

SCREENING AND SELECTION COMMITTEE/REFERENCE CHECK COMMENTS

MP / RSM McGladrey, Inc.

<u>FIRM EXPERIENCE:</u>	MP works with RSM McGladrey, Inc. (a joint venture) that provides consulting services. MP's Central region includes offices in Kansas City, MO; Denver, CO; Omaha, NE; and eight offices in Iowa. The Partner, Manager, and staff proposed for our audit are based in Kansas City. The quality review partner is based in Davenport, IA. The firm participates in numerous professional and governmental organizations, including Government Finance Officers Association, state CPA societies, and the Association of Government Accountants.
<u>GAQC MEMBERSHIP:</u>	The firm is a member of the Government Audit Quality Center.
<u>STAFF EXPERIENCE:</u>	The engagement team proposed for our audit has assisted numerous clients with tax-exempt financing and bond issues. The proposed engagement team has substantial government experience. The Senior Associate has audited several cities in the Kansas City metropolitan area. The partners have substantial municipal government experience in Iowa and Illinois. The proposed engagement team members have attended a substantial amount of training for auditing standards and governmental audits.
<u>SIMILAR CLIENTS:</u>	<p>The firm has many long-term municipal clients in Iowa and has acquired several small municipal clients in the Kansas City metropolitan area in the last four years.</p> <p>We contacted Liberty, MO; North Kansas City, MO; Des Moines, IA; Cedar Rapids, IA and Water District #1 of Johnson County for reference checks. We received numerous positive comments about the manager and partners proposed for our audit. They were consistently described as very pleasant, professional, helpful, and receptive. They go the extra mile to provide help and resources without extra charges, including information on emerging issues in governmental accounting. Several clients commented that they felt the firm provided thorough audit coverage and had looked at areas that were not reviewed by prior auditors, without being overly detailed. They clients liked their working relationship with the firm and hoped to continue it.</p>
<u>AUDIT APPROACH:</u>	The firm uses computer auditing and statistical sampling techniques. The proposal includes thorough descriptions of the firm's methods for analyzing risks, evaluating and testing internal controls, and analyzing/testing our computer-related controls.

SCREENING AND SELECTION COMMITTEE/REFERENCE CHECK COMMENTS

Other planned procedures included analytical reviews and substantive testing.

The firm estimated 550 hours for the city audit, the second highest number of hours proposed.

OTHER COMMENTS:

The firm has 100 public sector industry specialists in the Central Plains region. This proposal was the highest ranking proposal in the committee's evaluation, due to their extensive governmental audit experience and the large number of employees that audit public sector clients.

SCREENING AND SELECTION COMMITTEE/REFERENCE CHECK COMMENTS

AGH-BT

<u>FIRM EXPERIENCE:</u>	AGH, based in Wichita, Kansas, is a member of the RSM McGladrey Network (a joint-venture). AGH audited the city for a few years prior to 2003. The proposal includes the firm of Berberich Trahan & Co. from Topeka, Kansas, as their joint venture associate. The firms have audited governmental entities for over 30 years and are active in the Government Finance Officers' Association (GFOA). Both firms lead and participate in numerous governmental training programs.
<u>GAQC MEMBERSHIP:</u>	Both firms are members of the Government Audit Quality Center.
<u>STAFF EXPERIENCE:</u>	The firms have assembled an audit team experienced in governmental audits. The AGH Partner and Manager were involved in city audits prior to 2003 and are familiar with the structure and relationships presented in our financial reports. In the last three years, the management of the firms has attended numerous hours of training specifically related to governmental accounting and auditing.
<u>SIMILAR CLIENTS:</u>	<p>AGH and BT audit various state entities and large counties in Kansas. AGH audits Wichita and BT audits several smaller cities in Kansas and Missouri, as well as the Kansas Public Employees Retirement System.</p> <p>We contacted Wichita, Johnson County, and the Unified Government of Wyandotte County/City of Kansas City to check references for AGH. The references provided very positive comments about the Manager, the firm's responsiveness to inquiries throughout the year, and their diligent efforts to comply with established deadlines. The firm had also provided guidance and extra training on upcoming issues in governmental accounting. The firm worked well with the client's staff and minimized disruptions of client operations. Several of the clients had enjoyed a long-term working relationship with the firm and hoped to continue it.</p> <p>We contacted Manhattan and Gardner to check references for BT. They provided many favorable comments about the positive working relationship with the firm, their professionalism, their training efforts, and their efforts to provide additional guidance and training without charging additional fees.</p>

