

AMENDMENT NO. 1

LSL, LLP
AGREEMENT FOR PROFESSIONAL SERVICES

THIS AMENDMENT NO. 1 TO AGREEMENT FOR PROFESSIONAL SERVICES, ("Amendment No. 1") is made and entered this ____ day of _____, 2026, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and LSL, LLP, a California limited liability partnership (hereinafter "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into an Agreement for Professional Services to provide (services provided) on May 1, 2023 (the "Agreement"), attached hereto as Exhibit 1 and made a part hereof; and
2. WHEREAS, CITY now requests to amend the scope of services of the original Agreement and add additional funds in an amount not-to-exceed \$84,910, for a total Agreement amount not to exceed \$523,328, attached as Exhibit 2 and incorporated herein; and
3. WHEREAS, CITY and CONTRACTOR agree to said amendments.

NOW, THEREFORE, the parties agree to amend the Agreement as set forth above. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 1 on the date and year first above written.

CITY OF LODI, a municipal corporation,
hereinabove called "CITY"

LSL, LLP, a California Limited Liability
Partnership hereinabove called
"CONTRACTOR"

AARON M. BUSCH
Interim City Manager

CHRISTIAN TOWNES
Partner

ATTEST:

OLIVIA NASHED
City Clerk

APPROVED AS TO FORM:

JOHN LUEBBERKE
Interim City Attorney 

AGREEMENT FOR PROFESSIONAL SERVICES

**ARTICLE 1
PARTIES AND PURPOSE**

Section 1.1 Parties

THIS AGREEMENT is entered into on March 2, 2023, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and Lance, Soll & Lunghard, LLP (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for Auditing Services (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

**ARTICLE 2
SCOPE OF SERVICES**

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on May 1, 2023 and terminates upon the completion of the Scope of Services or on December 31, 2025, whichever occurs first.

Section 2.7 Option to Extend Term of Agreement

At its option, City may extend the terms of this Agreement for an additional two (2) one (1)-year extensions; provided, City gives Contractor no less than thirty (30) days written notice of its intent prior to expiration of the existing term. In the event City exercises any option under this paragraph, all other terms and conditions of this Agreement continue and remain in full force and effect.

The total duration of this Agreement, including the exercise of any option under this paragraph, shall not exceed five (5) years.

ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910
Attn: Melissa Munoz

To CONTRACTOR: Lance, Soll & Lunghard, LLP
2151 River Plaza Dr Ste 150
Sacramento, CA 95833

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the

services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, with the exception of CONTRACTOR's audit work papers, which are considered proprietary in nature, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this


Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

Section 4.22 Counterparts and Electronic Signatures

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:




OLIVIA NASHED
City Clerk


CITY OF LODI, a municipal corporation



STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

By: 



LANCE, SOLL & LUNGHARD, LLP

By: _____
Name: BRANDON YOUNG
Title: Partner

- Attachments:**
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 10095000.72455
(Business Unit & Account No.)

Doc ID:

CA:Rev.01.2023.LT

Candice Alaniz

From: Brandon Young <Brandon.Young@lslcpas.com>
Sent: Wednesday, January 18, 2023 2:22 PM
To: Melissa Munoz
Cc: Vanessa Serna; Candice Alaniz
Subject: RE: PSA Agreement
Attachments: 07.15.22 - CA SOS - Cert of Good Standing.pdf

Hey Melissa,

The only necessary edit I see is in this section. There needs to be sentence added that excludes audit workpapers which are considered proprietary in nature:

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days. CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

And yes we are registered with the Secretary of State, however since we are a Partnership it does not show up on the website when you are looking. I have attached our most recent certification.

Thanks and let me know anything else needed.

Brandon Young, CPA
Partner, Government Services



Lance, Soll & Lunghard, LLP
Direct: 916.562.1579 Office: 916.503.9691
Email: Brandon.Young@lslcpas.com
Web: www.lslcpas.com
Files: [Send me a file \(Secure file upload\)](#)

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From: Melissa Munoz <mmunoz2@lodi.gov>
Sent: Wednesday, January 18, 2023 12:33 PM
To: Brandon Young <Brandon.Young@lslcpas.com>
Cc: Vanessa Serna <vserna@lodi.gov>; Candice Alaniz <calaniz@lodi.gov>
Subject: RE: PSA Agreement

Can you send me the edit's you want to make? We will fill in the blanks. The pricing is separate from this contract. We will attach it as an exhibit (section 3.1 of the contract).

Also, are you registered with the Secretary of the State? If not, can you please tell us why not?

From: Brandon Young <Brandon.Young@lslcpas.com>
Sent: Wednesday, January 18, 2023 12:16 PM
To: Melissa Munoz <mmunoz2@lodi.gov>
Cc: Vanessa Serna <vserna@lodi.gov>; Candice Alaniz <calaniz@lodi.gov>
Subject: RE: PSA Agreement

Doesn't look like I can edit this one. And did you want me to add in any information for pricing from proposal or anything and filling in blanks where needed or was the City going to do that?

Brandon Young, CPA
Partner, Government Services



Lance, Soll & Lunghard, LLP
Direct: 916.562.1579 Office: 916.503.9691
Email: Brandon.Young@lslcpas.com
Web: www.lslcpas.com
Files: [Send me a file \(Secure file upload\)](#)

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If you have received this communication in error, please notify us immediately by telephone (numbers above). Thank you.

From: Melissa Munoz <mmunoz2@lodi.gov>
Sent: Wednesday, January 18, 2023 10:06 AM
To: Brandon Young <Brandon.Young@lscpas.com>
Cc: Vanessa Serna <vserna@lodi.gov>; Candice Alaniz <calaniz@lodi.gov>
Subject: PSA Agreement

Hi Brandon,

Attached is the PSA agreement. Please review, sign and send it back to me. This will get the process going on our end.

In addition, Vanessa will be reaching out to get the following information from you:

- * Insurance requirements – PINS
- * W9
- * Business license

Melissa Munoz
Accounting Manager
City of Lodi
Mmunoz2@lodi.gov
209-269-4638 ext. 4638



PREPARED BY
Lance, Soll & Lunghard, LLP
Certified Public Accountants
License Number 2584

TECHNICAL PROPOSAL

City of Lodi

Auditing Services, Spec. No. 22-01

Date of Submission: January 11, 2023

VALID FOR 60 DAYS

Authorized by
Brandon Young, CPA, Partner
2151 River Plaza Dr., Suite 150
Sacramento, CA 95833
(916) 503-9691

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TRANSMITTAL LETTER

January 11, 2023

Melissa Munoz
Accounting Manager
City of Lodi
310 W. Elm Street
Lodi, CA, 95241

Dear Ms. Munoz,

LANCE, SOLL & LUNGHARD, LLP (“**LSL CPAs**”, “**LSL**”) is pleased to respond to your request for a proposal for auditing services (“RFP”) and we value the opportunity to present our professional qualifications to the City of Lodi (“City”).

This proposal highlights our firm's strength and stability and outlines our comprehensive experience, knowledge, and creative problem-solving capabilities to perform the work defined in your RFP's Scope of Services. Our proposal also showcases our team's demonstrated experience, education, knowledge, and passionate pursuit of excellence.

LSL understands that the City is seeking a qualified firm to perform a financial audit and single audit beginning with fiscal year ending June 30, 2023 for an initial term of three (3) years, with the option of extension for an additional two fiscal years, upon mutual agreement.

LSL understands our responsibilities to perform audits and express opinions on the City's financial statements as well as its fair presentation. These audits will be performed in accordance with GAGAS and generally accepted accounting principles (GAAP), and LSL will assess the internal controls over the programs administering federal financial assistance.

We affirm that our proposal is in accordance with all terms, conditions, and requirements contained in the RFP and that our proposal is a firm and irrevocable offer for 60 days following the closing date of the receipt of proposals, and we invite you to discuss all aspects of this proposal to ensure your satisfaction and preferences are met.

Brandon Young is the assigned Engagement Partner for this proposal and is authorized to make representations on behalf of our firm. He can be reached at (916) 562-1579 and at Brandon.Young@lsicpas.com.

Sincerely,



Brandon Young, CPA, Partner
Lance, Soll & Lunghard, LLP
2151 River Plaza Dr., Suite 150
Sacramento, CA 95833

INDEPENDENCE

LSL meets the independence requirements as defined by the *Government Auditing Standards*. Our partners do not own any other business organization that has in the past, or will in the future, be providing services, supplies, materials, or equipment to the City. A listing of our firm's clients is distributed annually to all employees for review and proper documentation of possible independence threats.

