



PREPARED BY
LSL, LLP
Certified Public Accountants
License Number 2584

City of Orange Audit Services

Date of Submission: January 28, 2026

Valid for 90 Days

Authorized by:
Ryan Domino, CPA, Partner

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500 Technology Drive

Suite 350

Irvine, CA 92618

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January 28, 2026

City of Orange
Attn: Trang Nguyen, Finance Director
300 East Chapman Ave.
Orange, CA 92866

nguyent@cityoforange.org

LSL, LLP (“LSL”, “LSL CPAs”) is pleased to present our scope of services for a two (2) year extension of audit services for the fiscal years ending June 30, 2026, and 2027. We value the opportunity to demonstrate our professional qualifications and continue our commitment to excellence to the City of Orange (“City”).

This scope of services highlights our firm’s experience, knowledge, and creative problem-solving capabilities in governmental auditing. LSL’s Core Services focus on serving midsize cities and special districts, offering a range of specialized solutions. We concentrate in high-quality audits aligned with GAAS and current GASB pronouncements and prioritize accuracy and thoroughness while ensuring timely service and report delivery. Our commitment to effective collaboration and transparency with the City ensures the integrity of its financial reporting and compliance with all regulatory requirements.

LSL’s established understanding of the City and its needs reinforces our dedication to an ongoing partnership, transparency, and the integrity of the City’s financial reporting in compliance with all regulatory requirements. Ryan Domino has served as the Engagement Partner to the City for four (4) years, per California Government Code, may serve an additional two (2) years. To maintain independence and objectivity, We implement strict safeguards including auditor rotation at six (6) years, internal quality control reviews, and adherence to professional ethics. This ensures our team remains independent and unbiased throughout the audit.

We welcome the opportunity to discuss any aspect of this scope of services to ensure your complete satisfaction.

Sincerely,



Ryan Domino, CPA, Partner
LSL, LLP
Ryan.Domino@lslcpas.com
(714) 592-1814

About LSL

HISTORY & SIZE

LSL, LLP (“LSL”) is a limited liability partnership and is not a wholly owned subsidiary of a parent company.

LSL was established in 1929 and has grown as a leader in the government sector. Our full-service accounting firm is headquartered in Irvine, California, with a dynamic team of 15 partners, 2 principals, and 150 employees. We provide auditing, accounting, and consulting services to over 100 municipal clients, including counties, cities, water and electric utility districts, and special-purpose government agencies.

Our government sector services encompass a broad range of specialties, including attestation, compliance, consulting, outsourced accounting and reporting, year-end close assistance, interim staffing, strategic planning, and tax services.

License to Practice in California

LSL is a public accounting firm licensed by the State of California Department of Consumer Affairs as a Public Accounting Partnership. Additionally, we are members of the American Institute of Certified Public Accountants (AICPA) and the California Society of Certified Public Accountants (CalCPA). All key members assigned to this engagement are licensed or are in the process of obtaining their license as Certified Public Accountants by the State of California.

Independence

LSL meets the independence requirements set forth by the *Government Auditing Standards*. Our partners have no ownership in any other business organization that currently or will potentially provide services, supplies, materials, or equipment to the City. We annually distribute a listing of our firm's clients to all employees to ensure that any possible independence threats are properly documented and reviewed.

Business License

LSL affirms that we will obtain and maintain active business licensure with the City of Orange upon award of contract.

LOCATION

Our Offices



Irvine, CA - Headquarters

500 Technology Drive, Suite 350
Irvine, CA 92618
Phone: (949) 829-8299

Sacramento, CA

2151 River Plaza Dr., Suite 150
Sacramento, CA 95833
Phone: (916) 503-9691

The Woodlands, TX

21 Waterway Avenue, Suite 30089
The Woodlands, TX 77380
Phone: (936) 828-4587

LSL's Irvine office is available locally to serve the City; however, the virtual footprint of our government team spans across the United States. At LSL, we regularly share staff and resources across our offices, providing you with access to our entire governmental team. This approach ensures that you receive the highest level of service and expertise possible, allowing us to deliver optimal results.

LSL'S GOVERNMENT TEAM RESOURCES

Our governmental staff consists of three (3) Partners, one (1) Director, four (4) Senior Managers, four (4) Managers, ten (10) Supervisors, and fifteen (15) Professional Staff.

