 - General Notifications (e.g. schedule maintenance, pending legislation, etc.)
 - General extended customer feedback
 - "Nice to haves"

Escalation Process

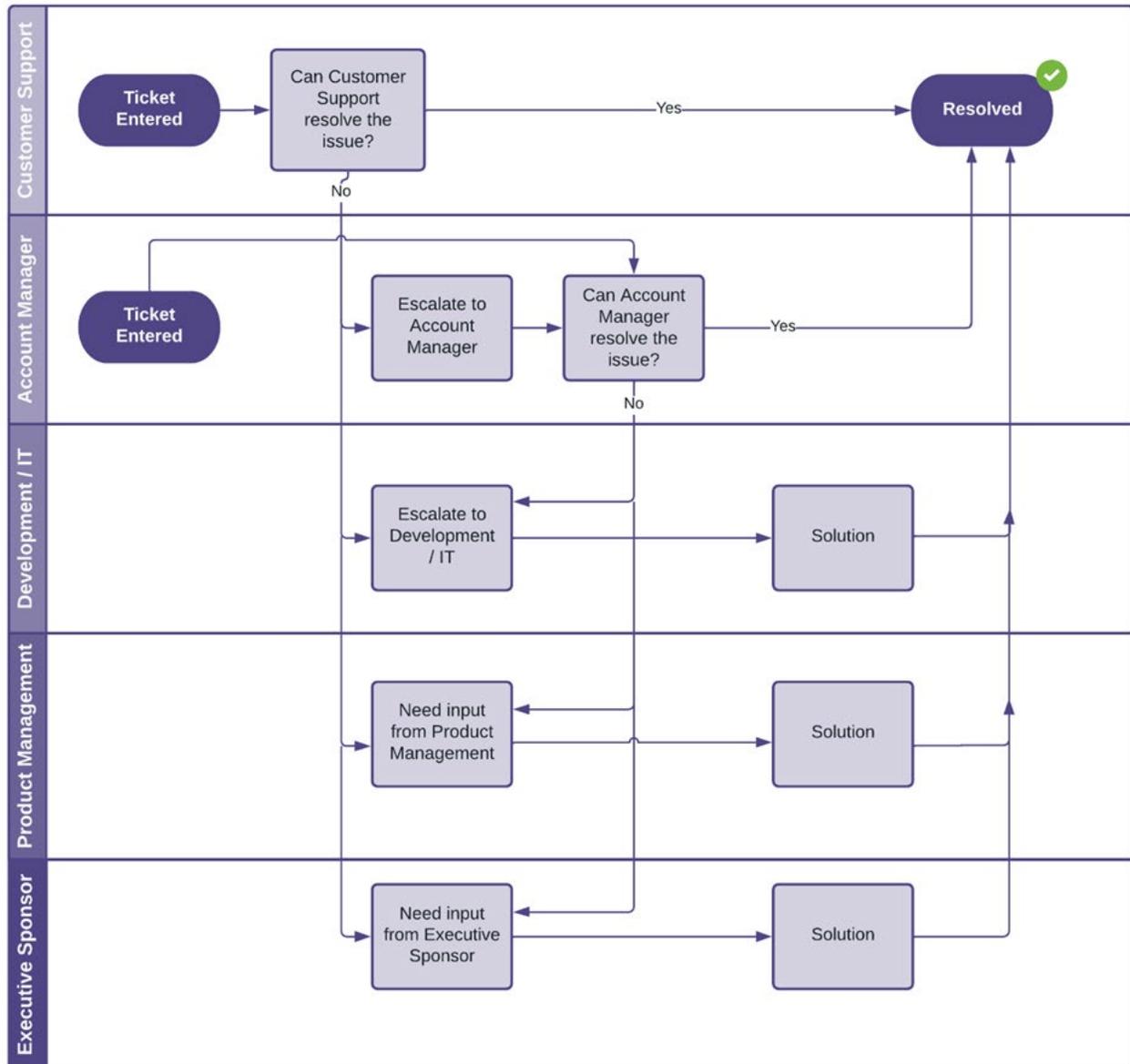
The escalation flow and process will be documented during implementation. Below is the high-level process we follow:

- The Parish will email Customer Support (CS) and/or contact the Account Manager
- A ticket documenting the issue that needs to be escalated will be immediately generated to alert all support teams
- The CS team will notify the Account Manager if reported to CS
- The Account Manager will coordinate with development and IT staff and involve product managers or executive sponsors for additional assistance if needed
- Incident Notifications are generated back to the Parish

VPS' Customer Support team must respond to a request for research within 30 minutes to acknowledge they have received and are working the item. Most research items are resolved within the 30-minute timeframe.

Issues are submitted and tracked within VPS' incident management tool. The Parish's Account Manager will track the progress of any relevant requests and provide regular status updates to Parish stakeholders.

VPS has included an Escalation Chart on the next page.



Resumes for our customer service personnel have been included along with this proposal on pp. 21-24.

Proposer shall provide resumes for account manager(s), designated customer service representative(s) and any and all key personnel anticipated to be assigned to this project, in addition to resumes of any and all subcontractors.

Mike Losey, Customer Success Manager

Mr. Losey has over 15 years of experience in customer operations and account management experience. He will serve as a trusted advisor to the Parish, sharing best practices, seeking insight and input on new products and services, brainstorming ways to improve program participation and utilization, and communicating the latest compliance and payment trends.

Kathy Wilson, Vice President of Operations and Client Support

Mrs. Wilson has fourteen years of banking experience, with an emphasis on payment processing. Mrs. Wilson has been in her position for over 25 years, serving as the Vice President of Operations and Client Support. She manages and supports a staff of 50+ payment specialists, who deliver unparalleled customer support and service.

Jarred Finney, Vice President of IT Operations

Mr. Finney's key responsibilities revolve around securely storing and retrieving all data within Customer programs, as well as data replication and efficiency within operating procedures. Mr. Finney will serve as the Database Administrator (DBA) of the project, handling all integration, file management, and reporting. He has over 11 years' experience as a DBA and extensive knowledge of both Microsoft SQL and Oracle databases. Mr. Finney has been with VPS for 13 years and has been involved with the implementations for more than 100 public sector clients. Mr. Finney is currently managing the daily file submission process and reporting functions for all current clients.

Suja Sebastian, Director of Application Development

Mrs. Sebastian's primary responsibilities include building and maintaining VPS' e-Payment System applications. She is a Microsoft Certified Technology Specialist and is also well acquainted with full scale Software Development Life Cycle (SDLC) such as Waterfall and RUP and has in-depth knowledge of OOAD concepts. Mrs. Sebastian has been with VPS since 2010 and is currently involved in the maintenance of electronic payment applications for various states and government entities including New York State, Illinois State, Alabama State, Kansas State, and more. She has also integrated various websites with third party software solutions to facilitate real-time transaction and is currently involved in the development of electronic payment websites and web services for Interactive Voice Response applications.

Our key personnel's resumes have been included on the following pages.

Mike Losey

Customer Success Manager

(734) 560-8922
mike@governmentbrands.com
3025 Windward Plaza, Suite 200
Alpharetta, GA 30005

A customer success management professional that contributes over 15 years of customer operations, and account management experience from the digital media space, SaaS organizations, and data management companies.

Work Experience

Customer Success Regional Manager, Central US

Government Brands, 2019 to present

- Work with customers to simplify and modernize the process of their constituents paying their government agency fees and fines, making it more efficient for both the payee and the payer
- Deliver and present quarterly business reviews to assigned customer base
- A point of escalation for issues and questions for assigned customer base

Vice President of Customer Success

Matterhorn by Court Innovations, 2015 to 2019 (acquired)

- Increasing staff hearing time efficiency by 80%
- Expanding access to justice to the 39% who would not otherwise have made it to court
- Collecting 29% more child support payments resulting in 29% fewer failure-to-pay warrants
- Reducing default payments on court/police fine and fee payments from 15% to 0.5%

Manager of Client Services

TiVo Corporation (fka: Rovi and Allmusic.com/All Media Guide), 2004 to 2015

- Managed a team of seven support representatives, directly responsible for the retention and customer satisfaction of over 400 clients whose combined accounts represented annual revenue of \$40 million
- Inventor of two system and method patents officially granted via United States Patent Office
- Provided oversight to a team that triaged 10,000+ incoming issue cases on an annual basis

Education and Certificates

Master Certificate Program in Project Management

Villanova University | Villanova, PA | Completed

Bachelor of Science (BS) in Health Communications

Grand Valley State University | Allendale, MI | Completed

Kathy Wilson

Vice President of Operations

+1 (727)-499-3950
kathy.wilson@valuepaymentsystems.com

4700 140th Ave N, Suite 106
Clearwater, FL 33762

Project Responsibilities

- Executive Sponsor – attends calls, helps with oversight to ensure project is progressing as expected.

Work Experience

Vice President of Operations

Government Brands, 2020-present (acquired)

- Responsible for the day-to-day Client Support of 5 payment companies (including Value Payment Systems). Responsibilities include participation in annual audits. Fraud and Risk mitigation policies and annual review of those policies.
- Implemented centralized Client Support unit for all 5 payment companies with reporting to one management team. Standardized processes, implemented SLA's.

Director of Operations

Government Brands, 2019-2020

- Responsible for the day-to-day Client Support of 5 payment companies (including Value Payment Systems). Responsibilities included onboarding activities and participation in annual audits. Responsible for 2 Lockbox Operations that provide check payment processing.

Director of Operations

Bill2Pay, LLC, 2012-2019 (acquired)

- Responsible for the day to day Client Support of Bill2Pay. Responsibilities included onboarding activities, participation in annual audits. Responsible for 2 Lockbox Operations that provide check payment processing.
- Implemented a Client Call program utilizing the Client Care team to interact regularly with all Clients.

Experience in Similar Projects

South Jersey Gas Utility echeck and card payment processing system.

Role: Executive Sponsor

Florida Healthy Kids echeck and card payment processing system.

Role: Executive Sponsor

Polk County Tax Collector echeck and card payment processing system.

Role: Executive Sponsor

Jarred Finney

Data Architect

(615) 417-9259
JarredFinney@valuepaymentsystems.com
155 Franklin Rd., Suite 330, Brentwood, TN 37027

Project Responsibilities

- Will serve as the Database Administrator (DBA) of the project, handling all integration, file management, and reporting.
- Creates data architectural solutions/designs to project execution teams for implementation.
- Provides architectural assessments, strategies, and road maps for data management.

Work Experience

Lead Data Architect

Government Brands, 2019-Present

- Own and drive forward specific areas of AWS Big Data technology architecture. This includes data management architectures involving batch, micro-batch, and real-time streaming of data in both cloud and on-premises data center solutions.
- Involved with the implementations for more than 100 public sector clients.
- Currently managing the daily file submission process and reporting functions for all current clients.
- Develops Proof-of-Concept projects to validate new architectures and solutions.
- Mentor and provide architectural guidance to multiple teams building innovative applications.

VP, IT Operations

Value Payment Systems, 2008-Present

- Assigned to Business Analysts to understand functional requirements and interact with other cross-functional teams to architect, design, develop, test, and release features.
- Engages with technical staff to determine the most appropriate technical strategy and designs to meet business needs.
- Securely storing and retrieving all data within Customer programs, as well as data replication and efficiency within operating procedures.

Tech Background

- Over 11 years' experience as a Database Administrator and extensive knowledge of both Microsoft SQL and Oracle databases

Education

Bachelor in Business Administration, Computer Information Systems

Middle Tennessee State University, 2000

Suja Sebastian

Director of Application Development

+1 (615)-777-1234
SujaSebastian@valuepaymentsystems.com
155 Franklin Road, Suite 330
Brentwood, TN 37027

Project Responsibilities

- Focused on software engineering to build the most stable, scalable, and high-volume payments
- Skilled in multiple roles from Scrum Master, Product Owner, Business Analyst and Developer.

Work Experience

Director of Application Development

Value Payment Systems, 2010 to present

- Joined as the single developer and helped building the development team for a startup company.
- In charge of all development and product deliveries
- In charge of the team to deliver high scalable 20 TPS payments
- Experience in PCI-DSS/SOC2/CMMI Audits

Tech Background

- C#, ASP.Net, SQL server, API, Vue.js
- AWS
- CI/CD DevOps

Experience in Similar Projects

Payusatax.com – IRS Website

Role: Development Manager for developing the IRS website to take tax payments.

InBiz Payment Module

Role: Development Manager for developing the State of Indiana's InBiz payment website to take tax payments.

State of Colorado Child Support Payments

Role: Development Manager for developing the State of Colorado's payment website to take child support payments.

Education

Bachelor of Information Technology Engineering

Kerala University, 2003

INNOVATIVE CONCEPTS

Present innovative concepts, if any, not discussed above for consideration.

Payment Methods

Currently, we are the only known payment services provider for government that offers as many differentiating payment methods as possible for payers.

Our payment acceptance model includes traditional payment acceptance via credit cards, debit cards, and eCheck/ACH, as well as emerging technologies such as digital wallets and alternative credit issuance solutions. Our digital wallets include, but are not limited to, Visa Checkout, Masterpass, Amex Express Checkout, PayPal, and Venmo, with alternative credit issuance available through PayPal Credit and PayPal Pay-in-4. Additional payment methods include Cryptocurrency, Cash Payments, Papaya Pay, and Pay with my Bank.