LICENSE TO PRACTICE IN CALIFORNIA

LSL CPAs is a Limited Liability Partnership and is not a wholly owned subsidiary of a parent company. LSL is a public accounting firm licensed by the State of California, Department of Consumer Affairs, as a Public Accounting Partnership. As a firm, we are members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. All key staff to be assigned to this engagement are or will be licensed by the State of California to practice as Certified Public Accountants.

FIRM QUALIFICATIONS AND EXPERIENCE

FIRM HISTORY AND SIZE

LSL CPAs was established in 1929 and has grown as a leader in the government sector. LSL is a full-service accounting firm with offices in Sacramento, Brea, Santa Ana, and Laguna Hills, California as well as in The Woodlands, Texas, with a dynamic team of 14 partners and 135 employees. We provide auditing, accounting, and consulting services to over 70 municipal clients including cities, counties, water and electric utilities, and special-purpose government agencies.

Generally, our government sector services break down into the following major classifications: attestation, compliance, consulting, outsourced accounting and reporting, year-end close assistance, interim staffing, strategic planning, and tax services.

A current list of municipal clients can be found in **Exhibit A**.

LOCATION

We have physical locations in Sacramento, Brea, Santa Ana, and Laguna Hills, California, and in The Woodlands, Texas; however, LSL's virtual footprint for our government team spans across the United States.

The engagement team will primarily be based out of our Sacramento office; however, our offices regularly share staff and resources to ensure all audits are completed timely and efficiently, giving you access to our entire governmental team. All staff assigned to the City will be employed by LSL on a full-time basis.

GOVERNMENT AUDITING STANDARDS

LSL understands its responsibilities to perform audits and issue opinions on the City's financial statements as well as its fair presentation. Our financial audits are performed in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, and Single Audits are performed under OMB Circular A-133 and the new uniform guidance. LSL will also evaluate the adequacy of the City's internal control system and will make the best recommendations for the City's growth and improvement.

DESK REVIEW / DISCIPLINARY ACTION

There have been no disciplinary actions against our organization since its inception. There have been no litigations against our firm in the past three years. Our Single Audit reports are desk reviewed either by the federal cognizant agency or the State Controller's Office acting as the Oversight Agency. We have never had a report rejected by any of these agencies and are highly regarded and recognized by the staff of the State Controller's Office for top-quality reports.

PEER REVIEW

Our firm has participated in the Peer Review Program since its inception. All our peer reviews have covered governmental engagements and have received *pass* ratings. Our peer review for our 2022 fiscal year is currently in progress with an anticipate completion date of February 2023. Our most recent peer review was conducted by Mark F. Wille, A Professional Accountancy Corporation.

A copy of the report is included on the following page.

MARK F WILLE
Certified Public Accountant

Report on the Firm's System of Quality Control

January 11, 2020

To the Partners
Lance Sull & Longland LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Lance Sull & Longland LLP (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants.

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

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

Peer Reviewer's Responsibility
Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith for the review period.

Required Selections and Considerations
As a part of our review, we conducted a review of regulatory queries as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion
In our opinion, the system of quality control for the accounting and auditing practice of Lance Sull & Longland LLP in effect for the year ended May 31, 2019 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiencies or fail. Lance Sull & Longland, LLP has received a peer review rating of pass.

Mark F. Wille, CPA

Mark F. Wille
A Professional Accounting Corporation

SINGLE AUDIT EXPERIENCE

Our firm has top industry experience in performing Single Audits for local government agencies. We perform Single Audits under the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements of Federal Awards (Uniform Guidance), and the United States Office of Management and Budget (OMB).

A list of government audit clients in Exhibit A notes clients for which a single audit has been performed in the last fiscal year. In addition, the table below details a few examples of federal programs that LSL has had recent experience in auditing.

Federal Granting Agency	AL #	Name of Program
U.S. Department of Agriculture	10.557	Special Supplemental Nutrition Program for Women, Infant, and Children
U.S. Department of Housing & Urban Development	14.195	Section 8 Housing Assistance Payment Program
U.S. Department of Housing & Urban Development	14.218	Community Development Block Grants/Entitlement Grants
U.S. Department of Housing & Urban Development	14.228	Community Development Block Grants/State's program and Non-Entitlement Grants In Hawaii
U.S. Department of Housing & Urban Development	14.239	HOME Investment Partnerships Program
U.S. Department of Housing & Urban Development	14.856	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation
U.S. Department of Housing & Urban Development	14.871	Section 8 Housing Choice Vouchers
U.S. Department of Transportation	20.106	Airport Improvement Program
U.S. Department of Transportation	20.205	Highway Planning and Construction
U.S. Department of Transportation	20.507	Federal Transit Formula Grants
U.S. Environmental Protection Agency	66.458	Capitalization Grants for Clean Water State Revolving Funds
U.S. Department of Health and Human Services	93.563	Child Support Enforcement
U.S. Department of Health and Human Services	93.667	Social Services Block Grant
U.S. Department of Health and Human Services	93.676	Unaccompanied Alien Children Program
U.S. Department of Health and Human Services	93.778	Medical Assistant Program - Medicaid Cluster
U.S. Department of Homeland Security	97.036	Disaster Grants- Public Assistance (Presidentially Declared Disasters)
U.S. Department of Homeland Security	97.067	Homeland Security Grant Program

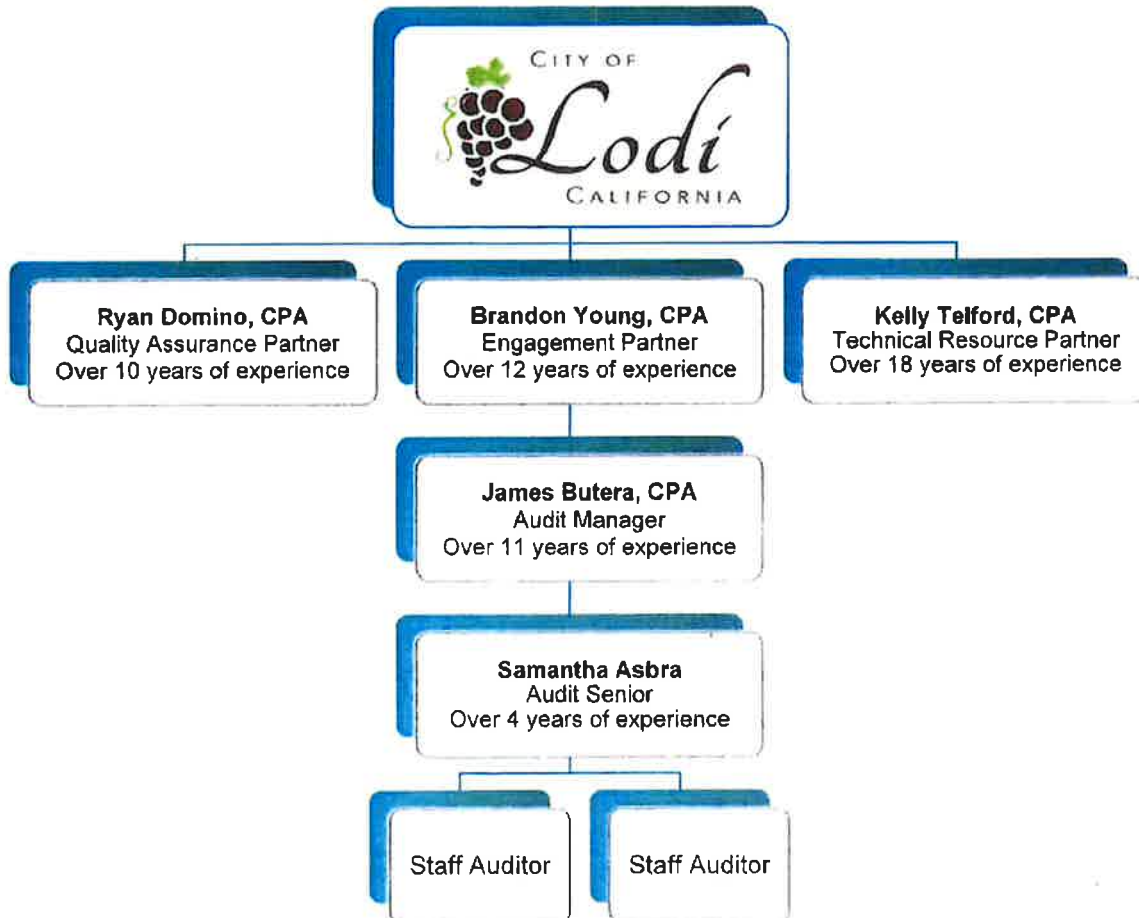
GFOA AWARD PROGRAM

At LSL, we understand the importance of obtaining and maintaining the Certificate of Excellence in Financial Reporting from the GFOA. We prepare the financial statements and footnote disclosures for most of our local governments that have received the GFOA award. All of our governmental partners, managers, and seniors have been closely involved in the preparation of these reports. A detailed list of clients currently receiving the award can be found on Exhibit A.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS

Brandon Young is the assigned Engagement Partner for this proposal and is authorized to make representations on behalf of our firm. He is an expert in governmental accounting and auditing, and he serves on the CalCPA Governmental Accounting and Auditing Committee, a committee specific to the State of California that has been responsible for numerous white papers and technical clarifications, including those for GASB 68, 75 and 87. This equips our firm with the latest knowledge and expertise to train our government audit professionals on the proper implementation of new GASB pronouncements, a competitive advantage that extends to our clients.

