INSIDE Public Accounting

The competitive advantage for accounting firm leaders since 1987

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FOR THE COMPLETE LISTING OF THE IPA TOP 100 GO TO PAGES 3-6

IPA'S 2007 TOP 100 ACCOUNTING FIRMS

✶ SPECIAL EDITION ✶

INSIDE Public Accounting is proud to present our 17th annual report on the nation's largest accounting firms – one of the most accurate, comprehensive and detailed of its kind. Our annual report is the longest-running analysis of accounting firms' operations and management, and it's considered the gold standard in accounting firm benchmarking. For more information on **IPA's Benchmarking Report**, see page 20.

Takin' It To The Bank: IPA 100 Continue Record Growth; Fine-Tune Efficiencies To Sustain Growth

When asked recently how business was going, a tax partner in his 40s at a large regional firm smiled like a Cheshire cat and told **IPA**, "How can you not make a lot of money in this environment?"

His peers around the country seem to agree. **IPA 100** firms on average grew net fees by 15.04% for FY06-07, a dizzying three-year run of more than 15% growth each year that has not been seen in the history of the IPA 100. Seventy-four of the **IPA 100** firms report double-digit growth and 23 of those firms report growth over 20%.

Entry-level salaries (0- to 2-year staff) have surpassed $50,000 for the first time in **IPA 100** history, reflecting the supply and demand pressures of staffing for such strong growth. *Average profit margin* (income as a percent of net fees), a reflection of better managing top and bottom line costs, continues to creep up, from 32.7% last year to 32.9% this year.

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Net income per partner is flirting with the $500,000 mark for the first time – at $495,170, it is 10% higher than last year. *Average partner compensation* climbed another 8% to a record $461,272, up over $100,000 from the numbers reported just three years ago.

The Schonbraun McCann Group, N.Y., takes top honors in growth at a whopping 54% increase in net fees, shooting up 27 positions in the **IPA 100** ranking to No. 48. SMG skyrocketed from $29 million in net revenue last year to $45.5 million this year with a laser-beam focus on building an impressive real estate niche and no mergers.

"We have built our entire firm almost totally organically, brick by brick, and created the only vertical accounting and consulting firm in the U.S. that is 100% dedicated to real estate and finance," **Bruce Schonbraun,** MP of SMG tells **IPA**. "We've established a brand name for ourselves," he says, and expects a greater than 40% growth rate again in 2007.

Only two firms on the IPA 100 reported a loss of revenue this year over last year. **Goldenberg Rosenthal** of Jenkintown, Penn., (No. 57; net revenue of $41.1 million) and **Carlin Charron & Rosen** of Westborough, Mass., (No. 76; net revenue of $34.2 million) both experienced double-digit growth last year and saw some of that business dry up in FY06-07. ■

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IPA'S 2007 TOP 100 FIRMS

THE LARGEST ACCOUNTING FIRMS IN THE U.S.

