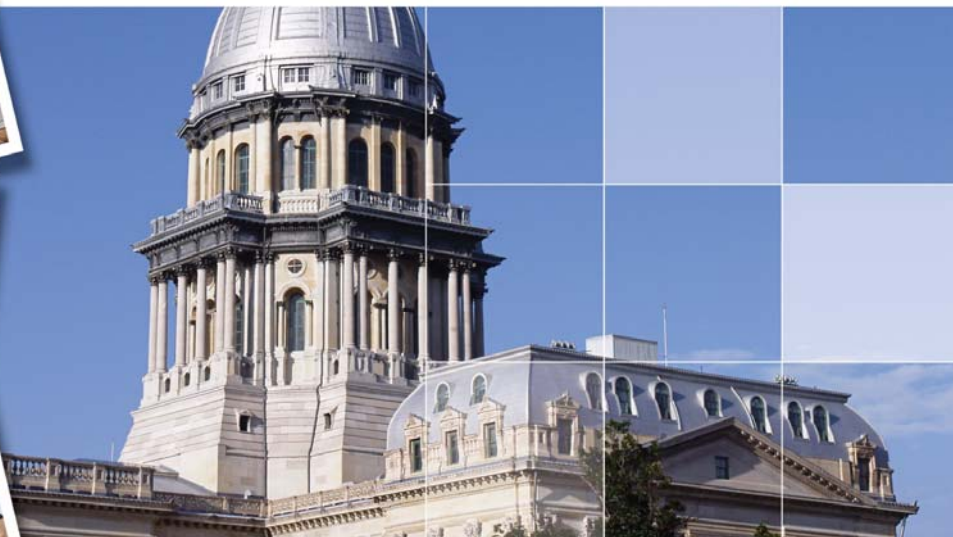


Proposal to Provide ARRA, General State Aid- Audit and/or Attestation Services



January 28, 2010



Submitted to:

Ms. Sherri Sullivan, ISBE State Purchasing Officer
Illinois State Board of Education
Fiscal and Procurement Division
100 North First Street
Springfield, Illinois 62777

Submitted by:

Ms. Chris Mower
Crowe Horwath LLP
3201 West White Oaks Drive, Suite 202
Springfield, Illinois 62704-6592
Direct 217.862.2702
Office 217.862.2700
Fax 217.862.2701
chris.mower@crowehorwath.com

Narrative Description

Table of Contents

Cover Page..... 1

Proposal Abstract 4

Work Plan 5

Exceptions to RFSP 6

Contractor’s Qualifications 13

Appendix A: Resumes 26

Appendix B: Peer Review 38

AFFILIATES – Crowe Horwath LLP is an independent member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath International is a separate and independent legal entity. Crowe Horwath LLP and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe Horwath LLP. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe Horwath LLP and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath LLP.





Crowe Horwath LLP
Independent Member Crowe Horwath International

3201 West White Oaks Drive, Suite 202
Springfield, Illinois 62704-6592
Tel 217.862.2700
Fax 217.862.2701
www.crowehorwath.com

Cover Page

January 28, 2010

Ms. Sherri Sullivan, ISBE State Purchasing Officer
Illinois State Board of Education
Fiscal and Procurement Division
100 North First Street
Springfield, Illinois 62777

Dear Ms. Sullivan:

Crowe Horwath LLP (Crowe) is pleased to submit our proposal to the Illinois State Board of Education (ISBE) in response to your Request for Proposals (RFP) for American Recovery and Reinvestment Act (ARRA), General State Aid – Audit and/or Attestation Services.

We have identified the following regions that we would appreciate an opportunity to work with you on: Area I-B-C (South Cook), Area I-C (Northeast); and Area IV (East Central).

Why Choose Crowe?

Based upon your requirements and the desired outcomes, we feel that the Crowe Team has the unique capabilities to be successful. Crowe is an experienced, stable and well-respected consulting and accounting firm with a strong commitment to government. Crowe provides innovative business solutions in the areas of audit, tax, advisory, risk and performance services. Crowe is one of the top 10 public accounting and consulting firms in the United States, serving clients worldwide as a leading member of the Crowe Horwath International network of public accounting and consulting firms.

We have delivered high value to our clients for decades, and we feel that we are well-suited to help ISBE for the following reasons:

- **Public Sector Experience.** The public sector is a key focus of our firm and our Public Sector Services Group (PSS) works with **state and local government entities**, colleges and universities, **school districts**, membership organizations and many other not-for-profit entities. We have dedicated PSS professionals and we are focused on government and issues that affect governmental entities. Our PSS group is comprised of more than 110 individuals, and serves more than 400 governmental organizations nationwide.
- **Experience with the State of Illinois.** Crowe has provided audit, accounting and consulting services to various offices and departments of the State of Illinois. We have a unique perspective and depth of understanding of legislative issues, statutory compliance and public policy concerns that come from the careers of several of our partners spent in public service in Illinois.

Recently, we have performed work with the [REDACTED] to assist with the assessment of ARRA program requirements for a number of State of Illinois agencies and authorities. Furthermore, we assisted the [REDACTED] with the completion of the FCIAA Certification and the standardization of its monitoring and reporting program for grantees.

Comment [CJS1]: 7.1.g trade secret commercial information client lists

We have also performed a number of other consulting projects related to information technology, contract monitoring and compliance assessment for the [REDACTED]. We understand the state and its agencies from direct contact with the appropriate decision makers.

- **School District Experience.** Our knowledge of the operations and activities of school districts has been gained through years of experience in performing audits and various consulting engagements for school districts throughout the state. Through years of experience with various districts, we have gained a thorough understanding of the state and federal regulatory requirements with which the districts must comply. Our school district experience includes smaller districts that record transactions on a cash basis to the larger districts that record all accrual entries. We have experience at some of the largest districts in the State of Illinois, including [REDACTED].
- **Prior Experience with ISBE.** We have previous experience with ISBE in performing the annual financial and compliance audit (for the years ended June 30, 1999 through June 30, 2004).
- **Annual Auditor Workshops.** Crowe Horwath has been involved with the [REDACTED] and [REDACTED] to develop and conduct annual workshops for school district auditors throughout the State. Bert Nuehring and Todd Buikema have prepared materials and presented for a number of these sessions for multiple years.
- **Relevant Experience.** We have extensive experience in performing audits, agreed-upon-procedures (AUP), and other types of consulting engagements with a variety of governmental and regulatory agencies.

Crowe currently audits over 100 organizations on an annual basis. In addition, the firm conducts over 80 Single Audits per year and based on 2008 submissions to the Federal Audit Clearinghouse Crowe audited over \$ [REDACTED] in Federal Funds in 2008.

- **Our firm and our employees are committed to quality.** Our firm has established an internal independent Assurance Professional Practice that reviews all reports to ensure quality control standards of the firm are met. We also maintain close working relationships with the AICPA, including membership in the Governmental Audit Quality Center, the American Association of Government Accountants and the Government Finance Officers Association. In addition, members of our firm serve on the Illinois CPA Society Ethics, Governmental Executive and Governmental Report Review Committees, and the AICPA's State and Local Government Expert Panel and CPE Advisory Committee.

Concluding Comments

This proposal is being submitted by Chris Mower, who is authorized to represent the firm, is empowered to submit the proposal and is authorized to negotiate and execute a contract with ISBE. Please note, Crowe Horwath LLP is not a division or subsidiary of another organization and is not proposing utilizing subcontractors for this engagement.

Ms. Sherri Sullivan, ISBE State Purchasing Officer
Illinois State Board of Education
Page 3

We thank you for the opportunity to submit our proposal to the Illinois State Board of Education. We are confident that after reviewing our proposal you will share our conviction that we stand apart from others – with a values driven workplace, people, resources, attitude, reputation and specialized service to provide the best professional services at a reasonable cost. We look forward to an opportunity to work with you. Should you have any questions, please do not hesitate to contact me at:

Chris Mower, Partner
Crowe Horwath LLP ([REDACTED])
3201 W. White Oaks Drive, Suite 202
Springfield, Illinois 62704
Direct (217) 862-2702
Office (217) 862-2700
Fax (217) 862-2701
Email chris.mower@crowehorwath.com.

Comment [CM2]: 7.1.g commercial information

Sincerely,



Chris Mower
Partner

Proposal Abstract

We understand that the overall objectives of the project are designed to ensure the attendance data, figures and expenditures reported pertinent to the General State Aid (GSA) claim can be substantiated and are accurately presented. We further understand the purpose of the project, as outlined in the RFSP is as follows:

To perform agreed upon procedures as identified in Exhibit II to verify ADA figures used in calculating the amount of GSA payments to LEAs; to analyze, on a sample basis (to be extracted from a list in Exhibit I-A), LEA expenditures from SFSF GSA funds; and to ensure compliance with the Illinois School Code (105 ILCS 5/18-8.05), ARRA, and other, applicable Federal requirements.

These procedures include reviewing draft audit reports for accuracy and accordance with established Procedures prior to submission to ISBE. The work will be performed based on the Procedures (Exhibit II) and standardized working papers (Exhibit III) developed by ISBE.