Other key employees who would be assigned to the engagement include Ryan Domino, Kelly Telford, James Butera, and Samantha Asbra. The audit team will also consist of an additional 1 to 2 staff auditors for audit fieldwork.



ENGAGEMENT TEAM RESUMES

Team resumes are in **Exhibit B**, which list their position in the firm, education, and years and types of experience, including continuing education courses taken during the past three years.

QUALITY OF STAFF ASSURANCE

LSL will ensure the quality of staffing over the term of the engagement through firm policies that provide for maintaining continuity of engagement teams, except in instances where an employee has left the firm or has been promoted. All other changes in staffing at the Manager position and above will first have the City's expressed written permission.

Our focused efforts to obtain and retain quality staff have further enabled us to provide high levels of service to our clients. If changes are required, our extensive team of government auditors provides for qualified replacements.

RESOURCES

LSL will not be subcontracting any portion of the audits. The members of our team have extensive experience providing auditing services for cities, counties, and special-purpose government agencies. All staff assigned to the City will be employed by LSL on a full-time basis.

CONTINUING EDUCATION

As a firm policy all professional government staff meet the requirement of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Our educational programs include training from CalCPA, AICPA, Government Audit Quality Center, and GFOA.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

A current list of municipal clients can be found in **Exhibit A**.

Exhibit C contains our references for significant engagements performed within the last three years that are similar to the engagement described in this request for proposal, and they are ranked on the basis of total staff hours.

SPECIFIC AUDIT APPROACH

WORK PLAN & SPECIFIC AUDIT APPROACH

We use a governmental audit program that will be tailored to the City's operations to accommodate your specific circumstance and organizational structure. LSL's audit programs are organized by financial statement category, which we believe is the most effective and efficient approach to substantially reduce the risk of omitting important procedures. Our approach increases audit efficiency by linking financial statement assertions, audit objectives, and procedures that are basic to most governmental audit engagements. Throughout the year and during the period of this engagement, our team will be available on a day-to-day basis for consultation on accounting and reporting matters related to new government accounting standards and other ongoing auditing needs. LSL will also communicate new state and national developments affecting municipal finance and reporting standards and trends, including changes in federal/state grant program accounting, and other reporting requirements.

PROPOSED WORK PLAN

Our audit services will be divided into three segments.

Segment 1 - Planning and Obtaining an Understanding

LSL will provide an annual audit communication letter, engagement letter, and Government Audit Quality Center Information letter. The audit communication letter is to be provided to the Board of Directors and can be communicated orally to the Board of Directors or audit committee if requested, where we will discuss planning stages, responsibilities of the Board of Directors, Auditors, and Management, and provide an opportunity to communicate with us as the auditors.

An entrance conference will be scheduled prior to the agreed-upon week of interim testing to ensure that the transition to new auditors is as seamless as possible. Discussions in this meeting include, but are not limited to, an understanding of reports and key milestones for deliverables, prior audit reportable conditions and issues, and "Prepared by Client" (PBC) schedules.

A trial balance is requested for our planning meeting to assist the LSL team in obtaining knowledge of economic conditions, industry elements, and new standards that may affect the City. We will compile a list of PBC items based on our review of the prior year's financial statements and the gathered information that will be provided to the City one month prior to testing or earlier if requested. We operate on a paperless software system and provide a secured cloud-based portal for all clients. The City will have a separate folder that can be customized to organize, and upload requested schedules, support documents, etc.

After interim testing, we will hold an exit meeting to discuss potential weaknesses, if any, and provide feedback for improvements or valuable information gathered from any outside clientele that would benefit the City.

Segment 2 - Financial Audit Testing

Based on the information gathered thus far, we will utilize a customized audit program based on the risk assessment developed during our assessment of the City's internal controls and *Government Auditing Standards*. The primary benefit of a tailored program is a focused set of procedures to address relevant areas. We believe that this approach is both effective and efficient and is critical to compliance with other material laws and regulations.

We will annually compile another customized PBC list for the year-end testing provided at least one month prior or earlier if requested. We will request trial balances from the City for our analytical review to be provided one week before testing is scheduled to commence. Year-end testing will include testing of the balance sheet, revenue and expenditures accounts, confirmation of selected balances, analytical procedures, evaluation of the internal controls, and preparation of reports and letters.

Segment 3 – Conclusion

Based on our year-end exit meeting we will discuss a plan to finalize the financial statements according to the timetable of the City. We will schedule dates for the initial and final drafts including time for LSL's and the City's review and approval of the financial statements. This period will also account for review by the engagement partner and quality assurance partner. After the review and receipt of the signed Representation Letter from the City, LSL will provide a final report no later than November 15 of each respective fiscal year.

LEVEL OF STAFF AND NUMBER OF HOURS TO BE ASSIGNED

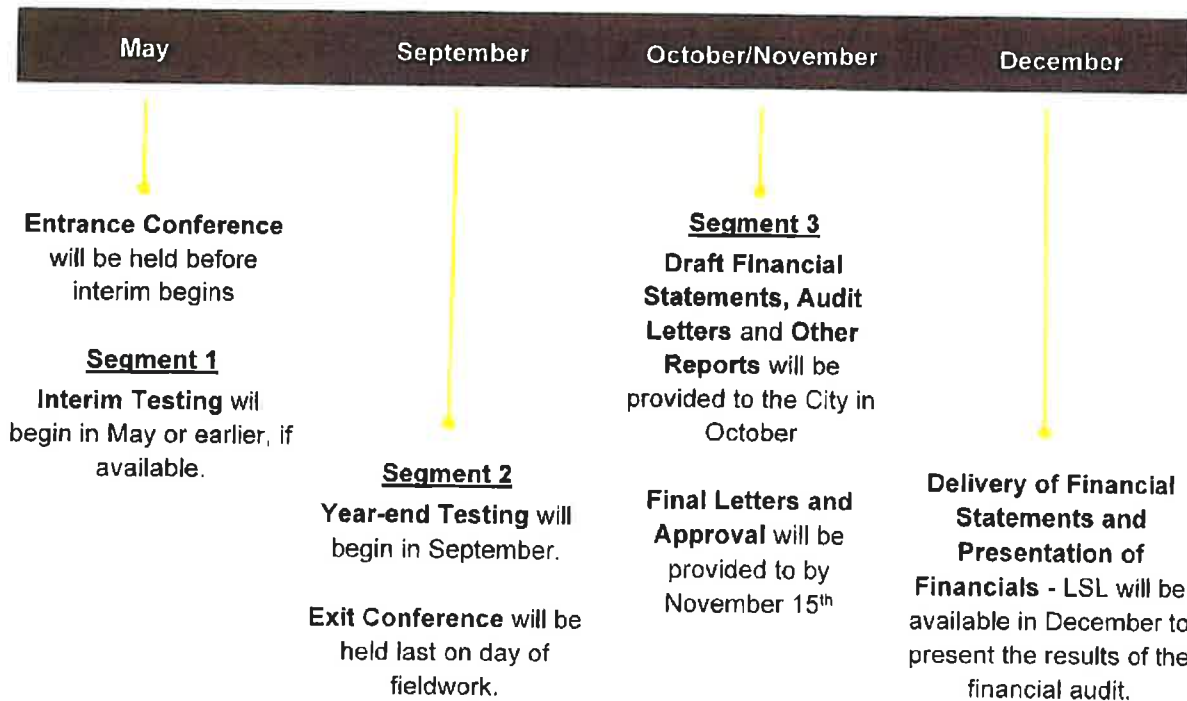
Segment/Task	Partners	Manager	Senior	Staff	Total
ACFR & Related Reports					
Interim Testwork	6	12	50	80	148
Year-End Testwork	10	15	90	140	255
Report/Review/Supervision	10	20	10	-	40
Subtotal	26	47	150	220	443
Single Audit**					
Testwork	2	4	4	15	25
Report/Review/Supervision	2	2	3	-	7
Subtotal	4	6	7	15	32
GANN Limit AUP					
Testwork	-	-	-	3	3
Report/Review/Supervision	-	1	1	-	2
Subtotal	-	1	1	3	5
Special Purpose Audits (FTA & CDBG/Home Funds)					
Testwork	-	1	20	40	61
Report/Review/Supervision	2	3	5	-	10
Subtotal	2	4	25	40	71
TOTAL PROPOSED HOURS:	32	58	183	278	551

AUDIT TIMELINE

The LSL team holds a high standard for timely delivery and a high level of communication of key milestones.