RANKED BY U.S. NET REVENUE

RANK 07	RANK 06	FIRM / HEADQUARTERS LOCATION	CHIEF EXECUTIVE	NO. OF OFFICES	FISCAL YEAR END	NET REVENUE	% CHG.
1	1	Deloitte & Touche[1] / New York	James H. Quigley	98	5/07	$9,856,000,000	12.4
2	3	PricewaterhouseCoopers / New York	Dennis Nally	84	6/06	$6,922,000,000	12.2
3	2	Ernst & Young / New York	James S. Turley	83	6/06	$6,890,000,000	8.8
4	4	KPMG / New York	Timothy P. Flynn	93	9/06	$4,438,000,000	1.8
5	5	RSM McGladrey[2] / Minneapolis	Steven Tait / D. Scudder	97	4/07	$1,389,260,000	5.0
6	6	Grant Thornton / Chicago	Edward Nusbaum	50	12/06	$939,551,000	18.0
7	7	BDO Seidman / Chicago	Jack Weisbaum	34	6/07	$589,000,000	5.6
8	8	CBIZ & Mayer Hoffman McCann[2] / Cleveland, Leawood, Kan.	D. Sibits / B. Hancock	144	12/06	$466,810,000	10.9
9	9	Crowe Group / Oakbrook Terrace, Ill.	Charles M. Allen	20	3/07	$430,276,000	9.5
10	10	BKD, LLP[1] / Springfield, Mo.	Neal D. Spencer	27	5/07	$318,078,000	12.2
11	11	Moss Adams / Seattle	Rick Anderson	20	12/06	$279,000,000	19.0
12	12	Plante & Moran[1] / Southfield, Mich.	William M. Hermann	16	6/07	$269,000,000	10.9
13	14	UHY Advisors[2] / Chicago	Steve Samek	22	12/06	$230,393,000	17.4
14	13	Clifton Gunderson / Peoria, Ill.	Carl R. George	52	5/07	$228,053,000	16.2
15	15	Virchow, Krause & Company / Madison, Wis.	Timothy L. Christen	9	5/07	$202,097,245	10.9
16	17	Reznick Group / Bethesda, Md.	Ken Baggett	9	9/06	$177,664,478	33.0
17	16	J.H. Cohn / Roseland, N.J.	Thomas J. Marino	9	1/07	$175,271,000	16.0
18	18	Dixon Hughes / High Point, N.C.	K. Hughes / E. Sams	28	5/07	$160,600,000	8.6
19	19	LarsonAllen / Minneapolis	Gordon A. Viere	11	10/06	$139,769,000	18.0
20	21	Weiser LLP / New York	Douglas A. Phillips	4	12/06	$110,000,000	20.0
21	20	Eisner LLP / New York	Charles Weinstein	3	1/07	$105,243,000	12.3
22	26	SMART Business Advisory and Consulting / Devon, Pa.	James J. Smart	14	12/06	$102,099,361	26.1
23	23	Eide Bailly / Fargo, N.D.	Jerry A. Topp	13	4/07	$101,181,230	9.2
24	22	Wipfli LLP / Wausau, Wis.	Rick Dreher	17	5/07	$98,000,000	10.1
25	29	Rothstein Kass / Roseland, N.J.	S. Kass / H. Altman	7	12/06	$95,784,000	37.8

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26	25	Marcum & Kliegman / Melville, N.Y.	Jeffrey M. Weiner	4	12/06	$86,075,965	13.2
27	31	Anchin, Block & Anchin / New York	Frank Schettino	1	9/06	$76,565,000	18.2
28	30	Amper, Politziner & Mattia / Edison, N.J.	Philip Politziner	7	3/07	$74,578,000	12.9
29	27	Cherry Bekaert & Holland[†] / Richmond, Va.	Howard Kies	14	4/07	$73,337,609	3.0
30	28	Berdon LLP / New York	Stanley H. Freundlich	2	12/06	$73,000,000	4.3
31	33	Marks Paneth & Shron / New York	A.Gruber / S.C. Baum	2	12/06	$72,000,000	17.2
32	34	Goodman & Company[*,1] / Norfolk, Va.	Thomas H. Wilson	9	6/07	$71,200,000	12.0
33	32	Parente Randolph / Philadelphia	Robert J. Ciaruffoli	12	10/06	$67,190,000	8.8
34	35	WithumSmith+Brown / Princeton, N.J.	Ivan Brown	8	6/07	$60,102,000	12.0
35	43	Citrin Cooperman & Company / New York	Joel Cooperman	3	12/06	$60,000,000	13.0
36	38	Vitale, Caturano & Company / Boston	Richard Caturano	1	6/07	$55,040,000	12.2
37	36	Schenck Business Solutions / Appleton, Wis.	William D. Goodman	10	9/06	$54,340,087	5.1
38	39	Carr, Riggs & Ingram / Enterprise, Ala.	William H. Carr	9	9/06	$53,464,035	12.3
39	37	The Rehmann Group / Saginaw, Mich.	Steven D. Kelly	11	12/06	$52,979,221	6.5
40	41	bmc (Beard Miller & Co.) / Reading, Pa.	Lamar R. Stoltzfus	10	12/06	$51,761,920	16.7
41	56	Armanino McKenna / San Ramon, Calif.	Andy Armanino	3	12/06	$49,908,048	40.0
42	48	Aronson & Company[1] / Rockville, Md.	Lisa J. Cines	1	5/07	$48,500,000	10.0
43	43	Mahoney Cohen & Company / New York	Mark D. Garten	4	3/07	$48,400,000	15.2
44	40	RubinBrown / St. Louis	J. Castellano / J. Herber	2	5/07	$47,300,000	5.7
45	49	Lattimore, Black, Morgan & Cain / Brentwood, Tenn.	D. Morgan / R.M. Cain	4	5/07	$46,237,043	6.4
46	52	Schneider Downs & Co. / Pittsburgh	Raymond Buehler Jr.	2	6/07	$46,010,552	24.5
47	45	Beers & Cutler / Vienna, Va.	Ed Offterdinger	2	9/06	$45,592,016	20.5
48	75	The Schonbraun McCann Group[3] / New York	Bruce S. Schonbraun	3	12/06	$45,570,000	54.0
49	47	Suby, Von Haden & Associates / Madison, Wis.	Jack Cotton	4	5/07	$45,168,502	10.9
50	51	Morrison, Brown, Argiz & Farra / Miami	Antonio L. Argiz	4	12/06	$45,000,000	21.0

