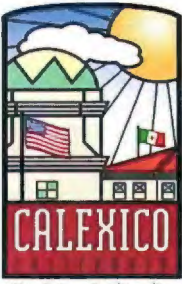


**AGENDA  
ITEM**

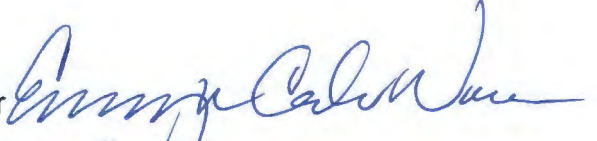
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# AGENDA STAFF REPORT

**DATE:** May 17, 2023

**TO:** Mayor and City Council

**APPROVED BY:** Esperanza Colio Warren, City Manager 

**PREPARED BY:** Sandra L. Fonseca, Interim Finance Director 

**SUBJECT:** Approve Extension of The Pun Group Accountants & Advisors Contract for Financial Audit Services for the City of Calexico for Options Approved on May 2022 for Fiscal Years Ending 2023 and 2024

=====

**Recommendation:**

Recommend that the City Council approve the extension of The Pun Group Accountants & Advisors contract for Financial Audit Services for the City of Calexico for Option Approved on May 18, 2022, for Fiscal Years Ending 2023 and 2024.

**Background:**

The Pun Group has been working with the City of Calexico for several years, providing financial audits and assistance, in addition to working closely with staff and the financial contract representative.

The professional quality of The Pun Group is commendable, and the familiarity and track record with the City of Calexico is excellent; all good reason to continue with this firm.

City Council approved The Pun Group's contract for Year Ended 2022, with Options for Years Ended 2023 and 2024, to continued with Audit Services for two (2) additional years, (2023 & 2024).

**Discussion & Analysis:**

The Pun Group is familiar with the City of Calexico's financial struggles, and has diligently guided the City of Calexico through their audits and recommendations.



**Fiscal Impact:**

1. \$79,000 for FY 2023
2. \$81,850 for FY 2024

**Coordinated with:**

None.

**Attachment:**

The Pun Group May 5, 2022 Audit Services Contract Extension – Fiscal Year Ending June 30, 2022 with the Option to Extend for two (2) Additional Fiscal Years



May 5, 2022

City of Calexico  
Ms. Sandra L. Fonseca, Interim Finance Manager  
420 Heber Ave  
Calexico, CA 92231

RE: Audit Services Contract Extension – Fiscal Year Ending June 30, 2022, with the option to extend for two (2) additional fiscal years

Dear Ms. Fonseca:

I would like to take this opportunity to thank you for the confidence and support the City of Calexico (the “City”) has provided to us over the past years and present this letter for your consideration regarding extending The Pun Group, LLP’s contract with the City.

We have developed an understanding of the City’s operations that has aided us in providing quality Audit Services. With that knowledge, we have been able to expand our audit efforts and provide observations that have assisted the City’s staff. We have also demonstrated our ability to respond to requests of the City and our ability to deliver quality services. It is our understanding the City of Calexico has been satisfied with our efforts.

We would like to propose an extension of our Audit Services contract to include Fiscal Year Ending June 30, 2022, with the option to extend for two (2) additional fiscal years. The objective of our audits is to issue an opinion regarding the fairness of the presentation of the City’s financial statements in accordance with generally accepted accounting principles. The proposed total all-inclusive maximum price <sup>(1)(2)</sup> is presented as follows:

FY 2022	\$77,250
FY 2023 (Optional)	\$79,500
FY 2024 (Optional)	\$81,850

<sup>(1)</sup> Above quote includes Single Audit services based on up to one (1) major program. The fees to audit 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’s Management before starting Single Audit work.

<sup>(2)</sup> Supplemental reports, audits, or agreed-upon procedures must be added in 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.

If the City agrees with the foregoing, please sign the copy of this letter in the space provided and return it to us.

We would very much like to continue our relationship with the City of Calexico and stand ready to provide the level of service and commitment to which the City has become accustomed. If you have any questions, please feel free to call me at (949) 777- 8801.

Sincerely,  
The Pun Group, LLP

Kenneth H. Pun, CPA, CGMA | Managing Partner

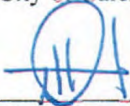
4660 La Jolla Village Drive, Suite 100, San Diego, California 92122  
[www.pungroup.cpa](http://www.pungroup.cpa)

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This letter correctly sets forth the understanding of the City of Calexico as described.

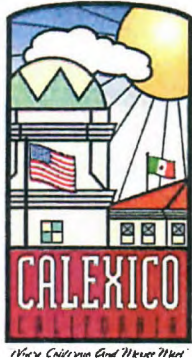
**Acknowledged by:**

\_\_\_\_\_  
Diego Favila, Interim City Manager  
City of Calexico



\_\_\_\_\_  
Signature

05-26-2022  
\_\_\_\_\_  
Date



## CITY OF CALEXICO MINUTE ORDER

DATE OF MEETING: May 18, 2022


THE CITY COUNCIL OF THE CITY OF CALEXICO on motion by Mayor Pro Tem Garcia, seconded by Council Member Ureña.

Approved the following: Approve an Extension of the Pun Group Accountants & Advisors Contract to Provide Annual Financial Audit Services for the City of Calexico for Fiscal Years Ended June 30, 2022, with Options for 2023 and 2024

Voting was follows:

AYES:	Moreno, Garcia, Ureña, Romo, Arreola-Fernandez
NOES:	None
ABSENT:	None
ABSTAIN:	None

AGENDA ITEM NO. : 17



OFFICE OF THE CITY CLERK  
GABRIELA T. GARCIA, CITY CLERK