More details on several of these solution offerings are provided below:

PayPal Credit and Pay in 4

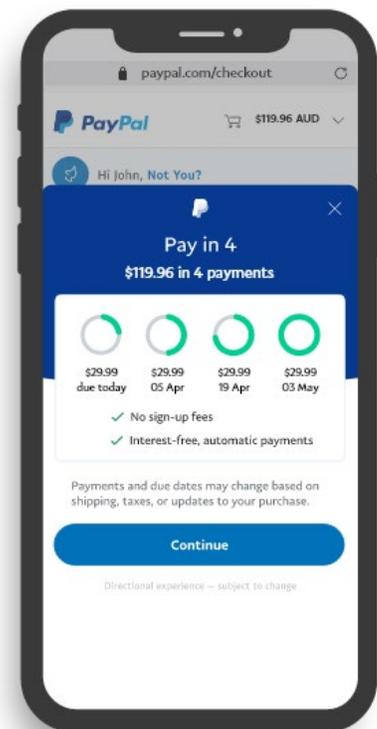
VPS offers PayPal Credit to federal, state, and local government customers. If a constituent selects PayPal Credit at checkout, they can complete a quick application to get instant approval on a loan, which can be applied to their payment in real time. Loans are interest-free if paid in full in six months. PayPal Credit can be especially helpful for citizens who cannot pay their entire bill but want to avoid credit card late fees, and it ensures that Parish still receives timely payment. A recent PayPal study indicates that a merchant will see a +15% to +17% increase in transactions when PayPal Credit is added and marketed as a payment method.

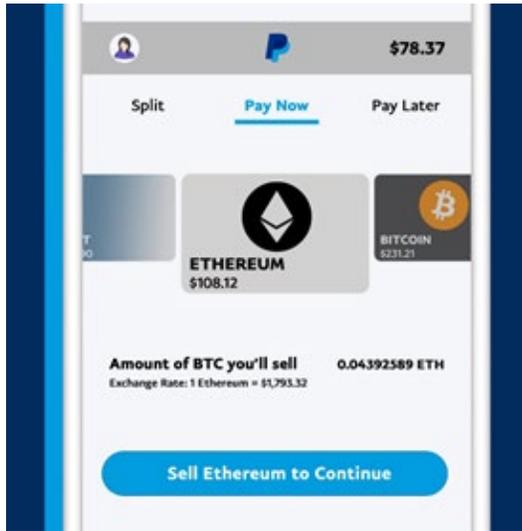
Benefits during the pandemic:

- 33% of PPC users would not have made their most recent purchase if PayPal Credit were not offered
- 72% of PPC users agree they would rather spread the cost of a purchase over 6 months, even if they had the ability to pay today

PayPal's Pay in 4 option allows a payer to split their payment into four equal amounts, with one due every two weeks. This is another interest-free option that has no impact on a payer's credit score and is backed by PayPal.

Both the PayPal Credit and Pay in 4 options provide enormous flexibility to the Parish's constituents while ensuring the Parish departments receive their funding up front.





Cryptocurrency

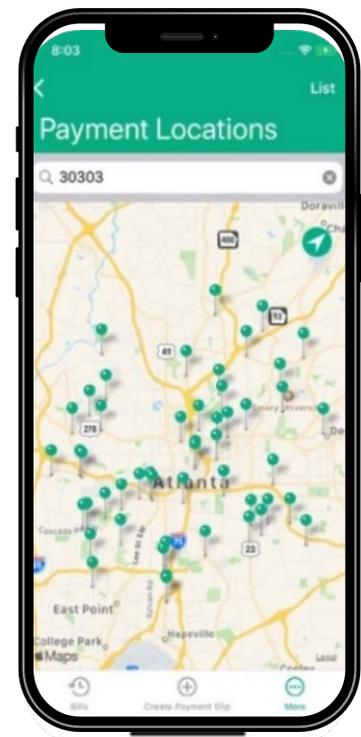
Through our partnership with PayPal, VPS enables consumers to use their cryptocurrency holdings to pay government merchants. The offering requires no development or changes to our customers' financial processes. Users can convert the crypto holdings in their PayPal wallet to fiat currency during the VPS checkout process. Parish departments have no risk, as all funds received will be in fiat currency and not subject to the fluctuations of the crypto market. The image on the right depicts the checkout screen for a user selling Ethereum to make a payment.

Cash Payments

VPS offers a retail cash solution, VanillaDirect Pay through InComm, to allow the unbanked, underbanked, and cash-preferring citizen to fulfill tax obligations and fund accounts using a vast network of over 70,000 retail locations nationwide. Retailers include Walmart, Walgreens, CVS, Family Dollar, and many other national and regional retail brands. Your residents can easily find the nearest available location by using a free geo-locator tool available on mobile devices and online. VPS encourages Parish evaluators to visit the following site for a view of available retail locations: <https://pay.vanilladirect.com/pages/locations>

While competitors force taxpayers to print a unique barcode for each retailer, the VPS solution uses a ubiquitous barcode solution to ensure taxpayers need only receive the provided barcode via smartphone, email, or print and bring it to any participating partner. For added convenience, VPS allows citizens to use the same barcode for payments made throughout their user experience, encouraging repeat payments and system usage.

Citizens can make cash payments 24/7 right in their neighborhood through retailers that are easy to find, safe, and trusted, without traveling to Parish offices or waiting in line. This frees Parish staff members to focus and spend time on department initiatives instead of processing cash payments. In addition, VPS' Client Portal is integrated with InComm, so cash payments are reflected in the Client Portal in real time.

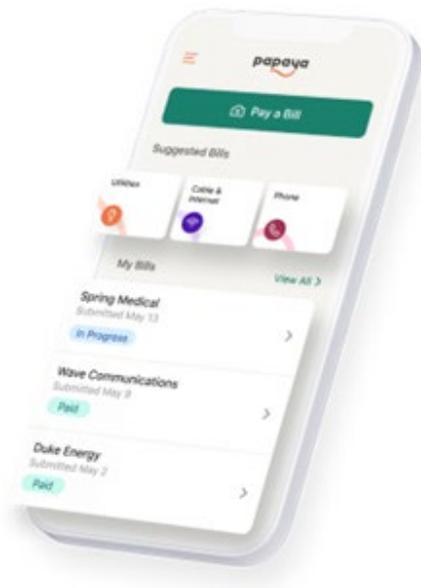
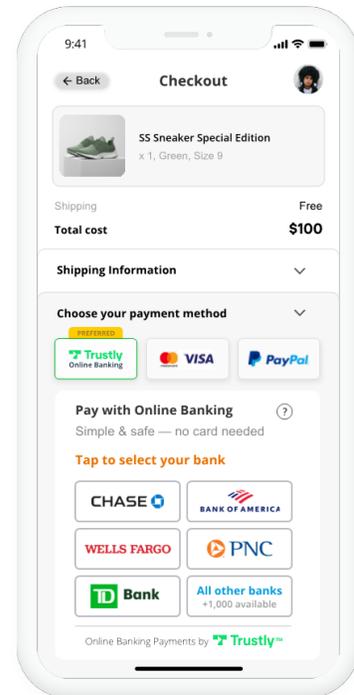


Pay with my Bank

By allowing consumers to pay quickly and simply with a linked bank account, Pay with my Bank drastically improves the ACH payment experience for merchants and consumers. A key benefit of Pay with my Bank is that payers do not have to enter routing and account numbers to process payments – just their online banking credentials. The process also virtually mitigates usual returned items that occur with eChecks, including Non-Sufficient Funds (NSF), Account Closed, Account Not Found, and more. Additionally, since consumer demand deposit accounts (DDA) and funds availability are validated in real time, funds are guaranteed on approved transactions, and funding to the client’s settlement DDA can occur in as little as one day.

Pay with my Bank features include:

- Superior fraud and risk protection by validating banking information/balance in real time
- Ingrained security by avoiding inclusion of bank account



Papaya Pay

VPS has an exclusive relationship with Papaya to provide constituents yet another convenient way to pay bills remotely. Papaya Pay is a free-to-use, contactless, scan and pay mobile app that allows a customer to snap a picture and pay their bill in seconds.

Papaya’s technology extracts the bill information from an image and pushes the payment details to a VPS payment interface, either on the web or through IVR. The tool keeps the customer’s bill history secure and consolidated; a customer can refer to the app any time they need a bill receipt or proof of payment.

During the pandemic, Papaya saw a 39% usage increase due to people preferring “contactless” payment options.

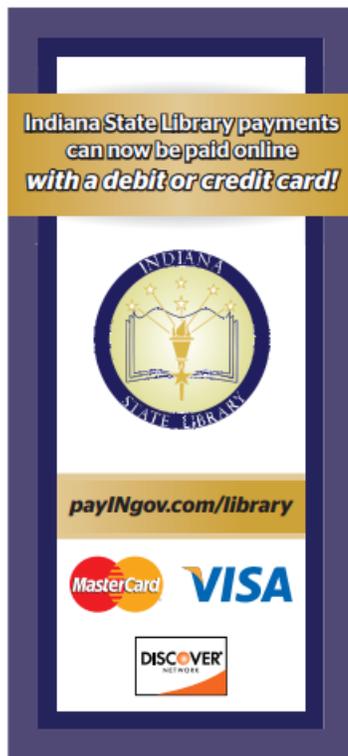
Our ability to offer and market these emerging payment methods increases our customers’ collected payment volume. With VPS, payers have the financial flexibility to use the funding instruments and payment technologies they know and trust. Many of the most popular and widely used emerging payment methods may not be offered through traditional banking and processor payment products.

VPS is continually monitoring for other additions to implement more options for future Parish needs.

Marketing

VPS is dedicated to providing full, no-cost marketing support to increase awareness and participation of customer usage. To demonstrate this, VPS will also commit marketing funds that will be used, upon approval, to market our lower-cost comprehensive payment product through our standard marketing kit which includes posters, counter handouts, and sticky notes. Customized marketing materials may be available on a case-by-case basis. Our marketing efforts have proven to be successful in the adoption of electronic payments for several of our clients who chose to take advantage of this service at no cost.

Please see below for some examples of marketing materials we provided to different State of Indiana departments. These include custom bookmarks for the Indiana State Library, sticky notes for the Department of Transportation, and business cards for the Department of Agriculture with a QR code to take customers directly to the payment website. These are only a few of the many options available to Jefferson Parish.



Kiosk Payments

VPS provides an integrated payment kiosk solution through which Parish residents can scan their bill or statement to begin the transaction or enter their account information to proceed to payment. Kiosks accept credit and debit cards, bank account information, and cash payments if desired, all of which can complete a transaction that links in real time to the appropriate customer system.

Key Features & Benefits of an Integrated Kiosk

- Eliminates manual data entry which creates a streamlined and automated process for efficient bill payment with each payment posted correctly
- Seamlessly integrated with the VPS solution
- Accepts debit, credit cards, and checks
- Multilingual, including Spanish
- Multiple configurations including stand-alone and interior or exterior through the wall units
- Combines local requirements with centralized guidelines to ensure adherence to corporate policies and controls
- Simple user interface with exception-based processes
- Supports centralized or decentralized management, including multi-site, multi-currency, and multi-language requirements
- Highly scalable and configurable with unparalleled speed-to-market
- Proven Agile methodology for development and quality assurance
- Dedicated development resources to meet aggressive timelines
- Robust reporting capabilities including dashboards and email alerts to manage trending, patterns, and improved KPI management.



Analytics Reporting

VPS will provide the Parish with VPS Analytics Reporting (VAR). VAR reports will help the Parish leverage data as an asset, offering transparency and on-demand dashboard reporting solutions that give organizations the ability to quickly report and analyze payment transaction detail in an easy-to-use dashboard that all parties can easily understand. Our integrated solutions empower staff, reduce the need for multiple tools and offers increased accessibility to reporting and dashboards to track performance and sharing of data both internally and with constituents. Administrative access will allow entities to ingest data from third party sources, as well as VPS payments systems, providing entities with a single source of consolidated data.

Included in our proposal is VPS Analytics, which offers the Parish a Dashboard that includes Charts, Visualizations and Analytic Reporting to support payment processing performance, channel metrics, trend analysis, per agency metrics, and consumer behavior at a Parish-wide and per agency view. Parish users can create and change visualizations and charts with a click of a button and easily drill into the details behind the data. In addition, all reports on the dashboard can be exported to CSV, Excel, HTML, PDF or as an image. Color palette and report chart types are fully configurable for the Parish.

Reports and Metrics in the Dashboard include:

- Collections by Data Ranges
- Collections by Agency
- Collections by Channel
- Collections by Type
- Average Liability Collected by Data Range
- Average Days to Deposit

VPS Advanced Intelligence

VPS Advanced Intelligence is an additional application we offer, giving the Parish the ability to blend and integrate multiple data sources for additional on demand business intelligence and reporting capabilities. We offer more than 500 integrations to common business applications, including ERP & Court Systems, Storage Devices, Relational and Non-Relational databases, Excel, CSV, HTML, Google Analytics and more.

Our integrated solutions empower staff, reduce the need for multiple tools, and offer increased accessibility to reporting and dashboards to track performance and sharing of data.

Please see the following pages for some examples of our robust analytics reporting capabilities.

