

Request for Proposals (RFP) for Auditing Services

Finance, Audit, and Accountability

City Council Committee

June 12, 2006

Purpose

- To provide historical background of previous action regarding auditing services contract
- To brief the committee on the:
 - Proposal process
 - Solicitation efforts
 - Evaluation process

Background

- The City is required by Charter to have an independent audit of “the books of account, records and transactions of all the administrative departments of the City”
- A new contract for auditing services needs to be awarded for upcoming audit of FY 2005-06 financial statements
- In 2003, the Finance and Audit Committee expressed the desire to award this contract to eligible firms on a three year basis
- Further, if the current firm desires to propose again after three year term, they would be required to replace 2 of the 3 management tier personnel: Senior Auditor, Manager, or Partner

Background

- The last contract for auditing services was awarded to KPMG, LLP which has been the auditor for the past eight years
- Despite significant solicitation efforts, the last RFP received limited response from firms solicited due to:
 - Large firms already have other contracts with the City that present conflict of interest issues
 - Many larger firms do not pursue governmental business
 - Smaller firms do not have required experience to compete

Key Elements of the RFP

- Unlike most contracts, the Dallas City Council will typically evaluate and recommend award of the auditing services contract without review by City staff
- The RFP will be issued immediately following approval by the Finance, Audit and Accountability Committee
- The RFP (attached) outlines the requirements of the auditing service contract, and the criteria for evaluation

Key Elements of the RFP

- All proposals will include:
 - Table of Contents
 - Scope of services
 - Detailed listing of audit staff
 - Audit approach
 - Identification of any potential audit problems, and firm's approach to resolving these problems
 - Firm profile
 - List of any lawsuits, either pending or filed since January 2000 including subject matter and status
 - Governmental experience
 - Compliance with auditing standards generally accepted in the US
 - Any additional data including maintenance of insurance requirements, audit team including MWBE participation, involvement in local and governmental organizations
 - Audit Fees

Key Elements of the RFP

- Evaluation Criteria:
 - Prior government auditing experience 30%
 - Qualifications of staff assigned to contract 25%
 - Audit Approach 15%
 - Cost 30%
- Evaluation process
 - All proposals received will be forwarded to the members of the FA&A committee
 - Committee will review and select firms for oral interviews
 - Committee will select proposer deemed most qualified
 - Recommendation will be forwarded to full council for contract award

Solicitation Process

- RFP will be posted on City's website, and e-mails sent to all audit service providers registered within the City's vendor database
- Notice published in the Dallas Morning News twice over a two week period
- Two pre-proposal conferences will be held to solicit input from prospective firms
- Notice sent to all area Chambers of Commerce for distribution to their members
- Notice sent to the Dallas area CPA organizations
- Each of the top 20 firms in the DFW area, per Dallas Business Journal Book of Lists, will also receive phone calls to their managing partner or chief executive
- Follow-up calls will also be made to all firms attending either of the two pre-proposal conferences

Next Steps

- Issue RFP following approval by FA&A committee
- Begin solicitation efforts
- Receive proposals and forward to FA&A committee
- Schedule interviews of firms by FA&A committee
- Forward recommendation of most qualified firm to full City Council for contract award

REQUEST FOR PROPOSAL

Auditing Services

BJ0616

June 2006

Dear Certified Public Accountant:

Enclosed is a Request for Proposal for professional audit services required by the City of Dallas for fiscal year ending 9/30/06, with the option of auditing the City of Dallas' financial statements for the two subsequent fiscal years. If your firm desires to present a proposal, please submit by 10:00 a.m. July 7, 2006.

City of Dallas
c/o Purchasing Agent
1500 Marilla, Room 3FN
Dallas, TX 75201
(214) 670-3326

At a later date, we will schedule presentations before the Finance, Audit and Accountability Committee for the firms short-listed. A final selection will be made sometime after the presentations.

We look forward to your participation in this proposal process.