We understand that the overall activities of the project as outlined in the RFSP are as follows:

- Assign an audit manager for each audit region who will serve as the contact person for ISBE;
- Attend a two-day orientation/training session at the ISBE office located at 100 North First Street, Springfield, Illinois;
- Develop an audit schedule of timelines so that ISBE can provide LEAs with notice of the impending fieldwork;
- Conduct field work to perform the agreed upon Procedures;
- Prepare draft reports based on the Procedures utilizing the standardized working papers provided in Exhibit III;
- Meet with the ISBE contact person on a bi-weekly basis for the purpose of providing progress towards completion of the audit schedule (this can occur by phone); and
- Correct deficiencies identified through ISBE's internal quality review process.



Work Plan

We are committed to working with the State Board of Education to perform agreed upon procedures as identified in Exhibit II to verify ADA figures used in calculating the amount of GSA payments to LEAs; to analyze, on a sample basis (to be extracted from a list in Exhibit I-A), LEA expenditures from SFSF GSA funds; and to ensure compliance with the Illinois School Code (105 ILCS5/18-8.05), ARRA, and other, applicable Federal requirements.

We understand that the contract period will begin after February 8, 2010 and all audit work and reports are due by September 30, 2010.

Below are the specific duties as outlined in the RFSP with expected completion dates:

| Duties | Timeline |
|---|--|
| Assign an audit manager for each audit region who will serve as the contact person for ISBE | February 8, 2010 |
| Attend a two-day orientation/training session at the ISBE office located at 100 North First Street, Springfield, Illinois | TBD – based on notification from ISBE |
| Develop an audit schedule of timelines so that ISBE can provide LEAs with notice of the impending fieldwork | February 28, 2010 |
| Conduct field work to perform the agreed upon Procedures | July 15, 2010 |
| Prepare draft reports based on the Procedures utilizing the standardized working papers | On-going during process with final drafts submitted by August 15, 2010 |
| Meet with the ISBE contact person on a bi-weekly basis for the purpose of providing progress towards completion of the audit schedule | Bi-weekly, by phone |
| Correct deficiencies identified through ISBE's internal quality review process | Final corrections by September 30, 2010 |

For each region that we are awarded we would assign a specific set of teams. Each team would consist of a partner, senior manager, 2-3 seniors and 2-4 staff. Appropriate personnel will attend the orientation/training session in Springfield. The senior manager would be responsible for developing the audit schedule of timelines for notice to the LEA's. The partner would be responsible for reviewing the audit schedule to determine reasonableness and completion.

The standard working papers will be utilized to complete the required procedures at each LEA within the region. The work at the LEA will be completed by the seniors and staff in the field and subsequently reviewed by the senior manager and partner on the engagement to determine that all procedures were completed and exceptions were adequately documented.

Draft reports will be prepared by the seniors that worked on each of the identified LEA and reviewed by the senior manager, partner and personnel within our APP function (as explained later within the "Peer Review" section of the proposal.) These reviews will take place prior to submission to ISBE to ensure that accurate reports are presented to ISBE.

On-going communication with ISBE will be handled by the senior manager. This will provide a single point of contact with the team members and ISBE.



Exceptions to RFSP

Crowe has reviewed the Contract provided in Attachment 1 of the RFP. We have served the State of Illinois for many years and have successfully negotiated many contracts with the State.

Crowe respectfully requests that should we be selected to provide these services, that both parties reserve the right to negotiate a contract mutually agreeable to Crowe and the State. Based upon our preliminary review of the Contract, some examples of the sections of the contract we would ask the State to consider modifying is provided below.



December 22, 2009

SUBJECT: REQUEST FOR SEALED PROPOSALS (RFSP) American Recovery and Reinvestment Act (ARRA), General State Aid - Audit and/or Attestation Services

Appendix A

Contractual Terms and Provisions

The performance of the services and requirements described in the RFSP shall be subject to the following contractual terms and provisions. Suggested exceptions to the contractual terms and provisions set forth below are allowed, provided they do not affect the bidder's ability to perform the required services; however, such exceptions and modifications are discouraged. The Illinois State Board of Education is under no obligation to accept exceptions or modifications suggested by the bidder, and any exceptions or modifications will affect the State Board of Education's evaluation and may result in rejection. All terms to which the bidder does not suggest an exception or modification will be deemed by the Illinois State Board of Education as accepted by the bidder, and shall become a part of the contract between the Illinois State Board of Education and the selected bidder. The Illinois State Board of Education reserves the right to amend and supplement these contractual terms and conditions between the Illinois State Board of Education and the selected bidder.

1. **Definitions.** The following definitions shall apply to the contractual terms and provisions set forth below:

"Agreement" shall mean and refer to the contract entered into between ISBE and the Contractor for the performance of the Services. The Agreement shall include, without limitation, the terms set forth in this Appendix to the RFSP.

"Confidential Information" is defined in Section 7 below.

"Contractor" shall mean and refer to the contractor selected through this RFSP.

"Cost Proposal" shall mean and refer to the cost proposal approved by the Illinois State Board of Education for inclusion in the Agreement, based upon the cost proposal submitted by the Contractor in accordance with the RFSP.

"Custom Work Product" is defined in Section 6 below.

"Embedded Software" is defined in Section 6 below.

"ISBE" shall mean and refer to the Illinois State Board of Education. "Laws" is defined in Section 15 below.

"Parties" shall mean and refer to the Contractor and ISBE. "Party" shall mean and refer to either the Contractor or ISBE.

"Proposal" shall mean and refer to the proposal approved by ISBE for inclusion in the Agreement, based upon the proposal submitted by the Contractor in accordance with the RFSP.

"Services" shall mean and refer to the services and requirements to be performed by the Contractor in accordance with the Proposal.

"Term" shall mean and refer to the period from the date of execution of the Agreement through September 30, 2010, and is subject to early termination as provided in the Agreement.

2. **Performance of the Services.** The Contractor shall perform the Services (i) with a high degree of skill, care and diligence, (ii) in accordance with the highest professional standards, and (iii) in accordance with any schedule of deliverables set forth in the Proposal. The Contractor shall provide all personnel, materials and equipment necessary to undertake the Services and to fulfill the purposes of this Agreement. The Contractor will use personnel suitably qualified and experienced to perform the Services in accordance with the requirements of this Agreement. The Contractor shall be an independent contractor. Neither the Contractor nor its personnel or subcontractors shall be considered agents or employees of ISBE or the State of Illinois.

3. **Post Performance Review.** Pursuant to 30 ILCS 500/35-20(c)(5), a post-performance contract review will be undertaken by the ISBE Procurement Officer, or designee, which shall include, but not be limited to, a review of billings and Contractor's performance in accordance with the Agreement. Funds may be expended only for activities occurring during the Term.

4. **Subcontractor.** No subcontracting will be allowed in this Agreement

~~Designation of Subcontractors. If during the term of this Agreement, the Contractor wants to retain subcontractors to be paid with funds provided by this Agreement not listed in the Proposal, the Contractor will obtain ISBE's prior written approval and the Parties will file a contract amendment with the State Comptroller's office stating the names, addresses, and an estimated total amount of payment of each subcontractor. The Contractor shall retain responsibility for the~~



performance of the Services by its subcontractors. Any request to retain subcontractors must contain:

- Name(s) and address(es) of each subcontractor(s);
- Need and purpose for subcontracting;
- Measurable and time-specific services to be provided;
- Associated costs, (i.e., amounts to be paid under subcontract(s));
- Federal employer tax identification number for each subcontractor.

b) ~~Subcontractor Requirements. By appropriate written agreement, the Contractor shall require each subcontractor to the extent of the Contract to be performed by such subcontractor, to assume all obligations and responsibilities which the Contractor, by the Agreement, assumes with ISBE. The Contractor shall be responsible to ISBE for acts and omissions of the Contractor, its subcontractors, their respective agents and employees, and any other persons performing portions of the Services, or claiming by, through or under the Contractor, and shall be responsible to ISBE for any damages, losses, costs or expenses resulting from such acts or omissions. Each subcontract agreement for a portion of the Services is hereby assigned by the Contractor to ISBE provided that the assignment is effective only after termination of this Agreement by ISBE by reason of a Contractor Default and only for those subcontract agreements which ISBE accepts by notifying the subcontractor in writing. The Contractor shall execute and deliver to ISBE any instruments reasonably required by ISBE to confirm and evidence any of the preceding contingent assignments. Each subcontract agreement for a portion of the Services shall contain a provision specifically identifying ISBE as a third party beneficiary of such subcontract.~~

5. **Reporting.**
 During the Term, the Contractor will provide quarterly progress reports, due to ISBE on the 1st of September, December, March, and June. The Contractor will also provide a listing of the Services completed as an accompaniment to all invoices sent to ISBE for payment, together with such other supporting documentation as ISBE may reasonably request. A payment schedule will be prepared by ISBE for inclusion with the Agreement.
 A required bi-weekly report (form to be developed by External Assurance) will be on the agenda for the bi-weekly meeting.

