

**INDIANA FINANCE AUTHORITY**

REQUEST FOR QUALIFICATIONS

INDEPENDENT AUDIT SERVICES

March 11, 2011

Indiana Finance Authority  
One North Capitol Avenue, Suite 900  
Indianapolis, Indiana 46204  
(317) 233-4332

## **INTRODUCTION**

The Indiana Finance Authority (the "Authority") is requesting information from firms interested in providing independent audit services for fiscal years ending June 30, 2011 through and including June 30, 2012 with an option for two additional years upon mutual agreement by the Authority and the firm.

This Request is not an Invitation to Bid, nor is it a Request for Proposal. The Authority creates no obligation, expressed or implied, by issuing this Request for Qualifications (RFQ) or by receiving any responses submitted in response to it. The award of any contract shall be at the sole discretion of the Authority. Neither this RFQ nor any response submitted to it should be construed as a legal offer.

## **BACKGROUND INFORMATION**

The Indiana Finance Authority is a body both corporate and politic, and though separate from the State, the exercise by the Authority of its powers constitutes an essential public function. The Authority was created in 2005 under IC 4-4-10.9 and 4-4-11, et seq. and is governed by a five-member board including the State Treasurer, director of the Indiana Office of Management and Budget and three members appointed by the Governor. One of the statutory purposes of the Authority is to oversee State debt issuance and provide efficient and effective financing solutions to facilitate state, local government, and business investment in Indiana. Information regarding the Authority's programs can be found at [www.in.gov/ifa/](http://www.in.gov/ifa/).

For the year ending June 30, 2011 and forward, under GASB 14, the Authority will require consolidated financial statements for six formerly independent agencies consisting of the:

- Indiana Transportation Finance Authority
- Indiana Development Finance Authority
- Indiana State Office Building Commission
- Recreation Development Commission
- State Revolving Fund
- Indiana Health and Educational Facility Finance Authority.

In addition to the consolidated financial statements, the Authority will require a stand alone audit report for the State Revolving Fund each year and an A-133 Auditors' Report for the Authority and the State Revolving Fund.

Copies of the Authority's audited financial statements for fiscal years 2010 through 2007 are available at <http://www.in.gov/ifa/2628.htm>.

The Authority uses MAS 200 accounting software that includes the financial activities of all six agency operations.

The Authority also requires assistance monitoring the reimbursement agreement between the Authority and the Indiana Toll Road Concessionaire Company (ITRCC) on the funding and reimbursement of certain revenues ("Revenues") related to the Indiana Toll Road Concession and Lease Agreement (Agreement).

A copy of latest report on the Agreement is included in Attachment B.

## **PROPOSED SCOPE OF WORK**

1. The respondent shall perform an audit of the consolidated financial statements of the Authority with the ability to opine at the consolidating agency level of reporting which will be included in supplemental schedules to the financial statements.
2. The respondent shall perform an audit of the State Revolving Fund each year similar to reporting performed historically.
3. The respondent shall perform such work in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States and the *Guidelines for Audits of State and Local Governments by Authorized Independent Public Accounts* issued by the Indiana State Board of Accounts.
4. Because the audit is subject to approval by the State Board of Accounts, the respondent may be required to provide audit workpapers to the State Board of Accounts or may be asked to meet to discuss the scope and results of the audits.
5. The activities of the Authority, and the six agencies that compose the Authority, are included in the State of Indiana CAFR as blended or discretely presented component units or as fund level (SRF) financial statements. Therefore, the respondent may be asked to provide audit information or may be asked to meet to discuss the financial statement presentation.
6. The respondent shall present the financial statements, any recommendations and opinions no later than October 1 of each year. The respondent must also make a presentation of the statements to the Authority's board. Draft financial statements, opinions and management recommendations must be available to Authority management at least one week prior to the October 1 date.
7. The respondent should have a working knowledge of MAS 200 software in order to properly plan and conduct the audit.
8. The respondent shall prepare a report on the Revenues under the Agreement in accordance with the management advisory standards established by the American Institute of Certified Public Accountants. The report shall be prepared annually and delivered 90 days after the Authority initiates the engagement.
9. As needed the respondent shall provide assistance to the Authority on the implementation of new accounting pronouncements.

