

CITY OF LAKE ELSINORE

Kenneth H. Pun, CPA, CGMA

Managing Partner
200 E Sandpointe Ave., Suite 600, Santa Ana, CA 92707
(949) 777-8801 | ken.pun@pungroup.cpa

February 20, 2023

COST PROPOSAL

Professional Auditing Services





Kenneth H. Pun, CPA, CGMA
Founder & Managing Partner

WHY CHOOSE THE PUN GROUP LLP?

“ The Pun Group’s most valuable asset is our people, they and their deep experience drive our every interaction with clients. ”

- Big firm expertise, small firm values
- Personal attention meets technical expertise
- A unique firm culture
- Innovation embraced
- Achievable plans to move your organization forward

The Pun Group LLP is recognized for its professionalism, integrity and for providing clients with practical solutions unique to their circumstances and issues. You will receive a superior level of service and a quality audit.

Thank You!

Thank you for allowing us to submit our qualifications to provide you with Professional Auditing Services.

The Pun Group LLP
Certified Public Accountants and Business Advisors

Table of Contents

Certification and Total All-Inclusive Maximum Price.....1

Rates by Partner, Specialist, Supervisory and Staff.....2

Out of Pocket Expenses3

Rates for Additional Professional Services.....3

Manner of Payment.....3

The Pun Group Wins 2023 “Best of Accounting” Award



The Pun Group LLP is proud to have won 2023's Best of Accounting® award from ClearlyRated for providing superior service to its clients.

Winners of such awards have proven to be industry leaders in service quality based entirely on ratings provided by their clients. On average, clients of 2023 Best of Accounting winners are 70% more likely to be satisfied than those who work with non-winning firms.

"I am pleased to introduce the 2023 Best of Accounting winners alongside their validated service ratings on ClearlyRated.com," said ClearlyRated's CEO, Eric Gregg. "These firms have demonstrated a remarkable commitment to delivering amazing experiences, despite another year of upheaval and macroeconomic uncertainty. Hats off to these service leaders - it's truly an honor to recognize and celebrate their achievements."

The Pun Group LLP received satisfaction scores of 9 or 10 out of 10 from 94.1% of their clients, significantly higher than the industry's average of 50%.

Our firm excelled in five key areas: Responsiveness, Quality, Value, Needs Understanding, and Proactive Approach.

About ClearlyRated

Rooted in satisfaction research for professional service firms, ClearlyRated utilizes a Net Promoter® Score survey program to help professional service firms measure their service experience, build an online reputation, and differentiate on service quality.



"Excellent customer service and staff and partners are expert in their fields."

Lani H.

State and Local Government Client



"The Firm has consistently exceeded our expectations as client."

Clint O.

State and Local Government Client



"We started using Pun Group when the pandemic first started two years ago so had a little apprehension about doing everything remotely with a new firm. But the audit went very well and was completed on time without problem."

Kevin W.

State and Local Government Client



"An excellent partner and amazing service."

Jim T.

Private Sector Client

Certification and Total All-Inclusive Maximum Price

We are committed to the performance of a high-quality audit at the most reasonable fee level possible, both initially and throughout the engagement. Also, our partners will provide advice and consultation as needed at no additional cost to the City of Lake Elsinore.

Name of Firm: The Pun Group LLP – Certified Public Accountants and Business Advisors
Contact Name: Kenneth H. Pun, CPA, CGMA
Contact Email Address: ken.pun@pungroup.cpa

Authorization to Represent the Firm

I, the undersigned, certify I am duly authorized to represent The Pun Group LLP and am empowered to submit this bid. In addition, I certify I am authorized to contract with the City of Lake Elsinore on behalf of the Firm.



