January 28, 2010

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA), GENERAL STATE AID – AUDIT AND/OR ATTESTATION SERVICES – PROPOSAL

STATE BOARD OF EDUCATION

Prepared by –
CLIFTON GUNDERSON LLP

James R. Thomas, CPA, JD, Partner

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Clifton Gunderson LLP
Certified Public Accountants & Consultants
COUNT ON INSIGHT®
www.cliftoncpa.com
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January 28, 2010

Illinois State Board of Education
Fiscal and Procurement Division
Attn.: Ms. Sherri Sullivan,
State Purchasing Officer
100 North First Street
Springfield, IL 62777-0001

RE: RFSP - American Recovery and Reinvestment Act (ARRA),
General State Aid – Audit and/or Attestation Services
Reference #22018351

Dear Ms. Sullivan:

On behalf of Clifton Gunderson LLP, we appreciate this opportunity to submit our qualifications to work with the Illinois State Board of Education on this RFSP. Please consider this narrative description along with the following items that have each been provided in separately sealed packages -

- Cost Proposal (regions/areas I, II, and III only)
- Certifications and Assurances
- Redacted Version of the Proposal
- Narrative and Cost Proposal CDs

to be our offer to perform in full compliance with the subject RFSP.

Bidder:
Clifton Gunderson LLP
1301 W. 22nd Street, Suite 1100
Oak Brook, IL 60523
630-573-8600
630-573-0798 (fax)
FEIN: 37-0802863

Clifton Gunderson LLP is lawfully qualified to practice public accounting in the State of Illinois as regulated by the Illinois Public Accounting Act. Our Illinois license number is 066.003320, expiring November 30, 2012. We meet all of the requirements of a qualified accounting firm to deliver the services specified under this RFSP.
The contact person for purposes of responding to any inquiries you may have is:

James R. Thomas, JD, CPA, Partner
630-368-3611
Jim.Thomas@cliftoncpa.com

Proposed Subcontractors:
None

If selected, we understand any award is subject to successful negotiation of terms and conditions including, but not limited to, price and exceptions taken.

Sincerely,

CLIFTON GUNDERSON LLP

James R. Thomas
Partner
OUR UNDERSTANDING OF YOUR NEEDS

During fiscal year 2009, approximately $1.038 billion from the State Fiscal Stabilization Fund Educational Services Grant was utilized to fund General State Aid payments to Local Educational Agencies (LEAs) within the State of Illinois. These payments represent the primary funding source for public, elementary, and secondary education in the State and are determined by a recipient's Average Daily Attendance as well as other factors.

We understand that the Illinois State Board of Education (ISBE) is seeking an experienced, licensed certified public accounting firm to perform specific procedures and testing on certain LEA data. The primary objectives of the proposed work are:

- to verify the integrity of the inputs used in determining the Average Daily Attendance figures of selected local school districts;
- to analyze local school district expenditures from State Fiscal Stabilization Fund General State Aid funds;
- and to ensure compliance with the Illinois School Code, ARRA, and other applicable Federal requirements.

These objectives will be achieved by performing the agreed-upon procedures developed by ISBE that were designed towards those objectives; by documenting procedures performed utilizing standardized workpapers; and by reporting results for each LEA examined.
Clifton Gunderson LLP will conduct the procedures specified by ISBE in a manner that will meet all contract specifications. Our work plan has anticipated the expertise, resources, and hours needed for this engagement to ensure that all objectives and activities will be performed professionally and in a timely manner.

INITIAL PHASES
The members of our engagement team will review the “Audit Program and Procedures for General State Aid” (the “Work Program”) developed by ISBE and the supporting workpapers to be prepared to gain an initial understanding of the objectives of the work and the manner in which they will be accomplished. Our understanding will be supplemented by attending the two-day orientation and training session that will be held by ISBE prior to the commencement of the work. We will require all key Clifton Gunderson LLP personnel that will be performing fieldwork or reviewing workpapers or reports to attend this training.

A manager will be assigned for each region to serve as a contact for ISBE. That individual will also work closely with ISBE personnel to develop a mutually agreeable work schedule for each region based on the readiness of the various LEAs. Our timeline for the work will be established to provide ample preparation time for the LEAs and sufficient time for fieldwork procedures and for final reports to be issued prior to September 30, 2010.

FIELDWORK AND REPORTING
Clifton Gunderson LLP will perform the agreed-upon procedures specified by ISBE in its Work Program in accordance with attestation standards established by the American Institute of Certified Public Accountants. The documentation of the procedures performed will follow and utilize the workpaper templates created by ISBE.

We will prepare our work plan early in the engagement process and base our approach on the knowledge gained through the specific training provided by ISBE. Our plan will include but will not necessarily be limited to the following:

1. Our planned approach to search for and review relevant State of Illinois and Federal laws, rules, and regulations as they relate and are applicable to this engagement.

2. Our planned approach for the staffing of all required work. Fieldwork procedures will be performed by associate and senior associate level professionals, the number of which will depend on the complexity or volume of data to be analyzed at a given LEA. The day-to-day fieldwork will be monitored by a manager assigned to the specific region. Although most staffing will be provided from offices local to the designated state regions, Clifton Gunderson LLP has 9 offices throughout Illinois with a total of 281 professionals to help meet the staffing needs of this engagement. This will ensure that reporting deadlines will be met.

3. Our planned approach for the sampling of selected data when sampling is required within the Work Program.

4. The extent of use of computer software throughout the engagement for the documentation of procedures performed and to aid in efficiency. All of our professionals utilize sophisticated, computerized financial reporting and accounting tools.

5. Our planned approach for the identification and presentation of any findings or exceptions to the procedures performed under the Work Program.
WORK PLAN

- Our planned approach for communicating with the ISBE liaison. We will meet with the liaison on a bi-weekly basis and provide the liaison with progress updates towards our completion of the work schedule. We will also utilize the liaison as an advisor on technical matters and immediately communicate any substantial problems encountered.