Sincerely,

David Cook
Chief Financial Officer

REQUEST FOR PROPOSAL
Auditing Services

I. Introduction

The City of Dallas is soliciting proposals from qualified certified public accounting firms for the City's annual audit requirements beginning with the fiscal year ending September 30, 2006, with one-year contract renewals for each of two subsequent fiscal years. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial auditing committees in the Government Auditing Standards (1994) issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of states, local governments and non-profit organizations. After reviewing all proposals submitted, the City will notify those firms it wishes to consider further and will schedule oral presentations before the Council's Finance, Audit and Accountability Committee. The successful firm will be selected using the criteria identified in Section X and audit fees negotiated. The City reserves the right to reject any and all proposals submitted and to request additional information. It should be noted that the use of the auditor's opinion and audited financial statements is at the discretion of the City. The successful firm will be required, in the contract, to consent to the use by the City of the auditor's opinion and the City's audited financial statements in connection with City debt offering documents. For the past 8 years, KPMG, LLP has been the City's auditor with, currently, Marilou Martinez Stevens & Associates, Hopkins & Associates and Logan & Associates, P.C. through joint venture partnerships. The City's Comprehensive Annual Financial Reports (CAFRs) have been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for the past twenty three fiscal years. The FY05 audit is nearing completion and the FY05 CAFR will be submitted for review by GFOA in anticipation of twenty-fourth Certificate award. Special assistance may be required by the

auditors to meet the requirements of this program in submission of future CAFRS.

II. Minority Participation

The City of Dallas is committed to providing women-and minority-owned business enterprises with all available opportunities possible under the law. Compliance with the City's Good Faith Effort Plan is essential. Please see Attachment. We, therefore, encourage the prime contractor to extend an opportunity to qualified women and/or minority firms to participate in a joint venture agreement or as a subcontractor(s) in the engagement. A list of Minority Business Enterprise firms, or other information or assistance can be obtained from:

Business Development & Procurement Services
City Hall
1500 Marilla, Room 3FN
Dallas, TX 75201
(214) 671-9814

III. Description of the City

The City of Dallas, incorporated in 1856, adopted the City Charter in 1907 and has had a Council-Manager form of government since 1931. The City's 2006 budget provides for \$1.69 billion in operating expenditures and \$529 million in capital improvements to furnish the full array of municipal services to its citizens.

IV. Audit Requirements

A. The City Council is required by the City Charter to have an independent audit of "the books of account, records and transactions of all the administrative departments of the City". The City maintains numerous individual funds and groups of accounts to record these transactions. "Exhibit A" lists the reporting entities to be audited, by fund type, that comprise the City's Comprehensive Annual Financial Report and the present number of funds maintained for each type.

- B. "Exhibit B" lists the City's several pension plans, which are reported and audited separately, with their respective report dates. Audits of the Pension Trust Funds are not included as part of this request for proposal, but the funds are considered component units of the City.
- C. "Exhibit C" includes those funds requiring compliance audits as prescribed by other governmental agencies or revenue bond ordinances.
- D. Dallas Water Utilities (DWU) and Aviation (AVI) require separate audited financial statements and a certificate of adequate net revenue coverage for each bond sale. Verification of arithmetical computation of adequacy of escrowed securities and interest will be required for DWU bond refunding as well as infrequent comfort letter(s) (last required in 1988). All such fees (except audit fees) should be separately stated.
- E. Auditor's review of the City's "Performance Report" is required within the normal course of the City's audit. The Performance Report contains consolidated financial statements prepared on the accrual basis of accounting. Separate fund and account group financial statements are not presented and all significant interfund transactions and balances are eliminated.
- F. A compliance audit is required of management controls on investments and adherence to the City's established investment policy and the Public Funds Investment Act.
- G. A Management Recommendation Letter setting forth any weaknesses or opportunities for improvement in the City's operations and procedures must be provided as a result of the auditor's study and evaluation of the City's system of internal accounting control. A written report of all irregularities and illegal, or indications of illegal, acts must be immediately given to the City Manager, Chief Financial Officer, Director of the Office of Financial Services, the City Controller and the City Attorney.

H. The City also requires the performance of a Single Audit (Schedule of Grant Expenditures) of federal, state and local grant funds as prescribed by the "Single Audit Act of 1984" as amended and the U.S. Office of Management and Budget (OMB) Circular A-133 and the State of Texas Single Audit Circular (the Circular) in accordance with the State Uniform Grant Management Standards. "Exhibit D" lists various federal, state and local agencies that currently provide grant funds to the City.