6. **Rights to Work Product. a) Definitions.**
 1. "Custom Work Product" shall mean the resulting software—including all functional and technical designs, programs, modules, code, algorithms, flowcharts, data diagrams, documentation and the like—and other data, materials, standardized working papers, and products created by the Contractor on behalf of ISBE and in furtherance of the Services.
 2. "Embedded Software" shall mean any pre-existing software owned by the Contractor or by any third party incorporated or embedded into the Custom Work Product.
 3. "Generic Components" shall mean the software/programming tools developed generally by the Contractor to support the Custom Work Product which (a) can be used in Web sites and systems other than the Custom Work Product developed hereunder; (b) can be used completely free of the Custom Work Product Content; and, (c) do not embody or convey the look and feel of the Custom Work Product developed hereunder.
 b) **Ownership of Custom Work Product.** ISBE shall own all rights, title and interest in any Custom Work Product. The Contractor expressly acknowledges and agrees that all such Custom Work Product constitutes "work made for hire" under the Federal copyright laws (17 U.S.C. Sec. 101) owned exclusively by ISBE, and, alternatively, hereby irrevocably assigns all ownership or other rights it might have in Custom Work Product to ISBE. The Contractor shall sign such documentation as may be reasonably requested by ISBE to insure that title to the Custom Work Product is vested in the ISBE. If by operation of law any of the Custom Work Product, including all related intellectual property rights, is not owned in its entirety by ISBE automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to ISBE and its designees the ownership of such Custom Work Product, including all related intellectual property rights.
 c) **License to Embedded Software.** Except as otherwise specifically set forth in the Proposal, (i) the Agreement conveys no ownership rights to ISBE with respect to Embedded Software, and (ii) ISBE is granted a paid-up, world-wide, perpetual, non-exclusive license to use the Embedded Software solely as an integral part of, and in conjunction with, ISBE's use of the Custom Work Product and for no other purpose. Any use of embedded software must have the prior written approval of ISBE.
 d) **Ownership of Generic Components.** ISBE shall own all rights, title and interest in any Generic Components to the Custom Work Product. The Contractor expressly acknowledges and agrees that all such Generic Components constitutes "work made for hire" under the Federal copyright laws (17 U.S.C. Sec. 101) owned exclusively by ISBE, and, alternatively, hereby irrevocably assigns all ownership or other rights it might have in the Generic Components to ISBE. The Contractor shall sign such documentation as may be reasonably requested by ISBE to insure that title to the Generic Components is vested in the ISBE. If by operation of law any of the Generic Components, including all related intellectual property rights, is not owned in its entirety by ISBE automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to ISBE and its designees the ownership of such Generic Components, including all related intellectual property rights.

7. **Confidential Information.**
 a) **Acknowledgment of Confidentiality.** Each Party hereby acknowledges that it may be exposed to confidential and proprietary information of the other Party including, without limitation, other technical information (including functional and technical specifications, designs, drawings, analysis, research, processes, computer programs, methods, ideas, "know how" and the like), business information (sales and marketing research, materials, plans, accounting and financial information, personnel records and the like) and other information designated as confidential expressly or by the circumstances in which it is provided ("Confidential Information"). Confidential Information does not include (i)



information already known or independently developed by the recipient, (ii) information in the public domain through no wrongful act of the recipient, or (iii) information received by the recipient from a third party who was free to disclose said confidential information.

b. ~~Consent Not to Disclose.~~ With respect to the other Party's Confidential Information, the recipient hereby agrees that during the term of this Agreement and at all times thereafter it shall not use, commercialize or disclose such Confidential Information to any third party without the other Party's prior written approval; provided, that all such recipients shall have first executed a confidentiality agreement in a form acceptable to the owner of such information. Neither Party nor any recipient may alter or remove from any software or associated documentation owned or provided by the other Party any proprietary, copyright, trademark or trade secret legend. Each Party shall use the same degree of care in safeguarding the other Party's Confidential Information as it uses in safeguarding its own confidential information.

c. ~~Student Records.~~ To the extent Contractor has access to student records, ISBE Contractor will comply with the relevant requirements of the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. 1232g) and the Illinois School Student Records Act (ISSRA) (105 ILCS 10/1 et seq.), regarding the confidentiality of student education records as defined in FERPA and "school student records" as defined in ISSRA. Any use of information contained in student education records to be released must be approved by ISBE. To protect the confidentiality of student education records, the Contractor will limit access to student education records to those employees who reasonably require access in order to perform their responsibilities under this Agreement.

8. **Correction of Deficient Services.** Prior to the expiration of the Term, the Contractor shall, at its earliest opportunity and its sole cost and expense, correct any Services which are defective or deficient or otherwise contain or reflect errors or omissions made solely by Contractor.

~~For one calendar year following the Term of this Agreement, a Custom Work Product created by the Contractor will function substantially in accordance with the representations and requirements set forth in this Request for Sealed Proposal. However, no warranty of the fitness of the product created shall apply if the ISBE or any third party makes any addition or modification to the Custom Work Product not contemplated by the Parties in connection with such Custom Work Product.~~

9. **Default and Termination.**

a) **Termination for Convenience.** ISBE may terminate this Agreement upon a fifteen (15) day written notice to the Contractor. Such notice shall be sent to the address set forth for notice by over-night delivery or certified mail with return receipt requested. ISBE shall have the custom work product that has been created by the Contractor through the effective date of the notice of termination, and may elect to procure such work as deemed necessary to complete the Services from other contractors.

b) **Contractor Default.** The occurrence of any one or more of the following matters constitutes a default by the Contractor under this Agreement (a "Contractor Default"):

1. The Contractor becomes insolvent or generally fails to pay, or admits in writing its inability or unwillingness to pay, its debts as they become due;
2. Contractor makes a general assignment for the benefits of its creditors;
3. The Contractor shall commence or consent to any case, proceeding or other action (a) seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of the Contractor or of the Contractor's debts under any law relating to bankruptcy, insolvency, reorganization or relief of debts, or (b) seeking appointment of a receiver, trustee or similar official for the Contractor or for all or any part of the Contractor's property;
4. Any case, proceeding or other action against the Contractor shall be commenced (a) seeking to have an order for relief entered against the Contractor as debtor, (b) seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of the Contractor or the Contractor's debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or (c) seeking appointment of a receiver, trustee, or similar official for the Contractor or for all or any part of the Contractor's property;
5. The breach of any representation, certification or warranty made by the Contractor herein or Contractor's failure to comply with any other provision of this Agreement; or
6. The Contractor attempts to assign, convey or transfer this Agreement or any interest herein without ISBE's prior written consent.

c) Upon the occurrence of a Contractor Default ISBE may, without prejudice to any other right or remedy ISBE may have under this Agreement or at law and/or in equity, terminate the Agreement and/or the Contractor's right to perform Services under this Agreement. In either such case, ISBE may finish the Services by whatever method ISBE may deem expedient. Any damages, up to the amount paid to Contractor under this Agreement, incurred by ISBE as a result of any such Contractor Default shall be borne by the Contractor at its sole cost and expense, shall not be payable as part of the contract amount, and shall be reimbursed to ISBE by the Contractor upon demand.

10. **Indemnification.** To the fullest extent permitted by law, the Contractor agrees to indemnify, defend and hold harmless ISBE, the State of Illinois, and their respective agents, officers and employees from and against any and all claims, demands, suits, liabilities, injuries (personal or bodily), tangible property damage, causes of action, losses, costs, expenses, damages or penalties, including, without limitation, reasonable defense costs, reasonable legal fees, and the reasonable value of time spent by the Attorney General's Office, arising or resulting from, or occasioned by or in connection with (i) any bodily injury or tangible property damage resulting or arising from any act or omission to act (whether negligent, willful, wrongful or otherwise) by the Contractor, its subcontractors, anyone directly or indirectly employed by them or anyone for whose acts



they may be liable; (ii) failure by the Contractor or its subcontractors to comply with any Laws applicable to the performance of the Services; (iii) any breach of this Agreement, including, without limitation, any representation or warranty provided by the Contractor herein; or (iv) any knowing infringement of any copyright, trademark, patent or other intellectual property right.

11. **Insurance** (for non-government entities only) The Contractor shall maintain insurance policies in sufficient amounts to protect ISBE from liability for acts of the Contractor and risks and indemnities assumed by the Contractor. Such policies shall include, without limitation, the following:

- a) A broad form Commercial General Liability Insurance policy, including a waiver of subrogation endorsement in favor of ISBE and endorsements adding, at a minimum, the following coverages: Premises and Operations Liability, Personal Injury Liability (with employee and contractual exclusions deleted), Broad Form Property Damage Liability, Broad Form Contractual Liability supporting the Contractor's indemnification agreements in favor of ISBE, Completed Operations and Products Liability for a period of not less than three (3) years following the date of final payment hereunder, and Independent Contractor's Protective Liability. The Commercial General Liability Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$1,000,000 for Completed Operations and Products Liability.
- b) A Comprehensive Automobile Insurance Policy providing coverage for all owned, hired, rented, leased and non-owned automobiles, written with a combined single limit of liability of not less than \$500,000 for each occurrence of bodily injury and/or property damage.
- c) A Workers' Compensation Insurance Policy in an amount not less than the statutory limits (as may be amended from time to time), including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident, (ii) \$500,000 for bodily injury by disease, each employee, and (iii) \$500,000 aggregate liability for disease.
- d) ~~A Professional Liability Insurance Policy including, without limitation, a waiver of subrogation endorsement in favor of ISBE. The Professional Liability Insurance Policy must be written with a limit of liability of not less than \$1,000,000 for each claim, and not less than \$1,000,000 in the aggregate on an annual basis, for errors, omissions or negligent acts arising out of the performance of (or the failure to perform) professional services hereunder such as, but not limited to, systems analysis, system design, programming data processing, consulting, system integration, and information services. The Professional Liability coverage shall include contractual liability coverage in support of the Contractor's indemnification agreements in favor of ISBE, shall be written on a "claims made" basis, and a policy must be maintained for a period of not less than three (3) years following the date of final payment to the Contractor ISBE for all Services.~~