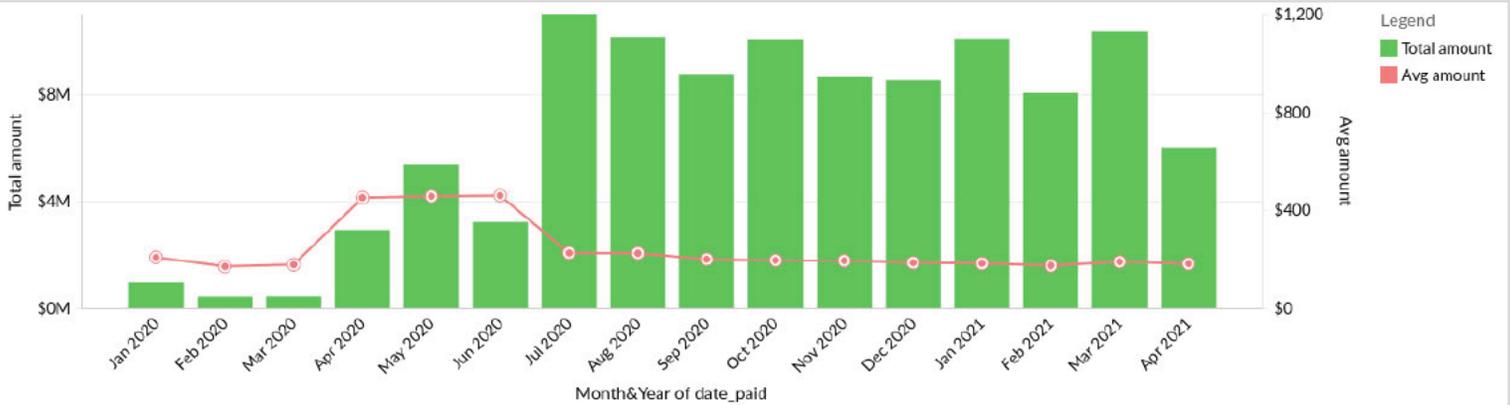
Overview

(Client's name redacted throughout)



<p>Liability collected this year</p> <p>\$34,444,333.89 ↓</p> <p>Last Year: \$70,870,021.03</p>	<p>Liability collected this month</p> <p>\$5,981,779.46 ↓</p> <p>Last month: \$10,343,589.43</p>	<p>Avg payment this year</p> <p>\$182.46 ↓</p> <p>Last year: \$223.77</p>	<p>Nb payments this year</p> <p>Las year: 316,591</p> <p>188,775 ↓</p> <p>Year y Average: 252,683.00</p>
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Liability collected by Month - [Redacted]

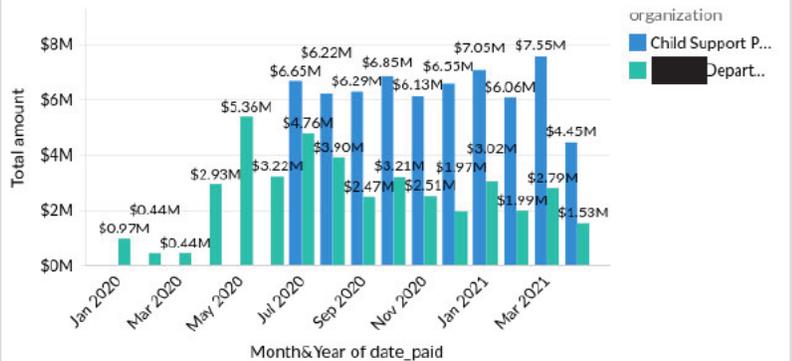


Monthly Liability Collected by Agency

Date Paid (Month - Year)	Child Support Payments	[Redacted] Department of Work orce Development	Total
Jan 2020		\$970,324.28	\$970,324.28
Feb 2020		\$437,940.66	\$437,940.66
Mar 2020		\$444,679.63	\$444,679.63
Apr 2020		\$2,930,042.53	\$2,930,042.53
May 2020		\$5,362,414.25	\$5,362,414.25
Jun 2020		\$3,221,827.98	\$3,221,827.98
Jul 2020	\$6,645,149.00	\$4,758,520.93	\$11,403,669.93

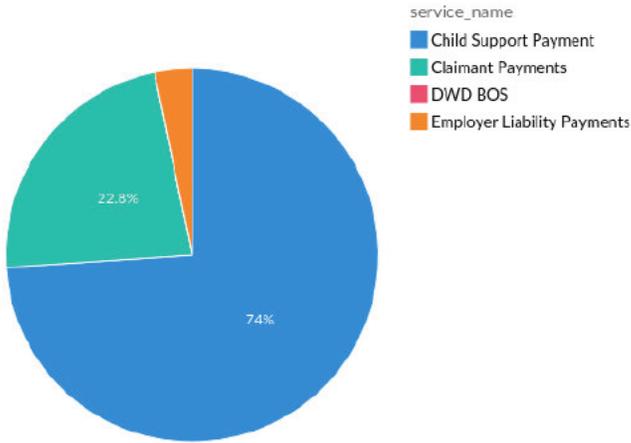
[More](#)

Yearly Collection by Agency

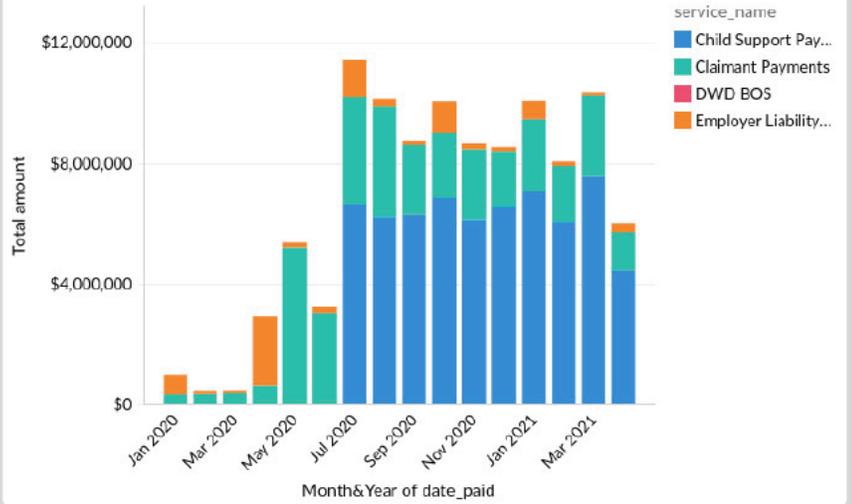


Service Names

Liability collected by Service Name %-



Liability Collected by Service Name-Statewide Agencies Collection



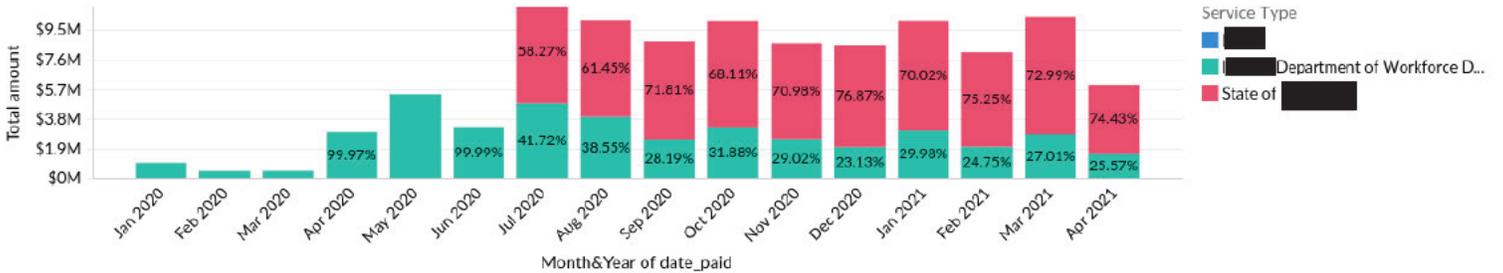
Service Types

Quarterly Liability Collected -

Quarter & Year of date_paid		Department of Work force Development	State of	Total amount
Q1 2020	\$280.11	\$1,852,664.46		\$1,852,944.57
Q2 2020	\$1,051.40	\$11,513,233.36		\$11,514,284.76

[More](#)

Liability Collected, Monthly, by Statewide Agencies Collection -



Expanded Views

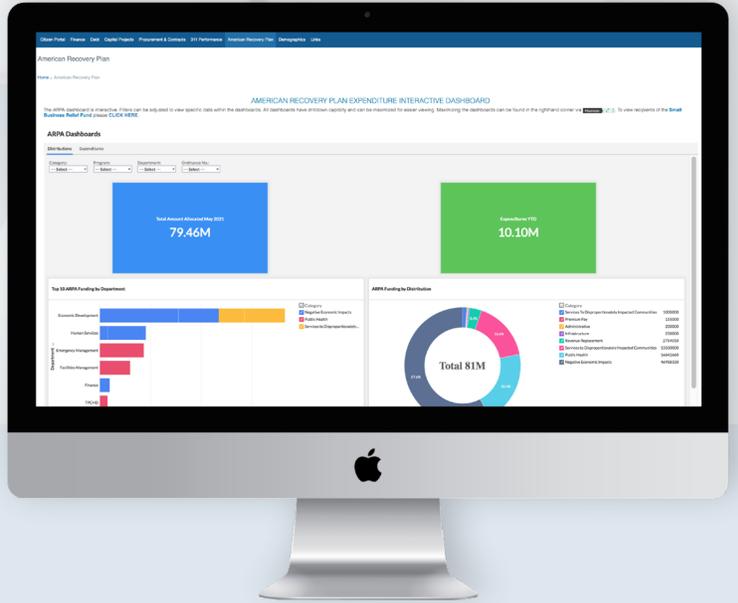
Monthly Liability Collected by Agency

Date Paid (Month - Year)	Child Support Payments	Department o Work orce Development	Total
Jan 2020		\$970,324.28	\$970,324.28
Feb 2020		\$437,940.66	\$437,940.66
Mar 2020		\$444,679.63	\$444,679.63
Apr 2020		\$2,930,042.53	\$2,930,042.53
May 2020		\$5,362,414.25	\$5,362,414.25
Jun 2020		\$3,221,827.98	\$3,221,827.98
Jul 2020	\$6,645,149.00	\$4,758,520.93	\$11,403,669.93
Aug 2020	\$6,223,014.31	\$3,903,931.19	\$10,126,945.50
Sep 2020	\$6,285,463.16	\$2,467,719.25	\$8,753,182.41
Oct 2020	\$6,846,256.17	\$3,205,150.28	\$10,051,406.45
Nov 2020	\$6,133,707.61	\$2,507,692.80	\$8,641,400.41
Dec 2020	\$6,553,744.00	\$1,972,443.00	\$8,526,187.00
Jan 2021	\$7,049,670.00	\$3,018,763.00	\$10,068,433.00
Feb 2021	\$6,057,721.00	\$1,992,811.00	\$8,050,532.00
Mar 2021	\$7,549,853.68	\$2,793,735.75	\$10,343,589.43
Apr 2021	\$4,452,142.61	\$1,529,636.85	\$5,981,779.46
Grand Total:	\$63,796,721.54	\$41,517,633.38	\$105,314,354.92

Quarterly Liability Collected -

Quarter&Year o date_paid		Department o Work orce Development	State o	Total amount
Q1 2020	\$280.11	\$1,852,664.46		\$1,852,944.57
Q2 2020	\$1,051.40	\$11,513,233.36		\$11,514,284.76
Q3 2020	\$1,291.47	\$11,128,879.90	\$19,153,626.47	\$30,283,797.84
Q4 2020	\$1,027.94	\$7,684,258.14	\$19,533,707.78	\$27,218,993.86
Q1 2021	\$162.00	\$7,805,147.75	\$20,657,244.68	\$28,462,554.43
Q2 2021	\$42.25	\$1,529,594.60	\$4,452,142.61	\$5,981,779.46
Grand Total:	\$3,855.17	\$41,513,778.21	\$63,796,721.54	\$105,314,354.92

ARPA CSLFRF Compliance & Reporting Solution



Centralized Project & Category Tracking



Track Expenditures, Obligations, Project Details, & Requirements for **US Treasury Reporting**



Ensures **compliance** of required Programmatic Data



Track & Report **Financial & Project Information**



Alerts for additional programmatic elements you need to track for projects, subawards and categories



Integrate with your Financial System



Reports for **Project & Expenditures**



Annual Recovery Performance Plan



KPI **Dashboards** with GIS features



Citizen Portal & **Searchable** Reports



Secure Data Retention

FOR MORE INFORMATION:

Available on



It's all about the

\$1.9 TRILLION AMERICAN RECOVERY PLAN ACT AND HOW TO TRACK AND REPORT ON YOUR \$\$\$'S

Tracking ARPA Projects

Track your expenditures, obligations, project details and ARPA compliance actions to meet the US Treasury mandated Reporting

Sub-Awards & Categories

Automatically link money to categories and flag sub-awards to evidence-based criteria for required tracking

Integrate with your Financial System

Easily import GL and Project information

TRACKING, REPORTING AND PUBLISHING OUTCOMES WITH ONE SOLUTION

Pre-packaged evidence-based KPIs, US Treasury Reporting and citizen facing dashboards

Pre-built Compliant US Treasury Reports

Integrated Financial data or Project Budget entered data. The outcomes meet the layout and reporting criteria mandated by the US Treasury

Citizens

Keep residents informed how money is being spent with the Citizen Dashboard feature



Homepage/Dashboard:

PROJECT EXPENDITURE SUMMARY REPORT:

American Recovery Plan Act | ARPA 2021-1
Project Expenditure Summary Report
Date Range: Jan 01, 2021 to Jan 14, 2022