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51	59	HORNE LLP / Jackson, Miss.	Hugh J. Parker	11	12/06	$44,926,638	28.0
52	61	SS&G Financial Services[4] / Solon, Ohio	Gary Shamis	8	12/06	$43,405,000	22.4
53	50	Friedman LLP / New York	Bruce Madnick	3	12/06	$42,866,248	12.0
54	46	Frank, Rimerman & Co. / Palo Alto, Calif.	Bryan C. Polster	4	5/07	$42,340,000	13.4
55	76	Holthouse Carlin & Van Trigt / Santa Monica, Calif.	Philip J. Holthouse	6	12/06	$41,959,912	45.5
56	58	Blackman Kallick Bartelstein / Chicago	Daniel Fensin	1	12/06	$41,438,626	17.5
57	42	Goldenberg Rosenthal / Jenkintown, Pa.	Jay L. Weinstein	1	6/07	$41,381,000	-3.3
58	68	Hein & Associates / Denver	Larry Unruh	4	12/06	$40,962,012	30.2
59	54	Clark, Schaefer, Hackett & Co.[1] / Middletown, Ohio	Thomas D. Hazelbaker	6	6/07	$40,400,000	4.2
60	55	Kaufman, Rossin & Co. / Miami	James R. Kaufman	5	5/07	$40,168,416	11.0
61	60	Margolin, Winer & Evens / Garden City, N.Y.	Teddy Selinger	2	12/06	$39,700,000	14.1
62	53	Doeren Mayhew / Troy, Mich.	Mark A. Crawford	1	9/06	$39,440,000	7.3
63	71	Weaver and Tidwell / Fort Worth, Texas	W.M. (Mack) Lawhon	3	5/07	$38,963,769	16.4
64	73	Novogradac & Company / San Francisco	Michael J. Novogradac	9	12/06	$38,959,897	30.1
65	83	Ehrhardt Keefe Steiner & Hottman / Denver	Robert Hottman	2	9/06	$38,513,308	43.0
66	62	Hill, Barth & King / Boardman, Ohio	Chris Allegretti	15	8/06	$37,781,000	12.2
67	67	Elliott Davis / Greenville, S.C.	Todd R. Mitchell	8	6/07	$37,420,841	10.3
68	65	SC&H Group[5] / Sparks, Md.	Thomas E. Stout	4	12/06	$37,247,324	23.0
69	64	O'Connor Davies Munns & Dobbins / New York	K. Keane / T. P. Dobbins	5	12/06	$36,500,000	12.0
70	91	Stonefield Josephson / Los Angeles	Jeff Garrison	5	12/06	$36,318,941	44.1
71	66	Tofias PC / Cambridge, Mass.	Tracy Gallagher	4	12/06	$36,000,000	11.0
Tie	63	Lurie Besikof Lapidus & Company / Minneapolis	Farley S. Kaufmann	1	4/07	$36,000,000	5.9
73	70	Katz, Sapper & Miller / Indianapolis	David Resnick	1	12/06	$35,319,000	11.0
74	74	Sikich LLP / Aurora, Ill.	James A. Sikich	6	12/06	$34,900,000	18.7
75	78	Watkins, Meegan, Drury & Co. / Bethesda, Md.	Michael R. Micholas	3	12/06	$34,300,000	21.0