Upon execution of this Agreement, the Contractor shall provide copies of certificates of insurance evidencing the coverage described in this Section. The policies specified above shall be placed with insurance companies reasonably acceptable to ISBE, shall name ISBE and its board members, officers and employees as additional insureds (excluding the Worker's Compensation Policy and Automobile Insurance Policy), ~~Contractor, and shall endeavor to incorporate a provision requiring the giving of prompt notice to ISBE at least thirty (30) days prior to the cancellation, non-renewal or material modification of any such policies. Unless otherwise agreed to in writing by ISBE, the Contractor shall cause all of its subcontractors to purchase and maintain insurance coverages identical to those required of the Contractor hereunder.~~

12. **Key Persons.** The Parties agree that availability of and performance of Services by the Audit contact manager, when assigned to perform such Services, the program management team identified in the Proposal is key to the satisfactory performance of this Agreement by the Contractor. The Contractor shall not substitute key personnel assigned to the performance of this Agreement without prior written approval from the ISBE project manager except as follows:

- a) ISBE may request at any time the removal of (and the Contractor will remove) any individual performing Services if ISBE: (1) reasonably believes that individual is not qualified to perform the Services or tasks required of that individual; and (2) previously provided the Contractor with prior written notice of the problem and a reasonable opportunity to remedy the situation.
- b) Should any of the said key individuals cease employment with the Contractor during the Term or become unavailable to perform the work assigned to them, the Contractor shall immediately notify ISBE in writing of such occurrence. The parties shall promptly confer and determine and provide for the basis upon which the Contractor shall assure satisfactory performance of the required work. The parties shall verify their understandings in writing and retain a record of such verification as part of the record of the Contractor's performance of this Agreement.

13. **Non-availability of Funding.** Obligations of ISBE will cease immediately without penalty of further payment being required if in any fiscal year sufficient funds for this Agreement are not appropriated by the Illinois General Assembly or a federal funding source, or such funds are otherwise not made available to ISBE for payments in accordance with this Agreement.

14. **Record-keeping.** The Contractor and its subcontractors shall maintain books and records relating to performance of the Agreement or subcontract and necessary to support amounts charged to the State under the Agreement or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Contractor for a period of at least three (3) years from the later of the date of final payment under the Agreement or completion of the Services, and by the subcontractor for a period of three (3) years from the later of the date of the final payment under the subcontract or completion of the

4

Comment [CS1]: Our policy does not allow



subcontract. The three-year period shall be extended for the duration of any audit in progress during the term. Books and records required to be maintained under this section shall be available for review or audit by representatives of ISBE, the Auditor General, and other governmental entities, with monitoring authority, upon reasonable notice and during normal business hours. The Contractor and its subcontractors shall cooperate fully with any such audit. Failure to maintain books and records required by this Paragraph shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the Agreement for which adequate books and records are not available to support the purported disbursement. The Contractor ~~shall not~~ impose a charge for audit or examination of the Contractor's books and records.

15. **Compliance with Laws.** The Contractor ~~each party~~ shall comply, and shall cause its subcontractors to comply, with all existing and future laws, regulations, rules, ordinances, orders and decrees (collectively, "Laws") which are applicable to the Services. The Contractor shall secure and pay for all registrations, licenses, certifications or approvals which relate to the provision of the Services. If ~~the Contractor~~ ~~the other party~~ should discover any discrepancy or inconsistency between the requirements of any Laws and the scope or nature of the Services, the Contractor ~~such party~~ shall immediately notify ISBE ~~the other~~ in writing of such discrepancy or inconsistency and Contractor shall conform its Services to any subsequent orders or instructions of ISBE. ~~ISBE shall adjust payment of fees for any additional Services that such change in law may require.~~

16. **Cumulative Rights.** Except as otherwise provided in this Agreement, rights and remedies available to ISBE and/or the Contractor as set forth in this Agreement shall be cumulative with, in addition to, and not in limitation of, any other rights or remedies available to such Parties at law and/or in equity. Any specific right or remedy conferred upon or reserved to ISBE and/or the Contractor in any provision of this Agreement shall not preclude the concurrent or consecutive exercise of a right or remedy provided for in any other provision hereof.

17. **No Waiver.** No course of dealing or failure of ISBE and/or the Contractor to enforce strictly any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition. No express waiver of any term, right or condition of this Agreement shall operate as a waiver of any other term, right or condition.

18. **Assignment.** The Contractor may not assign this Agreement in whole or in part without the prior written approval of ISBE.

19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Any claim against the State or ISBE arising out of this Agreement must be filed exclusively with the Illinois Court of Claims (705 ILCS 505/1). The State shall not enter into binding arbitration to resolve any Contract dispute. The State of Illinois does not waive sovereign immunity by entering into this Contract. In compliance with the Illinois and federal Constitutions, the Illinois Human Rights Act, the US Civil Rights Act, and Section 504 of the federal Rehabilitation Act and other applicable laws and rules the State does not unlawfully discriminate in employment, contracts, or any other activity.

20. **Website Incorporation.** ISBE expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless ISBE has actual knowledge of such content and has expressly agreed to be bound by it in a written agreement that has been manually signed by an authorized representative of ISBE.

21. **Solicitation and Employment.** Contractor ~~Neither party~~ shall not hire any person employed by the Illinois State Board of Education ~~the other~~ during the term of this contract to perform any work under this Contract. Contractor ~~A party~~ shall give notice immediately to the ~~other~~ ~~if Contractor~~ ~~to Agency's~~ applicable Division Administrator and General Counsel, if Contractor ~~such party~~ solicits or intends to solicit Illinois State Board of Education ~~the other party's~~ employees to perform any work under this contract.

22. **Background Check:** The State Contractor will conduct name based criminal history background checks of any of Contractor's officers, employees or agents assigned to perform work under this Agreement. Copies of said name based criminal history background checks shall be provided to ISBE. ISBE retains the right to have personnel reassigned from ISBE contractual work. ISBE retains the right to cancel this contract in the event background checks reveal irregularities ~~that are not resolved by the parties.~~

23. **Anti-Trust Assignment:** If Contractor does not pursue any claim and cause of action it has arising under federal or state antitrust laws relating to the subject matter of the Contract, then upon request Contractor shall assign to the State all right, title and interest in and to the claim or cause of action.

24. ~~Should a dispute regarding payment arise both parties agree that Contractor may cease work, without penalty, until such dispute is resolved.~~

25. **Limitation of Liability.** EXCEPT WHERE IT HAS BEEN DETERMINED IN A JUDICIAL PROCEEDING THAT CONTRACTOR ACTED WITH GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, CONTRACTOR'S LIABILITY TO ISBE HEREUNDER, FOR DAMAGES, REGARDLESS OF THE LEGAL THEORY OF THE CLAIM (INCLUDING NEGLIGENCE), SHALL NOT EXCEED THE AMOUNT ACTUALLY PAID TO CONTRACTOR UNDER THE APPLICABLE STATEMENT OF WORK FROM WHICH SUCH CLAIM AROSE, AND SUCH CLAIM FOR A RETURN OF AMOUNTS PAID SHALL BE ISBE'S EXCLUSIVE REMEDY FOR ANY DAMAGES. THIS LIMITATION OF LIABILITY IS INTENDED TO APPLY TO THE FULL EXTENT ALLOWED BY LAW. THIS LIMITATION OF LIABILITY SHALL ALSO APPLY AFTER TERMINATION OF THIS AGREEMENT. THE FOREGOING LIMITATION OF LIABILITY REPRESENTS THE ALLOCATION OF RISK OF FAILURE BETWEEN THE PARTIES AS REFLECTED IN THE PRICING HEREUNDER AND IS AN ESSENTIAL ELEMENT OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES.

26. **NO PUNITIVE OR CONSEQUENTIAL DAMAGES.** Subject to the limitation of liability section, NEITHER PARTY SHALL



BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY OR PUNITIVE DAMAGES. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY LOST PROFITS, LOST SAVINGS OR LOST BUSINESS OPPORTUNITY. THIS LIMITATION OF LIABILITY IS INTENDED TO APPLY TO THE FULLEST EXTENT ALLOWED BY LAW, REGARDLESS OF THE GROUNDS FOR OR NATURE OF ANY CLAIM ASSERTED (INCLUDING NEGLIGENCE). THIS LIMITATION OF LIABILITY SHALL ALSO APPLY AFTER TERMINATION OF THIS AGREEMENT.

27. JURY TRIAL WAIVER - In the unlikely event that differences concerning our services or fees arise between us that are not resolved by mutual agreement or mediation, you and we agree to waive a trial by jury to facilitate judicial resolution and save the time and expense of both parties.

29-28. AFFILIATES - Crowe Horwath LLP is an independent member of Crowe Horwath International, a Swiss Verein. Each member firm of Crowe Horwath International is a separate and independent legal entity. Crowe Horwath LLP and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe Horwath LLP. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe Horwath LLP and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath LLP.



Contractor’s Qualifications

Description of the Contractor’s Organization

Crowe Horwath LLP (www.crowehorwath.com) is one of the largest public accounting and consulting firms in the United States. Under its core purpose of “Building Value with Values®,” Crowe assists public and private company clients in reaching their goals through audit, tax, advisory, risk and performance services. With more than 25 offices and 2,400 personnel, Crowe is recognized by many organizations as one of the country’s best places to work. Crowe serves clients worldwide as an independent member of Crowe Horwath International, one of the largest networks in the world, consisting of more than 140 independent accounting and management consulting firms with offices in more than 400 cities around the world.