LSL does not subcontract any portion of our audits. All staff assigned to the audit portion of the engagement are employed by LSL on a full-time basis and have extensive experience providing auditing services for cities, counties, and special-purpose government agencies. However, LSL does collaborate with a third-party for the preparation of the SCO (State Controller's Office) reports to ensure that the reports are prepared and filed correctly and timely by experts in those reports.

Our educational programs are designed to provide our team members with the knowledge and skills necessary to deliver high-quality services to our clients. We offer a variety of training opportunities, including those provided by CalCPA, AICPA, Government Audit Quality Center, and Government Finance Officers Association (GFOA).

CORE SERVICES

Audit Services

This includes financial statement audits in accordance with *Government Auditing Standards*, single audits of federal award programs and other attestation engagement-type services for governments, commercial entities, and not-for-profits.

Advisory Services

We provide GASB implementation assistance, Uniform Guidance and federal award program advisory services, and unique agreed-upon procedures tailored to meet specific client needs including items such as internal control reviews.

Internal Support Services

We provide internal support services to help clients manage revenue sources, such as transient occupancy tax, franchise fees, and transient parking taxes. We also assist clients by providing oversight of their departments, including internal audits to provide assurance that departments within the organization are following policies, procedures, and internal controls.

Financial Reporting Services

Assisting finance departments with financial reporting including ACFR, Financial Transactions Reports for the State Controller's Office, and other financial reporting. Additionally, we partner with Workiva to provide financial reporting software implementations including building budget books, ACFR preparation and financial reporting in the Workiva ecosystem.

Training Services

LSL offers written trainings on technical topics and helping clients implement GASB pronouncements. We also provide in-person, online and webinar trainings on current topics as well as fundamental basics for finance department teams.

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 our Single Audits are performed in accordance with the requirements of the Uniform Guidance. We will also evaluate the City's internal control system and provide recommendations for 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. LSL has never had a report rejected by any of these agencies and is 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 AICPA Peer Review Program since its inception. All our peer reviews have covered governmental engagements and have received *pass* ratings. Our most recent peer review conducted by Spafford and Landry CPAs is provided on the following pages.



Patrick D. Spafford, CPA
Todd C. Landry, CPA

HERE TO MAKE THE COMPLEX SIMPLE.

Licensed by the California Board of Accountancy
Member: American Institute of Certified Public Accountants

Report on the Firm's System of Quality Control

To Lance, Soll & Lunghard, 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, Soll & Lunghard, LLP (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and employee benefit plan audits.

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, *pass with deficiency (ies)*, or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.

Spafford & Landry, Inc.

March 30, 2023

TOTAL ALL-INCLUSIVE MAXIMUM PRICE

All-Inclusive Maximum Price by Report		
Report	2025-26	2026-27
City's Financial Statement Audit	\$59,840	\$61,640
AQMD Audit	\$1,540	\$1,590
Housing Successor Audit	\$1,540	\$1,590
Single Audit *	\$6,120	\$6,300
State Controller's Report	\$4,720	\$4,860
Gann Limit AUP	\$720	\$740
Out-of-Pocket Expenses	<i>Included</i>	<i>Included</i>
SUBTOTAL FOR FISCAL YEAR	\$74,480	\$76,720
Optional Service		
ACFR Preparation	\$9,400	\$9,680
Investment Portfolio AUP	\$720	\$740
Total for Fiscal Year With Optional Items (Not-to-Exceed)	\$84,600	\$87,140

*Price includes one (1) major program. Each additional program is \$2,500.

LSL'S STANDARD HOURLY BILLING RATES

We evaluate our contracts at the end of term to ensure that engagements meet our standards from an economic perspective in accordance with AICPA professional standards. It was determined to be necessary to increase our fees from the last contract due to increased audit hours required due to new and complex GASB pronouncements, rising costs of labor, and technology costs. To help mitigate the increase in fees, we have extended a **20%** current client discount to the City in appreciation of our partnership over the last contract period. This discount is reflected in the rate table shown below.