- Our planned approach for the review of work performed and reports prepared. At Clifton Gunderson LLP, our quality controls are designed to ensure that procedures are performed according to current standards and that reports are complete and accurate. Work performed under this engagement will be subject to a detail review by the manager assigned to the region, a review by the engagement partner, and a quality review by an unassociated partner.

We will draft our reports listing procedures performed according to the ISBE Work Program and the results of those procedures. The format of the reports will be in accordance with applicable reporting standards for an agreed-upon procedures engagement. However, the final presentation will be discussed with the ISBE liaison to ensure that all of your reporting requirements are met.

OUR ENGAGEMENT TEAM
Our Clifton Gunderson LLP team has extensive experience in performing the types of services described in this RFSP for a variety of organizations in the public sector. By being one of the larger national accounting firms in the country, our local clients also benefit from our depth of expertise and resources provided by professionals that serve us firm wide. Our core team members as well as those that will provide counsel and support were selected for this work based on their quality service provided to significant public sector clients over many years in their professional careers. Each of these individuals has skill sets developed from a variety of experiences in public sector work that will prove useful to this engagement. These include performing agreed-upon procedures engagements, financial statement audits, single audits performed in accordance with OMB Circular A-133, other compliance engagements, as well as risk assessment and analysis of internal controls.

The core team for this engagement will be directly responsible for planning and executing the required work. Each member is legally qualified to practice public accounting. Following are brief biographies of the core team members and their expected roles. We have provided their complete resumes, resumes of professionals from which we will draw on their technical expertise, and a project organizational chart in Exhibit I to this narrative.

James R. Thomas, JD CPA - Partner
Illinois license # 065.019953
Jim will serve as the engagement partner for each Illinois Region for which we are engaged, responsible for the delivery of all services and client satisfaction. Jim has 23 years of audit and consulting experience, which includes a concentration in public sector work. Jim is also an attorney providing a variety of services to clients. Jim serves on the Clifton Gunderson LLP Public Sector Services Group.

Thomas G. Andrews, CPA - Senior Manager
Illinois license # 065.020855
Tom will assist Jim by serving as project coordinator for the engagement and will oversee the work performed in the Northeast and Northwest Regions, Areas I and II. Tom has 29 years of audit experience, which includes a concentration in public sector work. Tom has managed and performed agreed-upon procedures engagements, financial audits, and single audits under Circular A-133. Tom is a
member of the Clifton Gunderson LLP ARRA Task Force

**Shannon Carranza, CPA - Manager**  
Illinois license # 239.009571  
Shannon will manage the day to day fieldwork and serve as the ISBE contact person for the Northeast Region and Cook County, Area I. Shannon has 9 years of experience in public accounting. Shannon has worked with a wide variety of clients performing agreed-upon procedures engagements, financial audits, reviews and compilations.

**Jerry McCabe - Manager**  
Jerry will manage the day to day fieldwork and serve as the ISBE contact person for the Northwest Region, Area II. Jerry has 7 years of experience in public accounting. Jerry has worked with a wide variety of both public and private sector clients including audits of state universities.

**Helen Barrick, CPA - Partner**  
Illinois license # 065.023478  
Helen will serve as the ISBE contact person for the West Central Region, Area III. Helen has 35 years experience in public accounting and specializes in public sector work including school districts and local government.

**Hope Wheeler, CPA - Partner**  
Illinois license # 065.022283  
Hope will serve as the ISBE contact person for the East Central Region, Area IV. Hope has 20 years experience in public accounting and specializes in public sector work including school districts and local government.

**Keith F. Novak, CPA - Partner**  
Keith will serve as our primary technical consultant on this engagement, and be responsible for unassociated, quality review. Keith is the National State and Government Niche Leader for Clifton Gunderson, with 29 year experience. As a GASB specialist, Keith has made several presentations to the Maryland Association of Community College Business Officers Association, Association of School Business Officers, and the Maryland Association of Certified Public Accountants. Keith serves on both the Clifton Gunderson LLP Public Sector Services Group and ARRA Task Force.

**LOCATIONS FROM WHICH WORK WILL BE PERFORMED**  
The contact persons for ISBE and the majority of the professionals performing fieldwork for a given region are located in the following Clifton Gunderson LLP offices.

**AREAS I and II**  
Oak Brook, Illinois Office  
1301 West 22nd Street, Suite 1100  
Oak Brook, Illinois 60523  
(630) 573-8600  
(630) 573-0798 (fax)

**AREA III**  
Peoria, Illinois Office  
301 SW Adams Street, Suite 900  
P.O. Box 1835  
Peoria, Illinois 61656-1835  
(309) 671-4500  
(309) 671-4508 (fax)

**AREA IV**  
Champaign, Illinois Office  
2511 Galen Drive  
P.O Box 1005  
Champaign, Illinois 61821  
(217) 351-7400  
(217) 355-9549 (fax)
We have reviewed and fully understand the contractual terms and provisions of the proposed working agreement as set forth in Appendix A to the RFSP. We have no exceptions to the RFSP or any requested contract modifications.
QUALIFICATIONS OF CLIFTON GUNDERSOHN LLP

OVERVIEW
Founded 50 years ago in Peoria, Illinois, Clifton Gunderson has grown into the 14th largest CPA and consulting firm in the United States. Today, with nearly 2,000 employees and 200 partners, Clifton Gunderson serves a wide variety of clients in both the public and private sectors from more than 45 offices across the country. As we have grown, our offices have become organized into industry teams, affording our clients with specialized industry-specific expertise supplemented by valuable local service and insight. Therefore, while ISBE will enjoy the service of local professionals who understand the issues critical to the Illinois school system; you will also have access to the knowledge and experience of our national Public Sector Services Team and nearly 2,000 professionals nationwide.

