

SERIAL 06014 RFP AUDIT OF FINANCIAL STATEMENTS – STADIUM DISTRICT

DATE OF LAST REVISION: May 15, 2008

CONTRACT END DATE: May 31, 2011

CONTRACT PERIOD THROUGH ~~MAY 31, 2007~~ MAY 31, 2008 2011

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **AUDIT OF FINANCIAL STATEMENTS – STADIUM DISTRICT**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **May 11, 2006 (Eff 05/17/06)**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

DL/mm
Attach

Copy to: Materials Management
 Julie Schweigert, Stadium District

(Please remove Serial 00187-RFP from your contract notebooks)



CONTRACT PURSUANT TO RFP

SERIAL 06014-RFP

This Contract is entered into this 17TH day of May, 2006 by and between Maricopa County Stadium District ("District"), a political subdivision of the State of Arizona, and Heinfeld, Meech & Co., P.C., an Arizona corporation ("Contractor") for the purchase of auditing of financial statements.

1.0 TERM

- 1.1 This Contract is for a term of one (1) year, beginning on the 17th day of May, 2006 and ending the 31st day of May, ~~2007 2008~~ **2011**.
- 1.2 The District may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional one (1) year terms up to a maximum Contract term of five (5) years. The District shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, District shall pay Contractor the sum(s) stated in Exhibit "A."
- 2.2 Payment shall be made upon the District's receipt of a properly completed invoice. Invoices shall contain the following information: Contract number, purchase order number, item numbers, description of supplies and/or services, sizes, quantities, unit prices, extended totals and any applicable sales/use tax.

3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in Exhibits B and B-1.
- 3.2 The Contractor shall perform services at the location(s) and time(s) stated in Exhibit "B," or as otherwise directed in writing.
- 3.3 During the Contract term, District shall provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION:

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless District, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions or mistakes relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless District, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting there from, caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract including any person for whose acts, errors, omissions or mistakes Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of District.

4.2 INSURANCE REQUIREMENTS:

Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of District. The form of any insurance policies and forms must be acceptable to District.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of District, constitute a material breach of this Contract.

Contractor's insurance shall be primary insurance as respects District, and any insurance or self-insurance maintained by District shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the District's right to coverage afforded under the insurance policies.

The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to District under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and District, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

District reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. District shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of District's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name District, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against District, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

Contractor is required to procure and maintain the following coverages indicated by a checkmark:

4.2.1 Commercial General Liability.

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products/Completed Operations Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

4.2.2 Automobile Liability.

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.

4.2.3 Workers' Compensation.

Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

Contractor waives all rights against District and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

4.2.4 Errors and Omissions Insurance.

Errors and Omissions insurance and, if necessary, Commercial Umbrella insurance, which will insure and provide coverage for errors or omissions of the Contractor, with limits of no less than \$1,000,000 for each claim.

4.2.5 Certificates of Insurance.

4.2.5.1 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the District, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the District upon 48 hours notice. **BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND**

UNDERSTANDS THAT FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF THIS CONTRACT.

In the event any insurance policy (ies) required by this Contract is (are) written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to District fifteen (15) days prior to the expiration date.

4.2.5.2 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the District.

4.3 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For District:

Maricopa County Stadium District
Attn: Financial Officer
401 East Jefferson Street
Phoenix, Arizona 85004

For Contractor:

Corey Arvizu, CPA, Partner
10120 North Oracle Road
Tucson, Arizona 85704
Telephone: (520) 742-2611
Facsimile: (520) 742-2718
E-Mail: carvizu@heinfeldmeech.com

4.4 REQUIREMENTS CONTRACT:

4.4.1 Contractor signifies its understanding and agreement by signing this document that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when District identifies a need and issues a purchase order or a written notice to proceed.

4.4.2 District reserves the right to cancel purchase orders or notice to proceed within a reasonable period of time after issuance. Should a purchase order or notice to proceed be canceled, the District agrees to reimburse the Contractor for actual and documented costs incurred by the Contractor. The District will not reimburse the Contractor for any avoidable costs incurred after receipt of cancellation, or for lost profits, or shipment of product or performance of services prior to issuance of a purchase order or notice to proceed.