## **AUTHORITY RESPONSIBILITIES**

Through the use of Authority staff, the Authority expects to provide the external auditor a complete financial statement, note disclosures and supplemental schedule to the external auditor. In addition, the Authority will prepare and provide substantially all supporting documentation including trial balance, financial statement line reconciliation, note disclosure support references, material account reconciliations, confirmation generation, permanent files, analytics and other schedules. All information will be provided electronically except original source documents.

Related to internal controls, the Authority will assist with:

- Documenting internal control policies and procedures using checklists or narrative.
- Compiling internal control testing data and performing procedures that may be reformed by the auditors as desired.
- Scheduling SAS 99 discussions with key staff as defined by the auditor.

To the extent other information can be prepared, the Authority will discuss and agree-upon other audit documentation with the external auditor. All practical requests from the auditor should be given to the Authority to determine their capability to provide information in order to mitigate the time spent by external auditors on accounting matters and procedures.

This level of service should be contemplated when reviewing the scope of work and preparing budgets for estimated professional fees under this request for qualifications.

### **INFORMATION REQUESTED**

The response is limited to **12 pages** excluding the cover page, table of contents, and two appendices. A transmittal letter is not required. All respondents must provide the following information in numbered order:

1. Cover page with the name and title of individual who is responsible for this response, mailing address, telephone number, fax number and e-mail address.
2. Table of Contents
3. Executive Summary - Explain how selecting the firm will benefit the Authority.
4. A brief description of the firm's experience serving as independent auditor of other State of Indiana quasi-governmental or similar agencies. Include the number of local partners and staff that focus their time serving governmental entities. Include contact information for three (3) references for which similar work has been done, at least one of which must be a former client.
5. Staff Qualifications – Please provide relevant biographical information with respect to the Partner, Senior Manager and/or Manager, and In-charge positions. Traditional resumes are not required. The information should include but is not limited to:
  - Unique qualifications and years of audit experience
  - Governmental accounting and auditing training and experience
  - Similar clients
  - Certifications and association involvement

The Authority will look for an engagement team that has active hands on involvement by the team leaders, and the firm's approach to maintaining staff continuity over time.

6. A brief description of how the firm will conduct the audit in the first year and subsequent years. Also include a brief description of how you will work with IFA to efficiently/effectively plan and perform the audit.

7. The Authority expects that the respondent will use Authority staff and develop creative/innovative ways to improve the efficiency of the audit process to mitigate audit fees. For each year, the proposed fee structure for the engagement must include:
  - Not to exceed fee quote for services
  - Range of hours related to the fee quote
  - Estimated breakdown of hours and rates by staffing level:
    - Partner/Principal
    - Senior Manager
    - Manager
    - Incharge
    - Staff
  - Billing rates for other independent consultation outside the scope of the audit
8. **Appendix A** - Provide a statement on the following:
  - Firm's policies on:
    - Prohibition of discriminatory employment practices;
    - Affirmative action and equal opportunity;
    - Use of women business enterprises;
    - Use of minority business enterprises;
    - Enforcement of drug-free workplace initiatives.
  - Details of any criminal or material civil investigation, conviction or judgment, material litigation or regulatory or civil enforcement action completed or pending against the firm or members or former members of the firm during the past five years.
9. **Appendix B** - Provide a copy of your most recent peer review reporting package. Please attach any comments related to the firm's government work.

### **ADMINISTRATIVE INFORMATION**

1. A firm may not join with any other related or non-related firm in responding to this Request. The Authority will not enter into a contract or other agreement for independent audit services without further discussion. This Request is not an invitation to bid or a request for proposal under the procurement provisions of the Indiana Code.
2. Neither the State nor the Authority will assume any responsibility or liability for any expenses incurred by a respondent or prospective respondent in connection with the preparation or delivery of a response, requested interview or any action related to the process of completing and submitting a response to this Request.
3. Respondent shall certify within the letter of transmittal that all information provided herein is accurate and complete, to the best of its knowledge, and that any false or misleading information may result in disqualification of the proposing firm at the Authority's discretion.
4. Respondent shall disclose any information about its firm which may materially impair the firm's ability to provide the level of service required of an independent auditor.

5. The Authority reserves the right to reject any and all submissions without cause, waive irregularities in all procedures related to this Request, make inquiries of responding firms and their references and clients regarding qualifications of information submitted as part of their response as deemed necessary, and request and receive additional information as the Authority deems necessary.
6. The Authority shall be deemed the owner of all information and papers submitted by a respondent.
7. Additional State contract boilerplate information that the selected firm will be required to agree to, appears in Attachment A.