LSL assumes under the Scope of Work that the City will provide any and all necessary information needed to complete the financial statement and single audits. LSL will identify and communicate the status of information pending from the City that will hinder LSL in completing the objectives of the engagement in a timely manner. LSL also assumes that under the Scope of Work, the City will have closed its books and will present LSL with general ledger balances that are auditable.

The schedule below reflects the preliminary audit timeline based on the information provided in the RFP.



APPROACH TO SELECTING SAMPLE SIZES

For tests of controls, we use audit sampling. Tests of controls are procedures directed towards determining the effectiveness of the design or operation of an internal structure policy or procedures. Audit sampling is typically used for tests of controls and compliance that involve the inspection of documents and reports indicating the performance of the applicable policy or procedures and compliance with the applicable laws and regulations. Sample sizes vary based on the population and risk-based calculations.

ELECTRONIC DATA PROCESSING

LSL is always at the forefront of technology and finding ways to increase efficiency in our audits. Our goal is to effectively streamline the audit process to make the burden of an audit easier on our clients and ease any technical disagreements.

CASEWARE

At LSL, we partner with and utilize **CaseWare** to perform our audits and retain electronic work papers and supporting documentation in the fully cloud-based platform. During our preparation of the ACFR, all financial statements and schedules are linked to CaseWare and audit documentation, ensuring accuracy and consistency with City records and eliminating the risk of manual errors.

LSL CASEWARE CLOUD PORTAL

Our web-based portal system gives our clients the ability to share information in a secure platform that is user-friendly and easy to use. This portal is integrated with **CaseWare OnPoint Collaborate**, a state-of-the-art tool that takes the collaboration of accounting and auditing to the next level. It facilitates direct communication with clients throughout the audit to provide and receive feedback, and tracks activity such as audit requests, client uploads, and audit progress, all within a secure hub where access can be restricted to only individuals needing the information where necessary. This tool eliminates the need to send sensitive documents through e-mail and provides efficiencies. Each client dashboard can be customized to ensure it fits their exact needs.

DATA EXTRACTION & AUDIT ANALYTICS

We believe software is only as effective as those who know how to use it. That is why we train all of our staff and incorporate into our audit approach the use of **CaseWare Analytics AI** and **IDEA**. These two complement one another to create a risk-based transaction analysis tool that we utilize to scan transaction sets and find exceptions that warrant further investigation, as well as give our clients additional assurances that previously may not have existed. These tools give a high-level summary to users and reduce the time spent in transaction analysis but automatically perform multiple tests on the entire transaction set assisting in identifying duplicate payments, high-risk journal entries, and developing expectations for analytical procedures utilized during the audit.

EXPERIENCE WITH ERP SYSTEMS

Many of our clients have updated their systems software with new Enterprise Resource Planning (ERP) systems through the years. We make ourselves available for questions and recommendations, including assistance with the vendor selection process. With our clients upgrading to more sophisticated ERP systems has allowed us to gain a better understanding of each ERP system and its unique capabilities. We often obtain read-only access to our clients' software and can work directly within the system. This allows us to provide useful observations and recommendations in internal control and also provides for efficient audit test work. Some of the ERP and Property Tax System we have extensive experience with include **Tyler Technologies (Munis, New World, Eden, Incode), One Solution, Oracle, SAP, Infor & Megabyte** and more.

TYPE AND EXTENT OF ANALYTICAL PROCEDURES

For the audits of the financial statements, we will use analytical procedures as an overall review of the financial information in the preliminary and final stages of the audits. These procedures are designed to assist us in planning our audits and in assessing the propriety of the conclusions reached and evaluating the overall financial statement presentation. The procedures to be utilized consist of determining expectations for changes to significant revenue, expenditure, and balance sheet accounts, reading the financial statements and related notes, reviewing the budget and related material, and focusing on overall relationships within the financial statements. Once determined, these are reviewed to evaluate if the changes appear reasonable or require further analysis. For all significant differences, explanations are obtained as to why the situation occurred and additional substantive procedures may be applied, and related evidence is gathered to resolve concerns and questions.

DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT TEST WORK

The Laws and Regulations that will be subject to audit test work are determined by the applicable laws, regulations, contracts, and grant agreements which we identify through the understanding we obtain of the City and our extensive experience with other governmental entities.

LSL'S APPROACH TO UNDERSTANDING THE CITY'S INTERNAL CONTROL STRUCTURE

To gain an understanding of the internal control structure over the financial statements, LSL will perform procedures as required by SAS 122-125 to obtain an understanding of the entity and its environment along with assessing the risks of material misstatements. This review will include the internal control areas of financial reporting, cash, revenues and receivables, utility billing, expenses, and accounts payable, payroll, capital assets, long-term debt, and grant reporting, as applicable. Based on the result of our review, LSL will issue a management letter (SAS 115 Letter) that will identify any significant deficiencies and/or material weaknesses noted as required by the *Government Auditing Standards* issued by the Comptroller General of the United States.

LSL obtains an understanding through a variety of ways throughout the year. We will conduct interviews with the management of finance along with each audit section responsible party to review the processes and controls through observation and discussions. Based on our observations, we will sample transactions as part of a "walk-through" to verify the system of control is working in accordance with policies and procedures.

DRAWING AUDIT SAMPLES FOR COMPLIANCE

The sampling procedures test the operating effectiveness of an internal control structure policy or procedure by determining how the policy or procedure was applied, the consistency with

which it was applied during the audit period, and by whom it was applied. We will draw samples for disbursements, receipts, and payroll when applicable. Each document selected will be tested for various attributes that are designed to verify compliance with different aspects of internal controls and applicable laws and regulations. Additionally, each sample item will be tested for coding to the proper accounts and posting to the general ledger.

WORKING PAPERS RETENTION AND ACCESS

All working papers and reports will be retained at LSL's expense for a minimum of three (3) years unless otherwise notified in writing by the City of the need to extend that retention period. Upon written request, we will make working papers available to parties designated by the City. Furthermore, we will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

Outside of the complexities that arise with the implementation of new GASB pronouncements, LSL does not anticipate any audit problems.

LSL assumes under the Scope of Work that the City will provide any and all necessary information needed to complete the financial statement and single audit. LSL will identify and communicate the status of information pending from the City that will hinder LSL in completing the objectives of the engagement in a timely manner. LSL also assumes under the Scope of Work that the City of Lodi will have closed its books and will present LSL with general ledger balances that are auditable.

TOTAL ALL-INCLUSIVE MAXIMUM PRICE

All-Inclusive Maximum Price by Report					
Report	2022/23	2023/24	2024/25	Optional 2025/26	Optional 2026/27
ACFR & Related Reports	\$ 63,160	\$ 65,055	\$ 67,007	\$ 69,017	\$ 71,088
Single Audit**	\$ 5,040	\$ 5,191	\$ 5,347	\$ 5,507	\$ 5,672
GANN Limit AUP	\$ 670	\$ 690	\$ 711	\$ 732	\$ 754
Special Purpose Audits (FTA & CDBG/Home Funds)	\$ 9,470	\$ 9,754	\$ 10,047	\$ 10,348	\$ 10,658
Out-of-Pocket Expenses	Included	Included	Included	Included	Included
SUBTOTAL FOR FISCAL YEAR	\$ 78,340	\$ 80,890	\$ 83,112	\$ 85,604	\$ 88,172
Total for Fiscal Year with Optional Items (Not-to-Exceed)	\$ 78,340	\$ 80,890	\$ 83,112	\$ 85,604	\$ 88,172

*The quoted fees above include a standard 3% increase year-over-year. However, this percentage increase will be compared to the CPI indicator each year and will be adjusted if the that amount exceeds 3%. The higher of the 3% or CPI indicator will be used each year.