4.4.3 Contractor agrees to accept oral cancellation of purchase orders.

4.5 PRICE ADJUSTMENTS:

Any requests for reasonable price adjustments must be submitted sixty (60) days prior to the Contract expiration date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If District agrees to the adjusted price terms, District

shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

4.6 TERMINATION FOR CONVENIENCE:

The District reserves the right to terminate the Contract in whole or in part at any time, when in the best interests of the District without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the District. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the District upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

4.7 TERMINATION FOR DEFAULT:

4.7.1 In addition to the rights reserved in the Contract, the District may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

4.7.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the District on demand.

4.7.3 The District may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the District for any excess costs incurred by the District in procuring materials or services in substitution for those due from the Contractor.

4.7.4 The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. §38-511 the District may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the District is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S §38-511 the District may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the District from any other party to the contract arising as the result of the Contract.

4.9 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the District may offset from any money due to the Contractor any amounts Contractor owes to the District for damages resulting from breach or deficiencies in performance under this contract.

4.10 ADDITIONS/DELETIONS OF SERVICE:

The District reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or

products are required from this Contract, prices for such additions will be negotiated between the Contractor and the District.

4.11 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the District, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.12 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.13 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The District, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse District for the services not so adequately supported and documented.

4.14 AUDIT DISALLOWANCES:

If at any time, District determines that a cost for which payment has been made is a disallowed cost, such as overpayment, District shall notify the Contractor in writing of the disallowance. District shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.15 ALTERNATIVE DISPUTE RESOLUTION:

4.15.1 After the exhaustion of the administrative remedies provided in the Maricopa County Stadium District Procurement Code, any contract dispute in this matter is subject to compulsory arbitration. Provided the parties participate in the arbitration in good faith, such arbitration is not binding and the parties are entitled to pursue the matter in state or federal court sitting in Maricopa County for a de novo determination on the law and facts. If the parties cannot agree on an arbitrator, each party will designate an arbitrator and those two arbitrators will agree on a third arbitrator. The three arbitrators will then serve as a panel to consider the arbitration. The parties will be equally responsible for the compensation for the arbitrator(s). The hearing, evidence, and procedure will be in accordance with Rule 74 of the Arizona Rules of Civil Procedure. Within ten (10) days of the completion of the hearing the arbitrator(s) shall:

4.15.1.1 Render a decision;

4.15.1.2 Notify the parties that the exhibits are available for retrieval; and

4.15.1.3 Notify the parties of the decision in writing (a letter to the parties or their counsel shall suffice).

4.15.2 Within ten (10) days of the notice of decision, either party may submit to the arbitrator(s) a proposed form of award or other final disposition, including any form of award for attorneys' fees and costs. Within five (5) days of receipt of the foregoing, the opposing

party may file objections. Within ten (10) days of receipt of any objections, the arbitrator(s) shall pass upon the objections and prepare a signed award or other final disposition and mail copies to all parties or their counsel.

4.15.3 Any party which has appeared and participated in good faith in the arbitration proceedings may appeal from the award or other final disposition by filing an action in the state or federal court sitting in Maricopa County within twenty (20) days after date of the award or other final disposition. Unless such action is dismissed for failure to prosecute, such action will make the award or other final disposition of the arbitrator(s) a nullity.

4.16 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

4.17 RIGHTS IN DATA:

The District shall own have the use of all data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.18 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.19 GOVERNING LAW:

This Contract shall be governed by the laws of the State of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona.

4.20 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract.