LSL'S QUOTED HOURLY BILLING RATES			
Position	Standard Rate	2025-26 Rate	2026-27 Rate
Partner	\$390	\$312	\$322
Director	\$320	\$320	\$330
Senior Manager	\$290	\$232	\$239
Manager	\$250	\$200	\$206
Supervisor	\$210	\$168	\$174
Senior	\$190	\$152	\$157
Experienced Staff	\$160	\$128	\$132
Staff	\$140	\$112	\$116
Clerical	\$120	\$96	\$99

LEVEL OF STAFF ASSIGNED AND NUMBER OF HOURS TO BE ASSIGNED

Segment/Task	TOTAL PROPOSED HOURS					Total
	Partners	Senior Manager	Supervisor	Staff	Clerical	
City's Financial Statement Audit						
Interim test work	0	0	30	60	0	90
Year-End test work	0	0	70	140	0	210
Report/Review/Supervision	20	60	0	0	5	85
Subtotal	20	60	100	200	5	385
AQMD Audit						
Test work	0	0	2	5	0	7
Report/Review/Supervision	1	1	0	0	1	3
Subtotal	1	1	2	5	1	10
Housing Successor Audit						
Test work	0	0	2	5	0	7
Report/Review/Supervision	1	1	0	0	1	3
Subtotal	1	1	2	5	1	10
Single Audit *						
Test work	0	0	10	20	0	30
Report/Review/Supervision	2	6	0	0	2	10
Subtotal	2	6	10	20	2	40
State Controller's Report						
Test work	0	0	0	38	0	38
Report/Review/Supervision	0	2	0	0	0	2
Subtotal	0	2	0	38	0	40
Gann Limit AUP						
Test work	0	0	0	2	0	2
Report/Review/Supervision	0	1	1	0	1	3
Subtotal	0	1	1	2	1	5
ACFR Preparation						
Test work	0	0	0	0	0	0
Report/Review/Supervision	5	10	30	0	5	50
Subtotal	5	10	30	0	5	50
Investment Portfolio AUP						
Test work	0	0	0	2	0	2
Report/Review/Supervision	0	1	1	0	1	3
Subtotal	0	1	1	2	1	5
TOTAL PROPOSED HOURS:	29	82	146	272	16	545

* Hours proposed are for one (1) major program.

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.

INSURANCE

LSL confirms that we will maintain the minimum insurance requirements throughout the entire term of engagement. Evidence of coverage is provided on the following pages, and the actual insurance form will be provided upon the award of contract.

LSL Highlights: Awards & Values

LSL is a multi-location firm with formidable resources that provides a personal feel and hands-on client experience.



Ranked #17 on the Orange County Business Journal's CPA Firm Book of Lists



Established in 1929



15 Partners



150 employees (and growing!)

ACCOUNTING TODAY REGIONAL LEADER

LSL has again been recognized as an Accounting Today Regional Leader in 2025. The list ranks the top CPA firms that have shown exceptional growth, embraced technology, and who 'think outside the box' when providing solutions.



INSIDE PUBLIC ACCOUNTING AWARD

LSL is honored to be recognized among the Top 300 accounting firms in the nation by INSIDE Public Accounting! Each year, IPA ranks CPA firms based on net revenue, and LSL proudly advanced from #220 in 2024 to #201 in 2025. Our fantastic team and the trust of our valued clients are the driving force behind this upward momentum and continued growth.



BEST OF ACCOUNTING AWARD

LSL has consistently secured the ClearlyRated *Best of Accounting* award since 2019. This exclusive program awards accounting firms who demonstrate high-level service of excellence within the accounting industry and solely leverages statistically validated survey responses from our clients.



4.7 based on 646 ratings



OUR CORE VALUES

Our values weren't decided on by management and handed down. Every member of the LSL team worked together to share what values matter most to us. From there, we came up with the following five core values that embody how we approach each other, our work, and our clients.



PURSUE EXCELLENCE



LOVE WHAT YOU DO



LEAD WITH INTEGRITY



ACCOMPLISH MORE TOGETHER



FORWARD THINKING

LSL Training & Seminars

LSL offers a range of training courses and seminars to keep both clients and staff informed and prepared in governmental accounting and auditing with continued support throughout. We regularly lead instructional sessions and learning opportunities in financial-reporting, internal control risk assessments, and GASB update for the latest guidance, information and ideas that impact your industry. These opportunities are made available through our firm to the City for training or continuing professional education credits. Some of the topics include:

- Uniform Guidance (UG) Updates
- GASB Updates
- Addressing Staffing Challenges
- ERP Implementation Panel
- Back to Basics Series:
 - GASB 101: Compensated
 - Absences
 - Capital Assets
 - Bank Reconciliations
 - Pension & OPEB
 - Accounts Receivable
 - A/P, Accrued Liabilities, and Long-Term Debt
 - Leases & SBITAS

For upcoming webinars, please visit <https://lslcpas.com/webinars/>.