

## COMMISSION AGENDA ITEM

### Item 8(a) – Weaver & Tidwell, LLP Contract Extension



**Date:** January 22, 2026  
**To:** California State Lottery Commission  
**From:** Harjinder K. Shergill Chima - *HKC*  
Director  
**Prepared by:** Nicholas Buchen, Deputy Director, Finance  
**Subject:** **Item 8(a) – Weaver & Tidwell, LLP Contract Extension**

### **ISSUE**

The California State Lottery (Lottery) seeks to amend its agreement with Weaver & Tidwell, LLP (Weaver) for independent financial audit services under Agreement #100044. The current term is June 15, 2022, through March 31, 2026, with a maximum expenditure of \$728,000. The Lottery requests to exercise the remaining one-year option for extension to continue these services through March 31, 2027, and increase the expenditure authority by \$186,500.

### **BACKGROUND**

The Lottery contracts with Weaver for independent financial audit services, including auditing the Lottery's financial statements annually. In 2022, as a result of a formal solicitation, the California State Lottery Commission (Commission) awarded Weaver a three-year contract with an initial contract expenditure authority of \$550,000 and two one-year options to extend. In March of 2025, the Commission extended the Weaver agreement by one year through March 31, 2026, and increased the expenditure authority by \$178,000 for a maximum authorized contract expenditure of \$728,000.

### **DISCUSSION**

Government Code Section 8880.46.5 states, in part, "The director shall engage an independent firm of certified public accountants to conduct an annual audit of all accounts and transactions of the Lottery." The Lottery has contracted with Weaver since 2022 to fulfill this requirement.

In addition to performing audits of the Lottery's financial statements for each fiscal year, Weaver reviews the Lottery's Annual Comprehensive Financial Report and performs annual Agreed Upon Procedure engagements to assist in meeting reporting requirements under the Mega Millions and Powerball agreements.

Exercising a one-year extension will enable Weaver to continue these services without interruption. In fulfilling their contractual obligations, Weaver affords many benefits to the Lottery, including identifying and mitigating financial risks, ensuring compliance, promoting financial

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transparency, and verifying the accuracy of the financial statements. Weaver provides excellent service, meets the Lottery's deadlines, and works effectively with the Lottery to gather information and understand its business operations.

Based on the applicable contract pricing for the second option year, Lottery staff recommends increasing the contract authority by \$186,500. This will enable payment of services through the remainder of the proposed extension period, which will end on March 31, 2027.

### **RECOMMENDATION**

Lottery staff recommends that the Commission approve the remaining optional one-year extension of Agreement #100044 and increase the expenditure authority by \$186,500. The end of the proposed contract extension will be March 31, 2027, and the new maximum contract amount will be \$914,500.