**Price includes one major program. Each additional program is \$4,500

LSL STANDARD HOURLY BILLING RATES

Position	2022/23	2023/24	2024/25	Optional 2025/26	Optional 2026/27
Partner	\$ 298	\$ 307	\$ 316	\$ 325	\$ 335
Senior Manager	\$ 228	\$ 235	\$ 242	\$ 249	\$ 256
Manager	\$ 193	\$ 199	\$ 205	\$ 211	\$ 217
Supervisor	\$ 171	\$ 176	\$ 181	\$ 186	\$ 192
Senior	\$ 149	\$ 153	\$ 158	\$ 163	\$ 168
Experienced Staff	\$ 127	\$ 131	\$ 135	\$ 139	\$ 143
Staff	\$ 109	\$ 112	\$ 115	\$ 118	\$ 122
Clerical	\$ 79	\$ 81	\$ 83	\$ 85	\$ 88

MANNER OF PAYMENT

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billings shall cover a period of not less than a calendar month. The final ten percent (10%) of the total all-inclusive maximum price will be paid upon delivery of the firm's final reports.

EXHIBITS

- A. CURRENT LIST OF MUNICIPAL CLIENTS
- B. ENGAGEMENT TEAM RESUMES
- C. PROPOSER SUBMITTAL FORMS

Exhibit A - Current List of Municipal Clients

Current List of Municipal Clients				
Client	Contact Person	Services	Years	Phone
Agoura Hills	Ms C Pinuelas Finance Manager	F	7	818-597-7319
Big Bear Lake	Ms. K Ent. Director of Government Services	F, S	24	909-866-5831
Burbank	Ms C L Girardo Financial Services Director	F	11	818-238-5487
Camarillo	Mr. M. Uribe, Finance Director	F, S	5	805-388-5320
Canyon Lake	Mr. C. Mann, City Manager	F	27	909-244-2955
Cathedral City	Mr. K. Biersack, Fiscal Officer	F, S	12	760-770-0378
Chino Hills	Ms. C. Buhagiar, Finance Director	F, S	25	909-384-2600
Chula Vista	Ms. S. Schoen, Director of Finance	F, S	8	619-409-3818
Citrus Heights	Mr. R. Prasad, Accounting Manager	F, S	3	916-727-4705
Citrus Heights Water District	Mr. A. Preciado, Accounting Manager	F, U	1	916-735-7703
Covered California	Mr. J. Welkins, Chief Financial Officer	F, S	6	916-228-8223
Cypress	Ms. D. Mullally, Assistant Finance Director	F, S	5	714-229-6700
Diamond Bar	Mr. J. Jacobsen, Finance Director	F, S	12	909-839-7051
Dinuba	Ms. K. Sells, Interim Administrative Services Director	F, S	4	559-591-5900
Dixon	Ms. K. Zawadzki, Finance Director	F, S	7	707-878-7000
Downey	Mr. A. Gandhi, Finance Director	F, S	7	562-904-7265
East Bay Municipal Utility District	Ms. A. Miller, Controller	F, U	3	510-287-0230
Eastern Municipal Water District	Ms. W. Gerriz, Controller	F, S	1	951-928-3777
Fulerton	Ms. C. Moynihan, Fiscal Services Manager	F, S	11	714-738-3133
Galt	Ms. C. Nguyen, Accounting Manager	F, S	4	209-366-7140
Georgetown Divide Public Utility District	Mr. A. Cohan, General Manager	F, S	4	530-333-4356
Grand Terrace	Ms. C. Clayton, Senior Accountant	F	8	909-824-6621
Indio	Mr. R. Rockwell, Assistant City Manager/Director of Finance	F, S	6	760-391-4029
Inglawood	Ms. L. Gomez, Accounting Manager	F, S	7	310-412-5127
Inwindsle	Ms. J. Duran, Finance Director	F	27	626-430-2268
Jurupa Community Services District	Mr. S. Popelar, Director of Finance and Administration	F	3	951-685-7434
Lake Elsinore	Ms. S. Buckley, Finance Manager	F, S	5	951-874-3124
Lathrop	Mr. T. Hedegard, Deputy Finance Director	F, S	1	209-941-7320
Live Oak	Mr. J. Ramsey, Finance Director	F, S	6	916-989-8511
Livingston	Ms. V. Portillo, Finance Director/Interim City Manager	F, S	1	209-354-5550
Lompoc	Ms. C. Donnelly, Acting Management Services Director	F, S	1	805-875-8283
Los Angeles County Development Authority	Mr. M. Fortini, Finance Director	F, S	9	626-586-1890
Malibu	Ms. R. Feloman, City Manager	F	18	310-456-2485
Manhattan Beach	Mr. S. Charelhan, Finance Director	F	17	310-802-5553
Menlo Park	Ms. P. Barboza, Interim Finance & Budget Manager	F	7	650-330-0632
Monrovia	Mr. B. Bullis, Director of Administrative Services	F, S	21	626-932-5510
Monterey One Water	Mr. F. Marsh, Chief Financial Officer	F, S	1	831-645-4623
Monterey Peninsula Airport District	Mr. T. Bergholz, Deputy Executive Director of Finance and Administration	F, S	3	831-648-7000 x201
Moorpark	Mr. F. Gagajena, Finance Director	F, S	4	905-517-6213
Newark	Ms. K. Lee, Finance Director	F	3	510-578-4288
Oceanside	Ms. J. Moya, Accounting Manager	F, S	10	760-436-7887
Ontario International Airport	Ms. K. Snow, Finance Manager	F, S	5	714-415-8636
Orange	Ms. P. Bandhauer, Assistant Finance Director	F, S	7	714-744-5500
Orange County Fire Authority	Ms. G. Cheung, Accounting Manager	F, S	3	714-573-6000
Orinda Dale Water District	Mr. R. Richard, Finance Manager	F, U	7	562-941-0114
Palin Desert	Mr. J. Espinoza, Assistant Finance Director	F	5	760-346-0611
Pleasanton	Ms. T. Oiso, Finance Director	F, S	1	925-931-5402
Rancho Cucamonga	Ms. T. Layne, Finance Officer	F, S, U	44	909-989-1851
Randolph Beach	Ms. J. Paul, Finance Director	F, S	8	310-372-1171 x2428
Rialto	Ms. K. Stevens, Deputy Director of Finance	F, S	1	909-421-7242
Riverside	Ms. N. Garcia, Controller	F, S, U	1	951-826-5466

Exhibit A - Current List of Municipal Clients

Client	Contact Person	Services	Years	Phone
Rolling Hills	Mr. R. Samario, Interim Finance Director	F	13	310-377-1521
* Rosemead	Ms. G. Mollada, City Manager	F, S	4	626-569-2146
* Roseville	Mr. N. Rosas, Accounting Manager	F, S	1	916-774-5314
* San Bernardino Municipal Water Department	Ms. C. Mouser, Director of Finance	F	3	909-453-6010
* San Clemente	Mr. J. Rahn, Finance Director	F	4	949-361-8360
* San Joaquin Council of Governments	Ms. G. Orozco, Manager of Finance	F, S	3	209-235-0454
* San Juan Capistrano	Mr. K. Al-Imam, Chief Financial Officer	F, S	1	949-443-6301
San Marino	Mr. M. Segined, Controller	F	28	626-300-0700
* Santa Clarita Valley Water Agency	Ms. A. Aguier, Controller	F, U	3	661-513-1237
* Santa Monica	Ms. G. Decavalles-Hughes, Finance Director	F, S	6	310-458-8281
* Shafter	Mr. R. Sanchez, Administrative Services Director	F, S	1	661-746-5043
Six Basins Watermaster	Mr. L. Stahlhoefer, Controller	F	13	949-420-3030
* Solana Beach	Mr. R. Smith, Finance Director	F	10	858-720-2463
Sonoma County Fair & Exposition, Inc.	Mr. M. Margelits, Fair Financial Officer	F	3	707-573-9342
Sutter County	Mr. N. Black, Auditor-Controller	F, S	2	530-822-7439
* Three Valleys Water District	Mr. J. Linthicum, Chief Financial Officer	F, U	14	909-821-5588
* Union Sanitary District	Ms. L. Brenner, Finance & Acquisition Services Coach	F, U	5	510-477-7847
* Yolo County	Mr. C. Rinde, Chief Financial Officer	F, S	3	530-686-8050

Service Codes:

F - Financial Audit

S - Single Audit

I - Internal Audit

U - Utility Agency

* - Participated in the GFOA Award Programs and has received or anticipates receiving outstanding awards



Brandon Young, CPA

ENGAGEMENT PARTNER

ACHIEVEMENTS

Brandon Young is an expert in Governmental Accounting and Auditing, with over twelve years of experience serving a wide range of clients. In 2017, he established LSL's Northern California office in Sacramento.