Position in the Industry

For the 14th consecutive year, *Public Accounting Report* ranked Crowe as one of the top 10 public accounting and consulting firms in the United States. *PAR* ranked Crowe as the ninth largest firm, based on U.S. net revenue, in its list of this year’s “Top 100 Firms.” *PAR* also noted that Crowe ranked seventh in the number of audit clients in the top 100 list, as ranked by the number of Securities and Exchange Commission registrant companies.

Office Locations

Crowe serves clients in all 50 states from 27 offices throughout the United States, including,



- California: Los Angeles, Orange County
- Florida: Fort Lauderdale (2), Tampa, Lakeland
- Georgia: Atlanta
- Illinois: **Chicago, Oak Brook, Springfield**
- Indiana: Elkhart, Ft Wayne, Indianapolis (2), South Bend
- Kentucky: Lexington, Louisville
- Michigan: Grand Rapids
- New Jersey: Livingston, Mount Laurel
- New York: New York (2)
- Ohio: Cleveland, Columbus
- Tennessee: Knoxville, Nashville
- Texas: Dallas/Fort Worth

Areas of Specialization

Crowe is unique in that we have dedicated teams focused on key industry issues, including:



- Construction
- Financial Services
- **Government**
- Healthcare
- Higher Education
- Manufacturing and Distribution
- Not-for-Profit
- Private Equity Groups
- Retail



Government Services Overview

Crowe has been serving the needs of government organizations for more than 40 years. We work with many different types of government organizations, including, municipalities, counties, **school districts**, special service districts, **state agencies**, and quasi-governmental entities.

We serve over 400 state and local governments nationwide. This team of governmental specialists – many of whom are former elected or appointed officials – can provide you the thought leadership and technical expertise you need.

Qualifications and Experience of the Contractor

Illinois Government Audit Experience

To demonstrate the breadth of our government audit experience, we have provided below a listing of current State of Illinois governmental audit clients. In this list, we have indicated those entities that are current or past recipients of the Certificate of Achievement for Excellence in Financial Reporting award as well as those clients for whom we have performed Single Audits as required by OMB Circular A-133.

Comment [CJS3]: Pages 14-21 redactions are 7.1.g trade secret/commercial client lists

| Government Type | Clients | Financial Audit | A-133 Audit | GFOA/ASBO |
|------------------|------------|-----------------|-------------|-----------|
| School Districts | [Redacted] | x | x | |
| | [Redacted] | x | x | |
| | [Redacted] | x | x | x |
| | [Redacted] | x | x | x |
| | [Redacted] | x | x | |
| | [Redacted] | x | x | x |
| | [Redacted] | x | x | |
| | [Redacted] | x | x | |
| | [Redacted] | x | x | |
| Municipalities | [Redacted] | x | | |
| | [Redacted] | x | | x |
| | [Redacted] | x | | |
| | [Redacted] | x | x | |
| | [Redacted] | x | x | |
| | [Redacted] | x | | |
| | [Redacted] | x | x | |
| | [Redacted] | x | | |
| | [Redacted] | x | x | x |



| Government Type | Clients | Financial Audit | A-133 Audit | GFOA/ ASBO |
|--|------------|-----------------|-------------|------------|
| | [REDACTED] | X | | X |
| | [REDACTED] | X | | X |
| | [REDACTED] | X | | X |
| | [REDACTED] | X | | X |
| | [REDACTED] | X | | |
| | [REDACTED] | X | | |
| | [REDACTED] | X | | |
| | [REDACTED] | X | | |
| | [REDACTED] | X | X | X |
| Community Colleges and Public Universities | [REDACTED] | X | X | X |
| | [REDACTED] | X | X | X |
| | [REDACTED] | X | X | X |
| | [REDACTED] | X | X | X |
| | [REDACTED] | X | X | |
| | [REDACTED] | X | X | |
| | [REDACTED] | X | X | X |
| | [REDACTED] | X | X | X |
| Townships | [REDACTED] | X | | |
| | [REDACTED] | X | | |
| | [REDACTED] | X | | |
| Special Districts | [REDACTED] | X | | |
| | [REDACTED] | X | | |
| | [REDACTED] | X | X | X |
| | [REDACTED] | X | | |
| | [REDACTED] | X | | |
| | [REDACTED] | X | X | |
| | [REDACTED] | X | X | X |
| | [REDACTED] | X | | |



| Government Type | Clients | Financial Audit | A-133 Audit | GFOA/ASBO |
|-----------------|------------|-----------------|-------------|-----------|
| State Agencies | [REDACTED] | x | x | |
| | [REDACTED] | x | x | |

Federal Programs Experience

Crowe possesses valuable experience with the Single Audit Act and OMB Circular-A133 requirements, having audited over \$10 billion in Federal Funds in over 80 annual state and local governmental and not-for profit audit engagements. We have conducted courses on the revised Single Audit Act (A-133) for major government agencies. Federal Programs we have experience auditing include:

| Agency | Program Title |
|-------------|---|
| Agriculture | National School Lunch Program |
| | School Breakfast Program |
| | Special Milk Program for Children |
| | Special Supplemental Nutrition Program for Women, Infants & Children |
| | Summer Food Service Program for Children |
| Education | Academic Competitiveness Grant |
| | Adult Education (Federal Basic, EL Civics) |
| | Career and Technical Education – Basic Grants to States (Perkins IV) |
| | Carl D. Perkins Vocational Education |
| | Disadvantaged Student |
| | Federal Direct Student Loans |
| | Federal Family Educational Loans (Stafford, Unsubsidized Stafford Loans, Parent Plus Loans) |
| | Federal Perkins Loans |
| | Federal Work Study |
| | Health Profession Student Loan |
| | IDEA (Preschool, Flow-through, Room and Board) |
| | Improving Teacher Quality State Grants |
| | Magnet School Assistance Program |
| | National Science and Mathematics Access to Retain Talent Grant (SMART) |
| | Nursing Student Loans |
| | Pell Grant |
| | Safe and Drug Free Schools and Communities |



| Agency | Program Title |
|---------------------------------|---|
| | Scholarships for Disadvantaged Students |
| | Student Support Services |
| | Smaller Learning Communities |
| | Special Education, Grants to States |
| | Special Education, Preschool Grants |
| | ARRA – State Fiscal Stabilization Funds |
| | State Grants for Innovative Programs |
| | Supplemental Educational Opportunity Grant |
| | Title I Low Income |
| | Title I Grants to Local Educational Entities |
| | Title I Reading First |
| | Title II Teacher Quality |
| | Title IV 21st Century |
| | Title V |
| | Trio |
| Environmental Protection Agency | Capitalization Grants for Drinking Water State Revolving Funds |
| | State Revolving Fund Loan Program |
| Federal Transit Administration | Federal Transit Urbanized Area Formula Grants |
| FEMA | Emergency Snow Removal |
| Homeland Security | State Domestic Preparedness Equipment Support Program |
| | Learn and Serve America, School and Community Based Programs |
| Housing and Urban Development | Community Development Block Grants/Entitlement Grants |
| | Community Development Block Grants/Small Cities Program |
| | Home Investment Partnership Program |
| Human Services | Consolidated Health Centers |
| | Head Start |
| | Foster Care Title IV E |
| | Medical Assistance Program |
| | Medicaid Matching |
| | State Survey and Certification of Health Care Providers and Suppliers |
| | Temporary Assistance for Needy Families |
| Title X, XX | |
| Justice | Byrne Formula Grant Program |
| | Local Law Enforcement Block Grant |



| Agency | Program Title |
|----------------|---|
| Labor | Community Based Job Training |
| | WIA Adult Program |
| | WIA Youth Activities |
| | WIA Dislocated Workers |
| Transportation | Airport Improvement Program |
| | Appalachian Development Highway System |
| | Highway Planning and Construction |
| | Federal Transit – Capital Investment Grants |
| | Federal Transit – Formula Grants |

ARRA Experience

Crowe has executed numerous projects for clients providing services pertaining to the American Recovery and Reinvestment Act (ARRA). Examples of this experience are provided below.

Crowe has developed a tool specifically designed to meet ARRA data collection and reporting requirements. This tool, Crowe’s Award Monitoring and Reporting (AMR), is a web based system that serves as a centralized database where prime recipients can collect the information they need for compliance with grant requirements. It features questions to collect the required ARRA data and allows customized questions tailored to fit the specific program data collection needs. Designated individuals from the entities receiving federal stimulus funds can request that their sub-recipients complete performance reports. The sub-recipient receives an email link to a simple interface similar to completing an online survey.

Through AMR, direct recipients of federal funding can view the progress of the data collection efforts, send email reminders, review summarized response data, keep track of changes, and generate reports in required formats.

██████████
 Crowe was engaged in the Spring of 2009 by the ██████████ to perform a risk assessment related to the American Reinvestment and Recovery Act (ARRA or Act). Crowe assisted the ██████████ with the assessment of the internal controls and the readiness of the ██████████ receiving ARRA funds. We assisted the State in obtaining an understanding of the programmatic requirements of the programs funded through ARRA, documenting those requirements, and analyzing the requirements to inform the Agencies and State Officials of the challenges and risks the ██████████ face due to staffing and system limitations. We also assisted in analyzing the severity of the risks the Agencies confront to enable key decision makers within the ██████████ to determine the solutions necessary to mitigate the risks identified. Our work included making recommendations to the ██████████ related to improving the efficiency and effectiveness of the Agencies’ reporting structure, processes, data retention, staffing and sub-recipient monitoring practices.