CLIFTON GUNDERSOHN LLP’S SERVICE TO THE PUBLIC SECTOR AND GOVERNMENT
Approximately 40% of our firm’s revenues are attributable to service we provide to governmental clients. We have made the public sector a key focus of our business and we have invested substantially in efforts to develop and train our people to deliver the highest quality services to them. We have become a leader for services to government agencies by anticipating the challenges they face stemming from the impact of new legislation and our current difficult economic times. And now with ARRA funding demanding an exceedingly high level of transparency and accountability from governmental agencies, we understand why it is of critical importance for ISBE to contract with an accounting firm that is abreast of these new rules and regulations.

Clifton Gunderson LLP has already invested significant hours of effort and resources to understand the requirements and complexities of ARRA. We have worked with both our governmental and nonprofit clients on ARRA awards through the single audit process. As a result, we have gained an in-depth understanding of the unique compliance requirements of these ARRA programs that will enable us to assist those entities in monitoring their own performance under them.

EXPERIENCED PROFESSIONALS
Clifton Gunderson LLP’s team of professionals has demonstrated the specific experience required to meet each and every performance aspect of this engagement. While the core service team will be local, they will also serve as a conduit through which ISBE will benefit from expertise across our firm. These include individuals with a vast range of talents covering all levels of the public sector - from the Federal Government, state government and local agencies, and nonprofit organizations:

- William H. Oliver, CPA, CFE, CGFM, Partner - is the firm’s national director of Federal Government Services and has many years of experience working with Federal agencies providing a wide variety of services.

- Frank N. Vito, CPA, CICA, Partner – was formerly the Director of Assurance Services for the State of Texas and lends unparalleled experience to our engagement team from a state’s perspective.

- Renee Messing, CPA, Partner - has 30 years of experience working with public sector entities and specializing in state and local government and nonprofit organizations.

- Sean M. Walker, CPA, CGFM, Senior Manager - serves as Clifton Gunderson LLP’s Audit and Accounting Director for all public sector work. Specific areas of Sean’s expertise include Governmental accounting practices as
outlined by GASB, Governmental financial audits, Governmental auditing standards as outlined by GAO, and single audits as outlined by Circular A-133 and state government audit guidelines. Sean previously worked on the engagement team for the Statewide Single Audit for Illinois.

RELEVANT EXPERIENCE
Using programs and procedures that encompass many of those required under this engagement, we have audited and performed other services for school districts in Illinois, Wisconsin, Virginia, and Maryland. Our clients have been both modest in size to some of the largest school districts in the nation. Some of our financial audit service clients in Illinois include:

- Morton Community Unit School District #709
- Pekin Community High School District #303
- Peoria Board of Education
- Rantoul City Schools, District #13
- Special Education Association of Peoria
- Tazewell-Mason Counties Special Education Association
- Peoria School District Foundation
- Morton Grove Public School District #70

We have also performed technology consulting services for the following Illinois districts:

- Streator Township High School District #40
- Woodland CUSD #5
- Pekin Public Schools District #108
- Peoria Board of Education District #150
- Streator Elementary School District 44
- Prairie Central CUSD #8
- Monroe School District #70
- Central A & M CUD #21
- Grand Ridge Community Consolidated School District #95
- Tri-Valley Community Unit School District #3
- Washington Grade School District #50

- Dunlap School District #323

Additional local school system and higher education clients that we have served in the Virginia and Maryland area include:

- Anne Arundel County Public Schools (Board of Ed)
- Arlington County Public Schools (Board of Ed)
- Baltimore City Public Schools (Board of Ed)
- Baltimore County Public Schools (Board of Ed)
- Calvert County Public Schools (Board of Ed)
- Carroll County Community College
- Carroll County Public Schools (Board of Ed)
- Cecil County Community College
- Charles County Public Schools (Board of Ed)
- Community Colleges of Baltimore County
- Delaware County Community College
- Frederick County Community College
- Frederick County Public Schools (Board of Ed)
- Harford County Community College
- Howard County Community College
- Howard County Public Schools (Board of Ed)
- Montgomery County Public Schools (Board of Ed)
- Newport News Public Schools (Board of Ed)
- Prince George’s County Public Schools (Board of Ed)
- Thaddeus Stevens College of Technology

In addition to our local school system clients, we also serve local counties, cities, public libraries, colleges and universities, employee pension plans, and specialized taxing districts and authorities.

PEER REVIEW AND QUALITY CONTROL PROCEDURES
Clifton Gunderson LLP receives an external quality control review every three years. We have
included a copy of our most recent peer review report, dated December 19, 2007, in Exhibit II.

In addition to our external peer review, we have undertaken an intensive Internal Quality Control Program to assure that the highest standards are maintained in our work. This program is designed to provide reasonable assurance that our personnel will be competent, objective and will exercise due professional care. Included in that program are the following:

- We have developed a quality control manual to dictate the quality control standards and policies of our firm. These standards often exceed requirements set forth by professional standards and governmental guidelines. To monitor the adherence to policies and procedures, and to assure the quality and accuracy of services provided meet our high standard of client services, each office must have a regular internal examination performed by professionals from other firm offices.

- We follow quality control standards as prescribed by the AICPA. A partner-in-charge is involved in the planning, fieldwork and post fieldwork review. In addition, a second partner reviews the work performed prior to issuance of any reports.

- When performing the single audit work under Circular A-133 that is typically done in conjunction with the financial audits of most school districts, we require all review to be conducted by a Designated Single Audit Reviewer - a specialist in this area.