Observation	Category	Current Expenditures to date (\$)	Cumulative Expenditures to date (\$)	Current Obligations to date (\$)	Cumulative Obligations to date (\$)
1	Public Health	650.00	650.00	0.00	0.00
1.1	COVID-19 Vaccinations *	650.00	650.00	0.00	0.00
1.2	COVID-19 Testing **	0.00	0.00	0.00	0.00
1.3	COVID-19 Contact Tracing	0.00	0.00	0.00	0.00
1.4	Prevention in Congregate Settings **	0.00	0.00	0.00	0.00
1.5	Personal Protective Equipment	0.00	0.00	0.00	0.00
1.6	Medical Expenses	0.00	0.00	0.00	0.00
1.7	Capital Investments or Physical Plan Changes to Public Facilities that respond to COVID-19 public health emergency	0.00	0.00	0.00	0.00
1.8	Other COVID-19 Public Health Expenses (Including Communications, Enforcement, Isolation, Quarantine)	0.00	0.00	0.00	0.00
1.9	Payroll Costs for Public Health, Safety and Other Public Sector Staff responding to COVID-19	0.00	0.00	0.00	0.00
1.10	Mental Health Services *	0.00	0.00	0.00	0.00
1.11	Substance Use Services **	0.00	0.00	0.00	0.00
1.12	Other Public Health Services	0.00	0.00	0.00	0.00
2	Resilient Economic Health	0.00	0.00	0.00	0.00
2.1	Household Assistance: Rent Programs **	0.00	0.00	0.00	0.00
2.2	Household Assistance: Rent Mortgage Utility Aid **	0.00	0.00	0.00	0.00

PROJECT EXPENDITURE DETAIL REPORT:

American Recovery Plan Act | 2021
Project & Expenditure Detail Report
Date Range: Oct 01, 2021 to Jan 18, 2022

Project Name**	Project ID #	Project Expenditure Category	Project Expenditure Sub Category	Project Status	Service Economically Disadvantaged?	Demographic Distribution	Current Expenditures to date (\$)	Cumulative Expenditures to date (\$)	Current Obligations to date (\$)	Cumulative Obligations to date (\$)
COVID Vaccinations	1000	Public Health	COVID-19 Vaccinations *	Completed 50%	Yes		450	450	200	200
Rebuild Main Street	1001	Negative Impacts	Small Business Economic Assistance General **	Not Started	Yes		0	0	0	0
COVID Communication Plan	1003	Public Health	COVID-19 Contact Tracing	Completed 50%			50	50	100	100
Workforce Seminars	1002	Negative Impacts	Job Training Assistance **	Not Started	Yes	78701	0	0	0	0
Wastewater Treatment Plant Upgrade	1004	Infrastructure	Clean Water: Centralized Wastewater Treatment	Not Started			0	0	0	0

PROJECT EXPENDITURE MANAGEMENT REPORT:

American Recovery Plan Act | ARPA 2021-1
Project Expenditure Management Report
Date Range: Jan 01, 2020 to Jan 14, 2022

Project ID	Project Name	Project Status	Project Description	Budget Allocated (\$)	Current Expenditures to date (\$)	Cumulative Expenditures to date (\$)	Current Obligations to date (\$)	Cumulative Obligations to date (\$)	Budget Remaining (\$)
TOTAL BUDGET				70,000,001	650	650	0	0	69,999,351
Unallocated Reservations				10,000,000	0	0	0	0	9,999,999
Category Budget available for Projects				6,699,999	650	650	0	0	6,699,349
Projects not associated with a Sub Category				0	0	0	0	0	0
1.1	COVID-19 Vaccinations *	Approved	COVID Vaccinations	100,000	650	650	0	0	99,350
1.2	COVID-19 Testing **			0	0	0	0	0	99,350
1.3	COVID-19 Contact Tracing	Approved	COVID Communication Plan	100,000	50	50	0	0	99,300
1.4	Prevention in Congregate Settings **	Approved		0	0	0	0	0	99,300
1.5	Personal Protective Equipment			0	0	0	0	0	99,300
1.6	Medical Expenses			0	0	0	0	0	99,300
1.7	Capital Investments or Physical Plan Changes to Public Facilities that respond to COVID-19 public health emergency			0	0	0	0	0	99,300
1.8	Other COVID-19 Public Health Expenses (Including Communications, Enforcement, Isolation, Quarantine)			0	0	0	0	0	99,300
1.9	Payroll Costs for Public Health, Safety and Other Public Sector Staff responding to COVID-19			0	0	0	0	0	99,300
1.10	Mental Health Services *			0	0	0	0	0	99,300

PROJECT EXPENDITURE MANAGEMENT REPORT

– When a user selects a Project Name on the report (blue font indicating it is linked/actionable field), the Project Details are provided:

PROJECT SCHEDULE

Detailed schedule of implementation plan for pilot (if applicable) and full implementation. This schedule is to include implementation actions, timelines, responsible parties, etc.

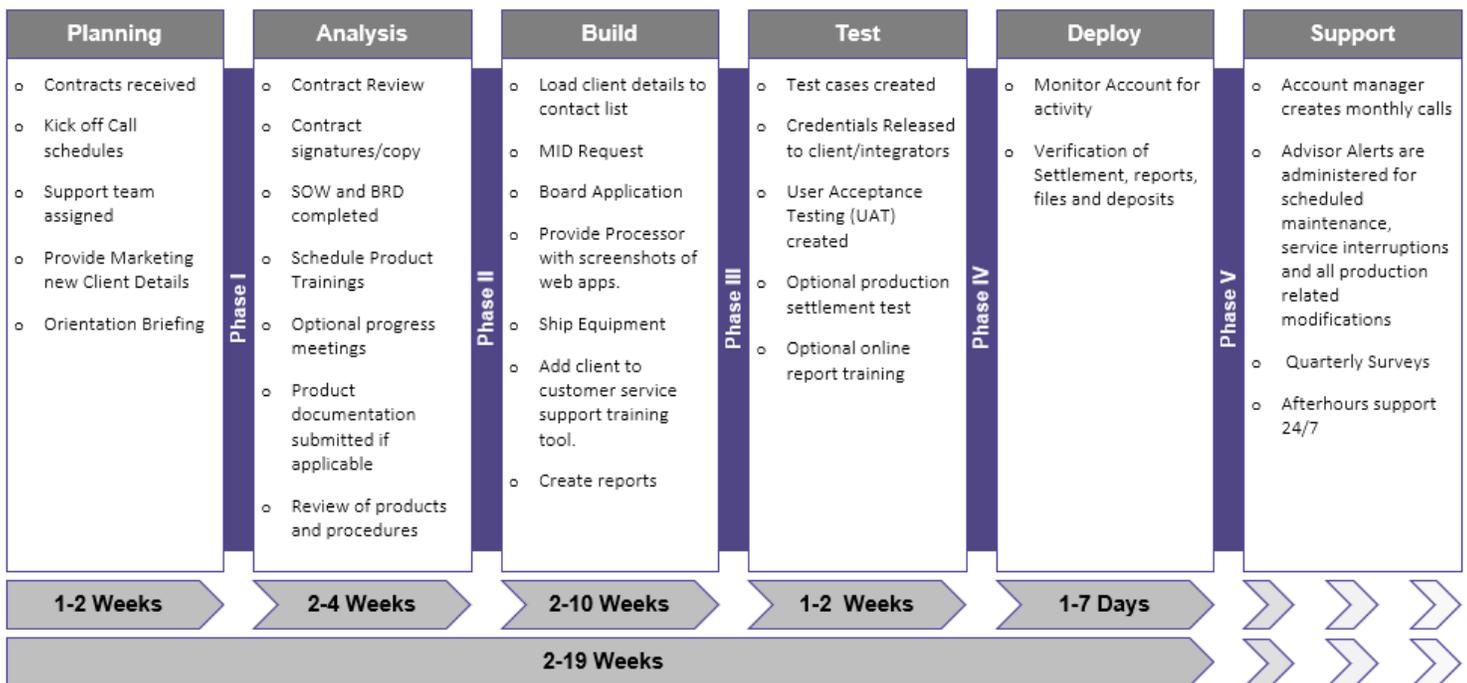
VPS will provide the Parish with a dedicated and experienced team for the implementation of our integrated services. The team will consist of project management, systems development, support, and client success personnel. This Implementation Team will spearhead the process, coordinating with Parish personnel throughout the launch process and providing comprehensive training.

Once an implementation timeline is agreed upon, VPS will provide the Parish with a detailed implementation plan including milestone schedule and project tasks and will continue to provide weekly status reports.

Our expectation is that Parish staff will be involved in the requirements gathering, design, business rule definition, reporting design, and testing phases of the implementation process.

Depending on the design and the complexity of the integration with the Parish department, a development environment will be configured within 2-4 weeks. VPS' test environment will allow the Parish to perform end-to-end testing. This will allow the Parish to step through the payment process from the initiation on the Parish's website through the payment onto VPS' secure payment portal. This testing phase ensures all requirements are met.

The figure below details the implementation approach our team will use with each participating department:



FINANCIAL PROFILE

Proposers are requested to submit documentation from the past three (3) years demonstrating proposer's financial stability. Documentation may include audited financial statements including balance sheets, income statements, documentation regarding retained earnings, assets, liabilities, etc. Such information should be included in the technical portion of the proposal submission and MUST NOT be included with the cost proposals and/or price schedules.

With this response package, VPS has included our most recent audited financials from fiscal years 2019 and 2020. A financial audit for the year 2021 is in progress. Our audited financials packet includes a Balance Sheet, Income Statement, Statement of Cash Flows, and an Opinion Letter from our third-party auditors.

Our audited financial statements have been included in the Appendix (p. 46).

COST PROPOSAL

Proposer's fees and other costs shall be submitted in a separate online envelope (Named Price Attachments) with proposal submission. This cost proposal shall include any and all costs the proposer wishes to have considered in the proposed contractual arrangement with the Parish of Jefferson. The cost proposal shall be worth twenty-five percent (25%) of the total points assigned. Evaluation of cost proposal shall take place after technical evaluation has been completed.

VPS has included our cost proposal in a separate online envelope.

APPENDIX

VPS has attached supplemental documentation and required forms on the following pages, including:

- References
- Certificate of Insurance
- Signature Page
- Attestation Form (Corporate Resolution)
- Affidavit
- Certificate of Insurance
- Audited Financial Statements

References

Coconino County (AZ) Treasurer

Sarah Benatar, County Treasurer
110 E. Cherry Ave.
Flagstaff, AZ 86001
sbenatar@coconino.az.gov
(928) 679-8188

Anne Arundel County (MD)

Allegera Wynn, Accountant III
44 Calvert St.
Annapolis, MD 21401
fnwynn14@aacounty.org
(410) 222-2350

Tippecanoe County, IN

Jennifer Weston, Treasurer
20 N. 3rd St.
Lafayette, IN 47901
jweston@tippecanoe.in.gov
(765) 423-8234

Request for Proposals #0438

Merchant Card Payment Processing Services

SIGNATURE PAGE

The Jefferson Parish Department of Purchasing is soliciting Request for Proposals (RFP'S) from qualified proposers who are interested in providing Merchant Card Payment Processing Services for the Jefferson Parish Finance Department.

Request for Proposals will be received until 3:30 p.m. Local Time on: May, 13, 2022.

Acknowledge Receipt of Addenda: Number: 1 - Q&A
Number: 2 - extended due date to May 24
Number: _____
Number: _____
Number: _____
Number: _____

Name of Proposer: Value Payment Systems

Address: 155 Franklin Rd., Suite 330, Brentwood, TN 37027

Phone Number: (615) 942-1144 Fax Number (615) 730-6385

Type Name of Person Authorized to Sign: Richard Stierwalt

Title of Person Authorized to Sign: Chief Executive Officer

Signature of Person Authorized to Sign:  _____
E4C671C92498450...

Email Address of Person Authorized to Sign: proposals@valuepaymentsystems.com

Date: 5/13/2022

This RFP signature page must be signed by an authorized Representative of the Company/Firm for proposal to be valid. Signing indicates you have read and comply with the Instructions and Conditions.

ACKNOWLEDGMENT AND ATTESTATION FORM

State of Georgia, County of Fulton

May 05, 2022

This is to certify that, David A. Winters the Chief Financial Officer for Government Brands Holdings LLC (“Government Brands”), headquartered at 3025 Windward Plaza, Suite 200 in Alpharetta, Georgia 30005.

1. Effective March 6, 2018, Government Brands acquired substantially all the issued and outstanding stock of Value Payment Systems, LLC (VPS).
2. Richard Stierwalt is the Executive Vice President of Payments for Government Brands and is authorized to act as a signatory for VPS on behalf of Government Brands.
3. For avoidance of doubt, VPS shall be legally bound to the terms, conditions, and performance requirements stated in a contract signed by Mr. Stierwalt.

I hereby state that the information above is true, to the best of my knowledge. I also confirm that the information here is both complete and accurate, and relevant information has not been omitted.

DocuSigned by:
Dave Winters
3544756DB67B432...

Signature: _____

5/18/2022
Date: _____

Request for Proposal

AFFIDAVIT

STATE OF Texas

PARISH/COUNTY OF Wise

BEFORE ME, the undersigned authority, personally came and appeared: _____
Marcus Shaver, (Affiant) who after being by me duly sworn, deposed and said that he/she
is the fully authorized VP of Sales Operations of Value Payment Systems (Entity), the party
who submitted a proposal in response to RFP Number 0438, to the Parish of Jefferson.

Affiant further said:

Campaign Contribution Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Attached hereto is a list of all campaign contributions, including the date and amount of each contribution, made to current or former elected officials of the Parish of Jefferson by Entity, Affiant, and/or officers, directors and owners, including employees, owning 25% or more of the Entity during the two-year period immediately preceding the date of this affidavit or the current term of the elected official, whichever is greater. Further, Entity, Affiant, and/or Entity Owners have not made any contributions to or in support of current or former members of the Jefferson Parish Council or the Jefferson Parish President through or in the name of another person or legal entity, either directly or indirectly.