LICENSE

Certified Public Accountant –
California 2014

ENGAGEMENTS

City of Camarillo
City of Chula Vista
City of Citrus Heights
City of Coronado
City of Dinuba
City of Dixon
City of Emeryville
City of Galt
City of Lathrop
City of Live Oak
City of Livingston
City of Menlo Park
City of Newark
City of Pasadena
City of Pleasanton
City of Riverside
City of Roseville
City of Santa Monica
City of Shafter
Coachella Valley Water District
County of Sutter
County of Yolo
Covered California
East Bay Municipal Utility District
GDPUD
Inland Empire Utilities Agency
Monterey Peninsula Airport District
Orange County Water District
San Joaquin Council of Gov.
Santa Clarita Valley Water Agency
Three Valleys Municipal Water Dist.
Union Sanitary District

CONTINUING EDUCATION

125 total hours over the last three years, **74 of which were in governmental accounting and auditing subjects**. Brandon meets the requirements of governmental CPE Government Auditing Standards.

EXPERIENCE

Brandon has performed all phases of governmental audits with numerous presentations to City Councils, Boards of Supervisors, Boards of Directors, and Audit Committees. He routinely presents at CSMFO, local chapter meetings, and CalSACA on current accounting and auditing material, and currently serves on the CalCPA Governmental Accounting and Auditing Committee.

He regularly teaches current audit and accounting-related material at LSL training seminars, webinars, and client education workshops and training events.

His work has entailed:

- The preparation of the ACFR for entities involved in CSMFO and GFOA in the U.S. and Canada
- Audit review and technical assistance throughout the year to deliver the most up-to-date information with current GASB pronouncements
- Presentation of audit results to Audit Committees or others charged with governance

MEMBERSHIPS

AICPA, CalCPA, CalCPA State GAA, CSMFO, GFOA

EDUCATION

Bachelor of Arts Degree in Accounting, Magna Cum Laude –
Vanguard University, 2012



Ryan Domino, CPA

QUALITY ASSURANCE PARTNER

ACHIEVEMENTS

Ryan has a strong technical focus and specializes in governmental accounting and auditing. He is a regular speaker at LSL's annual GASB update and an expert on Single Audit planning and execution. Ryan is an active member of CSMFO, CalCPA and holds an advanced certification from the AICPA, and is also a member of GFOA's Special Review Committee for the Award for Excellence in Financial Reporting. He is involved in training LSL staff members and acts as a mentor and resource to both our clients and our team, equipping our firm with the latest knowledge on the proper implementation of new GASB pronouncements, which is also a competitive advantage that extends to our clients.

CONTINUING EDUCATION

231 total hours over the last three years, **204 of which were in governmental accounting and auditing subjects**. Ryan meets the requirements of governmental CPE Government Auditing Standards.

EXPERIENCE

Ryan has over ten years of experience in governmental auditing including financial statement audits, preparation of Annual Comprehensive Financial Reports, Housing Successor compliance audits, TDA compliance audits, Single Audits, Federal Student Financial Aid audits, and various consulting and agreed-upon procedures projects. His work has entailed:

- The preparation of the ACFR for entities involved in CSMFO and GFOA in the U.S. and Canada
- Audit review and technical assistance throughout the year to deliver the most up-to-date information with current GASB pronouncements
- Presentation of audit results to Audit Committees and other authorities charged with governance.

MEMBERSHIPS

AICPA, CalCPA, CSMFO, GFOA

EDUCATION

Bachelor of Arts Degree in Business Administration with an emphasis in Accounting – California State University, Fullerton, 2012

LICENSE

Certified Public Accountant –
California 2014
Advanced Single Audit
Certificate – 2018

ENGAGEMENTS

Big Bear Fire Authority
City of Agoura Hills
City of Big Bear Lake
City of Canyon Lake
City of Chino Hills
City of Chula Vista
City of Fullerton
City of Indio
City of Malibu
City of Moorpark
City of Oceanside
City of Pasadena
City of Riverside
City of Rolling Hills
City of Rosemead
City of San Clemente
City of San Marino
City of Santa Monica
City of Solana Beach
City of Vista
Clean Energy Alliance
Coachella Valley Association of Gov.
Diversified Education Company
Inland Empire Utilities Agency
L.A. County Development Authority
Orange County Fire Authority
Rainbow Municipal Water District
San Bernardino MWD
Six Basins Watermaster



Kelly Telford, CPA

TECHNICAL RESOURCE PARTNER

ACHIEVEMENTS

Kelly has served as Director of Finance/City Treasurer for the County of Los Angeles, the City of Costa Mesa, and the City of Seal Beach, developing her expertise in accounting, auditing, financial forecasting, budget development, public utilities, investment management, grant management, human resources, and information technology.

CONTINUING EDUCATION

130 total hours over the last three years, **104 of which were in governmental accounting and auditing subjects**. Kelly meets the requirements of governmental CPE Government Auditing Standards.

EXPERIENCE

Kelly has over 18 years of experience working both in and with government agencies including large and small Cities, redevelopment agencies/successor agencies, Special Districts, and Native American Tribes and Tribal Casinos. She has been an auditor and consultant for 13 years specializing in the audits of government agencies.

As an auditor, her experience as a Director of Finance/City Treasurer has helped her better appreciate the demands of government agency finance departments and she strives to have a collaborative relationship year-round, not just during the audit.

Her work has entailed:

- The preparation of the ACFR for entities involved in CSMFO and GFOA in the U.S. and Canada
- Audit review and technical assistance throughout the year to deliver the most up-to-date information with current GASB pronouncements Presentations to City Councils, Board of Supervisors, Boards of Directors, and Audit Committees

MEMBERSHIPS

AICPA, CalCPA, CSMFO, GFOA

EDUCATION

Bachelor of Arts Degree in Accounting – California State University, Fullerton, 2003

LICENSE

Certified Public Accountant –
California 2014
Texas – *pending*

ENGAGEMENTS

City of Moses Lake, WA
City of Manteca, CA
City of Winters, CA
City of Monrovia, CA
GDPUD
County of Hidalgo, TX
Orange County Sanitation District
Orange County Water District
Orange County Fire Authority
City of Shafter



James Butera, CPA

AUDIT MANAGER

ACHIEVEMENTS

James was previously a Director of Finance at a regional municipality in New York. He brings his experience in financial audits, Single Audits, ACFR, and financial statement preparation, plus in-depth knowledge of GASB implementation consulting, bookkeeping consulting, and Controller consulting services.

CONTINUING EDUCATION

133 total hours over the last three years, **110 of which were in governmental accounting and auditing subjects**. James meets the requirements of governmental CPE Government Auditing Standards.

EXPERIENCE

He has performed all phases of our government audits, including cities, counties, and special districts for their ACFR and Single Audits.

His work has entailed:

- Assisting in the preparation of the Annual Comprehensive Financial Report
- Performing analytical and substantive audit procedures on account balances
- Planning the nature, timing, and extent of procedures involved in the audit process audits in accordance with the provisions of Government Auditing Standards and the provisions of the Single Audit Act and the Uniform Guidance
- Assisting clients with the preparation and review of GASB 68, 75, and 84 journal entries
- Review of capital assets, debt service, and federal and state award schedules

MEMBERSHIPS

CalCPA, GFOA

EDUCATION

Bachelor of Science & MBA in Accounting –
St. John Fisher University, 2014

LICENSE

Certified Public Accountant
– New York 2015

ENGAGEMENTS

Chino Hills Community
Foundation
City of American Canyon
City of Batavia, NY
City of Chino Hills
City of Chula Vista
City of Geneva, NY
City of Livingston
City of Newark
City of Palm Desert
City of Pleasanton
City of Rialto
City of Rochester, NY
City of Rosemead
County of Genesee, NY
County of Sutter
County of Yolo
Jamestown Board of Public
Utilities
Rochester City School District



Samantha Asbra

AUDIT SENIOR

ACHIEVEMENTS

AICPA Intermediate Single Audit Certificate – 2021

CONTINUING EDUCATION

Total hours were 150 over the last three years, 100 of which were in governmental accounting and auditing subjects. Samantha has met the Governmental Auditing Standards requirement for governmental CPE.

EXPERIENCE

During her time with the firm, Samantha has progressed in an outstanding manner. She has performed all phases of our government audits, including water districts, other special districts, ACFR audits, successor agency audits and Single Audits.