**BUSINESS REFERENCES**

Clifton Gunderson LLP is very proud of the reputation we have earned over the last four decades and are pleased to provide you with the following list of references -

Mahomet-Seymour Community Unit School
District #3
Mr. Keith Oates, Superintendent
101 North Division, Box 229
Mahomet, IL
(217) 586-4995

Board of Education of the City of Peoria
Ms. Pam Shau, Controller/Treasurer
3202 North Wisconsin
Peoria, IL
(309) 672-6736

Morton Community Unit School District #709
Barb Getz, Treasurer
1050 South Fourth Street, Suite 200
Morton, IL
(309) 263-2581

NOTE - Services provided for the above references included annual financial statement audits and single audits under OMB Circular A-133. All are current and continuing clients.

Montgomery County Public Schools
Mr. Robert Doody, Controller
850 Hungerford Drive
Rockville, Maryland 20850
(301) 670-3085

NOTE - Services provided include annual financial statement audits and single audits under OMB Circular A-133; CAFR
Length of service: 2005 – present
QUALIFICATIONS OF CLIFTON GUNDERSON LLP

CONTRACTS HELD WITH THE ILLINOIS STATE BOARD OF EDUCATION

Clifton Gunderson LLP has held no contracts with the Illinois State Board of Education within the past five years.

INTERACTION WITH LOCAL EDUCATIONAL AGENCIES

See Exhibit III attached.
James R. Thomas, JD, CPA
Partner
Oak Brook, Illinois

Background
- Extensive experience working with public sector entities, including:
  - School districts and local governments
  - Social service organizations
  - Associations
  - Foundations
  - Religious organizations
- Clifton Gunderson LLP has approximately 100 public sector clients in the Greater Chicagoland area
- 22 years providing hands-on assurance solutions to the public sector industry
- Works with public sector ranging up to $100 million in revenue
- Actively involved in client engagements providing thought leadership, solutions that impact the organization and financial guidance

Areas of Special Competence
- Assurance partner of audit and compliance engagements for entities operating in the public sector field
- Responsibilities include all aspects of assurance engagements, including supervision of staff and preparation of reports
- Non-traditional services provided include operational reviews, forensic engagements, cash flow and budgeting consulting, and human resources consulting

Professional History
- Clifton Gunderson LLP
  - Partner since June 1, 2001
  - Senior Manager - 1994 to 2001
  - Manager - 1990 to 1994
  - Senior Associate - 1988 to 1990
  - Associate - 1987 to 1988

Professional Memberships
- American Institute of Certified Public Accountants (AICPA)
- Illinois CPA Society (ICPAS)
- American Judicature Society
James R. Thomas, JD, CPA (continued)

Education

- Juris Doctorate - Loyola University of Chicago School of Law, 1994
- Admitted to Illinois Bar - November, 1994
- Bachelor of Science in Accounting - Illinois State University, 1987
- Certified Public Accountant - Illinois, 1987
Thomas G. Andrews, CPA
Senior Manager
Oak Brook, Illinois

Background
Extensive experience working with public sector organizations, including:
- Social service organizations with State of Illinois agency compliance requirements
- Foundations
- Associations
- 30 years of audit experience including managing and supervising staff on audits of public sector organizations

Areas of Special Competence
- Assurance senior manager of audit and compliance engagements for entities operating in the public sector field
- Responsibilities include all aspects of assurance engagements, including supervision of staff and preparation of reports

Professional History
- Clifton Gunderson LLP - Senior Manager since June, 1991
- Doty, Jarrow and Co. - Manager, September, 1983 to June, 1991
- Wieboldt Stores, Inc. - Internal audit manager, May, 1981 to September, 1983
- Peat, Marwick, Mitchell & Co. - Staff accountant, June, 1979 to April, 1981

Professional Memberships
- American Institute of Certified Public Accountants (AICPA)
- Illinois CPA Society (ICPAS)

Education
- Bachelor of Business Administration - University of Notre Dame, 1979
- Certified Public Accountant - Illinois, 1989
Shannon Carranza, CPA
Manager, Assurance
Oak Brook, Illinois

Areas of Special Competence
- Audit and business advisory services for clients in a variety of industries including construction contractors, real estate, manufacturers, service companies and employee benefit plans.

Professional History
- Clifton Gunderson LLP
  - Manager - November 1, 2006 to Present
- Nykiel, Carlin & Co., Inc. - Schaumburg, IL
  - Staff Accountant to Supervisor - October, 2003 to October, 2006
- L J Soldinger Associates - Arlington Heights, IL
  - Staff Accountant - June, 2000 to October, 2003

Education
- Bachelor of Science, Business - DePaul University, Chicago, 2000
- Certified Public Accountant - Illinois, 2003

Professional Memberships
- Chicago Financial Management Association (CFMA)
- The Associated General Contractors of America (AGC)
- The Builders Association
Jerry McCabe
Manager, Assurance
Oak Brook, Illinois

Areas of Special Competence
- Audit of and business advisory services for clients in a variety of industries including public sector entities, wholesale/distribution, manufacturing, and service companies

Professional History
- Clifton Gunderson LLP
  - Manager - June 2007 - present
  - Senior - November 2006 - June 2007
- Nykiel, Carlin & Co., Ltd.
  - Senior Accountant - June 2005 - June 2007
  - Staff Accountant - June 2002 - June 2005

Professional Memberships
- Illinois CPA Society (ICPAS)

Education
- Bachelor of Science, Accountancy – Northern Illinois University, 2002
Helen G. Barrick, CPA  
Partner  
Peoria, Illinois

Areas of Specialization
- Audit and accounting services for school districts.
- Audit of local governments and not-for-profit agencies.
- Assisted in governmental entities in accounting for state and federal grants.
- Assisted in design of charts of accounts.
- Assisted in design of accounting systems.
- Assisted governmental entities in converting their internal accounting and external reporting to conform to generally accepted accounting principles as outlined in the AICPA publication, *Audits of State and Local Governmental Units* and the codification of Governmental Accounting and Financial Reporting Standards published by Government Accounting Standards Board.
- Assisted governmental entities in preparing financial statements to obtain the GFOA Certificate of Excellence initially and on an on-going basis.
- Assisted in preparation of annual budgets.