## **CALENDAR**

The following calendar will be followed. However, the Authority reserves the right to alter this calendar, as they deem necessary.

Response Due Date: All responses to this request are due on March 23, 2011 by 12:00 p.m. An electronic PDF of your response is acceptable for the March 23, 2011 due date by email to [dsalefski@ifa.in.gov](mailto:dsalefski@ifa.in.gov). The Authority requests that 3 bound copies be delivered by March 23, 2011 at 4:00 p.m. Facsimile transmission of your response will not be accepted.

Award Date: The Authority reserves the right to conduct interviews of any respondent as deemed necessary. The Authority will have a recommendation for an independent auditor prepared by April 8, 2011. Selection of the firm is subject to Authority board approval in their April 19th board meeting.

## **SUBMITTAL INFORMATION**

Please send inquiries and response to:

Dan Salefski  
Chief Financial Officer  
Indiana Finance Authority  
One North Capitol, Suite 900  
Indianapolis, Indiana 46204  
**[dsalefski@ifa.IN.gov](mailto:dsalefski@ifa.IN.gov)**

If you have any questions regarding this Request, please contact Mr. Salefski at (317) 233-6322. **No respondent should contact other Authority or State officials during the qualification process without the express permission from Dan Safelski.**

## ATTACHMENT A – STATE CONTRACTS BOILERPLATE

**The independent audit services agreement will contain the following provisions in addition to the legal and business terms directly related to the auditing services provided to the Authority.**

- 1. Access to Records.** The firm shall maintain all books, documents, papers, accounting records, and other evidence pertaining to all costs incurred under this Agreement. They shall make such materials available at their respective offices at all reasonable times during this Agreement term, and for three (3) years from the date of final payment under this Agreement, for inspection by the IFA or its authorized designees. Copies shall be furnished at no cost to the IFA if requested.
- 2. Assignment; Successors.** The firm binds its successors and assignees to all the terms and conditions of this Agreement. The firm shall not assign or subcontract the whole or any part of this Agreement without the IFA's prior written consent. The firm may assign its right to receive payments to such third parties as the firm may desire without the prior written consent of the IFA, provided that the firm gives written notice (including evidence of such assignment) to the IFA thirty (30) days in advance of any payment so assigned. The assignment shall cover all unpaid amounts under this Agreement and shall not be made to more than one party.
- 3. Authority to Bind the Firm.** The signatory for the firm represents that he/she has been duly authorized to execute this Agreement on behalf of the firm and has obtained all necessary or applicable approvals to make this Agreement fully binding upon the firm when his/her signature is affixed, and accepted by the IFA.
- 4. Changes in Work.** The firm shall not commence any additional work or change the scope of the work until authorized in writing by all signatories hereto. No claim for additional compensation shall be made in the absence of a prior written approval executed by all signatories hereto. This Agreement may only be amended, supplemented or modified by a written document executed in the same manner as this Agreement.
- 5. Compliance with Laws.**
  - A.** The firm shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference.
  - B.** The firm and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the IFA or the State, as set forth in IC 4-2-6 *et seq.*, IC 4-2-7 *et seq.*, the regulations promulgated thereunder, Executive Order 04-08, dated April 27, 2004. If the firm is not familiar with these ethical requirements, the firm should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission website at <<<<http://www.in.gov/ethics/>>>>. If the firm or its agents violate any applicable ethical standards, the firm may be subject to penalties under IC 4-2-6, 4-2-7, 35-44-1-3, and under any other applicable laws.
  - C.** The firm certifies by entering into this Agreement, that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the IFA or the State. Further, the firm agrees that any

payments in arrears and currently due to the IFA or the State may be withheld from payments due by the IFA to the firm.