Choice B there are **NO** campaign contributions made which would require disclosure under Choice A of this section.

Affiant further said:

Debt Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Attached hereto is a list of all debts owed by the affiant to any elected or appointed official of the Parish of Jefferson, and any and all debts owed by any elected or appointed official of the Parish to the Affiant.

Choice B There are **NO** debts which would require disclosure under Choice A of this section.

Affiant further said:

Solicitation of Campaign Contribution Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Attached hereto is a list of all elected officials of the Parish of Jefferson, whether still holding office at the time of the affidavit or not, where the elected official, individually, either by **telephone or by personal contact**, solicited a campaign contribution or other monetary consideration from the Entity, including the Entity's officers, directors and owners, and employees owning twenty-five percent (25%) or more of the Entity, during the two-year period immediately preceding the date the affidavit is signed. Further, to the extent known to the Affiant, the date of any such solicitation is included on the attached list.

Choice B there are **NO** solicitations for campaign contributions which would require disclosure under Choice A of this section.

Affiant further said:

That Affiant has employed no person, corporation, firm, association, or other organization, either directly or indirectly, to secure the public contract under which he received payment, other than persons regularly employed by the Affiant whose services in connection with the construction, alteration or demolition of the public building or project or in securing the public contract were in the regular course of their duties for Affiant; and

That no part of the contract price received by Affiant was paid or will be paid to any person, corporation, firm, association, or other organization for soliciting the contract, other than the payment of their normal compensation to persons regularly employed by the Affiant whose services in connection with the construction, alteration or demolition of the public building or project were in the regular course of their duties for Affiant.

Affiant further said:

Subcontractor Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Affiant further said that attached is a listing of all subcontractors, excluding full time employees, who may assist in providing professional services for the aforementioned RFP.

Choice B There are **NO** subcontractors which would require disclosure under Choice A of this section.

Marcus C Shaver

Signature of Affiant

Marcus Shaver

Printed Name of Affiant

SWORN AND SUBSCRIBED TO BEFORE ME

ON THE 24th DAY OF May, 2022.

Robert Eugene Huff

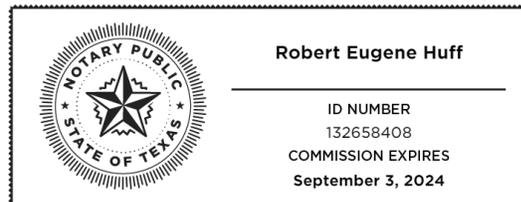
Notary Public

Robert Eugene Huff

Printed Name of Notary

132658408

Notary/Bar Roll Number



Notarized online using audio-video communication

My commission expires 09/03/2024.

CONFIDENTIAL

**Government Brands Holdings, LLC
and Subsidiaries**

Consolidated Financial Statements
Years Ended December 31, 2020 and 2019

Government Brands Holdings, LLC and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2020 and 2019

Government Brands Holdings, LLC and Subsidiaries

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Independent Auditor's Report

Board of Directors
Government Holdings, LLC and Subsidiaries
Alpharetta, Georgia

Opinion

We have audited the consolidated financial statements of Government Brands Holdings, LLC (the Company), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive loss, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

May 28, 2021

Consolidated Financial Statements

Government Brands Holdings, LLC and Subsidiaries

Consolidated Balance Sheets

<i>December 31,</i>	2020	2019
Assets		
Current Assets		
Cash:		
Operating cash	\$ 15,890,739	\$ 12,718,341
Restricted cash	19,167,264	26,373,924
Total Cash	35,058,003	39,092,265
Accounts receivable, net	14,318,345	10,084,481
Merchant receivable	32,363,630	37,533,988
Other current assets	3,770,182	1,544,209
Total Current Assets	85,510,160	88,254,943
Noncurrent Assets		
Plant, property and equipment	2,776,078	3,189,549
Goodwill and intangible assets, net	272,432,562	269,056,584
Other assets	7,446,918	1,960,274
Total Noncurrent Assets	282,655,558	274,206,407
Total Assets	\$ 368,165,718	\$ 362,461,350
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	\$ 4,969,119	\$ 4,397,721
Other current liabilities	10,166,615	8,808,181
Pass through liabilities	50,848,268	63,216,066
Deferred revenue	17,431,473	9,125,683
Current portion of long-term debt	8,582,500	1,287,500
Total Current Liabilities	91,997,975	86,835,150
Noncurrent Liabilities		
Deferred tax liability	1,469,347	503,075
Other liabilities	120,500	-
Long term debt, net	112,916,128	107,717,385
Total Noncurrent Liabilities	114,505,975	108,220,460
Total Liabilities	206,503,950	195,055,610
Members' Equity	161,249,314	167,407,740
Other Comprehensive Income	412,454	-
Total Members' Equity	161,661,768	167,405,740
Total Liabilities and Members' Equity	\$ 368,165,718	\$ 362,461,350

See accompanying independent auditor's report and notes to these consolidated financial statements.

Government Brands Holdings, LLC and Subsidiaries**Consolidated Statements of Operations**

<i>December 31,</i>	2020	2019
Net Revenue	\$ 90,890,806	\$ 66,079,502
Selling, General and Administrative Expenses	(76,921,498)	(64,261,362)
Transaction Costs	(2,716,499)	(9,798,374)
Amortization and Depreciation	(35,459,347)	(30,110,709)
Operating Loss	(24,206,538)	(38,090,943)
Interest Expense	(8,579,843)	(8,577,426)
Loss, before income taxes	(32,786,381)	(46,668,370)
Income Tax Expense	(501,187)	(766,723)
Net Loss	\$ (33,287,568)	\$ (47,435,093)

See accompanying independent auditor's report and notes to these consolidated financial statements.

Government Brands Holdings, LLC and Subsidiaries**Consolidated Statements of Comprehensive Loss**

<i>December 31,</i>	2020	2019
Net Loss	\$ (33,287,568)	\$ (47,435,093)
Other Comprehensive Income		
Foreign currency translation adjustments	412,454	-
Comprehensive Loss	\$ (32,875,114)	\$ (47,435,093)

*See accompanying independent auditor's report
and notes to these consolidated financial statements.*

Government Brands Holdings, LLC and Subsidiaries

Consolidated Statements of Members' Equity

	Members' Equity	Accumulated Deficit	Other Comprehensive Income	Total
Balance, January 1, 2019	\$ 203,388,067	\$ (40,700,775)	\$ -	\$ 162,687,292
Member contributed capital	44,189,927	-	-	44,189,927
Equity issued for acquisitions	7,131,215	-	-	7,131,215
Equity-based compensation	832,399	-	-	832,399
Net loss	-	(47,435,093)	-	(47,435,093)
Balance, December 31, 2019	255,541,608	(88,135,868)	-	167,405,740
Member contributed capital	23,673,383	-	-	23,673,383
Equity Issued for acquisitions	2,755,446	-	-	2,755,446
Equity-based compensation	702,313	-	-	702,313
Foreign currency translation adjustments	-	-	412,454	412,454
Net loss	-	(33,287,568)	-	(33,287,568)
Balance, December 31, 2020	\$ 282,672,750	\$ (121,423,436)	\$ 412,454	\$ 161,661,768

*See accompanying independent auditor's report
and notes to these consolidated financial statements.*

Government Brands Holdings, LLC and Subsidiaries

Consolidated Statements of Cash Flows

<i>Year ended December 31,</i>	2020	2019
Cash Flows from Operating Activities		
Net loss	\$ (33,287,568)	\$ (47,435,093)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	35,459,347	30,110,709
Amortization and write off of debt issuance costs	456,699	1,840,919
Non-cash interest expense	595,766	555,205
Equity-based compensation	702,313	832,399
Loss on disposal of property and equipment	261,388	-
Deferred taxes	242,117	503,075
Changes in operating assets and liabilities, net of effects:		
Accounts receivable	(1,364,085)	(2,923,247)
Merchant receivable	5,170,358	124,994
Prepaid expenses and other assets	(1,970,125)	65,422
Other assets	(5,363,858)	(1,454,691)
Accounts payable	(1,116,093)	2,265,168
Pass-through liabilities	(12,367,798)	12,049,258
Accrued expenses and other liabilities	1,587,647	1,185,587
Deferred revenue	3,588,335	162,614
Net Cash Used in Operating Activities	(7,405,557)	(2,117,681)
Cash Flows from Investing Activities		
Purchase of subsidiaries, net of cash acquired	(31,082,859)	(65,539,984)
Purchases of property and equipment	(501,004)	(1,274,064)
Net Cash Used in Investing Activities	(31,583,863)	(66,814,048)
Cash Flows from Financing Activities		
Debt borrowings	12,750,000	120,516,133
Principal repayments of debt	(1,340,000)	(74,471,473)
Contingent consideration	-	(2,085,989)
Payments on capital lease financing	(77,435)	(11,663)
Debt issuance costs	-	(3,017,471)
Member contributions	23,673,383	44,189,928
Net Cash Provided by Financing Activities	35,005,948	85,119,465
Effect of Foreign Currency Translation on Cash	(50,790)	-
Net Change in Cash	(4,034,262)	16,187,736
Cash, beginning of year	39,092,265	22,904,529
Cash, end of year	\$ 35,058,003	\$ 39,092,265
Supplemental Disclosure of Noncash Activities		
Business acquisitions financed by issuance of equity	\$ 2,755,446	\$ 7,131,215
Cash paid for interest	8,857,644	6,367,188
Capital lease financing of property and equipment	46,157	205,981

See accompanying independent auditor's report and notes to these consolidated financial statements.

Government Brands Holdings, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

1. Nature of Operations and Basis of Presentation

Government Brands Holdings, LLC and subsidiaries (the Company) is a leading technology solutions provider for government entities that was formed on November 27, 2017 in the state of Delaware and began operations on December 22, 2017 in connection with the acquisition of [REDACTED]. During the years ended December 31, 2020 and 2019, five and eleven, respectively, acquisitions were completed to enhance operations of the Company, as discussed further in Note 3. The Company offers financial technology and software solutions for many aspects of government operations and management. The Company's software platforms include a web-based Citizen Response System (CRM), web-based and on-premise Court Management Systems (CMS), website design with content management, hosting services, property tax systems, permitting/licensing/ compliance systems, online dispute resolution (ODR), payment processing, and many other applications needed by government organizations across North America.

Basis of Presentation

These consolidated financial statements include the accounts of the Company as of December 31, 2020 and 2019, and the results of operations and cash flows for the years then ended.

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and all intercompany balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates, contingent considerations and assumptions include the fair value of intangible assets, useful lives of tangible and intangible assets, and allowance for doubtful accounts. Estimates are based on assumptions that we believe are reasonable under the circumstances. Actual results may differ given the inherent uncertainty of estimates.

Business Combinations

The Company applies the provisions of ASC 805, *Business Combinations*, in accounting for its acquisitions. This standard required the Company to recognize separately from goodwill the assets acquired, and liabilities assumed, at the acquisition date fair value. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and liabilities assumed. While best estimates and assumptions to accurately value assets acquired, and liabilities assumed at the acquisition date are used, these estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, adjustments may be made to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of the assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in operations.

Government Brands Holdings, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

Business acquisition transaction costs are expensed as incurred. Contingent consideration is valued at the time of acquisition and accrued on the balance sheet as short-term or long-term liabilities per the terms of the agreement.

Revenue Recognition and Deferred Revenues

The Company elected ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606) as its initial revenue recognition policy upon its formation on November 27, 2017. The Company also elected ASC 340-40 Subtopic, *Other Assets and Deferred Costs - Contracts with Customers* (ASC 340-40), as its initial policy with respect to the capitalization of certain contract costs. The guidance in ASC 606 aligns revenue recognition with the delivery of the Company's services and provides financial statement readers with enhanced disclosures. In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods or services. To achieve this core principle, the Company applies the following five steps:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligation in the contract.
- Recognize revenues when or as the Company satisfies a performance obligation.

The Company generally satisfies performance obligations over time as discussed in further detail below. Revenue is recognized over time if (1) the customer simultaneously receives and consumes the benefits provided by the Company's performance, (2) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or (3) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. If the Company does not satisfy a performance obligation over time, revenue is recognized at the point in time the related performance obligation is satisfied by transferring a promised good or service to a customer.

Key Revenue Streams***Payment Processing Services Revenue***

The Company recognizes revenue over time from its contractual agreements to provide continuous access to its hosted technology platform to enable government agencies, educational institutions, utilities and other entities to process payments from end users through a variety of methods, including point of sale terminals, online, through a call center, and interactive voice response. Transactions are processed through the technology platform by third party payment networks, and the Company collects a convenience fee from end users for each transaction processed.

The Company's promise to stand ready to provide continuous access to its payment processing platform to process an unlimited number of transactions over the contract period is a single performance obligation. Convenience fees are priced at either a percentage of the transaction amount or a specified fee per transaction depending on the card and payment type. As the underlying fees are not known until a transaction occurs, the consideration is determined to be variable consideration that relates directly to the Company's efforts to satisfy its performance obligation to provide payment

Government Brands Holdings, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

processing services; therefore, consideration received is allocated to a Series of distinct days of service that are substantially the same with the same pattern of transfer to the customer.

In order to provide our payment services, we route and clear each transaction through the applicable payment network. We obtain authorization for the transaction and request funds settlement from the card issuing financial institution through the payment network. Convenience fees are received net of processing fees charged by the third-party payment networks. The Company has determined that its promise to arrange for the processing of payment transactions is distinct from the services provided by the third-party network. The Company does not have the ability to direct the use of the processing services and obtain substantially all of the benefits of the processing services before they are transferred to the customer; therefore, the Company does not control the payment processing services prior to being transferred to the customer. On that basis, revenues from payment processing services are presented net of fees charged by third-party payment networks.