Her work has entailed:

- Assisting in the preparation of the Annual Comprehensive Financial Report (ACFR)
- Performing analytical and substantive audit procedures on account balances
- Planning the nature, timing and extent of procedures involved in the audit process
- Assisting clients with the preparation and review of GASB 68, 75, and 84 journal entries
- Review of capital asset, debt service, federal and state award schedules

EDUCATION

Master of Science Degree in Accountancy – Saint Mary's College of California, 2020

Bachelor of Science in Business Administration, Accounting – Drexel University, 2019

ENGAGEMENTS

City of Dixon
City of Livingston
City of Lodi
City of Menlo Park
City of Newark
City of Pleasanton
City of Roseville
City of Vacaville
City of Vallejo
City of Woodland
County of Sutter
County of Yolo
Covered California
Georgetown Divide Public Utility District
Monterey One Water
Monterey Peninsula Airport District
San Joaquin Council of Governments
Union Sanitary District

Exhibit C - Proposal Submittal Forms

CITY OF LODI - REQUEST FOR PROPOSAL - AUDIT SERVICES
2022

=====

G. Proposal Submittal Forms

1. Statement of Bidder's Past Contract Disqualifications

The bidder shall state whether it or any of its officers or employees who have a proprietary interest in it, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of the violation of law, a safety regulation, or for any other reason, including but not limited to financial difficulties, project delays, or disputes regarding work or productquality, and if so, to explain the circumstances.

1. Do you have any disqualification as described in the above paragraph to declare?

Yes _____ No X

2. If yes, explain the circumstances.

Executed on January 11, 2023 at _____

I declare, under penalty of perjury of the laws of the State of California, that the foregoing is true and correct.



Signature of Authorized Bidder Representative

Exhibit C - Proposal Submittal Forms

**CITY OF LODI - REQUEST FOR PROPOSAL - AUDIT SERVICES
2022**

=====

REFERENCES

The references below include current contracts performed by LSL demonstrating our ability to provide the services included with the scope of the specifications of 22-01. We encourage you to reach out to get a better understanding of our working relationships and quality of service.

Reference No. 1

City of Roseville	
Contact	Dennis Kaufman, CFO
Telephone	(916) 774-5314
Email Address	dkauffman@roseville.ca.us
Address	311 Vernon Street Roseville CA 95678
Dates of Service	2021 - present
Type of Service	Audit of City's ACFR receiving the GFOA award; Single Audit; compliance audit and preparation of financial statements of City's Water and Electric Utility, Environmental Utilities, OPEB Trust, Natural Gas Financing Authority, "Bizz Johnson" Highway Interchange JPA; application of agreed-upon procedures (AUP) over City's two golf courses; Special Projects
Engagement Partner	Brandon Young
Total Hours	1,250
Contract Amount	\$156,530

Reference No. 2

San Joaquin Council of Governments	
Contact	Gracie Orosco, Manager of Finance
Telephone	(209) 235-0454
Email Address	orosco@sjcog.org
Address	555 E. Weber Ave Stockton, CA 95202
Dates of Service	2019 - present
Type of Service	Financial Audit of the Council's ACFR receiving the GFOA award; Single Audit; Performance of agreed-upon procedures over the indirect cost plan; Performance of TDA Audits
Engagement Partner	Brandon Young
Total Hours	1,000
Contract Amount	\$164,565

Exhibit C - Proposal Submittal Forms

Reference No. 3

City of Dixon

Contact	Kate Zawadzki, Finance Director
Telephone	(707) 678-7004
Email Address	KZawadzki@cityofdixon.us
Address	600 East A Street Dixon, CA 95620
Dates of Service	2015 - present
Type of Service	Audit of the City's ACFR receiving the GFOA award; Single Audit; Performance of agreed-upon procedures over the City's GANN limit; Performance of special purpose audits specific to Transit Fund and Fire Protection District
Engagement Partner	Brandon Young
Total Hours	425
Contract Amount	\$52,970

Reference No. 4

City of Galt

Contact Individual	Matthew Boring, Director of Finance
Telephone	(209) 366-7150
Email Address	MBoring@cityofgalt.org
Address	380 Civic Drive Galt, CA 95632
Dates of Service	2018 - present
Type of Service	Audit of the City's ACFR receiving the GFOA award; Single Audit; Performance of agreed-upon procedures over the City's GANN limit; Performance of compliance audit over AB 3773
Engagement Partner	Brandon Young
Total Hours	400
Contract Amount	\$60,200

Exhibit C - Proposal Submittal Forms

Reference No. 5

City of Citrus Heights

Contact	Alberto Preciado, Accounting Manager
Telephone	(916) 727-4776
Email Address	apreciado@citrusheights.net
Address	6360 Fountain Square Drive Citrus Heights, CA 95621
Dates of Service	2019 - present
Type of Service	Audit of the City's ACFR receiving the GFOA award; Single Audit; 401(A) Plan Audit; Performance of agreed-upon procedures over the City's GANN limit; and audit of City 401(a) plan
Engagement Partner	Brandon Young
Total Hours	375
Contract Amount	\$43,595

Exhibit B

TOTAL ALL-INCLUSIVE MAXIMUM PRICE

All-Inclusive Maximum Price by Report					
Report	2022/23	2023/24	2024/25	Optional 2025/26	Optional 2026/27
ACFR & Related Reports	\$ 63,160	\$ 65,055	\$ 67,007	\$ 69,017	\$ 71,088
Single Audit**	\$ 5,040	\$ 5,191	\$ 5,347	\$ 5,507	\$ 5,672
GANN Limit AUP	\$ 670	\$ 690	\$ 711	\$ 732	\$ 754
Special Purpose Audits (FTA & CDBG/Home Funds)	\$ 9,470	\$ 9,754	\$ 10,047	\$ 10,348	\$ 10,658
Out-of-Pocket Expenses	Included	Included	Included	Included	Included
SUBTOTAL FOR FISCAL YEAR	\$ 78,340	\$ 80,690	\$ 83,112	\$ 85,604	\$ 88,172
Total for Fiscal Year with Optional Items (Not-to-Exceed)	\$ 78,340	\$ 80,690	\$ 83,112	\$ 85,604	\$ 88,172

*The quoted fees above include a standard 3% increase year-over-year. However, this percentage increase will be compared to the CPI indicator each year and will be adjusted if the that amount exceeds 3%. The higher of the 3% or CPI indicator will be used each year.

**Price includes one major program. Each additional program is \$4,500.

LSL STANDARD HOURLY BILLING RATES

Position	2022/23	2023/24	2024/25	Optional 2025/26	Optional 2026/27
Partner	\$ 298	\$ 307	\$ 316	\$ 325	\$ 335
Senior Manager	\$ 228	\$ 235	\$ 242	\$ 249	\$ 256
Manager	\$ 193	\$ 199	\$ 205	\$ 211	\$ 217
Supervisor	\$ 171	\$ 176	\$ 181	\$ 186	\$ 192
Senior	\$ 149	\$ 153	\$ 158	\$ 163	\$ 168
Experienced Staff	\$ 127	\$ 131	\$ 135	\$ 139	\$ 143
Staff	\$ 109	\$ 112	\$ 115	\$ 118	\$ 122
Clerical	\$ 79	\$ 81	\$ 83	\$ 85	\$ 88

MANNER OF PAYMENT

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billings shall cover a period of not less than a calendar month. The final ten percent (10%) of the total all-inclusive maximum price will be paid upon delivery of the firm's final reports.



EXHIBIT C

NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically

Insurance Requirements for Professional Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant's profession, with limits not less than **\$1,000,000** per occurrence or claim, \$2,000,000 aggregate. May be waived by Risk Manager depending on the scope of services.

Other Insurance Provisions:

(a) Additional Named Insured Status

The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used

(b) Primary and Non-Contributory Insurance Endorsement

The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad** as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

(c) Waiver of Subrogation

Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

(d) Severability of Interest Clause

The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.