Education
- Bachelor of Science, Southern Illinois University, Accountancy

Professional Certifications
- Certified Public Accountant - Illinois

Years of Experience
- 35 years

Professional Affiliations
- Illinois Association of School Business Officials
- Association of School Business Officials
- Government Finance Officers Association
- American Institute of Certified Public Accountant
- Illinois CPA Society
- Institute of Management Accountants
- Past member, AICPA’s Government Audit Quality Center Executive Committee
- Past member, AICPA’s Government Audit and Accounting Committee
Hope Wheeler, CPA
Partner, Assurance Services
Champaign, Illinois

Areas of Specialization
- Audits of school districts, colleges and universities, including large single audits
- Audits of state and local governments
- Audits of non-for-profit agencies
- Assist governmental entities in preparing financial statements to obtain the GFOA Certificate of Excellence
- Served as reviewer on external peer review and Clifton Gunderson LLP internal inspection teams.

Relevant Experience
- Supervise numerous financial audit engagements and A-133 audits
- Conduct final reviews of management letters and reports with personnel during engagements.
- Provide technical assistance to personnel during engagements if necessary.

Education
- University of Illinois, Bachelor of Science, Accountancy
- Honors - Cum Laude

Professional Certifications
- Licensed Certified Public Accountant - Illinois
- Licensed Certified Public Accountant - Indiana

Years of Experience
- 20 years

Professional Affiliations
- Illinois CPA Society
- American Institute of Certified Public Accountants
- Illinois Government Finance Officials Association member
- Board of Directors, Champaign West Rotary
- Board of Directors, Executive Club of Champaign County
Keith F. Novak, CPA  
Partner  
National State and Government Niche Leader  
Mid-Atlantic Government Services Niche Leader  
Timonium, Maryland

Relevant Experience
- Governmental auditing and accounting with an emphasis on local entities including counties, cities, towns, and authorities  
- Serves as partner-in-charge of various types of nonprofit engagements including audits of affiliated college foundations, private schools and trusts  
- Keith’s state and local governmental audit clients include Baltimore County, Maryland; City of Gaithersburg, Maryland; Montgomery County, Maryland; State of South Carolina; City of Takoma Park, Maryland; Town of Elkton, Maryland; and Queen Anne’s County, Maryland.  
- Provides consulting to Maryland public housing authorities

Areas of Specialization
- Governmental auditing and accounting services with an emphasis on state and local entities  
- OMB A-133 single audits  
- Nonprofit auditing and accounting services to affiliated foundations  
- Commercial auditing and accounting services with an emphasis on real estate and construction contractors

Results Obtained for Clients
- Assisted governments (clients and non-clients) in obtaining and retaining the GFOA Certificate of Achievement for Excellence in Financial Reporting award.  
- Performed agreed-upon procedures engagements on contracts entered into by governmental entities. Engagements resulted in sums to be recovered.  
- Assisted in training client personnel to prepare government required reports.  
- Assisted clients in various audit related functions including review of internal controls, operational audits, and systems reviews, resulting in reduction of operating costs.  
- Assisted governments in preparing and reviewing Official Statements in connection with bond issues.  
- Successfully testified as an expert witness on accounting matters in Federal court in connection with a discrimination claim against a city.  
- Aided clients with organizational structure and tax planning ideas.

Presentations
- “Government GAAP Update,” Southern Maryland Chapter of the Maryland Association of CPAs, May 2008
Keith F. Novak, CPA (continued)

- “GASB 43 and 45,” Southern Maryland Chapter of the Maryland Association of CPAs, May 2007
- “GASB 45 Oh No!” Association of School Business Officers, November 2006
- “Government Audit Standards Update,” Maryland Association of CPAs Annual Not-for-Profit and Government Conference, April 2006
- “GASB 43 vs. 45,” Davenport Group LLC presentation, September 2006
- “Yellow Book Update,” Maryland Association of CPAs, April 2006
- “GASB Update,” Maryland Association of Community College Business Officers, June 2005
- “Internal Control,” Maryland Association of Community Colleges, July 2004
- “GASB 40: Everything You Wanted to Know,” Maryland Government Finance Officers Association, May 2004
- “GASB Update,” Maryland Association of Community College Business Officers Association, November 2003
- “Sarbanes-Oxley Where Do We Go From Here?,” Maryland Association of Community College Business Officers Association, February 2003

Professional Affiliations

- American Institute of Certified Public Accountants - member
- American Institute of Certified Public Accountants’ Task Force, Single Audit Sampling
- Maryland Association of Certified Public Accountants - member
- Maryland Government Finance Officers Association - member
- Government Finance Officers Association of the United States and Canada - member
- Better Business Bureau of Greater Maryland - Treasurer

Civic and Social Affiliations

- Baltimore City Rotary - member and President
- Baltimore City Rotary Foundation - board member and treasurer

Education

- Bachelor of Science degree with a major in Accounting, University of Maryland

Years of Experience

- 29 years
William H. Oliver, CPA, CFE, CGFM
Partner
Director of Federal Government Services
Calverton, Maryland