V. Accounting Information

- A. The modified accrual basis of accounting is used for all governmental fund types; revenues are recorded when measurable and available
- B. Expenditures are recorded when incurred as fund liabilities according to generally accepted accounting principles.
- C. All proprietary fund types use the accrual basis of accounting, and economic resources measurement flows.
- D. All funds are restated to the accrual basis of accounting and economic resources measurement focus for the government-wide financial statements. The City budget represents departmental appropriations authorized by the annual appropriation ordinance and as revised by the City Council during the fiscal year. Appropriations, estimated revenues and encumbrances are recorded in the accounting records.
- E. Financial System
1. The City uses the integrated accounting system Advantage version 3.5, a product of CGI-AMS, Inc., Fairfax, Virginia. Advantage is a financial management system which provides general ledger functions including

encumbrance and budget controls, and modules for purchasing, fixed assets, inventory management, and job cost.

The Lawson Human Resources Information System interfaces with Advantage and is not part of the integrated system. Various other billing and cash receipts systems also interface with Advantage.

2. Approximately 25,000 journal vouchers are entered annually by approximately 1,000 data entry personnel and general system users. Another 50,000 transactions annually are input as interface files from 'feeder' systems such as payroll, water utilities customer information and accounting, equipment services billing, data processing billing, telephone billing, interest distribution, and inventory systems.
3. The accounting structure of Advantage includes approximately:
 - a) 1,000 Funds
 - b) 6,600 Units
 - c) 900 Balance Sheet Accounts
 - d) 600 Expenditure Object Categories
 - e) 900 Revenue Source Categories
4. The City processes about 105,000 payment vouchers annually resulting in approximately 85,000 checks. (Multiple vouchers to the same vendor on the same day combine into a single check.) The City also processes approximately 9,400 wire transfers per year.
5. The Advantage Financial data base consists of four components, all of them Oracle tables:
 - a) Document Catalog contains all documents which were

processed. Documents may be archived, but encumbrances which are still open will not be archived.

- b) Tables contain chart of accounts, configuration options and various repositories of information, such as vendors.
- c) Journals contain chronological accounting activity in detail.
- d) Ledgers contain summary-level accounting data.

6. Documentation for the City's systems, policies, and procedures is provided by various manuals including:

- a) Administrative Directives Manual
- b) Advantage Information Guide
- c) Advantage Financial User Guides
- d) Human Resources Information System (HRIS) Manual
- e) Records Management Manual
- f) Personnel Rules
- g) Online help for pages and individual fields
- h) City Charter

F. Centralized Computer Center

The City of Dallas has a Centralized Computer Center. The Advantage financial system is supported, as follows:

- a) Four Sun V480 servers, Solaris 9: Database, Vendor Self-Service, Web/Application and Test.
- b) The application is written in Java. IBM Websphere serves HTML pages to standard web browsers on the Intranet.
- c) The database is Oracle 9i.

- d) The data extraction tool is Oracle PL/SQL (SQL Plus), or other database utilities.
- e) The end-user reporting tool is InfoAdvantage (a vendor-provided configuration of Business Objects), which runs on a Wintel platform.
- f) A separate fleet management and inventory system runs on an ALPHA 4100.

VI. Assistance Available to Auditors

The City Controller's Office staff will prepare workpapers, provide document search and make available training aids for orientation of the auditor's staff.

VII. Proposal Requirements

Each firm should submit their proposal in twenty copies. Items to be included are:

A. Table of Contents

Include a clear identification of the material submitted by section and by page number.

B. Scope of Service Section

Clearly describe the scope of the required services to be provided defined in terms of both financial statement audit and compliance audit.

C. Audit Staff

Identify the responsible partner(s) and appropriate partner, manager, and other supervisors who will work on the audit, including staff from other than the local office.

Resumes for each should be included, including specific governmental experience and whether they are licensed to practice as a Certified Public Accountant in the State of

Texas. The depth of the staff available should be included and the firm's intent regarding continuity of assigned staff during future years. Also indicate any joint venture or subcontractor participation by other audit firms and staff profiles as appropriate. State whether the proposed staff have received continuing professional education in governmental accounting and auditing during the last two years.

