



Schenck

CPAs AND SO MUCH MORE.

November 5, 2010

City of Menasha  
Tom Stoffel, Comptroller  
140 Main Street  
Menasha, WI 54952

Dear Tom:

In accordance with our proposal, set forth below are fees for our auditing services contracted for the year ended December 31, 2010.

**Fees for Auditing Services**

General City	\$15,650
Federal and State Compliance Audit, if required	2,325
Menasha Utility's Audit	14,000
Additional Steam Utility Disclosures	1,500 - 2,500

We sincerely appreciate the opportunity to continue our relationship with the City. We currently provide auditing services to over 250 Wisconsin municipalities. Because of our experience and extensive background with Wisconsin governments, we believe the auditing services we deliver to our municipal clients provide benefits that exceed those provided by other CPA firms.

If you have any questions or desire additional information, please don't hesitate to contact us.

Sincerely,

Jay McMahon, CPA

The above proposed fees are acceptable for auditing services contract for the year ended December 31, 2010.

CITY OF MENASHA

By: \_\_\_\_\_

Date: \_\_\_\_\_





MEMORANDUM

TO: Committee Chairman Wisneski and the members of the City of Menasha Administration Committee

FROM: City Comptroller/Treasurer Stoffel *trs*

DATE: 11/09/2010

SUBJECT: Extension of Contract for Auditing Services with Schenck Government & Not-for-Profit Solutions

Enclosed in your packet is a quotation from Schenck Government & Not-for-Profit Solutions for audit service for the year 2010. When the City bid out these services three years ago, the RFP included a provision for up to three one year extensions beyond the original contract if services were satisfactory and both parties agreed.

Since that time, the City has experienced significant financial difficulties with regard to the failed Steam Utility, defaulted on \$22.8 million of revenue bond anticipation notes and has become involved in litigation brought by some of the bondholders. Schenck has been our audit firm throughout this period of time. They have all the background on this particular situation and to send out an RFP to solicit audit firms would require a considerable amount of time and if a new firm were selected, bringing that firm up to speed on all the issues the City and Utility have. This would be very time consuming for both Finance and Utility staff.

Both my department and the Utilities accounting staff are satisfied with the service received and would recommend that the one year extension be approved.



321 Milwaukee Street • P.O. Box 340 • Menasha, WI 54952-0340 • [www.menashautilities.com](http://www.menashautilities.com)

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Date: November 9, 2010

To: Tom Stoffel, City Comptroller

From: Melanie Krause, Co-General Manager/Business Operations

**RE: Audit Contract**

The auditing services for Schenck for 2010 is going to be on the Commission agenda for November 17, 2010. Since the utility has always had the pre-audit work completed the end of November and the audit done in February we feel time is of the essence and we are recommending we proceed with the Schenck services for 2010 at the cost of \$14,000. Our audit report will then be available in March.

If there is a desire to go for a RFP for auditing services we would request that this be done in 2011 mid-year so that we can maintain the timetable that we have established for our audit. We have certain regulatory requirements that we need to meet and having our audit later in the year would not meet these. I will notify you next week of the Commission's decision on the auditing services for the utility.