SCREENING AND SELECTION COMMITTEE/REFERENCE CHECK COMMENTS

AUDIT APPROACH:

The firms' planning phase includes risk assessments, preliminary analytical reviews, and internal control reviews and testing. The need for substantive testing will be determined by the results of the risk assessments. It appears the firms plan to use our computer system for testing, rather than using audit software. The proposal included detailed information regarding plans for reviewing and testing the security and integrity of our computerized information.

The proposal estimated 545 hours for the city audit, the third highest number of hours proposed.

OTHER COMMENTS:

AGH employs 7 individuals who spend most of their time on governmental audits, with approximately 10 staff who have experience working on governmental audits. BT employs approximately 5 professionals that work primarily on governmental audits, including two that would be assigned to our audit. AGH was recently selected to audit Johnson County and the City of Olathe. These audits would occur around the same time as our audits. This proposal was the second highest-ranking proposal in the committee's evaluation.

SCREENING AND SELECTION COMMITTEE/REFERENCE CHECK COMMENTS

BKD

<u>FIRM EXPERIENCE:</u>	BKD, LLP is a nationally recognized firm that works with more than 1500 not-for-profit and governmental entities, of which 85 are served through the Kansas/Nebraska practice unit. The Kansas City office is the second largest CPA firm in Kansas City. The firm has a dedicated team of professionals that specialize in government and not-for-profit accounting and reporting. The Administrative Partner, Audit Managers, and Technical Reviewer proposed for our audit are based in Kansas City. The Engagement Partner is based in Nebraska. The firm participates in such organizations as the Government Finance Officers Association and the Association of Government Accountants.
<u>GAQC MEMBERSHIP:</u>	The firm is a member of the Government Audit Quality Center.
<u>STAFF EXPERIENCE:</u>	The proposal made general reference to training in governmental standards, auditing standards, and Single Audit (federal grant audit) training and experience. The proposal does not list any municipal audit experience for the Manager proposed for the city audit. Out of state partners and managers appear to have municipal audit experience. Much of the technical expertise appears to be in Nebraska. The proposed engagement team appears to have good experience in auditing pension plans.
<u>SIMILAR CLIENTS:</u>	<p>The only municipal clients listed in the proposal were in Colorado and Nebraska.</p> <p>We contacted the City/County of Denver, CO; MO Dept. of Transportation; Lincoln, NE; Transit Authority of Omaha; and Kansas City Board of Police Commissioners for reference checks. The references indicated their auditors were very knowledgeable and “by the book”, but were cooperative in discussing issues cited in management letters. Some of the clients indicated they were pleased/happy with the firm and enjoyed working with them. Comments unique to this firm are that they charge extra for work to support the official statement for bond issues and they use standardized corporate audit forms and revise them for their government clients.</p>
<u>AUDIT APPROACH:</u>	The firm’s audit approach was discussed generally in the proposal. Planned procedures include internal control assessment, preliminary analysis, key item testing, statistical sampling, analytical procedures, ratio analysis, and reasonableness testing. The firm uses audit software.

SCREENING AND SELECTION COMMITTEE/REFERENCE CHECK COMMENTS

The firm estimated 700 to 750 hours for the city audit, the highest number of hours proposed.