[REDACTED]

During the summer of 2009, Crowe was engaged by the [REDACTED] (Department) to assist in the implementation of the Department's ARRA project monitoring program – inclusive of monitoring for compliance with Department of Labor requirements, such as Davis-Bacon prevailing wage rate requirements. The Department is scheduled to receive significant ARRA funds and believes a more enhanced and coordinated approach to its current monitoring program is necessary to meet the complexity of the new requirements. Crowe documented the new procedures necessary to meet the standards and assisted in developing the monitoring tool the Department will use to demonstrate compliance with the Act. The scope of our work also included: identification of requirements, identification and coordination of compliance activities, identification of actions necessary to mitigate risks, determination of reporting requirements, identification of monitoring and oversight procedures to ensure funds are used for intended purposes and to reduce the risk of fraud, waste and abuse.

[REDACTED]

Crowe is currently engaged by the [REDACTED] to provide an all-encompassing solution to the ARRA needs of [REDACTED]. In the first phase of this project, Crowe reviewed vendor contracts and recommended the changes necessary to ensure the contract requirements were in compliance with ARRA. We also performed a risk assessment of the agencies, summarizing the risks and mitigation plan. A work plan outlining ARRA compliance requirements, along with a vendor monitoring checklist was also prepared. Crowe was also engaged to ensure the agencies were in a position to meet ARRA reporting requirements by developing the business requirements necessary to capture all ARRA required data elements, establishing a methodology to reconcile conflicting data, identifying the information to be posted to [REDACTED] website, and developing a communication plan to ensure the timely reporting of all required information. Crowe will be conducting on-site monitoring visits of ARRA vendors and documenting the results of each visit, in addition to any recommended actions to be taken by the vendors or the agencies. Internal controls will be assessed and tested to determine the reliability of those controls in meeting ARRA requirements. New processes and controls will be designed as necessary. To ensure reporting is supported by a fully documented audit trail, Crowe is evaluating the agencies' current data storage system and documentation methodology and will provide recommendations to reduce the risk of audit findings and the return of ARRA funds.

[REDACTED]

In July 2006, Crowe was engaged by the [REDACTED] to perform a complete redesign of the grantee monitoring process, involving an estimated 2,000 federal and state grants each year in approximately 85 programs. This engagement is an on-going project focusing on accountability and transparency. The purpose of this engagement is to standardize monitoring and reporting to the extent possible, while meeting the unique requirements of some programs. Policies and procedures are being written in the form of a comprehensive electronic manual, including related forms, drill-downs, links, and help features. Past responsibilities have included documenting the current processes in place; understanding the current requirements in accordance with federal and state laws, rules and regulations; preparing procedural manuals and protocol documentation; and training of staff related to the new



monitoring procedures and processes. We are currently assisting the Department's efforts to establish an Accountability website, capture and report performance measures, and implement a grant welcome package. We are also assisting the Department in their efforts to automate their monitoring system electronically. The Department is implementing a new system to track the grantee monitoring and reporting process, track grantee funding, and follow up on monitoring visits and audit findings in accordance with federal and state requirements. The Department is also establishing a centralized monitoring office to oversee and direct a comprehensive monitoring process based on the documentation provided as a result of this project.

██████████
Crowe was engaged by the ██████████ to assist in the consolidated reporting for seventeen state agencies receiving ARRA funds. ██████████ chose to implement Crowe's Award Monitoring and Reporting (AMR) solution for their data collection and reporting needs. Crowe provided the web based system and trained the agencies how to request information of their sub-recipients. Currently Crowe is providing assistance to Indiana on the collection, review, and reporting process and leveraging the technical solution.

Through AMR, the state agencies can view the progress of the data collection efforts, send email reminders, review summarized response data, keep track of changes, and generate reports in required formats.

AMR is a web based data collection and reporting system that helps agencies:

- Collect and report required program, job and financial data from sub-recipients and vendors;
- Monitor sub-recipients reporting progress in real time;
- Create a process by which information can be collected, shared, validated, and reported in a sufficient timeframe; and
- Keep each reporting quarter's data separate, but centralized with an audit trail of all changes.

Agreed Upon Procedures Experience

Our Public Sector Services group has performed numerous Agreed Upon Procedure (AUP) engagements for governmental and not-for profit entities. Our AUP engagements are performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. We have provided detailed descriptions of some of our more recent agreed upon procedures experience performed by our PSS professionals, relevant to the services you have requested.

██████████
Crowe is currently engaged to perform the annual OMB Circular A-133 Audit of the ██████████. As a part of this audit Crowe performed compliance testing on DBE related contracts worth \$194,193,561 for 2008. This work includes interviewing the DBE department personnel, detailed file inspections, and reporting compliance testing for information that is reported to the ██████████.

██████████
Crowe is currently engaged to perform the annual OMB Circular A-133 Audit of ██████████. As part of this audit Crowe performed compliance testing on DBE related contracts worth \$19,002,466 in 2008. This work includes interviewing the DBE department personnel, detailed file inspections, and reporting compliance testing for information that is reported to the ██████████.



██████████ engaged Crowe to perform agreed-upon-procedures to assist the Authority in determining the integrity of its loan data through a comparison of the ██████████'s Loan Tracking System data conversion from a File Pro system to an Access database.

██████████ Crowe is the outsourced internal audit provider to the ██████████ which entails approximately 10,000 hours of service annually. The basis of the internal audit plan ██████████ senior leadership team (approximately 25 individuals) and includes input from the Board of Education and the CEO.

In the past two school years we have helped ██████████ with evaluating the PeopleSoft implementation of payroll across the whole district, procurement cycle focusing on p-cards/ghost cards/contract management, Communications Department processes, and an entity level controls assessment. Our internal audit work with ██████████ has also included performing grants reviews, reviewing the performance of the external relationships program, after school program evaluations, and school-based program reviews, which includes visits to approximately 100 individual school units.

██████████ Crowe is currently engaged in the development and application of a comprehensive compliance monitoring and enforcement program for the ██████████ the national agency designated by the ██████████ as responsible for assuring the reliability of the nation's bulk ██████████. Under the national power regulatory system, individual power system operators are required to comply with a rigorous set of ██████████ reliability standards which are monitored by eight regional entities throughout North America. Those entities in turn are monitored ██████████. Working closely with ██████████ supervisory personnel, Crowe consultants developed agreed-upon procedures for the first-ever ██████████ project to actively monitor regional entity compliance. Crowe consultants then went on to complete the first engagement to test the regulatory compliance of a regional entity for ██████████. Crowe has been engaged to perform these procedures at the other seven regional entities as well. As the only organization that has ever performed such an engagement, Crowe is uniquely qualified to assess compliance with reliability standards on a national scale, drawing on its extensive compliance monitoring, internal audit and oversight experience in a variety of highly demanding and technically challenging industries.

██████████ Crowe was awarded a contract with the ██████████ to provide services in connection with an administrative appeal related to cost recovery proceedings brought against ██████████ by the U.S. Department of Health and Human Services Division of Cost Allocation (DCA). The cost recovery proceedings relate to alleged inconsistencies with U.S. Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments internal service fund requirements during the fiscal years ending June 30, 1997 through June 30, 2001. The scope of work was divided into multiple segments. The first segment was an agreed-upon procedures engagement to assist ██████████ in evaluating the mathematical accuracy and internal consistency of the documentation supporting DCA's calculation of debt owed as well as the documentation of ██████████ proposed adjustments to the DCA calculation of alleged debt.



Qualifications and Experience of Staff and Resumes

Crowe has built its reputation on close partner involvement and maintaining a strong client relationship. The ultimate success of our client relationships is largely attributable to one key component – our people. The proposed engagement team is well qualified to provide quality, timely, and personalized services to you.

We have structured our engagement team with extensive partner involvement. You will find our average partner-to-staff leverage ratio is higher than most other firms. By having partners involved in the daily execution, we reduce the time required to respond to accounting issues and thereby close the expectation gap. We are able to achieve this leverage by making significant investments in technology, uniform platforms and methodology, investments that allow us to work smarter and more efficiently.

The work that we will perform will be conducted in a timely, planned and orderly manner, without the uncertainty and confusion associated with a delayed, last minute performance. The proposed team takes pride in their client service ethic and in responding promptly to client inquiries. Their policy is to check voice mail throughout the day and return phone calls usually on the day received or within 24 hours at the latest. Likewise, they are typically able to access e-mail even when out of the office and respond promptly. Your Engagement Team is available to address your needs and concerns.

An overview of how we plan to structure your engagement team for the engagement is as follows:

| Name | Role |
|-------------------|--------------------|
| Chris Mower | Engagement Partner |
| Bert Nuehring | Partner |
| Christine Torres | Senior Manager |
| Todd Buikema | Senior Manager |
| Maki Jursinic | Senior Staff |
| Kimberly Marshall | Senior Staff |
| David Virgilio | Senior Staff |

Resumes of the above individuals have been provided in **Appendix A** of our proposal. Proof that they are legally qualified to practice public accounting in the State of Illinois can be found on the Illinois Department of Financial and Professional Regulation’s website by doing a license look-up at:

<https://www.idfpr.com/dpr/licenselookup/default.asp>

Contracts with the Illinois State Board of Education

Crowe has not held any contracts with the Illinois State Board of Education during the past five years. However, prior to that we were the auditors for the State Board of Education.