Relevant Experience

- Serves or served as partner-in-charge or concurring partner on financial audits of the following federal government agencies:
  - Corporation for National and Community Service
  - U.S. Department of Agriculture, Commodity Credit Corporation
  - Administrative Office of the U.S. Courts
  - U.S. Army Community and Family Support Center, Pentagon Athletic Center
  - U.S. Army Community and Family Support Center, Korea Regional Office Morale, Welfare, Regional Single Fund
  - U.S. Army Community and Family Support Center, Europe Office Morale, Welfare, Regional Single Fund
  - U.S. Department of Transportation, SAS No. 70 examination
  - Pension Benefit Guaranty Corporation
  - U.S. Department of the Treasury bureaus and funds including the Financial Management Service, Exchange Stabilization Fund and Office of Tax Analysis
  - Office of the Comptroller of the Currency
  - National Science Foundation
  - Federal Communications Commission
  - U.S. Department of Health and Human Services operating divisions, including the Administration for Children and Families, Administration on Aging, Center for Medicare and Medicaid Services (formerly the Health Care Financing Administration), Health Resources and Services Administration, Indian Health Service, Program Support Center, and Substance Abuse and Mental Health Services Administration
  - U.S. Senate Restaurants Fund
  - U.S. Army Non-A appropriated Funds
  - U.S. Department of the Interior, Interior Franchise Fund
  - U.S. Government Accountability Office
  - The Library of Congress
  - Federal Election Commission
  - National Archives and Records Administration
  - U.S. Department of Agriculture Working Capital Fund
William H. Oliver, CPA, CFE, CGFM (continued)

- Serves or served as partner-in-charge on information technology engagements for the following:
  - U.S. Department of Health and Human Services; SAS No. 70 examinations of major processing centers
  - Centers for Medicare & Medicaid Services; SAS No. 70 examinations of Medicare contractors
  - Illinois and Texas Departments of Human Services; SAS No. 70 examination of an electronic benefits transfer (EBT) contractor
  - Various federal, state and commercial entities; multiple engagements to perform penetration testing and vulnerability assessments
- Oversees several large consulting engagements for the following federal and state government agencies:
  - Administrative Office of the U.S. Courts; review of postage system
  - Federal Deposit Insurance Corporation; business continuity planning
  - The Architect of the Capitol; strategic planning
  - Fairfax County, Virginia; strategic planning and organizational assessments for community-based nonprofit organizations
- Serves as partner-in-charge or concurring partner on a number of audit and consulting engagements for state and local government agencies, including Arlington County, Virginia, various libraries and public housing authorities
- Oversees various nonprofit audit, tax and consulting engagements for volunteer health and welfare organizations; providers to the developmentally disabled; religious organizations; schools; and trade associations
- Applies extensive knowledge of employee benefit plans to audits of governmental plans, defined benefit plans, defined contribution plans, employee stock option plans, and health and welfare benefit plans
- Serves as team captain during peer reviews and quality reviews of other certified public accounting firms

Areas of Specialization
- Governmental auditing, accounting and consulting, with an emphasis on federal, state and local agencies
- Not-for-profit auditing, accounting and consulting
- Employee benefit plan services
- Fraud investigation and litigation support
- Peer review and quality control

Professional History
- Bauermann & Druzgala, March 1980 to October 1988 (merged into Clifton Gunderson LLP)
William H. Oliver, CPA, CFE, CGFM (continued)

Professional Certifications
- Certified Public Accountant - MD, VA, DC
- Certified Fraud Examiner
- Certified Government Financial Manager

Education
- Bachelor of Science degree with a major in accounting, Virginia Polytechnic Institute and State University, 1976

Years of Experience
- 32 total years of experience
- 32 years, exclusively of audit experience
- 17 years, exclusively of CFO Act audit experience

Security
- Current Clearance - Top Secret/SCI, Granted by DOD/DSS, Investigation Date - 10/28/08

Results Obtained for Clients
- Resolved reporting issues under the Financial Accounting Standards Advisory Board in consultation with the chief accountant at the U.S. Government Accountability Office and the vice president of professional standards at the American Institute of Certified Public Accountants
- Worked closely with GAO, IGs and federal agencies to develop and refine accounting practices in evolving areas
- Uncovered substantial sums to be recovered under forensic accounting engagements for governmental agencies
- Worked on audits of several of the largest components of the federal CFO Act agencies. Work closely with management and OIG to achieve unqualified opinions, improve financial reporting and meet accelerated audit timetables

Presentations and Publications
- “Changes in the Accounting Profession,” Association of Government Accountants, Montgomery/Prince Georges Chapter
- “Financial Management Training,” Centers for Medicare & Medicaid Services SES and Management
- “SAS 99 Training” Health & Human Services SES and Management
- “Maturing Federal Financial Statement Audits,” Maryland Association of Certified Public Accountants’ Government and Not-for-Profit Conference
- “Professional Update – GAO Independence Standards,” Maryland Association of Certified Public Accountants’ CPA Day at the Legislature
- “Audit & Independence Update,” Clifton Gunderson Health Care Conference

Exhibit I - 12
William H. Oliver, CPA, CFE, CGFM (continued)

- "Overview of Federal Government Practice," Clifton Gunderson’s Annual Partners’ Meeting
- "Single Audit Update," Clifton Gunderson LLP
- "Single Audit Update," Maryland Association of Certified Public Accountants
- "Grants Management for Nonprofits," Maryland Association of Certified Public Accountants
- "Professional Ethics Update," Maryland Association of Certified Public Accountants
- "Professional Ethics Training," Maryland Association of Certified Public Accountants
- "Independence Update," Clifton Gunderson LLP Health Care Conference
- "Changes in the Accounting Profession - Independence, Peer Review and Self Regulation," Association of Government Accountants

Honors and Awards

- Elected Chairman of Partnership Board, Clifton Gunderson LLP, 2006
- One of Maryland’s top CPAs, SmartCEO Magazine, 2004
- Andy Barr Distinguished Leadership Award, Association of Government Accountants, 2004
- Volunteer of the Year, Arc of Maryland, 2002
- Distinguished Leadership Award, Association of Government Accountants, 2001-2002
- Neil E. Clifton Professionalism Award, 1997
- Partner of the Year Award, Clifton Gunderson LLP, 1991