D. Audit Approach

Clearly describe your firm's approach to conducting the audit. Include in this description your proposed utilization of City staff, methodology for accomplishing the varied audit requirements in a timely and efficient manner and any special techniques you may employ to facilitate the first year engagement. Also include proposed segmentation of the engagement, level of staff assigned to each segment, approach to determining sample sizes, approach to determining compliance with laws and regulation, and the approach to be used in gaining an understanding of the internal control structure. It is the City's goal to issue audited financial statements within 120 days after the fiscal year end. Therefore, indicate procedures and/or work schedules that would be used to facilitate the completion of the audit within this time frame in the first and subsequent two years.

E. Identify any potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the City.

F. Profile of the Firm

State whether your firm is local, national or international. State whether your firm is independent as defined by applicable auditing standards. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at that office and your proposed billing

rates for each.

If a firm holding a three-year contract with the City, present or future, desires to propose again, that firm would be required to replace two of the following three management level personnel: Senior Auditor, Manager, Partner.

- G. List of all lawsuits, either pending as of June 2006 or filed since that date, including subject matter and status. Disclose any disciplinary action brought against your firm or employees by state regulators, bodies, or professional organizations during the past five years.

H. Governmental Experience

Describe recent experience in governmental auditing, pension fund auditing, Single Audit, and grant auditing similar to the type requested and emphasize any local office engagements. Include whether those clients received the GFOA certificate for excellence in financial reporting for each of the years the client was served by your firm. Provide as references the names and telephone numbers of client officials responsible for those audits.

- I. Compliance with Auditing Standards Generally Accepted in the United States of America.

State whether your firm intends to comply with auditing standards generally accepted in the United States of America and the standards applicable to financial auditing committees in the Government Auditing Standards (1994) issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of states, local governments and non-profit organizations, auditing standards generally accepted in the United States of America and the standards applicable to financial auditing committees in the Government Auditing Standards (1994) issued by the Comptroller General of the

United States, and OMB Circular A-133, Audits of states, local governments and non-profit organizations, including special reporting on internal controls and on compliance with applicable laws and regulations. State whether your firm has complied with applicable requirements for external quality control review and continuing professional education. Include a copy of the report on the firm's most recent external quality control review with a statement whether that review included a review of specific government engagements. State also whether your firm has complied with continuing professional education in governmental accounting and auditing as specified by the GAO.

J. Additional Data

The successful proposer will be required to purchase, and maintain during the term of the contract, insurance as described in "Exhibit F". Give any additional information considered essential to this proposal, including involvement in state and local government organizations, seminars, etc. Indicate any planned participation by certified women- or minority-owned firms. Indicate your availability in providing a minimum of 16 hours of continuing professional education annually for the City's professional accounting staff. Indicate your firm's availability for providing year round accounting, financial management systems, and pension/actuarial consultation. Indicate the degree of significance your firm attaches to the "management letter" provided after each audit regarding the City's procedural operations.

K. Audit Fees

Provide a fee estimate for the City's requirements which indicates:

- 1) the fee and estimated hours for the audit of the Comprehensive Annual Financial Report (CAFR) only.

- 2) a combined fee and estimated hours for the simultaneous audit of the CAFR and Schedule of Grant Activity (Single Audit).
- 3) the fee and estimated hours for past audit review of the City's official statement in conjunction with its bond offerings.
- 4) the fee and estimated hours for verification of arithmetical computation of adequacy of escrowed securities and interest for DWU bond refunding and infrequent comfort letter(s) (last required in 1988).
- 5) the maximum percentage increase in 1), 2), 3), and 4) that can be anticipated in subsequent years (see Section IX).
- 6) Hourly rates for services which may be requested outside the scope of the audits for each of the following: Partner, Manager, Senior Accountant, and Staff Accountants

VIII. Selection Process :

The Finance, Audit and Accountability Committee of the City Council will review the proposals, choose the firms for oral presentations and select the firm it deems most qualified.

IX. Contract

The professional audit firm selected by the City to perform this service will be required to sign a contract prepared by the City Attorney's Office (sample contracts are provided). Any modifications to the contract should be addressed in the proposer's response to this RFP. Modifications to the contract are subject to review and approval by the City Attorney's Office. The contract will be a one year contract with an option to renew the contract for up to two successive one year periods.