Business References

Quality work, based upon strong competency and directed towards our client's needs, is the core element of creating value for our clients. Quality service involves prompt and efficient service delivery and effective communications with clients. Business relationships involve gaining trust and respect by listening to our client's needs and developing a comprehensive understanding of their business and vision for the future before providing advice. We have delivered high value to our clients for decades and we feel that we are well-suited to help ISBE.

Our clients are the best judges of our ability to exceed your expectations. Please feel free to contact any of the individuals listed below for an appraisal of our work.

Comment [CJS4]: 7.1.g trade secret client information

| | |
|-----------------|------------|
| [Redacted] | |
| Contact Person: | [Redacted] |
| Address: | [Redacted] |
| Phone: | [Redacted] |

| | |
|-----------------|------------|
| [Redacted] | |
| Contact Person: | [Redacted] |
| Address: | [Redacted] |
| Phone: | [Redacted] |

| | |
|-----------------|------------|
| [Redacted] | |
| Contact Person: | [Redacted] |
| Address: | [Redacted] |
| Phone: | [Redacted] |

| | |
|-----------------|------------|
| [Redacted] | |
| Contact Person: | [Redacted] |
| Address: | [Redacted] |
| Phone: | [Redacted] |



Peer Review

Crowe places strong emphasis on maintaining the highest level of professional excellence. To ensure quality control we have developed an internal quality control process led by our Assurance Professional Practice (APP) Group. We also undergo a triennial external peer review and as one of the eight U.S. firms auditing more than 100 public companies, Crowe is subject to the full, detailed annual inspection process of the Public Company Accounting Oversight Board (PCAOB). In addition, Crowe has a long-standing role of participation and leadership in national professional standards associations and regulatory organizations. Members of our firm serve on the Ethics Committees in their relevant states and the AICPA's State and Local Government Expert Panel and CPE Advisory Committee.

Internal Quality Control Review

Crowe has a fully developed set of policy, procedure and review activities supporting our audit practice. Quality control for all assurance efforts is established by the Assurance Professional Practice Group (APP). APP is responsible for managing and communicating independence and ethics directives of the firm. APP is responsible for knowing and understanding important Firm protocol, including:

- Independence
- Integrity and Objectivity
- Technical and General Standards, including AICPA and accounting principals
- Information about our responsibilities to clients, including listings regarding commissions, confidential information and contingent fees
- Information about our other responsibilities and practices, including general information and listings related to commissions and discreditable acts

The group is also responsible for handling inquiries from engagement teams on matters related to those policy areas.

engagement [REDACTED]

[REDACTED]

[REDACTED]

Comment [CJS5]: 7.1.g—trade secret and commercial

External Quality Control Review

Crowe is subject to a Peer Review of our entire practice every three years. Crowe's external quality control review organization is Moss-Adams LLP. Moss-Adams has 20 locations in Washington, Oregon, California, Arizona and New Mexico. We have had ten Peer Reviews completed and, as in all previous reviews, our Firm received an *unqualified* opinion (the best opinion allowed). The review included reviews of specific public sector engagements as well as other aspects of our Firm's operations.

We have provided a copy of our peer review opinion in **Appendix B** of our proposal. Please note, the peer review provided is for Crowe Chizek and Company LLC as the peer review was conducted prior to our name change.



PCAOB Inspection

As previously mentioned Crowe is one of the eight U.S. firms auditing more than 100 public companies and is therefore subject to the annual inspection process of the PCAOB. Our philosophy regarding the inspection process is to use it as a tool to improve the quality of our audit practice. Well before a report is issued, we are monitoring the comments provided by the inspection team and formulating procedural changes, where required, to improve our audit process. Once we understand the basis behind a criticism by the PCAOB we move quickly to modify our procedures to eliminate that criticism.

AICPA's Governmental Audit Quality Center

Crowe is a member of the AICPA's Governmental Audit Quality Center (the Center), which is a firm-based, voluntary membership Center designed to help CPAs meet the challenges of performing quality single audits in this unique and complex area. The Center's primary purpose is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. The Center also offers resources to enhance the quality of a firm's governmental audits. The mission of the Governmental Audit Quality Center is to:

- Raise awareness about the importance of governmental audits
- Serve as a comprehensive resource provider on governmental audits for member firms
- Create a community of firms that demonstrates a commitment to governmental audit quality
- Provide Center members with an online forum tool for sharing best practices as well as discussions on audit, accounting, and regulatory issues
- List member firms to enable purchasers of governmental audit services to identify firms that are members

Interaction with the Identified LEA's

During the past year, we completed the financial and single audits for the following LEA's: [REDACTED]

[REDACTED] We have also provided additional consulting and agreed upon procedures for the [REDACTED]. Based on these interactions, we have precluded ourselves from these areas.

Comment [CM6]: 7.1.g trade secret commercial client list



Appendix A: Firm License and Resumes



Municipalities

• [Redacted]
• [Redacted]

State of Illinois, [Redacted]

• [Redacted]
• [Redacted]
• [Redacted]

Not-for-Profit

• [Redacted]
• [Redacted]
• [Redacted]
• [Redacted]
• [Redacted]

For Profit

• [Redacted]

Current clients are indicated in bold

* Federal Compliance audit performed in accordance with OMB circular A-133

** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting

Professional Affiliations

Former or Current Member of

- Licensed Certified Public Accountant, State of Illinois
- American Institute of Certified Public Accountants
- Illinois CPA Society
- Illinois Government Finance Officers Association, Member
- University of Illinois at Springfield Accountancy Alumni Advisory Committee, Chair
- Illinois CPA Society Not-For-Profit Downstate Conference Task Force

Education

[Redacted]

Bachelor of Arts in Economics and Business Administration

University of [Redacted]

Accountancy Coursework



Bert Nuehring, CPA Partner

Professional Summary

Mr. Bert Nuehring is a Partner in the firm's Public Sector Services group. Bert has over twenty-four years experience in public accounting. Mr. Nuehring has experience providing services to the government, not-for-profit and private industries. He has participated in numerous municipal, State and local governmental audit and consulting engagements in the States of Illinois, Indiana, Arkansas, Ohio, Florida, Texas, California, and New York. He has also overseen several government ARRA engagements.

Audit Experience

School Districts

[Redacted text]

Counties

[Redacted text]

State Agencies

[Redacted text]

Municipalities

[Redacted text]

Special Districts

[Redacted text]

Higher Education

[Redacted text]

* Federal Compliance audit performed in accordance with OMB circular A-133
** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting



Consulting Engagements

Financial Advisory

- American Recovery and Reinvestment Act (ARRA) Risk Assessment
 - ARRA Contract and Sub-recipient Monitoring
 - ARRA Section 1512 Reporting
 - NERC Standard Compliance
 - Cash Flow Forecasting
- CDBG and HUD Compliance Training Manual
- Enterprise Fund Rate and Cost Analysis
- Federal Cognizant Determination Letter Special Procedures
- Federal Compliance Eligibility, Analysis and Report Preparation
- [REDACTED] on GAAP and Financial Statements and related Procedure Manual Development
- [REDACTED] (Statewide) GASB 34 Readiness
- [REDACTED] (Statewide) GASB 34 Implementation
- Operational Audit of the Implementation of Enforcement Programs
- Requirements Analysis and Restructuring of Long-Term Debt

Business Process Reengineering

- Operational Audit of the Implementation of Enforcement Programs

Certifications

Certified Public Accountant – California, Florida, Illinois, Missouri, Arkansas, Ohio, New York

Professional Affiliations

- American Institute of Certified Public Accountants
- Association of School Business Officials – Accounting, Auditing and Budgeting Committee
- Certificate of Educational Achievement – Governmental Accounting and Auditing
- Government Finance Officers Association – Special Review Executive Committee
- Illinois CPA Society – Governmental Executive Committee

Education

[REDACTED] Iowa
Bachelor of Arts in Accounting and Business Administration



Christine Torres, CPA Senior Manager

Qualifications

Ms. Christine Torres has over nine years experience in tax, consulting and audit engagements. She has managed municipal and local governmental audit engagements and has prepared comprehensive annual financial reports for successful submission to the [REDACTED].

Representative Clients

Municipalities

[REDACTED]

Higher Education

[REDACTED]

Special Districts

[REDACTED]

Not-for-Profit

[REDACTED]

State of

[REDACTED]

School Districts

[REDACTED]

National

[REDACTED]

- Current clients are indicated in bold
- * Federal Compliance audit performed in accordance with OMB circular A-133
- ** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting

Consulting Engagements

Accounting Services

- Chart of Accounts Development
- GASB 34 Readiness Assessment
- Management of Finance Department
- Healthcare Claim Review
- Grant Compliance Review
- Internal Control Review



Professional Affiliations

American Institute of Certified Public Accountants (AICPA)

Illinois CPA Society and Foundation (ICPAS)

Illinois Association of School Business Officials (IASBO)

Illinois Government Finance Officers Association (IGFOA) – Representative on Technical Accounting Review Committee

Education

██████████, Illinois

Bachelor of Business Administration in Public Accounting



Todd Buikema, CPA Senior Manager

Professional Summary

Mr. Todd Buikema has twelve years experience in governmental accounting and auditing. He has managed many municipal, school district and local governmental audit engagements and has prepared many comprehensive annual financial reports for successful submission to for the [REDACTED] and in a similar capacity for the [REDACTED].