4.20.1 Exhibit A, Pricing.

4.20.2 Exhibit B, Scope of Work

4.20.3 Exhibit B1, Audit Approach Procedures

4.20.4 Exhibit B2, Stadium District Responsibilities

EXHIBIT A

SERIAL 06014-RFP

PRICING SHEET: 9180406, 9180407

RESPONDENT NAME: Heinfeld, Meech & Co., P.C.
 VENDOR # : W00003489
 RESPONDENT ADDRESS: 10120 N. Oracle Rd, Tucson, AZ 85704
 P.O. ADDRESS: NA
 RESPONDENT PHONE #: 520-742-2611
 RESPONDENT FAX #: 520-742-2718
 RESPONDENT'S WEB SITE: www.heinfeldmeech.com
 RESPONDENT'S CONTACT (REP): Corey Arvizu, CPA, Partner
 E-MAIL ADDRESS (REP): carvizu@heinfeldmeech.com

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: X YES NO

ACCEPT PROCUREMENT CARD: YES X NO

REBATE (CASH OR CREDIT) FOR UTILIZING PROCUREMENT CARD: YES X NO
 % REBATE

(Payment shall be made within 48 hrs utilizing the Purchasing Card)

INTERNET ORDERING CAPABILITY: YES X NO %
DISCOUNT

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: YES X NO

RESPONDENT MUST INITIAL THE SELECTION BELOW.

NET 10 No
 NET 15 No
 NET 20 No
 NET 30 No
 NET 45 No
 NET 60 No
 NET 90 Yes
 2% 10 DAYS NET 30 No
 1% 10 DAYS NET 30 No
 2% 30 DAYS NET 31 No
 1% 30 DAYS NET 31 No
 5% 30 DAYS NET 31 No

INDICATE PERCENTAGE OF M/WBE PARTICIPATION IF ANY
HERE: 0 %

PLEASE INDICATE HOW YOU HEARD ABOUT THIS SOLICITATION:

 NEWSPAPER ADVERTISEMENT
 MARICOPA COUNTY WEB SITE
X PRE-SOLICITATION NOTICE (POST CARD)
X E-MAIL
 OTHER (PLEASE SPECIFY)

EXHIBIT A**1.0 FINANCIAL STATEMENTS:**

| <u>ITEM DESCRIPTION</u> | <u>HOURLY RATE</u> | <u>ESTIMATED HOURS</u> | <u>NOT TO EXCEED PRICE</u> |
|--|--------------------|---------------------------|---|
| 1.1 2006 Audit of Comprehensive Annual Financial Report | | | |
| 1.1.1 Partner | <u>\$165.00</u> | <u>20</u> | <u>\$3,300.00</u> |
| 1.1.2 Manager | <u>\$130.00</u> | <u>10</u> | <u>\$1,300.00</u> |
| 1.1.3 Senior | <u>\$99.00</u> | <u>100</u> | <u>\$9,900.00</u> |
| 1.1.4 Staff | <u>\$78.00</u> | <u>75</u> | <u>\$5,850.00</u> |
| 2006 AUDIT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>\$20,350.00</u> |
| 1.2 2007 Audit of Comprehensive Annual Financial Report | | | |
| 1.2.1 Partner | <u>\$170.00</u> | <u>20</u> | <u>\$3,400.00</u> |
| 1.2.2 Manager | <u>\$133.00</u> | <u>10</u> | <u>\$1,330.00</u> |
| 1.2.3 Senior | <u>\$102.00</u> | <u>100</u> | <u>\$10,200.00</u> |
| 1.2.4 Staff | <u>\$81.00</u> | <u>75</u> | <u>\$6,075.00</u> |
| 2007 AUDIT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>\$21,005.00</u> |
| 1.3 2008 Audit of Comprehensive Annual Financial Report | | | |
| 1.3.1 Partner | <u>\$173.00</u> | <u>20 21</u> | <u>\$3,460.00 \$3,633.00</u> |
| 1.3.2 Manager | <u>\$135.00</u> | <u>10 13</u> | <u>\$1,350.00 \$1,755.00</u> |
| 1.3.3 Senior | <u>\$105.00</u> | <u>100 104</u> | <u>\$10,500.00 \$10,920.00</u> |
| 1.3.4 Staff | <u>\$83.00</u> | <u>75 82</u> | <u>\$6,225.00 \$6,806.00</u> |
| 2008 AUDIT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>\$21,535.00 \$23,114.00</u> |