X. Criteria for Evaluation

The criteria for evaluation will include, but not be limited to, the following areas with the approximate weightings as noted:

- | | | |
|---------------|---|---------|
| A. | Prior governmental auditing experience | 30% |
| | - current governmental clients | |
| | - experience in comparable auditing/Single Audit | |
| | - quality assurance review - unqualified opinion | |
| | - participation in governmental organizations and agencies
such as GFOA and state municipal leagues and associations | |
|
B. |
Qualifications of staff to be assigned to the audit |
25% |
| | - qualifications and experience in municipal auditing | |
| | - extent of continuing education received by staff | |
| | - size of local office | |
| | - extent of on-site staff experienced and qualified in EDP auditing | |
|
C. |
Audit approach |
15% |
| | - extent of City staff utilization during engagement | |
| | - reasonableness of audit timetable | |
| | - reasonableness of audit hours | |
| | - adequacy of sampling techniques and analytical procedures | |
|
D. |
Fees |
30% |

If you have any questions prior to the pre-proposal conference, contact Ed Matthews (214) 670-3337.

Reporting Entities to be Audited

<u>Fund Type</u>	
Governmental Funds:	
General Fund	26
Debt Service	4
Special Revenue Fund	555
Capital Project Fund	214
Permanent Fund	5
Internal Service Funds:	
Equipment Services	1
Communication Services	2
Office Services	1
Information Systems	1
Risk Funds	16
Enterprise Funds:	
Water Utilities	68
Convention Center	25
Airport	17
Municipal Radio	2
Building Inspection	1
Fiduciary Funds	
Agency Fund	12
Pension Trust Fund	3
Other	
General Fixed Assets	2
General Long-Term Debt	1
Component Units	2

* Separate audited financial statements are prepared for Dallas Water Utilities and Aviation Fund for financial disclosure in official statements relating to revenue bond sales.

City Retirement Funds to be Reported Separately

<u>Pension Plan</u>	<u>Report Date</u>
Employees' Retirement Fund	12/31
Dallas Police and Fire Pension System	12/31
Police & Fire Supplemental Pension Fund	12/31

Funds Requiring Compliance Audit

<u>Fund</u>	<u>Compliance Required By</u>	<u>Report Date</u>
Federal/State Grants	Single Audit Act of 1984	9/30
Water Utilities	Revenue Bond Ordinance	9/30
Convention Center	Revenue Bond Ordinance	9/30
Airport Revenue	Revenue Bond Ordinance	9/30

Agencies Providing Grant Funds to City of Dallas

Agencies Providing Grant Funds to City of Dallas

U.S. Department of Agriculture
U.S. Department of Commerce
U.S. Department of Education
U.S. Department of Health and Human Services
U.S. Department of Homeland Security
U.S. Department of Housing and Urban Development
U.S. Department of Interior, National Park Services
U.S. Department of Justice
U.S. Department of Transportation
U.S. Army Corps of Engineers
U.S. Environmental Protection Agency
Texas Department of Agriculture
Texas Department of Health
Texas Department of Transportation
Tax Allocation Section of State Comptroller's Office
Texas Automobile Theft Prevention Authority
Texas Commission on Alcohol and Drug Abuse
Texas Commission on Environmental Quality
Texas Commission on the Arts
Texas Engineering Extension Services
Texas Health and Human Services Commission
Texas State Library and Archives Commission
Texas Water Development Board
Texas Workforce Commission
State of Texas Comptroller of Public Accounts
State of Texas Office of the Attorney General
National Association of County and City Health Officials
National Endowment for the Arts
National Endowment for Humanities
National Highway and Traffic Safety Administration
North Central Texas Council of Government
Institute of Museum and Library Services
Federal Aviation Administration
Governor's Office of General Council and Criminal Justice
Telecommunications Infrastructure Fund Board