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76	57	Carlin Charron & Rosen / Westborough, Mass.	Robert H. Charron	4	12/06	$34,204,000	-4.0
77	89	Singer Lewak Greenbaum & Goldstein / Los Angeles	David Krajanowski	6	12/06	$34,056,090	32.1
78	92	Warren Averett Kimbrough & Marino[1]/ Birmingham, Ala.	James A. Warren	2	6/07	$33,092,535	5.4
79	72	Rachlin Cohen & Holtz / Miami	Lawrence H. Blum	3	12/06	$32,750,000	9.0
80	69	Berkowitz Dick Pollack & Brant / Miami	Richard A. Berkowitz	2	12/06	$32,382,920	3.4
81	93	Burr, Pilger & Mayer / San Francisco	Stephen D. Mayer	4	12/06	$32,241,275	22.0
82	78	Rosen Seymour Shapss Martin & Co. / New York	Fred Shapss	2	12/06	$32,000,000	12.7
83	80	Habif, Arogeti & Wynne / Atlanta	Joseph D. Simms	1	12/06	$31,845,000	13.6
84	77	Joseph Decosimo and Company / Chattanooga, Tenn.	Nick Decosimo	7	12/06	$31,800,000	9.1
85	84	Mohler, Nixon & Williams / Campbell, Calif.	William P. Kelleher	3	4/07	$30,605,414	14.0
86	81	Kennedy and Coe / Salina, Kan.	Kurt Siemers	10	3/07	$30,313,000	8.4
87	86	Holtz Rubenstein Reminick / Melville, N.Y.	Francis J. Candia	2	9/06	$29,700,000	13.3
88	85	Kemper CPA Group / Vincennes, Ind.	E. David Dycus	23	4/07	$29,615,551	11.3
89	82	LeMaster & Daniels / Spokane, Wash.	Scott J. Dietzen	12	5/07	$28,831,000	7.6
90	98	Blum, Shapiro & Co. / West Hartford, Conn.	Carl R. Johnson	2	12/06	$28,675,001	24.9
91	87	Blue & Co. / Carmel, Ind.	Douglas M. Hasler	7	12/06	$28,439,011	8.6
92	94	Mauldin & Jenkins / Atlanta	Elton Wolf	4	5/07	$27,766,168	16.1
93	88	Vavrinek Trine Day & Co.† / Rancho Cucamonga, Calif.	Ron White	5	12/06	$26,883,000	3.0
94	NR	Postlethwaite & Netterville / Baton Rouge, La.	William C. Potter	9	4/07	$26,814,638	25.0
95	NR	Squar, Milner, Peterson, Miranda & Williamson / Newport Beach, Calif.	Stephen P. Milner	2	12/06	$26,767,512	8.6
96	99	Honkamp Krueger / Dubuque, Iowa	Arnold Honkamp	7	12/06	$26,624,437	16.2
97	95	Argy, Wiltse & Robinson / McLean, Va.	Paul J. Argy	2	12/06	$26,224,447	11.1
98	97	Freed Maxick & Battaglia / Buffalo, N.Y.	Robert M. Glaser	3	4/07	$25,717,669	12.0
99	NR	The Bonadio Group / Pittsford, N.Y.	Thomas Bonadio	5	4/07	$25,565,184	14.1
100	100	Rea & Associates / New Philadelphia, Ohio	Timothy I. Michel	10	10/06	$25,500,000	11.5

Editor's Note: Net revenue includes revenue from mergers. Percentage change excludes merger revenue and reflects organic growth only. † IPA Estimate. * Firm Estimate. [1] Firm provided FY05 revenue last year and FY07 revenue this year, however, percentage change is reported for a 12-month period for FY06 to FY07. [2] Alternative practice structure. [3] Firm changed year end to 12/31. They are reporting 12/05 to 12/06 data. [4] Percentage revenue growth from prior year is based on a restated revenue number for 2005. 2005 revenues were restated to be consistent with change in the firm's revenue recognition policy in 2006. [5] Firm changed name in the past year (Stout Causey & Horning).

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THE 2007 IPA NATIONAL BENCHMARKING REPORT

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