February 20, 2023

Kenneth H. Pun, CPA, CGMA | Managing Partner
The Pun Group LLP

Date

Total All-Inclusive Maximum Price

Our proposed fees for Professional Auditing Services for the fiscal years ending June 30, 2023, 2024, and 2025, are as follows:

Work to be performed:	2022-2023	2023-2024	2024-2025
City of Lake Elsinore Audit	\$ 48,000	\$ 49,440	\$ 50,923
Successor Agency	3,000	3,090	3,183
Single Audit Report	5,000	5,150	5,305
Independent Account's Agreed-Upon Procedures Applied to:			
Appropriations Limit Review (GANN)	500	515	530
Total All-Inclusive Maximum Price	\$ 56,500	\$ 58,195	\$ 59,941

- (1) Single Audit fees based on one (1) major program. The fee for auditing additional major programs will be \$5,000 each. The number of programs determined to be "major" will be based on OMB Uniform Guidance. The Engagement Team will discuss this with the City of Lake Elsinore' Management before starting Single Audit work.

Rates by Partner, Specialist, Supervisory and Staff

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	48	\$ 300	\$ 300	\$ 14,400
Director	80	\$ 250	\$ 250	\$ 20,000
Supervisory Staff	120	\$ 175	\$ 175	\$ 21,000
Staff	200	\$ 150	\$ 150	\$ 30,000
Clerical:	4	\$ 100	\$ 100	\$ 400
Out-of-Pocket Expenses:				Included
<i>Professional Discount:</i>				\$ (29,300)
Total all-inclusive maximum price for FY 2023				\$ 56,500

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	48	\$ 300	\$ 300	\$ 14,400
Director	80	\$ 250	\$ 250	\$ 20,000
Supervisory Staff	120	\$ 175	\$ 175	\$ 21,000
Staff	200	\$ 150	\$ 150	\$ 30,000
Clerical:	4	\$ 100	\$ 100	\$ 400
Out-of-Pocket Expenses:				Included
<i>Professional Discount:</i>				\$ (27,605)
Total all-inclusive maximum price for FY 2024				\$ 58,195

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	48	\$ 300	\$ 300	\$ 14,400
Director	80	\$ 250	\$ 250	\$ 20,000
Supervisory Staff	120	\$ 175	\$ 175	\$ 21,000
Staff	200	\$ 150	\$ 150	\$ 30,000
Clerical:	4	\$ 100	\$ 100	\$ 400
Out-of-Pocket Expenses:				Included
<i>Professional Discount:</i>				\$ (25,859)
Total all-inclusive maximum price for FY 2025				\$ 59,941

Out of Pocket Expenses

Out of Pocket Expenses are Included in the Total All-Inclusive Maximum Price and Reimbursement Rates

The Firm's policy is to maintain flexible billing rates to meet the needs of clients and help them control costs. In the interest of starting our long-term relationship, we will absorb expenses such as travel and printing costs. Additionally, our Partners will be available to provide advice and consultation as necessary to the City of Lake Elsinore. The Firm will also absorb these costs.

Rates for Additional Professional Services

Rates for Additional Professional Services

Below are the Firm's hourly billing rates, delineated by staffing levels:

Hourly Billing Rates	
Partner(s)	\$ 300
Director(s)	\$ 250
Senior Manager(s)	\$ 225
Manager(s)	\$ 200
Supervisor(s)	\$ 175
Senior Accountant(s)	\$ 150
Staff Accountant(s)	\$ 125
Clerical	\$ 100

Any supplemental reports, audits, or agreed-upon procedures not covered by this proposal may be added to a written agreement prior to commencing audit work. The Firm and the City will discuss and approve the scope and associated costs of these tasks. Any additional work will be performed at the above-quoted hourly rates.

Manner of Payment

Manner of Payment

Engagement Team members are required to maintain timesheets detailing the date, number of hours, and work performed for every audit task. The Firm will collect these timesheets and bill the City of Lake Elsinore at the rates outlined in the Total All-Inclusive Maximum Price section in four stages: (1) at the conclusion of the planning phase, (2) at the conclusion of the interim phase, (3) at the conclusion of the Year-End phase, (4) and after presentation and acceptance of the final audit reports. Interim billings will cover a period not less than a calendar month. The billing amounts generally break down as follows:

Work Performed	% of Proposal Amount
Planning	10%
Interim	40%
Fieldwork	40%
Presentation and Acceptance of Reports	10%



ORANGE COUNTY ■ SAN DIEGO ■ BAY AREA ■ LAS VEGAS ■ PHOENIX

www.pungroup.cpa