Subscription Revenue, Professional Services, and Other Revenue

The Company offers a variety of hosted subscription-based software solutions to provide state, count, and local governments, utilities, county trustees, and other governmental agencies with the ability to interact with and manage requests from end users, manage departmental workflows, facilitate local and county property tax management, and manage website content. Subscription-based revenue primarily consists of subscription fees for access to the Company's hosted software solutions and related support (SaaS). Subscription fees for SaaS solutions generally have terms from one to five years and provide for the Company to deliver when-and-if available updates to the hosted software. Fees can be invoiced to customers monthly, quarterly, or annually based on the contract terms. None of the Company's SaaS contracts as of December 31, 2020 and 2019 contained a significant financing component.

The Company's promise in its SaaS contracts to stand ready to deliver maintenance and support to its SaaS solutions are substantially the same as, and have the same pattern of transfer as the Company's obligation to provide access to the software (including updates); therefore, these are considered a single performance obligation for which revenue is recognized ratably over time which is the contract term, beginning on the date access is provided. Unearned subscription-based revenues are included in deferred revenue.

Professional services and other revenue consist primarily of implementation services, data conversion/cleansing, training, and design services related to the Company's software solutions. These services do not result in significant customization or modification of other promised goods or services, are not highly interdependent or interrelated to other promised goods or services and do not provide a significant integration service. As a result, these services have been deemed to be distinct and represent separate performance obligations. Distinct professional services and other revenue are recognized over time as the services are performed using an input method based on hours incurred compared to expected hours.

In certain circumstances, professional services are highly interdependent or interrelated to other promised goods and services and have been determined to be non-distinct from those promised goods or services. Such non-distinct promises are combined into a single performance obligation to be recognized over the period of performance.

Government Brands Holdings, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

The following table summarizes the company revenue:

<i>December 31,</i>	2020	2019
Payment processing, net	\$ 43,244,704	\$ 41,437,104
Subscription and other revenue	47,646,102	24,642,398

Contracts with Multiple Performance Obligations

As indicated above, most of the Company's contracts with customers contain multiple promises for separately priced services consisting of (i) payment processing services or SaaS subscriptions and (ii) professional services for implementation and other services that are distinct and accounted for separately. The transaction prices for these separate performance obligations are generally reflective of SSP based on the Company's reasonably established range of SSP for such performance obligations. As such, no allocation is required in these situations. If any performance obligations are priced outside of the established SSP range, then the Company will reallocate the total transaction price to each performance obligation based on the relative SSP for each.

Variable Consideration

Revenue is recorded at the net sales price, which is the transaction price, and includes estimates of variable consideration. The amount of variable consideration that is included in the transaction price is constrained and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty is resolved.

The Company does not offer rights of return or retrospective rebates in the normal course of business.

Material Rights

The Company's contracts with customers may include renewal or other options at fixed prices. Determining whether the renewal or other options are considered distinct performance obligations that provide the customer with a material right and therefore should be accounted for separately requires significant judgment. Judgment is required to determine the standalone selling price for each renewal option to determine whether the renewal option pricing is reflective of standalone selling price or is reflective of a discount that would provide the customer with a material right. Based on the Company's assessment of standalone selling price, the Company determined that there were no significant material rights to customers requiring separate valuation.

Cost to Obtain and Fulfill a Contract

The Company capitalizes commission expenses paid to internal sales personnel that are incremental to obtaining customer contracts, including directly related fringe benefits and payroll taxes, which are the Company's only contract acquisition costs under ASC 340-40. These costs are deferred and are recorded in prepaid expenses and other assets in the Company's consolidated balance sheet. The judgments made in determining the amount of costs incurred include whether the commissions are in fact incremental and would not have occurred absent the customer contract. Costs to obtain a contract are amortized as sales and marketing expense on a straight-line basis over the expected period of benefit, which often extends beyond the contract term as the Company does not pay a commission upon renewal of its contracts. The Company's capitalized commissions average asset

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

life is 5 years during the year ended December 31, 2020.

The Company has elected to apply the practical expedient and recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. Therefore, the Company would recognize an asset for the incremental costs of obtaining a contract with a customer, if the Company expects the benefit of those costs to be longer than one year.

The following table summarizes the activity of deferred incremental costs of obtaining a contract:

<i>December 31,</i>	2020	2019
Beginning Balance	\$ 798,523	\$ 210,798
Capitalized contract acquisition costs	1,671,777	694,907
Amortization of contract acquisition costs	(307,808)	(107,182)
Ending Balance	\$ 2,162,492	\$ 798,523

The Company's policy is to capitalize incremental costs incurred to fulfill its contracts that i) relate directly to the contract ii) are expected to generate resources that will be used to satisfy the Company's performance obligation under the contract and iii) are expected to be recovered through revenue generated under the contract.

Capitalized fulfillment costs as of December 31, 2020 and 2019 primarily relate to certain direct labor costs of performing non-distinct professional services and are amortized as cost in Selling, General and Administrative expenses on a straight-line basis over the expected period of benefit. The unamortized portion of contract fulfillment costs is included in other assets in the Company's consolidated balance sheet. The Company's capitalized fulfillment average asset life is 5 years during the year ended December 31, 2020.

The following table summarizes the activity of deferred costs to fulfill its contracts:

<i>December 31,</i>	2020	2019
Beginning Balance	\$ 1,051,641	\$ 111,887
Capitalized fulfillment costs	4,116,463	979,648
Amortization of fulfillment costs	(397,587)	(39,894)
Ending Balance	\$ 4,770,517	\$ 1,051,641

The Company has determined that the expected period of benefit for capitalized contract costs is five years based on evaluation of a number of factors, including customer attrition rates, weighted average useful lives of its customer relationship, developed technology intangible assets, and overall market factors, including overall competitive environment and technology life of competitors. The Company periodically reviews its capitalized costs for impairment. As of December 31, 2020 and 2019, the Company had not identified any potential indicators of impairment.

Deferred Revenue

Payment terms and conditions vary by contract type, although terms generally require upfront payment. The Company excludes government assessed and imposed taxes on revenue generating activities that are invoiced to customers from revenue.

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Deferred revenue consists of amounts that have been invoiced but that have not been recognized as revenue. Deferred revenue that will be realized during the succeeding 12-month period is recorded as current, and the remaining deferred revenue is recorded as noncurrent. The Company recognized \$7,539,912 and \$3,853,718 during the year ended December 31, 2020 and 2019, respectively from the satisfaction of performance obligations that were deferred as of December 31, 2019 and 2018.

Restricted Cash

Restricted cash is clients' funds held at a major financial institution in the U.S. that will be distributed to the clients according to their payment schedule. The restricted cash accounts are segregated from the Company's operating cash accounts.

Merchant Receivables and Pass-through Liabilities

Merchant receivables are restricted funds in transit from a third-party payment processor. The receivable is used to fund our pass-through liabilities. Pass-through liabilities consist of the client obligations that arise from payment processing transactions.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable. In establishing the required allowance, management considers historical losses, the Company's customers' financial condition, the value of receivables in dispute, the current receivable aging, and payment patterns. The Company routinely reviews its allowance for doubtful accounts. Past due balances 31 days past due and over a specified amount are reviewed individually for collectability. All other balances are reviewed on a pooled basis. Accounts are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is remote. The Allowance for doubtful accounts as of December 31, 2020 and 2019 is \$1,125,605 and \$673,036, respectively.

Property and Equipment

Property and equipment are stated at cost, except for assets acquired under business combinations, which are recorded at fair value at the date of acquisition. Additions and improvements that significantly extend the useful life of assets are capitalized. Maintenance and repair costs are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of property and equipment are as follows: furniture and fixtures are over seven years; computer software is three years; computer and office equipment, and vehicles are over five years.

Leases

The Company reviews all leases for capital or operating classification at their inception. The Company generally enters into lease arrangements as an operating lease for their facilities and certain office equipment. For leases that contain rent escalations, the Company records the total rent expense during the lease term on a straight-line basis over the term of the lease. Differences between the rents paid and the straight-line rent are recorded as a deferred rent liability on the

Government Brands Holdings, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

balance sheet. Additionally, rent incentives, such as free rent or leasehold allowances, are recorded as deferred rent liabilities. The deferred rent liability accounts are classified as short-term or long-term in the accompanying consolidated balance sheet based upon the period when reversal of the liability is expected to occur. The Company classifies the amortization of lease incentives as a reduction of selling, general and administrative expenses in the consolidated statement of operations and comprehensive income.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over the identifiable net assets from the businesses that the Company acquired. The Company applies the accounting alternative provided by Accounting Standards Update (ASU) 2014-02, *Intangibles - Goodwill and Other (Topic 350): Accounting for Goodwill*, and elected to amortize goodwill on a straight-line basis over a period of ten years. Under ASU 2014-02, the Company evaluates goodwill for impairment only when a triggering event occurs indicating the fair value of the Company may be less than the carrying value. When a triggering event occurs, the Company performs a qualitative assessment to determine if a quantitative test is needed. If that assessment demonstrates that it is more likely than not that an impairment does not exist, no further testing is required. If impairment of goodwill is more likely than not, a quantitative test is required that compares the fair value of the Company with the current amount on the balance sheet. The amount by which the current amount on the balance sheet exceeds fair value is recorded as an impairment loss, up to the full amount of goodwill.

The Company's intangible technology assets are subject to amortization and are amortized using the straight-line method over an estimated five-year life. The Company's tradename assets are subject to amortization and are amortized using the straight-line method over an estimated ten-year life. All intangible assets with definite lives are tested for impairment if conditions exist that indicate the carrying value may not be recoverable. When a triggering event occurs, the Company performs a qualitative assessment to determine if a quantitative test is needed. If that assessment demonstrates that it is more likely than not that an impairment does not exist, no further testing is required. If impairment of the intangible asset is more likely than not, a quantitative test is required that compares the fair value of the Company with the current amount on the balance sheet. The amount by which the current amount on the balance sheet exceeds fair value is recorded as an impairment loss, up to the full amount of the asset.

Equity-Based Compensation

The Company accounts for its management incentive units as equity-based compensation awards to employees and directors in accordance with the provisions of ASC 718, *Compensation - Stock Compensation*. Equity-based compensation cost is measured at the grant date based on the estimated fair value of the award. Equity-based compensation expense is recognized on a straight-line basis over the vesting period. At the end of each period, the actual forfeiture rate is recognized as they occur. Equity-based compensation cost is recorded in the applicable financial statement line item in Selling, General and Administrative Expense.

There are significant judgments and estimates inherent in the determination of fair value. These judgments and estimates include determinations of an appropriate valuation method and the selection of appropriate inputs to be used in the valuation model.

Government Brands Holdings, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

Income Taxes

The Company is a limited liability company taxed as a partnership. The Company is generally not directly subject to income taxes under the provisions of the Internal Revenue Code and most applicable state laws. Therefore, taxable income or loss is reported to the LLC members for inclusion in its respective tax returns.

The Company's wholly owned subsidiaries are treated as disregarded entities for income tax purposes, with the exception of Government Brands Holdco, Inc., [REDACTED], and [REDACTED] as further discussed below, and their taxable income or losses will be included in the Company's Corporate income tax returns.

The Company's taxable subsidiaries account for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50%; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management's judgment.

The Company recognizes accrued interest and penalties associated with uncertain tax positions as part of its tax provision. As of December 31, 2020 and 2019, there were no accrued interest and penalties associated with uncertain tax positions. Management believes there are no material amounts of uncertain tax positions as of December 31, 2020 and 2019.

No interest or penalties have been recognized in the statement of operations. There are no uncertain tax positions which are expected to increase or decrease in the next twelve months.

Impairment of Long-Lived Assets

In accordance with ASC 360, *Property, Plant, and Equipment*, long-lived assets, such as property and equipment and internally developed software subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a

Government Brands Holdings, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

comparison of the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset or asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized for the amount in which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are separately presented in the consolidated balance sheet and reported at the lower of the carrying amount or fair value less costs to sell and are no longer depreciated.

Advertising Costs

Advertising costs are expensed as incurred and totaled approximately \$232,890 and \$946,566 for the years ended December 31, 2020 and 2019, respectively.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Authoritative guidance for fair value measurements establishes a three-level hierarchy that prioritizes the inputs to valuation models based upon the degree to which they are observable. The three levels of the fair value measurement hierarchy are as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 - Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs are unobservable input for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The Company's cash, accounts receivable, accounts payable, accrued expenses, and current portion of accrued contingent considerations and notes payable are considered financial instruments. These assets and liabilities' carrying amounts approximate their fair value due to their short-term nature. The estimated carrying value of the notes payable to sellers approximates its fair value as the notes payable were recently obtained and the effective interest rates approximate current market rates. The Company does not have any assets or liabilities measured at fair value on a recurring basis.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of risk consist principally of cash, and accounts receivable. The Company's cash are primarily invested in deposits at a major financial institution in the U.S. At times, deposit balances may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit. Management believes that the financial institution is financially sound and, accordingly, believes that minimal credit risk exists. The Company has not experienced any losses on its deposits of cash.

Most of the Company's customers are in the United States. No customer accounted for more than 10% of the Company's revenue during the year ended December 31, 2020 and 2019 or accounts receivable at December 31, 2020 and 2019.