- D.** The firm warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the IFA or the State, and agrees that it will immediately notify the IFA of any such actions.
- E.** Any payments that IFA may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest under IC 5-17-5.
- F.** The firm warrants that the Developer and its subcontractors, if any, shall obtain and maintain all required registrations, permits, licenses, and approvals, as well as comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the IFA.
- G.** The firm affirms that, if it is an entity described in IC Title 23, it is properly registered and owes no outstanding reports with the Indiana Secretary of State.
- H.** As required by IC 5-22-3-7:
  - (1) The firm and any principals of the firm certify that, in accordance with IC 5-22-3-7, (A) the firm, except for de minimis and nonsystematic violations, has not violated the terms of (i) IC 24-4.7 (Telephone Solicitation Of Consumers), (ii) IC 24-5-12 (Telephone Solicitations), or (iii) IC 24-5-14 (Regulation of Automatic Dialing Machines) in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and (B) the firm will not violate the terms of IC 24-4.7 for the duration of the Agreement, even if IC 24-4.7 is preempted by federal law.
  - (2) The firm and any principals of the firm certify that an affiliate or principal of the firm and any agent acting on behalf of the firm or on behalf of an affiliate or principal of the firm (A) except for de minimis and nonsystematic violations, has not violated the terms of IC 24-4.7 in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and (B) will not violate the terms of IC 24-4.7 for the duration of the Agreement, even if IC 24-4.7 is preempted by federal law.

**6. Confidentiality of IFA Information.** The firm understands and agrees that data, materials, and information disclosed to firm may contain confidential and protected information. The firm covenants that data, material, and information gathered, based upon, or disclosed to the firm for the purpose of this Agreement will not be disclosed to or discussed with third parties without the prior written consent of the IFA.

**7. Conflict of Interest.**

**A.** As used in this section:

“Immediate family” means the spouse and the unemancipated children of an individual.

“Interested party,” means:

- 1) The individual executing this Contract;
- 2) An individual who has an interest of three percent (3%) or more of the firm, if the firm is not an individual; or
- 3) Any member of the immediate family of an individual specified under subdivision 1 or 2.

“Commission” means the State Ethics Commission.

**B.** Firm has an affirmative obligation under this Contract to disclose to the Department when an interested party is or becomes an employee of the IFA or the State. The obligation under this section extends only to those facts that firm knows or reasonably could know.

**8. Debarment and Suspension.** The firm certifies, by entering into this Agreement, that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Agreement by any federal agency or by any department, agency or political subdivision of the State. The term “principal” for purposes of this Agreement means an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the firm.

**9. Drug-Free Workplace Certification.** The firm hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. The firm will give written notice to the IFA within ten (10) days after receiving actual notice that the firm or an employee of the firm has been convicted of a criminal drug violation occurring in the firm’s workplace. False certification or violation of this certification may result in sanctions including, but not limited to, suspension of agreed upon payments, termination of this Agreement and/or debarment of contracting opportunities with the IFA for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total agreed upon amount set forth in this Agreement is in excess of \$25,000.00, Developer hereby further agrees that this Agreement is expressly subject to the terms, conditions, and representations of the following certification:

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. No award of a contract shall be made, and no contract, purchase order or agreement, the total amount of which exceeds \$25,000.00, shall be valid, unless and until this certification has been fully executed by the firm and made a part of the contract or agreement as part of the contract documents.

The firm certifies and agrees that it will provide a drug-free workplace by:

- A. Publishing and providing to all of its employees a statement notifying them that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the firm's workplace, and specifying the actions that will be taken against employees for violations of such prohibition;
  - B. Establishing a drug-free awareness program to inform it's employees of (1) the dangers of drug abuse in the workplace; (2) the firm's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;
  - C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment, the employee will (1) abide by the terms of the statement; and (2) notify the firm of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
  - D. Notifying in writing to the IFA within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction;
  - E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) taking appropriate personnel action against the employee, up to and including termination; or (2) requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and
  - F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.
- 10. Governing Laws.** This Agreement shall be construed in accordance with and governed by the laws of the State and suit, if any, must be brought in the State. The firm specifically consents to this jurisdiction.
- 11. Indemnification.** The firm agrees to indemnify, defend, and hold harmless the IFA and the State, its agents, officers, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission of the firm and/or its subcontractors, if any, in the performance of this Agreement. The IFA and the State shall **not** provide such indemnification to the firm.
- 12. Independent Contractor.** Both parties hereto, in the performance of this Agreement, shall act in an individual capacity and not as agents, employees, partners, joint venturers or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. Neither party will assume liability for any injury (including death) to any persons, or damage to any property, arising out of the acts or omissions of the agents, employees or subcontractors of the other party. The firm shall be responsible for providing all necessary unemployment and workers' compensation insurance for the firm's employees.

**13. Licensing Standards.** The firm and its employees and subcontractors shall comply with all applicable licensing standards, certification standards, accrediting standards and any other laws, rules or regulations governing services to be provided by the firm pursuant to this Agreement.