Largest Metroplex ACCOUNTING FIRMS

Ranked by number of local professionals in 2003

Rank 2004/2003	Name Address	Telephone Fax	Local/total professionals	Local/total CPAs	Local/total partners	Local/total employees	Local/total offices	Auditing	Management consulting	Tax services	Accounting services	Computer consulting	Litigation support	Government accounting	Business planning	Small-business services	Personal planning	Managing partner/year established locally/ Web site address
1 1	Ernst & Young LLP 2121 San Jacinto St., Ste. 1500 Dallas 75201	214-969-8000 214-969-8587	1,185 93,600	482 NA	87 7,084	1,270 103,000	3 670	x	x	x	x	x	x	x	x	x	x	David E. Alexander 1915 www.ey.com
2 2	KPMG LLP 717 N. Harwood St., Ste. 3100 Dallas 75201	214-840-2000 214-840-2297	879 100,000	280 NA	67 6,600	1,160 100,000	2 122	x	x	x	x	x	x	x	x	x	x	P. Scott Ozanus 1915 www.kpmg.com
3 3	Deloitte 2200 Ross Ave., Ste. 1600 Dallas 75201	214-840-7000 214-880-5035	871 89,000	NA NA	124 8,000	1,217 120,000	5 687	x	x	x	x	x	x	x	x	x	x	Roger Nanney 1920 www.deloitte.com/us
4 4	PricewaterhouseCoopers LLP 2001 Ross Ave., Ste. 1800 Dallas 75201	214-999-1400 214-754-7991	700 NA	280 NA	80 7,900	900 124,000	2 780	x	x	x	x	x	x	x	x	x	x	Maribess Miller 1998 www.pwc.com
5 5	Grant Thornton LLP 1717 Main St., Ste. 500 Dallas 75201	214-561-2300 214-561-2370	152 16,275	60 NA	17 2,256	171 21,500	1 585	x	x	x	x	x	x	x	x	x	x	Louis J. Grabowsky 1960 www.grantthornton.com
6 5	Weaver and Tidwell LLP¹ 1600 W. 7th St., Ste. 300 Fort Worth 76102	817-332-7900 817-429-1017	134 134	69 69	23 23	149 149	2 2	x	x	x	x	x	x	x	x	x	x	W.M. "Mack" Lawhon 1950 www.weaverandtidwell.com
7 7	BDO Seidman LLP 700 N. Pearl St., Ste. 2000 Dallas 75201	214-969-7007 214-953-0722	115 16,500	NA NA	14 2,142	125 23,200	1 573	x	x	x	x	x	x	x	x	x	x	Jay Duke, Jimmy Averitt, Angela Walters/1972 www.bdo.com
8 9	Travis Wolff & Co. LLP 5580 LBJ Fwy., Ste. 400 Dallas 75240	972-661-1843 972-934-8621	89 89	57 57	8 8	112 112	1 1	x	x	x	x	x	x	x	x	x	x	Ken McGill 1991 www.traviswolff.com
9 9	RSM McGladrey Inc./McGladrey & Pullen LLP 13355 Noel Rd., 8th floor Dallas 75240	972-764-7100 972-764-7101	84 3,758	44 1,532	9 469	104 4,357	1 92	x	x	x	x	x	x	x	x	x	x	Roger Hendren 2000 www.rsmmcgladrey.com
10 10	Lane Gorman Trubitt LLP 2626 Howell, 7th floor Dallas 75204	214-871-7500 214-871-0011	71 71	47 47	17 17	108 108	1 1	x	x	x	x	x	x	x	x	x	x	Bob Knight 1950 www.lgt-cpa.com
11 11	Whitley Penn 5420 LBJ Fwy., Ste. 1440 Dallas 75240	972-392-6600 972-392-6601	68 68	41 41	10 10	80 80	3 3	x	x	x	x	x	x	x	x	x	x	Larry G. Autrey 1983 www.wpcpa.com
12 14	KBA Group LLP² 14241 Dallas Pkwy., Ste. 200 Dallas 75254	972-702-8262 972-702-0673	57 57	28 28	7 7	60 60	1 1	x	x	x	x	x	x	x	x	x	x	Laurence D. King 1982 www.kbagroupllp.com
13 12	Martin W. Cohen & Co. PC 1600 Pacific, Ste. 1900 Dallas 75201	214-953-3000 214-969-1040	48 48	6 6	4 4	58 58	1 1	x	x	x	x	x	x	x	x	x	x	Martin W. Cohen 1973 NA
14 13	Hartman Leitso & Bolt LLP 6100 Southwest Blvd., Ste. 500 Fort Worth 76109	817-738-2400 817-738-1995	48 48	25 25	7 7	47 47	2 2	x	x	x	x	x	x	x	x	x	x	James Leitso III 1986 www.hlbllp.com
15 16	Philip Vogel & Co. PC 10440 N. Central Expy., Ste. 1200 Dallas 75231	214-346-5800 214-346-5899	38 38	28 28	6 6	42 42	1 1	x	x	x	x	x	x	x	x	x	x	Bernard Raden 1951 www.philipvogel.com
16 19	Chapman, Hext & Co. PC 301 S. Sherman St., Ste. 200 Richardson 75081	972-644-7112 972-680-8685	37 37	14 14	3 3	48 48	1 1	x	x	x	x	x	x	x	x	x	x	Charles E. Chapman 1990 www.chapmanhext.com
17 17	CF & Co. LLP 14175 Proton Rd. Dallas 75244	972-387-4300 972-960-2810	36 36	19 19	7 7	45 45	1 1	x	x	x	x	x	x	x	x	x	x	J. King Bourland 1956 www.cftlp.com
18 17	Bland, Garvey, Eads, Medlock & Deppe PC 1202 Richardson Dr., Ste. 203 Richardson 75080	972-231-2503 972-783-6501	34 34	21 21	7 7	42 42	1 1	x	x	x	x	x	x	x	x	x	x	John C. Garvey 1967 www.taxsmart.com
19 19	Sanford, Baumeister & Frazier PC 201 Main St., Ste. 1250 Fort Worth 76102	817-877-5000 817-877-5330	31 31	22 22	5 5	33 33	1 1	x	x	x	x	x	x	x	x	x	x	Rick Baumeister 1949 www.sbf-cpa.com