Government Brands Holdings, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

Debt Modifications and Extinguishments

In accordance with ASC Topic 470-50, *Debt - Modifications and Extinguishments (Topic 470)*, During 2020, there were no debt modification or extinguishment of the debt. During 2019, the transactions noted below are determined to be an extinguishment of the existing debt and an issuance of new debt. During the year ended December 31, 2019 the Company recorded a loss on the extinguishment of debt in the amount of \$3,158,680, in the line item selling, general and administrative expenses in its consolidated statements of operations. Of the \$3,158,680 loss on the extinguishment of debt in 2019, \$1,543,308 was for early breakage fees that the Company paid to the holders of its previous notes. The Company also wrote off \$1,345,667 which represented the deferred financing fees related to the extinguished debt facilities. The remaining loss on extinguishment charges were due to general and legal costs to the prior Note holders.

Foreign Currency

We use the local currency as the functional currency in the majority of the countries in which we conduct business outside of the United States. We translate the assets and liabilities denominated in foreign currencies into U.S. dollars at the current rates of exchange at the balance sheet date. We include the translation gains and losses as a separate component of shareholders' equity and in the determination of comprehensive income (loss). We translate revenue and expenses in foreign currencies at the weighted average exchange rates for the period. We separately state the foreign currency transaction gains and losses on short-term intercompany balances in the consolidated statements of operations. We include all other realized and unrealized foreign currency transaction gains (losses) in selling, general and administrative expenses.

COVID-19

The Company is dependent on its workforce to deliver its services. Developments such as social distancing and shelter-in-place directives may impact the Company's ability to deploy its workforce effectively. These same developments may affect the operations of the Company's customers, as their own workforces and operations are disrupted by efforts to curtail the spread of this virus. To date, the Company has not experienced significant impact to its operations; however, these disruptions may negatively impact the Company's sales, its results of operations, financial condition, and liquidity. On March 27, 2020 the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) was signed into law in the United States. The CARES Act, among other things, includes provisions related to the deferment of employer-side federal payroll taxes.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*. The guidance in ASU 2016-02 supersedes the lease recognition requirements in ASC Topic 840, *Leases* (FAS 13). ASU 2016-02 requires an entity to recognize lease assets and lease liabilities on the balance sheet and to disclose key information about the entity's leasing arrangements. The update will be applied on a modified retrospective approach. The standard is effective for nonpublic entities annual periods beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impact of this guidance on the financial statements.

In February 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires an entity to recognize expected credit losses at asset origination. The standard is effective for nonpublic entities annual

Government Brands Holdings, LLC and Subsidiaries

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A positive net working capital adjustment of \$46,157 related to the net working capital estimate was accounted for in full during 2019.

████████████████████

Effective April 4, 2019, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$43,081,868 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ provides Court Case Management and Land Recordation software and services that meet the needs of municipal and county governments. The Company incurred transaction costs of \$2,540,643 related to this acquisition which were expensed as incurred and recorded as transaction cost in the statements of operations.

A negative net working capital adjustment of \$292,156 related to the net working capital estimate was accounted for in full during 2019.

██████████

Effective June 25, 2019, the Company acquired specific assets from ██████████ for the purchase price of \$846,750 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ provided a SaaS payment platform to governmental entities to collect citations, court fees, utilities, taxes, etc. The ██████████ SaaS platform was taken out of service and all customers moved to the ██████████ platform. The Company incurred transaction costs of \$354,138 related to this acquisition which were expensed as incurred and recorded as transaction cost in the statements of operations.

████████████████████

Effective July 16, 2019, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$1,257,275.53 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ is a provider of Windows-based client/server property tax assessment and collection software that meet the needs of the Property Valuation Administrators' offices and Sheriffs' in ██████████ and ██████████. The Company incurred transaction costs of \$302,938 related to this acquisition which were expensed as incurred and recorded as transaction cost in the statements of operations.

An excess cash adjustment of \$7,275 was accounted for in full during 2019.

████████████████████

Effective August 1, 2019, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$7,008,863 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ provides integrated land records management software, property tax assessment software, and services that meet the needs of municipal and county governments of ██████████. The Company incurred transaction costs of \$511,779 related to this acquisition which were expensed as incurred and recorded as transaction cost in the statements of operations.

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██████████

Effective October 4, 2019, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$5,338,446 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ provides cloud-based software program that allows individual citizens to make property tax payments and allows mortgage processors to pay property taxes in mass. ██████████ also facilitates the annual ██████████ tax lien sale through a dedicated portal. The Company incurred transaction costs of \$489,575 related to this acquisition which were expensed as incurred and recorded as transaction cost in the statements of operations.

A negative net working capital adjustment of \$5,443 related to the working capital estimate was accounted for in full during 2019.

██████████

Effective November 1, 2019, the Company acquired specific assets from ██████████ for the purchase price of \$594,643 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ had one product, ██████████, that allows officers and judges to complete the warrant process online or on a mobile device in a matter of minutes. The ██████████ SaaS platform was moved into ██████████ and is managed as a product line within ██████████. The Company incurred transaction costs of \$267,926 related to this acquisition which were expensed as incurred and recorded as transaction cost in the statements of operations.

██████████

Effective November 27, 2019, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$4,974,454 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ provides leading software services for the calculation and collection of real property and personal property taxes in ██████████ and ██████████. The Company incurred transaction costs of \$433,635 related to this acquisition which were expensed as incurred and recorded as transaction cost in the statements of operations.

A negative net working capital adjustment of \$711,483 related to the net working capital estimate and an excess cash adjustment of \$515,577 was accounted for in full during 2019.

██████████

Effective December 23, 2019, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$1,588,720 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ provides strategic planning, ERP and Budget implementations, business intelligence, and custom product development. The Company incurred transaction costs of \$317,812 related to this acquisition which were expensed as incurred and recorded as transaction cost in the statements of operations.

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

The consideration paid for these acquisitions, as well as the amounts of estimated fair value of assets acquired and liabilities assumed at each acquisition date, are summarized as follows:

Cash	\$ 6,008,001	\$ 2,006,697	\$ 2,994,280	\$ 41,232,343	\$ 599,750	\$ 1,257,276
Series A rollover equity	-	-	-	1,849,525	-	-
Series B rollover equity	244,817	753,285	753,285	-	247,000	-
Total Consideration Paid	\$ 6,252,818	\$ 2,759,982	\$ 3,747,565	\$ 43,081,868	\$ 846,750	\$ 1,257,276
Current assets	\$ 550,729	\$ 131,454	\$ 365,997	\$ 5,087,271	\$ -	\$ 95,341
Property and equipment	27,219	16,681	31,214	1,197,343	-	-
Deferred tax asset	-	377,257	-	-	-	29,286
Other assets	-	-	-	12,559	-	-
Total Tangibles	577,948	525,392	397,211	6,297,173	-	124,627
Trademarks or tradename	480,000	230,000	320,000	3,050,000	-	-
Internally developed software	420,000	150,000	170,000	1,360,000	-	-
Goodwill	5,306,936	1,987,065	3,585,605	35,803,570	846,750	1,157,646
Total Intangibles	6,206,936	2,367,065	4,075,605	40,213,570	846,750	1,157,646
Accounts payable and accrued expenses	291,831	58,119	80,268	388,875	-	312
Deferred revenue	-	74,356	376,000	3,040,000	-	24,685
Deferred tax liabilities	240,235	-	268,983	-	-	-
Total Liabilities	532,066	132,475	725,251	3,428,875	-	24,997
Total Consideration	\$ 6,252,818	\$ 2,759,982	\$ 3,747,565	\$ 43,081,868	\$ 846,750	\$ 1,257,276

Government Brands Holdings, LLC and Subsidiaries

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Cash	\$ 6,000,000	\$ 3,993,295	\$ 425,000	\$ 4,554,094	\$ 1,000,000
Series A rollover equity	-	-	-	-	-
Series B rollover equity	1,008,863	1,345,151	169,643	420,360	339,286
Total Consideration Paid	\$ 7,008,863	\$ 5,338,446	\$ 594,643	\$ 4,974,454	\$ 1,339,286
Current assets	\$ 137,335	\$ 673,648	\$ 22,864	\$ 878,410	\$ 172,195
Property and equipment	59,803	48,449	-	43,319	-
Other assets	-	-	-	119,420	-
Deferred tax asset	-	-	-	-	83,677
Total Tangibles	197,138	722,097	22,864	1,041,149	255,872
Trademarks or tradename	320,000	330,000	-	420,000	-
Internally developed software	230,000	350,000	-	360,000	-
Goodwill	6,392,662	4,579,926	588,729	4,178,166	1,287,226
Total Intangibles	6,942,662	5,259,926	588,729	4,958,166	1,287,226
Accounts payable and accrued expenses	11,545	622,237	-	202,524	30,691
Deferred revenue	22,852	-	16,950	822,337	173,121
Deferred tax liabilities	96,540	211,156	-	-	-
Total Liabilities	130,937	833,393	16,950	1,024,861	203,812
Total Consideration	\$ 7,008,863	\$ 5,148,630	\$ 594,643	\$ 4,974,454	\$ 1,339,286

Current assets acquired as part of the Pioneer acquisition consists of \$3,473,287 in cash and \$1,722,326 in accounts receivable. The Company has completed its purchase accounting for all acquisitions completed as of December 31, 2019.

Government Brands Holdings, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

2020 Acquisitions

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Effective February 28, 2020, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$4,940,415 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ is a customer-driven service provider, dedicated to helping small urban and rural municipalities in ██████████ monitor and maintain their assets. The Company incurred transaction costs of \$542,546 related to this acquisition.

A negative net working capital adjustment of \$380,854 related to the working capital estimate and excess cash adjustment of \$281,537 was accounted for in full during 2020.

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Effective April 27, 2020, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$3,431,326 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ provides a variety of critical state-of-the-art applications such as electronic reading, redaction, disaster recovery, licensing, permitting, online record access and host of others. The Company incurred transaction costs of \$491,035 related to this acquisition.

A positive net working capital adjustment of \$177,903 related to the working capital estimate and a negative excess cash adjustment of \$1,041 was accounted for in full during 2020.

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Effective July 31, 2020, the Company acquired substantially all the issued and outstanding stock of ██████████, for the purchase price of \$21,365,785 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ is committed to helping assessors efficiently determine the most accurate property values with their innovative CAMA (Computer Aided Mass Appraisal) software, expert appraisal, and implementation services. The Company incurred transaction costs of \$1,086,150 related to this acquisition.

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Effective October 1, 2020, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$5,244,756 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ provides a single-tenant native Windows desktop solution whose primary purpose is to generate property assessments for municipalities to calculate property taxes. The Company incurred transaction costs of \$406,395 related to this acquisition.

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Effective December 3, 2020, the Company acquired substantially all the issued and outstanding stock of ██████████ for the purchase price of \$381,687 as presented in the Consideration Paid and Purchase Price Allocation table below. ██████████ provides an analytics platform with public data for several ██████████ municipalities and the US within their dashboard embed feature. The Company incurred transaction costs of \$178,500 related to this acquisition.

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

The consideration paid for these acquisitions, as well as the amounts of estimated fair value of assets acquired and liabilities assumed at each acquisition date, are summarized as follows:

Cash	\$ 4,670,683	\$ 3,176,862	\$ 19,134,535	\$ 5,244,756	\$ 381,687
Series A rollover equity	-	-	2,231,250	-	-
Series B rollover equity	269,732	254,464	-	-	-
Total Consideration Paid	\$ 4,940,415	\$ 3,431,326	\$ 21,365,785	\$ 5,244,756	\$ 381,687
Current assets	\$ 660,750	\$ 1,776,087	\$ 1,768,471	\$ 363,619	\$ 82,364
Property and equipment	99,200	96,978	73,631	2,789	3,943
Other assets	-	58,893	-	63,893	-
Deferred tax asset	-	-	-	-	-
Total Tangibles	759,950	1,931,958	1,842,102	430,301	86,307
Trademarks or tradename	350,000	260,000	1,310,000	150,000	-
Internally developed software	340,000	290,000	400,000	240,000	-
Goodwill	5,331,924	2,598,188	21,073,058	4,741,980	519,456
Total Intangibles	6,021,924	3,148,188	22,783,058	5,131,980	519,456
Accounts payable and accrued expenses	456,134	328,037	750,177	119,175	33,968
Deferred revenue	1,197,015	1,167,453	2,067,000	95,000	190,108
Deferred tax liabilities	188,310	153,330	442,198	103,350	-
Total Liabilities	1,841,459	1,648,820	3,259,375	317,525	224,076
Total Consideration	\$ 4,940,415	\$ 3,431,326	\$ 21,365,785	\$ 5,244,756	\$ 381,687

The Company has completed its purchase accounting for all acquisitions completed as of December 31, 2020.

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

4. Goodwill and Intangible Assets

The Company's goodwill and intangible assets, all of which have finite lives, consist of the following as of December 31, 2020 and 2019:

December 31, 2020

	Weighted-Average Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Goodwill	10	\$ 320,098,966	\$ 71,318,841	\$ 248,780,125
Intangible Assets				
Internally developed software	5	12,955,790	5,583,026	7,372,764
Trademarks and trade names	10	20,804,346	4,524,673	16,279,673
Total Intangible Assets		33,760,136	10,107,699	23,652,437
Total Goodwill and Intangible Assets		\$ 353,859,102	\$ 81,426,540	\$ 272,432,562

December 31, 2019

	Weighted-Average Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Goodwill	10	\$ 285,586,294	\$ 41,237,677	\$ 244,348,617
Intangible Assets				
Internally developed software	5	11,658,000	3,111,533	8,546,467
Trademarks and trade names	10	18,710,000	2,548,500	16,161,500
Total Intangible Assets		30,368,000	5,660,033	24,707,967
Total Goodwill and Intangible Assets		\$ 315,954,294	\$ 46,897,710	\$ 269,056,584

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Amortization expense for the next five years and thereafter for the goodwill and intangible assets listed above is estimated to be as follows for years ending:

December 31,

2021	\$ 36,492,509
2022	36,492,509
2023	35,461,571
2024	34,427,070
2025	34,024,248
Thereafter	95,534,655
<hr/>	
Total	\$ 272,432,562

Amortization of goodwill and intangible assets totaled \$34,529,719 and \$29,461,265 for the years ended December 31, 2020 and 2019 and included as amortization and depreciation within the statements of operations.