(e) Notice of Cancellation or Change in Coverage Endorsement

This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

- (f) Continuity of Coverage
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).
- (g) Failure to Comply
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) Verification of Coverage
Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**
- (i) Self-Insured Retentions
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- (j) Insurance Limits
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.
- (k) Subcontractors
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors
- (l) Claims Made Policies
If any of the required policies provide coverage on a claims-made basis:
1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for **at least five (5) years** after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- (m) Qualified Insurer(s)
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

Lance Soll & Lunghard LLP

Overall Status: **APPROVED**



INFO	CONTRACT NUMBER	PROJECT NUMBER	PROJECT NAME	DEPARTMENT NAME	PROJECT STATUS
			Finance Auditor	Lodi Internal Services	APPROVED

Required Policies

General Liability Manual Entry	10/12/2022 — 10/12/2023 Policy: 57SBAM1263 Insurer: Sentinel Insurance Company	Each Occurrence: \$2,000,000 Fire Damage (any one fire): \$1,000,000 Med exp (any one person): \$10,000 Personal/adv injury: \$2,000,000 General (Aggregate): \$4,000,000 Products-comp/op Agg: \$4,000,000	APPROVED
Automobile Liability Manual Entry	10/12/2022 — 10/12/2023 Policy: 57SBAM1263 Insurer: Sentinel Insurance Company	Combined Single Limit (Ea Accident): \$2,000,000 Bodily Injury (Per Person): \$ Bodily Injury (Per Accident): \$ Property: \$	APPROVED
Excess Manual Entry	10/12/2022 — 10/12/2023 Policy: 57BAM1263 Insurer: Sentinel Insurance Company	Limit: \$1,000,000	APPROVED
Workers Compensation Manual Entry	10/12/2022 — 10/12/2023 Policy: WZF H772995-07 Insurer: Hanover American Insurance Company	E.L. Each Accident: \$1,000,000 E.L. Disease - Ea Employee: \$1,000,000 E.L. Disease - Policy Limit: \$1,000,000	APPROVED
Professional/Liability Manual Entry	10/12/2022 — 10/12/2023 Policy: APL-2755G354 Insurer: Continental Casualty Company	Limit: \$1,000,000	APPROVED

Required Documents

User Uploaded Documents

Requirements Notes:

RESOLUTION NO. 2023-38

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A THREE-YEAR PROFESSIONAL SERVICES AGREEMENT WITH TWO OPTIONAL ONE-YEAR EXTENSIONS WITH LANCE, SOLL & LUNGHARD, LLP, OF SACRAMENTO, FOR PROFESSIONAL AUDITING SERVICES

=====

WHEREAS, the City is required to produce an annual comprehensive financial report; and

WHEREAS, staff recommends that the City Council authorize the City Manager to execute a Professional Services Agreement with Lance, Soll & Lunghard, LLP, of Sacramento, for auditing services, in an amount not to exceed \$438,418 for a term through December 31, 2025, with two optional one-year extensions.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a three-year Professional Services Agreement with Lance, Soll & Lunghard, LLP, of Sacramento, California, for auditing services, in an amount not to exceed \$438,418 through December 31, 2025; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute up to two one-year extensions, if it is in the best interest of the City of Lodi; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: February 15, 2023

=====

I hereby certify that Resolution No. 2023-38 as passed and adopted by the City Council of the City of Lodi in a regular meeting held February 15, 2023 by the following votes:

- AYES: COUNCIL MEMBERS – Bregman, Craig, Khan, Nakanishi, and Mayor Hothi
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None



OLIVIA NASHED
City Clerk



Exhibit 2 to
Amendment No. 1

Not to Exceed \$84,910

April 1, 2026

Chia Lor
Accounting Manager
City of Lodi

Dear Ms. Lor,

As requested, we have provided a quote for the City of Lodi (the City) to consider engaging LSL, LLP (LSL) to prepare its Annual Comprehensive Financial Report (ACFR). Based on our discussions, we have outlined several options, including choices related to your current contract term and software integration, with or without access granted to the City. Please review the following quotes and brief descriptions for your consideration:

1. ACFR preparation utilizing LSL's "legacy model" will be provided to the City as a non-attest service for the duration of the current contract term only. This option does not grant the City access to the financial statements, and it will be discontinued after the final year of the existing contract (FY2027), as we are phasing out our "legacy model".

Preparation will proceed according to our internal schedule, beginning after the completion of year-end fieldwork, and generally issuing within 45 days from the final day of fieldwork (subject to the conclusion of audit procedures). LSL will oversee all aspects of the ACFR, excluding the Transmittal Letter, MD&A, and Statistical Section, and will submit these sections to the City for review and approval. The initial draft will contain audited trial balances by opinion unit, all audit-related entries, and government-wide conversion entries. This process ensures the City receives comprehensive documentation utilized in preparing the ACFR, thereby supporting independence. Once the second draft—reflecting the City's review comments—is completed, the City will provide the Transmittal Letter, MD&A, and Statistical Section for inclusion in the final draft of the ACFR, which will then be submitted as a complete document for the City's review and approval.

Fiscal year 2025 preparation – upon receiving a signed copy of the quote, LSL will begin preparation of the June 30, 2025 ACFR, utilizing the "legacy model".

All-Inclusive Maximum Price					
Report	2024-25	2025-26	2026-27	2027-28	2028-29
ACFR Preparation - LSL Audit Client - No access to Workspace					
ACFR Preparation - LSL Audit Client - Legacy Model	\$22,920	\$22,920	\$24,070		

2. ACFR preparation will be conducted using Workiva as a managed service, without granting the City direct access to Workiva. This approach aligns with our firm's current practices and will apply to future LSL clients; however, the City will not have workspace access. All preparation procedures outlined in Option One will be followed, making this process similar to our "legacy model" from the City's perspective. Notably, this option remains available for current LSL clients to continue as an external service even when not engaged with LSL for City audit services. If there are significant mapping changes upon switching audit firms, this may result in additional time and associated billings. The cost of the purchased software is being waived in year one.





Chia Lor, Accounting Manager
 City of Lodi
 April 1, 2026
 Page 2

All-Inclusive Maximum Price					
Report	2025-26	2026-27	2027-28	2028-29	2029-30
ACFR Preparation - LSL Audit Client - No access to Workspace					
ACFR Preparation	\$22,920	\$24,070	\$25,270	\$26,530	\$27,860
Technology Fee - Managed Service *	\$0	\$5,250	\$5,510	\$5,790	\$6,080
Initial ACFR Setup	\$25,220				
TOTAL FOR FISCAL YEAR	\$48,140	\$29,320	\$30,780	\$32,320	\$33,940

- With this option, the City has access to the Workiva workspace and would prepare the City ACFR with access to LSL's Workiva support services. This would include control of user permissions and new file creation, and allows the City to update the information at any time (such as narratives for MD&A). Additionally, this will link to the City ERP system and update in real time. The cost of the purchased software is being waived in year one.

	2025-26	2026-27	2027-28	2028-29	2029-30
Workiva Implementation - Client Prepares ACFR - Access to Workspace					
Technology Fee - Managed Service *	\$0	\$5,250	\$5,510	\$5,790	\$6,080
LSL Enabled Workiva Workspace	\$59,190				
Support Services ** (up to, not included in total)	\$2,450	\$2,580	\$2,710	\$2,850	\$3,000
TOTAL FOR FISCAL YEAR	\$59,190	\$5,250	\$5,510	\$5,790	\$6,080

This option may be combined with LSL preparing the ACFR, with a partial discount on the preparation fee. If you are interested, we can develop the quote further.

*This technology fee constitutes the City's "lease" of a managed service license for Workiva's software from LSL. Furthermore, by maintaining an independent Workiva instance, the City will have the capability to update MD&A and other City-prepared information (such as the statistical section) within Workiva as new data becomes available.

**Hourly support on ACFR preparation up to 10 hours annually. Additional hours will billed at the hourly rate.

If major overages arise beyond the initial scope and contract terms, standard billing rates will apply.



Chia Lor, Accounting Manager
 City of Lodi
 April 1, 2026
 Page 3

Standard Billing Rates

Auditor's Standard Billing Rates	2025-26	2026-27	2027-28	Optional 2028-29	Optional 2029-30
Partner	\$413	\$434	\$456	\$479	\$503
Director	\$326	\$343	\$361	\$380	\$399
Senior Manager	\$287	\$302	\$318	\$334	\$351
Manager	\$245	\$258	\$271	\$285	\$300
Supervisor	\$221	\$233	\$245	\$258	\$271
Senior Accountant	\$175	\$184	\$194	\$204	\$215
Experienced Staff	\$147	\$155	\$163	\$172	\$181
Staff Accountant	\$133	\$140	\$147	\$155	\$163
Clerical	\$77	\$81	\$86	\$91	\$96

All quoted fees include a standard 5% increase year-over-year.

Although LSL will assist the City in preparing the ACFR, the accuracy and completeness of the report remain the responsibility of City management.

We appreciate the opportunity to continue serving the City and remain confident that our partnership will continue to yield significant benefits. Please choose an option and sign below to confirm your acceptance of this agreement and return it to my attention. Should you or any representative of the City have further questions or require additional information regarding this quote, please do not hesitate to contact me, Christian Townes, Partner, at Christian.Townes@slcpas.com or (714) 988-4852.

Sincerely,

LSL, LLP

City's option selection:

- 1 - LSL prepares ACFR with "legacy model"; no Workiva
- 2 - LSL prepares ACFR utilizing Workiva; no City access
- 3 - City prepares ACFR with Workiva access, linked directly to City ERP system for real-time updates
- Provide a quote to utilize this option with LSL preparing the ACFR

Signature

04/02/26

Date