NA: Not available, not applicable

NR: Not ranked

1. Is located in Dallas at 1221 Merit Dr., Ste. 400

2. Company merged with BDA&K Business Services in March 2003.

Source: the accounting firms

LIST CONTINUES ON PAGE 60

THE LIST

Largest Metroplex

ACCOUNTING FIRMS

Ranked by number of local professionals in 2003

Rank 2004/ 2003	Name Address	Telephone Fax	Local/ total professionals	Local/ total CPAs	Local/ total partners	Local/ total employees	Local/ total offices	Auditing	Management consulting	Tax services	Accounting services	Computer consulting	Litigation support	Government accounting	Business planning	Small-business services	Personal planning	Managing partner/ year established locally/ Web site address
20 21	Stovall, Grandey & Whatley LLP 1300 S. University Dr., Ste. 308 Fort Worth 76107	817-338-1115 817-338-1163	30 30	18 18	3 3	31 31	1 2	X	X	X	X	X	X	X	X	X	X	David G. Stovall 1972 www.sgw-cpas.com
21 24	BKR Cornwell Jackson 4975 Preston Park Blvd., Ste. 400 Plano 75093	972-202-8000 972-202-8010	27 27	13 13	4 4	31 31	1 1	X	X	X	X		X					Levi McMillan 1980 www.bkrjc.com
22 21	Pickens Snodgrass Koch & Co. 3001 Medlin Dr. Arlington 76015	817-664-3000 817-664-3001	26 27	13 14	5 5	36 36	1 1	X	X	X	X				X	X	X	Rusty Pickens 1964 www.pskcpa.com
23 25	Salmon, Beach & Associates PLLC 12720 Hillcrest Rd., Ste. 900 Dallas 75230	972-392-1143 972-934-1269	23 23	12 12	3 3	26 26	1 1	X	X	X	X		X	X	X	X	X	R. W. Salmon, J.C. Beach 1987 www.salmonbeach.com
24 NR	Henry, Held & Reilly LLP 2301 N. Greenville Ave., Ste. 150 Richardson 75082	972-644-3167 972-644-3273	22 22	13 13	3 3	27 27	1 1		X	X	X	X	X		X	X	X	Scott Henry 1985 www.henryheld.com
24 NR	Judd, Thomas, Smith & Co. 12222 Merit Dr., Ste. 1900 Dallas 75251	972-661-5872 972-661-3651	22 22	16 16	4 4	28 28	1 1	X	X	X	X	X	X	X	X	X	X	NA 1976 www.jtsco.com

NA: Not available
NR: Not ranked
Source: the accounting firms

Research: Jerry Gunter and Pavan Lal