5. Long Term Debt

Notes Payable

On March 6, 2018, the Company issued a promissory note in connection with the acquisition of [REDACTED] (see Note 3) for an amount equal to \$7,500,000 bearing interest at a rate equal to 7% per annum that commenced on the date of the note and continues on the outstanding principal until the note is paid in full. The Company will not make any principal or interest payments until the maturity date on October 1, 2023, at which time all principal and interest amounts will be due and payable. The interest is paid-in-kind and added to the outstanding principal balance at the end of each fiscal year. The balance of the promissory note totaled \$9,080,782 and \$8,485,016 as of December 31, 2020 and 2019, respectively, and is recorded in long-term debt.

On January 2, 2019, the Company entered into a related party agreement with Providence Equity Partners, LLC who is an owner of the Company, that issued a convertible promissory note in an amount equal to \$3,000,000 bearing interest at a rate equal to Libor + 9.25% per annum that commenced on the date of the note and continued on the outstanding principal until the note was paid in full or converted. The Company was not required to make any principal or interest payments until the maturity date on April 2, 2019. The funds were used to complete the [REDACTED] acquisition. On March 11, 2019, the Company signed an amendment extending the maturity date to September 29, 2019 with no prepayment penalty and all other terms remaining the same. On July 8, 2019, the Company paid the balance of the promissory note including accrued interest in full totaling \$3,182,130.

On April 4, 2019, the Company entered into a related party agreement with Providence Equity Partners, LLC who is an owner of the Company, that issued a convertible promissory note in an amount equal to \$10,000,000 bearing interest at a rate equal to Libor + 9.25% per annum that commenced on the date of the note and continued on the outstanding principal until the note was paid in full or converted. The Company was not required to make any principal or interest payments until the maturity date on July 3, 2019. The funds were used to complete the [REDACTED] acquisition. On July 8, 2019, the Company paid the balance of the promissory note including accrued interest in full totaling \$10,308,420.

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

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On July 8, 2019, the Company refinanced its previous term loans with the proceeds of a new term loan facility (see ██████████ agreement below). As a result, the Company recorded a loss on the extinguishment of debt in the amount of \$3,158,680 which is included in selling, general and administrative expenses in the accompanying consolidated statements of operations. Of the \$3,158,680 loss on the extinguishment of debt, \$1,543,308 was for early breakage fees that the Company paid to the holders of its previous notes. The Company also wrote off \$1,345,667 which represented the deferred financing fees related to the extinguished debt facilities. The remaining loss on extinguishment charges were due to general and legal costs to the prior note holders.

On July 8, 2019, the Company entered into a financing agreement with ██████████ ██████████ to extend certain credit facilities to the Company in an aggregate principal amount not exceeding \$137,500,000, consisting of (a) 80,000,000 initial aggregate term loan, (b) 7,500,000 aggregate principal amount of revolving credit facility, and (c) 50,000,000 in aggregate delayed draw term loan commitments that mature on July 9, 2025. The term loan and delayed draw term loan require that .25% of the initial aggregate principal amount be repaid in quarterly installments beginning on the last day of December 2020. The facilities are collateralized by all assets of the Company. The term loan was used to refinance the convertible promissory notes and long-term debt held by the Company on the date of the loan. The delayed term loans may be used in funding acquisitions and costs related thereto of the Company. The interest rate on the terms loans and delayed draw term loans is LIBOR + 6.25%. There is a 50 basis-point fee on the unused portion of the revolving credit facility and a 100 basis-point fee on the unused portion of the delayed draw term loan.

As of December 31, 2019, the total amounts outstanding on the term loan and delayed draw term loans was \$103,000,000. No amounts were outstanding on the revolving credit facility as of December 31, 2019.

As of December 31, 2020, the total amounts outstanding on the term loan and delayed draw term loans was \$106,910,000. As of December 31, 2020, the outstanding balance on the revolving credit facility was \$7,500,000.

The Company is required to maintain certain financial and non-financial covenants and was in compliance with all covenants as of December 31, 2020.

Future minimum principal repayments on the long-term debt, excluding capital leases, are as follows at December 31, 2020.

December 31,

2021		\$ 1,082,500
2022		1,082,500
2023		10,163,282
2024		1,082,500
2025		110,080,000
Total		\$ 123,490,782

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Debt Issuance Costs

The Company capitalized applicable debt issuance costs and amortizes these costs over the term of the underlying debt using the effective interest method in interest expense. The unamortized portion of debt issuance costs are included in long-term debt in the Company’s consolidated balance sheets. There was \$2,263,103 and \$2,719,802 of capitalized debt issuance costs at December 31, 2020 and 2019, respectively.

Capital Lease Financing

The Company entered into lease obligations that are classified as capital leases and the lease liability are included in long-term debt in the Company’s consolidated balance sheets. There was \$270,949 and \$239,671 of capital lease liability at December 31, 2020 and 2019, respectively.

6. Members’ Equity

Government Brands Holdings, LLC (the Company) was formed on November 27, 2017. The Company’s Amended and Restated Limited Liability Company Agreement, dated as of February 21, 2018 (as amended, the Operating Agreement), initially authorized the issuance of 217,000,000 Units, which were further classified as (i) 150,000,000 Series A Units, (ii) 25,000,000 Series B Units, (iii) 21,000,000 Common Units, and (iv) 21,000,000 Management Incentive Units (MIU). On May 4, 2018, the number of authorized Series A Units was increased to 200,000,000. On April 29, 2019, the number of authorized MIU was increased to 23,000,000.

The Company had issued and outstanding the following numbers of units:

<i>December 31,</i>	2020	2019
Units		
Series A Units	270,153,083	247,509,033
Series B Units	14,925,000	14,005,357
Common Units	-	-
Management Incentive Units	22,895,467	22,325,467

Holders of Series A Units and Series B Units are each entitled to one (1) vote per Series A Unit or Series B Unit, as applicable. Such holders shall vote together and not as separate classes (unless expressly specified in the Operating Agreement). Common Units and MIU are nonvoting (unless expressly specified in the Operating Agreement). The holders of a majority in interest of the outstanding Series A Units are entitled to appoint two (2) members of the Board of Managers of the Company (who in turn each have one (1) vote on matters submitted to the Board of Managers).

MIU are profits interests granted in exchange for services provided to the Company or its subsidiaries. MIU are subject to vesting requirements as set forth in the respective grant agreements (and may be subject to forfeiture upon the terms set forth in the respective grant agreements).

The Company has a call right with respect to MIUs held by employees of the Company or its subsidiaries in the event of termination of such employee’s service.

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Liquidation Preferences

Upon the occurrence of a liquidation event, the holders of Series A Units shall be entitled to receive, on a pro rata basis, prior and in preference to any distribution of any of the assets of the Company to the holders of Series B Units, Common Units or MIU, an amount per Series A Unit equal to the original issue price of such Series A Unit plus an 8% per annum preferred return (compounded annually), less prior distributions.

Following full distribution of the Series A liquidation preference and preferred return, the holders of Series B Units shall be entitled to receive, on a pro rata basis, prior and in preference to any distribution to the holders of Common Units or MIU, an amount per Series B Unit equal to the original issue price of such Series B Unit plus an 8% per annum preferred return (compounded annually), less prior distributions.

Following full distribution of the Series B liquidation preference and preferred return, the holders of Common Units and MIU shall be entitled to receive, on a pro rata basis, an amount per Common Unit or MIU, as applicable, equal to the amount such holders would have been entitled to receive had the aggregate amount of the Series A preferred return and the Series B preferred return been distributed to all holders of Units pro rata. Thereafter, any remaining assets shall be distributed, pro rata, to all holders of Units in proportion to their ownership interest in the Company.

Notwithstanding the foregoing, holders of MIU shall not be entitled to receive any distributions until such MIU have become vested and aggregate distributions of the Company have exceed the then-applicable hurdle amount.

Equity Incentive Plan

All MIUs are profits interests and have been issued for services performed for the Company. On December 31, 2020 and 2019, there were 104,533 and 674,533 MIU available for the Company to issue. The fair value of each MIU is estimated on the date of the grant using an option pricing model taking into consideration the equity preferences and hurdle rates and has been recorded by the Company as an equity-based expense over the service period.

Profit interests in the form of MIU activity is as follows:

	Number of Units	Weighted-Average Grant Date Value
Non-vested Units, December 31, 2018	14,567,467	\$ 0.22
Granted	2,215,000	0.21
Canceled	(470,000)	0.22
Vested	(4,533,429)	0.22
Non-vested Units, December 31, 2019	11,779,038	0.22
Granted	2,230,000	0.33
Canceled	(1,660,000)	0.22
Vested	(7,723,733)	0.21
Non-vested Units, December 31, 2020	4,625,305	\$ 0.33

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

The total fair value of units vested for the year ended December 31, 2020 and 2019 was \$2,551,149 and \$997,354. Total compensation recognized for the year ended December 31, 2020 and 2019 was \$702,313 and \$832,399. At December 31, 2020 and 2019, there was \$1,527,738 and \$2,472,838 of total unrecognized compensation costs related to unvested MIU issued under the Equity Incentive Plan, which is expected to be recognized over a weighted-average period of 4.0 years.

7. Property and Equipment

Depreciation expense for the years ending December 31, 2020 and 2019 was \$930,170 and \$708,245, respectively, was recorded as amortization and depreciation within the statements of operations. Property and equipment consist of the following:

<i>December 31,</i>	2020	2019
Furniture and fixtures	\$ 998,035	\$ 1,030,023
Computer equipment and software	2,262,535	1,880,956
Office equipment	143,456	97,331
Automobiles	73,051	74,028
Leasehold improvements	1,138,797	1,129,871
Total Cost	4,615,874	4,212,209
Accumulated depreciation	1,839,796	1,022,660
Property and Equipment, Net	\$ 2,776,078	\$ 3,189,549

8. Leases

The Company leases certain facilities under agreements classified as operating leases through 2027. Certain leases contain renewal options for various periods and are solely executable at the desire of the Company. Future minimum lease payments on operating leases with noncancelable lease terms in excess of one year are as follows at December 31, 2020:

<i>December 31,</i>	
2021	\$ 1,995,807
2022	1,846,414
2023	1,404,719
2024	1,319,713
2025	1,121,537
Thereafter	1,765,208

Rent expense totaled \$2,000,139 and \$1,596,915 for the year ended December 31, 2020 and 2019.

9. Other Current Liabilities

Other current liabilities primarily consist of accrued payroll costs including commission and bonus expense, merchant fees, and professional fees incurred at year end.

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

10. Income Taxes

No interest or penalties have been recognized in the statement of operations and comprehensive income. There are no uncertain tax positions which are expected to increase or decrease in the next twelve months.

The components of the provision for income tax expense were as follows:

Year ended December 31, 2020

	Federal	State	Foreign	Total
Current expense	\$ -	\$ 119,973	\$ 130,473	\$ 250,446
Deferred expense	316,602	6,036	(71,897)	250,741
Total Provision	\$ 316,602	\$ 126,009	\$ 58,576	\$ 501,187

Year ended December 31, 2019

	Federal	State	Foreign	Total
Current expense	\$ 620,980	\$ 243,209	\$ -	\$ 864,189
Deferred expense	(75,528)	(21,938)	-	(97,466)
Total Provision	\$ 545,452	\$ 221,271	\$ -	\$ 766,723

The total tax expense for the year ended December 31, 2020 differs from the amount of income tax expected by applying the U.S. federal income tax rate of 21% to pre-tax income of the Corporate subsidiaries primarily due to non-deductible goodwill amortization, transfer pricing adjustments and state income taxes.

Pursuant to ASC 740-10-30-2, deferred tax assets and liabilities are measured using current period enacted rates applicable to taxable income in the years in which those temporary differences are expected to be resolved or settled.

Temporary differences and carryforwards that give rise to deferred tax assets and liabilities were as follows:

<i>December 31,</i>	2020	2019
Deferred Tax Assets (Liabilities)		
NOLs and credits	\$ 957,277	\$ 687,020
Accruals and reserves	(739,039)	76,490
Deferred revenue	187,533	220,990
Intangible assets	(1,720,043)	(1,270,099)
481(a) adjustments	(121,366)	(203,126)
Fixed assets	(34,322)	(14,941)
Other	613	591
Net Deferred Tax Liability	\$ (1,469,347)	\$ (503,077)

Government Brands Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

14. Subsequent Events

Events that have taken place subsequent to the financial statement date of December 31, 2020, but before the financial statements have been issued have been evaluated for their impact on the financial statements through May 28, 2021.

Acquisitions that have taken place since December 31, 2021 are discussed in Note 3 above.

On January 8, 2021, the Company entered into second amendment to credit agreement with [REDACTED], increasing the term loan in an aggregate amount of \$37,500,000 and a revolving commitment increase in an aggregate principal amount of \$2,500,000. Further, the Company requested for additional Delayed Draw Term Commitments in an aggregate principal amount of \$50,000,000.