Professional Affiliations

- American Institute of Certified Public Accountants - member
- Maryland Association of Certified Public Accountants, Ethics Committee 2001-present
- Maryland Association of Certified Public Accountants, Peer Review Committee - chair 1997-1998
- Greater Washington Society of Certified Public Accountants, Federal Issues and Standards Committee
- Association of Government Accountants, National Awards Committee 2002-present; Chair, Audit Committee 2002-2005

Civic and Social Affiliations

- Arc of Baltimore, Inc. - president 2000-2002, director emeritus
- Arc of Maryland, Inc. - board member 2003-present, treasurer
- Mays Chapel United Methodist Church, Church Council - Chair Staff Pastor Relations Committee and Finance Committee

Continuing Professional Education

- In excess of 40 hours annually
- Receives in excess of 24 hours annually and 80 hours in total every two years qualified under Generally Accepted Government Auditing Standards

U.S. Citizen

- Yes
Frank N. Vito, CPA, CICA
Partner
Austin, Texas

Relevant Experience

Texas Department of Transportation
Frank served as Client Review Partner for the Texas Department of Transportation during consulting engagement related to employee stock ownership plan costs.

State of Texas - Health and Human Services Commission (2005-present)
- Responsible for audit and review engagements
- Managed the fiscal year 2004 comprehensive IT security audit of the Institute of Child Health Policy (ICHP) - the TMAS Quality Monitor

State of Washington - Department of Social and Health Services (2009-present)
- Responsible for Disproportionate Share Hospital audit engagement

- Responsible for audit and review engagements
- Managed a performance audit of the Colorado Department of Vital Records, including performing data analysis and IT controls and security testing as well as other projects such as performance audits of Colorado Probate cases, Guardians ad Litem, and the risk assessment for ICHP

- Currently working on the IT portion of a performance audit related to licensing of professions with the Washington SAO and the Department of Health. Also currently working with our Valuation and Fraud Services (VFS) related to DOJ/FBI database support that requires a Secret Clearance.

- Director of Assurance Services
- Responsible for management of the audit and investigative functions of the Legislative Audit Committee for the State of Texas
- Managed statewide risk assessment activities and developed annual audit plan for all state entities which was approved by the Legislative Audit Committee
- Supervised 150 professional staff in the timely conduct of over 100 public sector audit projects per fiscal year including financial, compliance, economy and efficiency, effectiveness and special audit requests
- Coordinated special project work at the request of Legislative leadership and executive agency management to assist in solving specific operational problems and providing management with the information to enhance accountability
Frank N. Vito, CPA, CICA (continued)

- Maintained strong working relationships with agency management to facilitate development and implementation of audit recommendations

Areas of Specialization
- Health care auditing and accounting services with an emphasis on Medicaid and Medicare reimbursement, and compliance audits of providers and their home offices
- Risk assessment and investigative consultation services
- Performance audits

Professional Affiliations
- Institute of Internal Auditors - member
- American Institute of Certified Public Accountants - member
- Texas Certified Public Accountant Society - member

Education
- Bachelor of Science degree with a major in accounting and finance, University of Florida

Years of Experience
- 28 years

Past Five Years of Work Experience
- Partner-in-Charge of the Austin Client Service Center - Clifton Gunderson LLP – responsible for running the Government Services Practice located in that office

Professional Certifications
- Certified Public Accountant - Texas
- Certified Internal Control Auditor

Presentations and Publications
- GAO Intergovernmental Audit Forums
- Enhanced Fraud Awareness and Detection “Impact of SAS 99 on Audits”
- AGA Annual Conference - Managing on Purpose “Using the Balanced Scorecard to Manage Audits”

Honors and Awards
- Clifton Gunderson Robert L. Coker Leadership Award
Renee Messing, CPA
Partner, National Public Sector Practice Leader
Milwaukee, Wisconsin

Areas of Specialization and Experience

- Accounting and auditing services to nonprofit and governmental entities
- Extensive consulting experience including budgeting, operational reviews, capital financial planning, tax increment districts, expenditure restraint program, and utility rate design
- Experience in presentations to rating agencies

Employment

- Clifton Gunderson LLP, October 2005
- Virchow Krause & Company LLP, June 1998 through October 2005
- (Conley McDonald LLP merged with Virchow Krause & Company LLP)
- Conley McDonald LLP, October 1982 through May 1998 - Partner, 1995
- State of Wisconsin, Bureau of Municipal Audit, January 1979 through October 1982

Memberships/Associations

- American Institute of Certified Public Accountants
- Wisconsin Institute of Certified Public Accountants
- Government Finance Officers Association
- Wisconsin Government Finance Officers Association

Education

- BS in Accounting, University of Wisconsin - LaCrosse - 1975

Years of Experience

- 30 years

Community Activities

Women's Fund of Greater Milwaukee, Treasurer
Sean M. Walker, CPA, CGFM
Senior Manager
Assistant Director of Assurance Services – Public Sector
Single Audit Specialist
Milwaukee, Wisconsin

Relevant Experience
- During his career in public accounting, he has led the financial or single audits of the organizations listed below:

  - City of Milwaukee
  - Milwaukee County
  - Shawano County
  - Kenosha County
  - Racine County
  - Brown County
  - Door County
  - Milwaukee Public Schools
  - City of Cudahy
  - City of Muskego
  - Village of West Milwaukee
  - Village of Hartland
  - Village of Kewaskum
  - Village of Glendale
  - Town of Merton
  - Forest County Potawatomi Community
  - Milwaukee Area Technical College
  - Waukesha County Technical College
  - School District of Cudahy
  - Weyauwega-Fremont School District
  - Rubicon School District
  - Wheatland School District
  - Wisconsin Center District
  - University of Wisconsin Hospital and Clinics
  - Milwaukee Economic Development Corporation
  - State of Illinois

Areas of Specialization
- Governmental financial audits in accordance with generally accepted auditing standards as outlined by the American Institute of Certified Public Accountants (AICPA), governmental auditing standards as outlined by the Governmental Accounting Office (GAO), and single audits as outlined by circular A-133 and state government audit guidelines.
- Governmental accounting practices as outlined by the Governmental Accounting Standards Board (GASB).
- Nonprofit auditing and accounting governmental auditing and accounting with an emphasis on local, state, and federal agencies.

