

**SUBJECT: Award Of Contract For Audit Services for Fiscal Years 2001 through 2003.**

PREPARED BY: Finance

DATE: April 30, 2001

FOR AGENDA OF: May 14, 2001

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**SUMMARY:**

The original request for proposal for audit services for Fiscal Year 1998 through 2000 included a clause under the Term of Engagement that allowed the City the option to negotiate a three-year renewal for audit services. Based on the excellent service that city has received from Mikunda, Cottrell & Co., administration requested a quote from Mikunda, Cottrell & Co. to extend our contract for another three years. Enclosed is the response from Mikunda, Cottrell & Co.

Mikunda, Cottrell & Co. quoted that they could provide us audit services for the next three years at \$22,750 per year including out of pocket cost and printing cost. This quote represents approximately a \$7,600 savings over what it cost the City for the last three years.

It is the recommendation of the Finance Department that the City of Wasilla extend it's audit engagement with Mikunda, Cottrell & Co. for another three years based on the excellent service that the City has received from Mikunda, Cottrell & Co. and also based on the quote that Mikunda, Cottrell & Co. has given the City for audit services for the next three Fiscal Years.

**FISCAL IMPACT:** \_\_No X Yes, amount requested: \$68,250

**RECOMMENDED ACTION:** Council renew its agreement with Mikunda, Cottrel, & Co. to audit the City's Financial Statements for a three year period for the Fiscal years ending June 30, 2001, 2002, and 2003.

  
Reviewed by: SARAH PALIN, Mayor

Presented to council on 5/14/01  
Action taken:  Approved  Denied  
other: \_\_\_\_\_  
Verified by W.

Attachments: Price Quote from Mikunda, Cottrell & Co for Audit Services.

# MIKUNDA, COTTRELL & Co.

*A Professional Corporation*

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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April 16, 2001

Mr. Ted Leonard, Finance Director  
City of Wasilla  
290 East Herning Avenue  
Wasilla, AK 99654

Dear Ted:

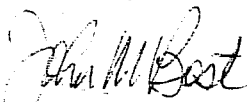
This letter is in response to your request for a price quote for the City's audit for the years ending June 30, 2001, 2002 and 2003.

We are very interested in continuing our relationship with the City of Wasilla. We consider the City to be an extremely valued client and one that our staff and I have truly enjoyed working with. We feel we have developed a good working relationship with the City and have developed an understanding of the City's activities and accounting systems. During this past year's audit, we found that thanks to you and your staff, the books and records were very well prepared for the audit and the necessary schedules and documents were ready for us when we arrived. That allowed us complete our fieldwork more quickly and efficiently than in the prior audits. As a result of that, and assuming that level of assistance and preparedness continues for the next three years, we feel we can conduct the City's audit for a fee, including all out of pocket costs (except the colored covers) of \$22,750 per year. This is a reduction of over \$2,000 from three years ago.

This fee is based on the time required by the individuals assigned to the engagement, plus the out of pocket costs. Our fee estimate is based on the understanding that the financial records will be properly closed at year end and the necessary schedules, account analyses and other documents needed for the audit will be provided by your accounting staff, including the completion of the items in the audit preparation package. The fee estimate is also based on the assumption that the accounting system and system of internal control produce reliable financial data and that all significant transactions are recorded in accordance with generally accepted accounting principles.

We look forward to working with you and the City staff again. Please let me know if you need any additional information regarding the contract extension.

Sincerely,



John M. Bost, Partner  
Mikunda, Cottrell and Co.