**14. Merger & Modification.** This Agreement constitutes the entire agreement between the parties. No understandings, agreements, or representations, oral or written, not specified within this Agreement will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all necessary parties.

**15. Minority and Women Business Enterprise Compliance.** The firm agrees to comply fully with the provisions of the firm's MBE/WBE participation plan.

**16. Nondiscrimination.** This covenant is enacted Pursuant to the Indiana Civil Rights Law, specifically IC 22-9-1-10, and in keeping with the Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act.

Pursuant to the Indiana Civil Rights Law, specifically IC 22-9-1-10, and in keeping with the Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the firm shall not discriminate against any employee or applicant for employment in the performance of this Agreement with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee or applicant's race, color, national origin, religion, sex, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). Furthermore, the Services Provider certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on Protected Characteristics in the provision of services.

**17. Ownership of Documents and Materials.** All documents, records, programs, data, film, tape, articles, memoranda, and other materials not developed or licensed by the firm prior to execution of this Agreement, but specifically developed under this Agreement shall be considered "work for hire" and the firm transfers any ownership claim to the IFA and all such materials will be the property of the IFA. Use of these materials, other than related to contract performance by the firm, without the prior written consent of the IFA, is prohibited. During the performance of this Agreement, the firm shall be responsible for any loss of or damage to these materials developed for or supplied by the IFA and used to develop or assist in the services provided while the materials are in the possession of the firm. Any loss or damage thereto shall be restored at the firm's expense. The firm shall provide full, immediate, and unrestricted access to the work product during the term of this Agreement.

**18. Penalties/Interest/Attorney's Fees.** The IFA will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest, or attorney's fees, except as permitted by Indiana law, in part, IC 5-17-5, IC 34-54-8, and IC 34-13-1. Notwithstanding the provisions contained in IC 5-17-5, any liability resulting from the IFA's failure to make prompt payment shall be based solely on the amount of funding originating from the IFA and shall not be based on funding from federal or other sources.

**19. Security and Privacy of Health Information.** The firm agrees to comply with all requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) in all activities related to this Agreement, to maintain compliance throughout the life of this Agreement, to operate any

systems used to fulfill the requirements of this Agreement in full compliance with HIPAA and to take no action which adversely affects the State of Indiana's HIPAA compliance.

The parties acknowledge that the Department of Health and Human Services has issued the Final Rule, as amended from time to time, on the Standards for Privacy of Individually Identifiable Health Information, as required by HIPAA. To the extent required by the provisions of HIPAA and regulations promulgated thereunder, the firm assures that it will appropriately safeguard Protected Health Information (PHI), as defined by the regulations, which is made available to or obtained by the firm in the course of its work under this Agreement. The firm agrees to comply with applicable requirements of law relating to PHI with respect to any task or other activity it performs for the IFA as required by the final regulations.

- 20. Severability.** The invalidity of any section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses or provisions of this Agreement.
- 21. Substantial Performance.** This Agreement shall be deemed to be substantially performed only when fully performed according to its terms and conditions and any written amendments or supplements.
- 22. Taxes.** The IFA is exempt from state, federal, and local taxes. The IFA will not be responsible for any taxes levied on the firm as a result of this Agreement.
- 23. Travel.** No expenses for travel will be reimbursed unless specifically permitted under the Duties and Services or Consideration provisions. Expenditures made by the firm for travel will be reimbursed at the current rate paid by the IFA and in accordance with the State of Indiana Travel Policies and Procedures as specified in the current Financial Management Circular. Out-of-state travel requests must be reviewed by the IFA for availability of funds and for appropriateness per Circular guidelines.
- 24. Waiver of Rights.** No right conferred on either party under this Agreement shall be deemed waived, and no breach of this Agreement excused, unless such waiver is in writing and signed by the party claimed to have waived such right. Neither the IFA's review, approval or acceptance of, nor payment for, the services required under this Agreement shall be construed to operate as a waiver of any rights under this Agreement or for any cause of action arising out of the performance of this Agreement, and the firm shall be and remain liable to the IFA in accordance with applicable law for all damages to the IFA caused by the firm's negligent performance of any services furnished under this Agreement.
- 25. Work Standards.** The firm shall execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the IFA becomes dissatisfied with the work product of or the working relationship with those individuals assigned to work on this Agreement, the IFA may request in writing the replacement of any or all such individuals, and firm shall grant such request.
- 26. Non-Collusion and Acceptance.** The undersigned attests, subject to the penalties for perjury, that he/she is the firm, or that he/she is the properly authorized representative, agent, member or officer of the firm, that he/she has not, nor has any other member, employee, representative, agent or officer of the firm, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Agreement other than that which appears upon the face of this Agreement.