Education
- Bachelor of Business Administration degree from the University of Wisconsin-Milwaukee

Years of Experience
- 10 years
Sean M. Walker, CPA (continued)

Professional Certification
- Certified Public Accountant in Wisconsin and Illinois
- Certified Governmental Financial Manager (CGFM), pending Board approval
- Certified Internal Control Auditor

Civic and Social Affiliations
- American Institute of Certified Public Accounts
- Wisconsin Institute of Certified Public Accounts
- Government Financial Officers Association
- Association of Government Accountants
- National Association of Local Governmental Auditors
- Society for Nonprofit Organizations
- Reviewer for the GFOA’s Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial Reports
- Instructor of governmental accounting for the University of Wisconsin-Green Bay’s Municipal Clerk and Treasurer’s Institute for 2003 and 2004
To the Partners of
Clifton Gunderson LLP
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Clifton Gunderson LLP (the firm) applicable to non-SEC issuers in effect for the year ended July 31, 2007. The firm’s accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm’s accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm’s organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm’s compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Clifton Gunderson LLP in effect for the year ended July 31, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

Spokane, Washington
December 19, 2007

LeMaster & Daniels PC
EXISTING CLIFTON GUNDERSON LLP
CLIENTS

Of the Local Educational Agencies identified in Exhibit 1-A in the RFSP, the following are existing clients of Clifton Gunderson LLP:

- Rantoul City School District #137 – financial audit services.
- Central A & M CU District #21 – technology consulting services.

OTHER INTERACTIONS WITH LOCAL EDUCATIONAL AGENCIES

We have outstanding proposals to provide financial audit services to the following Local Educational Agencies identified in the exhibit:

- Decatur Public School District #61

We have had contact with and are currently pursuing the following Local Educational Agencies identified in the exhibit for technology consulting services engagements:

- Brimfield CU District #309
- Farmington Central School District #265
- Pleasant Hill School District #69
- Metamora Community Consolidated School District #1
American Recovery and Reinvestment Act (ARRA),
General State Aid – Audit and/or Attestation Services
Reference #22018351

Cost Proposal – AREA I (COOK COUNTY) and AREA I-C
(NORTHEAST):

Bidder:
Clifton Gunderson LLP
1301 W. 22nd Street, Suite 1100
Oak Brook, IL 60523
630-573-8600
630-573-0798 (fax)

FEIN:
37-0802863

Contact Person:
Mr. James R. Thomas, JD, CPA, Partner
630-368-3611
jim.thomas@cliftoncpa.com

Proposed Subcontractors:
None
REGION:

AREA I (COOK COUNTY) and AREA I-C (NORTHEAST)

COST:

$ 237,000

The cost amount is inclusive of all fees and expenses for fieldwork, travel, and administrative expenses.

HOURLY RATE:

$ 95/hr.

The hourly rate would be charged for unforeseen, related work performed outside the terms of this proposal.
American Recovery and Reinvestment Act (ARRA),
General State Aid – Audit and/or Attestation Services
Reference #22018351

Cost Proposal – AREA II (NORTHWEST):

Bidder:
Clifton Gunderson LLP
1301 W. 22nd Street, Suite 1100
Oak Brook, IL 60523
630-573-8600
630-573-0798 (fax)

FEIN:
37-0802863

Contact Person:
Mr. James R. Thomas, JD, CPA, Partner
630-368-3611
jim.thomas@cliftoncpa.com

Proposed Subcontractors:
None
REGION:

AREA II (NORTHWEST)

COST:

$ 125,000

The cost amount is inclusive of all fees and expenses for fieldwork, travel, and administrative expenses.

HOURLY RATE:

$ 95/hr.

The hourly rate would be charged for unforeseen, related work performed outside the terms of this proposal.
American Recovery and Reinvestment Act (ARRA),
General State Aid – Audit and/or Attestation Services
Reference #22018351

Cost Proposal – AREA III (WEST CENTRAL):

Bidder:
Clifton Gunderson LLP
1301 W. 22nd Street, Suite 1100
Oak Brook, IL 60523
630-573-8600
630-573-0798 (fax)

FEIN:
37-0802863

Contact Person:
Mr. James R. Thomas, JD, CPA, Partner
630-368-3611
jim.thomas@cliftoncpa.com

Proposed Subcontractors:
None
REGION:

AREA III (WEST CENTRAL)

COST:

$ 156,000

The cost amount is inclusive of all fees and expenses for fieldwork, travel, and administrative expenses.

HOURLY RATE:

$ 95/hr.

The hourly rate would be charged for unforeseen, related work performed outside the terms of this proposal.
American Recovery and Reinvestment Act (ARRA),
General State Aid – Audit and/or Attestation Services
Reference #22018351

Cost Proposal – AREA IV (EAST CENTRAL):

Bidder:
Clifton Gunderson LLP
1301 W. 22nd Street, Suite 1100
Oak Brook, IL 60523
630-573-8600
630-573-0798 (fax)

FEIN:
37-0802863

Contact Person:
Mr. James R. Thomas, JD, CPA, Partner
630-368-3611
jim.thomas@cliftoncpa.com

Proposed Subcontractors:
None
REGION:

AREA IV (EAST CENTRAL)

COST:

$ 104,000

The cost amount is inclusive of all fees and expenses for fieldwork, travel, and administrative expenses.

HOURLY RATE:

$ 95/hr.

The hourly rate would be charged for unforeseen, related work performed outside the terms of this proposal.