OTHER COMMENTS:

The Kansas/Nebraska practice has 11 partners, 16 managers, 18 supervisory staff, and 40 staff with government audit experience.

This proposal was the third highest ranking proposal in the committee's evaluation.

SCREENING AND SELECTION COMMITTEE/REFERENCE CHECK COMMENTS

CHV

<u>FIRM EXPERIENCE:</u>	The firm is one of the largest locally owned CPA firms in the Kansas City metropolitan area. It has four offices in the metro area and an office in Warrensburg, MO. The firm employs a total of 20 professionals.
<u>GAQC MEMBERSHIP:</u>	The firm is a member of the Government Audit Quality Center.
<u>STAFF EXPERIENCE:</u>	Mr. Cochran has over 38 years of experience, including extensive government and not-for profit experience. The supervisory senior manager has substantial municipal audit experience in the Kansas City metropolitan area, but the proposal listed no municipal audit experience for the engagement manager.
<u>SIMILAR CLIENTS:</u>	The firm has numerous medium-sized and large municipal clients in the Kansas City metropolitan area. We contacted Independence, MO; Leawood, KS; Lenexa, KS; Joplin, MO; and the Economic Development Corporation and Affiliates (part of the City of Kansas City, MO) for reference checks. The references indicated that Mr. Cochran is heavily involved in the audits and is often onsite 2 to 3 days per week during the audit work. His expertise in Tax Increment Financing was also highly praised. The firm's client relationships and efforts to train clients received very positive comments. The firm was credited for improving the quality of the financial reports of some entities.
<u>AUDIT APPROACH:</u>	<p>The firm's audit approach includes analytical reviews, internal control evaluation and testing, risk assessments, substantive audit procedures (detailed testing), and final review procedures.</p> <p>The firm estimated 395 hours for the city audit, the lowest number of hours proposed.</p>
<u>OTHER COMMENTS:</u>	The firm has 11 professionals that make up their Government Audit Team. This proposal was the fourth highest ranking proposal in the committee's evaluation.

SCREENING AND SELECTION COMMITTEE/REFERENCE CHECK COMMENTS

MHM

<u>FIRM EXPERIENCE:</u>	MHM has been the city's audit firm since 2003. The partner for the city audit is based in Chicago, IL and some staff came from the Chicago office. The management and staff for the rest of the city entities, and most of the city audit staff, were from the Leawood, KS office.
<u>GAQC MEMBERSHIP:</u>	The firm is a member of the Government Audit Quality Center.
<u>STAFF EXPERIENCE:</u>	We have worked with the same audit partners all four years. The city audit manager was new to the firm this year. All of the staff on the 2006 audit was new to the city audit. The city audit partner and manager are very knowledgeable.
<u>SIMILAR CLIENTS:</u>	<p>The firm has very few municipal audit clients. The five references provided by the firm were the City of Overland Park; Sheraton Overland Park Hotel owned by Overland Park Development Corporation (OPDC); Village of Rosemont, IL; Village of Schaumburg, IL (relationship ended in 2001); and Village of West Dundee, IL (relationship ended in 2004).</p> <p>The Village of Schaumburg was unable to provide a reference, because the current village employees were not involved with the 2001 audit. One Illinois client was very happy with the work and enjoyed working with the firm's personnel. Another Illinois client expressed concerns about unusually large fees for extra work outside the audit scope and did not have a good working relationship with one of the partners. Overland Park's OPDC and Municipal Employees Pension Plan audits for 2006 were not completed by the established deadlines.</p>
<u>AUDIT APPROACH:</u>	<p>The proposal described the audit approach in general terms. The firm's audit approach includes risk assessments, internal control documentation and testing, audit sampling, compliance testing, substantive (detailed) testing, analytical procedures, and ratio analysis.</p> <p>The firm estimated 410 hours for the city audit, the second lowest number of hours proposed.</p>
<u>OTHER COMMENTS:</u>	The proposal was the lowest ranking proposal in the committee's evaluation.