## ATTACHMENT B



Crowe Horwath LLP  
Independent Member Crowe Horwath International

Indiana Finance Authority  
Indianapolis, Indiana

We have been engaged by the Indiana Finance Authority (IFA) to assist you with respect to reimbursement agreement between the IFA and the Indiana Toll Road Concessionaire Company LLC (ITRCC) on funding and reimbursement of lost revenues related to the Indiana Toll Road Concession and Lease Agreement (Agreement). ITRCC provides monthly calculations of vehicle traffic, differential toll rates and calculation of lost revenue based on the differential rates. ITRCC management is responsible for the underlying vehicle traffic volume data under the Agreement.

The primary purpose of the engagement is to compare a sample of monthly vehicle traffic and lost revenue reported by ITRCC to underlying information system records.

This engagement was conducted in accordance with management advisory standards established by the American Institute of Certified Public Accountants. The scope and nature of work is based on discussions with IFA to determine the sufficiency for their stated purpose. Consequently, we make no representation regarding the overall sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. We were not engaged to provide an attestation on the monthly reporting or opinion on ITRCC internal controls.

The following procedures were performed on the vehicle traffic and reported lost revenues for months of November 2009 and March 2010.

1. **Traffic Volume** - Obtain November 2009 and March 2010 ITR Ticket and Barrier Reports (ITR Reports) from ITRCC. Agree the ITR Reports to the toll system generated Monthly Summary reports and agreed daily traffic volume system counts and vehicle class to the Monthly Summary Reports for applicable Ticket and Barrier vehicle types.

**Result:** We obtained the November 2009 and March 2010 ITR Reports and agreed the ITR Reports to the toll system generated Monthly Summary report that was supported by daily system count aggregation with no exceptions. **(Exhibit A)**

2. **Lost Revenue Recalculation** - Recalculate lost toll revenue for Ticket and Barrier applicable vehicle types from ITRCC data and agree to the total amount requested for reimbursement for the months of November 2009 and March 2010. Lost toll revenue equals applicable class level traffic volume multiplied by class level differential toll rates.

**Result:** We recalculated ticket and barrier lost toll revenue with no exceptions. **(Exhibit A)**

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We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on overall traffic volume, lost revenue or the overall adequacy of internal controls on the Indiana Toll Road operation from information provided by ITRCC. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the IFA and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Horwath LLP

Indianapolis, Indiana  
December 13, 2010

**Exhibit A – Summary of Revenue and Traffic Comparisons**

<b>Final March 2010 Revenue Comparison</b>			
	<b>Ticket</b>	<b>Barrier</b>	<b>Totals</b>
Total Lost Revenue per ITR Records	\$ 476,671.90	\$ 629,825.10	\$ 1,106,497.00
Total Payment per IFA Records	\$ 476,671.90	\$ 629,825.10	\$ 1,106,497.00
Variance	\$ -	\$ -	\$ -

**0.00%**

<b>Final March 2010 Traffic Comparison</b>			
	<b>Ticket</b>	<b>Barrier</b>	<b>Totals</b>
Total Activity per ITR Records	701,805	1,160,187	1,861,992
Total Activity per IFA Records	701,805	1,160,187	1,861,992
Variance	-	-	-

**0.00%**

<b>Final November 2009 Revenue Comparison</b>			
	<b>Ticket</b>	<b>Barrier</b>	<b>Totals</b>
Total Lost Revenue per ITR Records	\$ 638,908.40	\$ 693,004.35	\$ 1,331,912.75
Total Payment per IFA Records	\$ 638,908.40	\$ 693,004.35	\$ 1,331,912.75
Variance	\$ -	\$ -	\$ -

**0.00%**

<b>Final November 2009 Traffic Comparison</b>			
	<b>Ticket</b>	<b>Barrier</b>	<b>Totals</b>
Total Activity per ITR Records	724,987	1,252,086	1,977,073
Total Activity per IFA Records	724,987	1,252,086	1,977,073
Variance	-	-	-

**0.00%**