Representative Clients

School Districts

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Counties

- [REDACTED]
- [REDACTED]

Municipalities

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Special Districts

- [REDACTED]
- [REDACTED]

National

- [REDACTED]

Not-for-Profit

- [REDACTED]
- [REDACTED]

Current clients are indicated in bold
* Federal Compliance audit performed in accordance with OMB circular A-133
** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting



Consulting Engagements

CAFR and Audit Preparation - City of [REDACTED]

Financial Advisory

- Payroll Processes and Procedures
- General Ledger Maintenance

Business Process Reengineering

- Procedures Manuals

Information Technology

- Computer Conversion and Set-Up

Certifications

Certified Public Accountant, Illinois

Professional Affiliations

Illinois CPA Society – Governmental Report Review Committee, Subcommittee Chair
Association of Certified Fraud Examiners, Associate Member

Education

[REDACTED], Michigan

Bachelor of Science in Accounting



Maki Jursinic, CPA Senior Staff

Professional Summary

Ms. Maki Jursinic has over four years experience in public accounting. Ms. Jursinic has experience with governmental organizations providing auditing and consulting services.

Representative Clients

Special Districts

- [Redacted]
- [Redacted] * **

School Districts

- [Redacted] **

Municipalities

- [Redacted]
- [Redacted]
- [Redacted]

Higher Education

- [Redacted]
- [Redacted]
- [Redacted] *

Counties

- [Redacted] **

State of Illinois

- [Redacted]
- [Redacted]

Not for Profit

- [Redacted]

* Current clients are indicated in bold
 * Federal Compliance audit performed in accordance with OMB circular A-133
 ** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting

Certifications

Certified Public Accountant, Illinois

Professional Affiliations

American Institute of Certified Public Accountants
Illinois CPA Society

Education

University of [Redacted]
Bachelor of Arts in Accounting



Kimberly Marshall Senior Staff

Professional Summary

Ms. Kimberly Marshall has over four years experience in public accounting. Ms. Marshall has experience with governmental organizations providing auditing services.

Representative Clients

Municipalities

[Redacted]

School Districts

[Redacted]

Special Districts

[Redacted]

Higher Education

[Redacted]

For-Profit

[Redacted]

Not-for-Profit

[Redacted]

State of Illinois

[Redacted]

- * Current clients are indicated in bold
- * Federal Compliance audit performed in accordance with OMB circular A-133
- ** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting

Education

[Redacted], Illinois
Bachelor of Business Administration in Accounting



David Virgilio, CPA Senior Staff

Professional Summary

Mr. David Virgilio has over three years experience in public accounting. Mr. Virgilio has experience with governmental organizations providing audit services and has prepared comprehensive annual financial reports for successful submission to the [REDACTED] and in a similar capacity for the [REDACTED].

Audit Experience

Counties

- [REDACTED]
- [REDACTED]

Municipalities

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Special Districts

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

School Districts

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

National

- [REDACTED]

Current clients are indicated in bold

* Federal Compliance audit performed in accordance with OMB circular A-133

** Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting

Consulting Engagements

- **CAFR and Audit Preparation - City of [REDACTED]**

Certifications

Certified Public Accountant, Illinois

Education

[REDACTED] Illinois
Master of Science in Accounting



Appendix B: Peer Review

We have provided a copy of our external peer review on the following pages.



MOSS-ADAMS LLP

CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

December 21, 2007

To the Executives of
Crowe Chizek and Company LLC
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 Crowe Chizek and Company LLC (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 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 non-SEC issuers of Crowe Chizek and Company LLC in effect for the year ended June 30, 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 professional standards.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

Moss Adams LLP

MOSS ADAMS LLP

CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

**Attachment to the Peer Review Report of Crowe Chizek and Company LLC
Description of the Peer Review Process**

Overview

Firms enrolled in the AICPA Center for Public Company Audit Firms (the Center) Peer Review Program have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objective of evaluating whether:

The reviewed firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers has been designed to meet the requirements of the Quality Control Standards established by the AICPA.

The reviewed firm's quality control policies and procedures applicable to non-SEC issuers were being complied with to provide the firm with reasonable assurance of complying with professional standards.

A peer review is based on selective tests directed at assessing whether the design of and compliance with the firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers provides the firm with reasonable, not absolute, assurance of complying with professional standards. Consequently a peer review on the firm's system of quality control is not intended to, and does not, provide assurance with respect to any individual engagement conducted by the firm or that none of the financial statements audited by the firm should be restated.

The Center's Peer Review Committee (PRC) establishes and maintains review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Center's staff plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, they are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to specific follow up action requested by the PRC.

Firms that perform audits or play a substantial role in the audit of one or more SEC issuers, as defined by the Public Company Accounting Oversight Board (PCAOB), are required to be registered with and have their accounting and auditing practice applicable to SEC issuers inspected by the PCAOB. Therefore, we did not review the firm's accounting and auditing practice applicable to SEC issuers.



MOSS ADAMS LLP

CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

Planning the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

To plan the review of Crowe Chizek and Company LLC, we obtained an understanding of (1) the nature and extent of the firm's accounting and auditing practice, and (2) the design of the firm's system of quality control sufficient to assess the inherent and control risks implicit in its practice. Inherent risks were assessed by obtaining an understanding of the firm's practice, such as the industries of its clients and other factors of complexity in serving those clients, and the organization of the firm's personnel into practice units. Control risks were assessed by obtaining an understanding of the design of the firm's system of quality control, including its audit methodology, and monitoring procedures. Assessing control risk is the process of evaluating the effectiveness of the reviewed firm's system of quality control in preventing the performance of engagements that do not comply with professional standards.

Performing the Review of the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

Based on our assessment of the combined level of inherent and control risks, we identified practice units and selected engagements within those units to test for compliance with the firm's quality control system. The engagements selected for review included engagements performed under the Government Auditing Standards, audits performed under FDICIA, and audits of Employee Benefit Plans. The engagements selected for review represented a cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagement reviews included examining working paper files and reports and interviewing engagement personnel.

The scope of the peer review also included examining selected administrative and personnel files to determine compliance with the firm's policies and procedures for elements of quality control pertaining to independence, integrity, and objectivity; personnel management; and acceptance and continuance of clients and engagements. Prior to concluding the review, we reassessed the adequacy of scope and conducted a meeting with firm management to discuss our findings and recommendations.



MOSS ADAMS LLP

CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

December 21, 2007

To the Executives of
Crowe Chizek and Company LLC
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 applicable to non-SEC issuers of Crowe Chizek and Company LLC (the firm) in effect for the year ended June 30, 2007, and have issued our report thereon dated December 21, 2007. The matter described below was not considered to be of sufficient significance to affect the opinion expressed in that report, which should be read in conjunction with this letter.

Engagement Performance

Comment – The firm's quality control policies and procedures require audit documentation that documents the nature, timing and extent of procedures performed, the results of procedures performed and audit evidence obtained and conclusions reached on significant matters. During our review we noted several instances where audit procedures performed and/or conclusions reached specifically related to the updating of responses from inquiries of attorneys and the use of specialists were not clearly documented. In all instances through discussions with firm personnel and review of additional information provided we became satisfied that the firm had taken appropriate action to support their audit reports.

Recommendation – The firm should emphasize to firm professionals the firm's policies and procedures related to audit documentation in the specific areas noted above and monitor this through increased emphasis by engagement reviewers.

Moss Adams LLP





Crowe Chizek and Company LLC
Member Horwath, International

330 East Jefferson Boulevard
Post Office Box 7
South Bend, Indiana 46624-0007
Tel 574.224.2992
Fax 574.236.8692
www.crowechizek.com

December 21, 2007

Center for Public Company Audit Firms Peer Review Committee
American Institute of Certified Public Accountants
220 Leigh Farm Road
Durham, NC 27707

Ladies and Gentlemen:

This letter represents our response to the letter of comments issued in connection with our firm's peer review for the year ended June 30, 2007. The matters discussed in this letter will be given special emphasis in our monitoring procedures.

Engagement Performance

We will emphasize the firm's policies and procedures related to audit documentation for use of a specialist and for updating responses from inquiry of attorneys. This will be accomplished with communication to firm professionals during January of 2008, continuing professional education courses, and monitoring through increased emphasis by engagement reviewers.

Cordially,

Crowe Chizek and Company LLC

Crowe Chizek and Company LLC





Peer Review Program

January 24, 2008

Charles M. Allen, CPA
Crowe Chizek and Company LLC
P.O. Box 7
320 E. Jefferson Boulevard
South Bend, IN 46601

Dear Mr. Allen:

It is my pleasure to notify you that on January 23, 2008 the Center Peer Review Committee accepted the report on the most recent peer review of your firm, the related letter of comments, and your firm's response thereto. Those documents will now be placed in the public files of the Center for Public Company Audit Firms. The due date for your next review is December 31, 2010. This is the date by which all review documents should be completed and submitted.

As you know, the reviewer's opinion was unmodified. The Committee asked me to convey its congratulations to the firm.

Sincerely,

A handwritten signature in black ink that reads "Robert M. Rohweder".

Robert Rohweder, Chair
CPCAF Peer Review Committee

cc: Jeffrey W Brown, CPA

Firm Number: 10014904

Review Number: 255018