EXHIBIT A

| ITEM DESCRIPTION | HOURLY RATE | ESTIMATED HOURS | NOT TO EXCEED PRICE |
|--|--------------------|---------------------------|---|
| 1.4 2009 Audit of Comprehensive Annual Financial Report | | | |
| 1.4.1 Partner | <u>\$175.00</u> | <u>20 21</u> | <u>\$3,500.00 \$3,675.00</u> |
| 1.4.2 Manager | <u>\$138.00</u> | <u>10 13</u> | <u>1,380.00 \$1,794.00</u> |
| 1.4.3 Senior | <u>\$105.00</u> | <u>100 104</u> | <u>10,500.00 \$10,920.00</u> |
| 1.4.4 Staff | <u>\$85.00</u> | <u>75 82</u> | <u>6,375.00 \$6,970.00</u> |
| 2009 AUDIT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>21,755.00 \$23,359.00</u> |
| 1.5 2010 Audit of Comprehensive Annual Financial Report | | | |
| 1.5.1 Partner | <u>\$180.00</u> | <u>20 21</u> | <u>3,600.00 \$3,780.00</u> |
| 1.5.2 Manager | <u>\$140.00</u> | <u>10 13</u> | <u>1,400.00 \$1,820.00</u> |
| 1.5.3 Senior | <u>\$108.00</u> | <u>100 104</u> | <u>10,800.00 \$11,232.00</u> |
| 1.5.4 Staff | <u>\$88.00</u> | <u>75 82</u> | <u>6,600.00 \$7,216.00</u> |
| 2010 AUDIT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>22,400.00 \$24,048.00</u> |
| 2.0 BOOKING MANAGEMENT CONTRACT: | | | |
| 2.1 2006 Agreed upon procedures for Booking Management Contract | | | |
| 2.1.1 Partner | <u>\$165.00</u> | <u>8</u> | <u>\$1,320.00</u> |
| 2.1.2 Manager | <u>\$130.00</u> | <u>10</u> | <u>\$1,300.00</u> |
| 2.1.3 Senior | <u>\$99.00</u> | <u>15</u> | <u>\$1,485.00</u> |
| 2.1.4 Staff | <u>\$78.00</u> | <u>15</u> | <u>\$1,170.00</u> |
| 2006 BOOKING MGMT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>\$5,275.00</u> |
| 2.2 2007 Agreed upon procedures for Booking Management Contract | | | |
| 2.2.1 Partner | <u>\$170.00</u> | <u>8</u> | <u>\$1,360.00</u> |
| 2.2.2 Manager | <u>\$133.00</u> | <u>10</u> | <u>\$1,330.00</u> |

EXHIBIT A

| ITEM DESCRIPTION | HOURLY RATE | ESTIMATED HOURS | NOT TO EXCEED PRICE |
|--|--------------------|------------------------|----------------------------|
| 2.2.3 Senior | <u>\$102.00</u> | <u>15</u> | <u>\$1,530.00</u> |
| 2.2.4 Staff | <u>\$81.00</u> | <u>15</u> | <u>\$1,215.00</u> |
| 2007 BOOKING MGMT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>\$5,435.00</u> |
| 2.3 2008 Agreed upon procedures for Booking Management Contract | | | |
| 2.3.1 Partner | <u>\$173.00</u> | <u>8</u> | <u>\$1,384.00</u> |
| 2.3.2 Manager | <u>\$135.00</u> | <u>10</u> | <u>\$1,350.00</u> |
| 2.3.3 Senior | <u>\$105.00</u> | <u>15</u> | <u>\$1,575.00</u> |
| 2.3.4 Staff | <u>\$83.00</u> | <u>15</u> | <u>\$1,245.00</u> |
| 2008 BOOKING MGMT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>\$5,554.00</u> |
| 2.4 2009 Agreed upon procedures for Booking Management Contract | | | |
| 2.4.1 Partner | <u>\$175.00</u> | <u>8</u> | <u>\$1,400.00</u> |
| 2.4.2 Manager | <u>\$138.00</u> | <u>10</u> | <u>\$1,380.00</u> |
| 2.4.3 Senior | <u>\$105.00</u> | <u>15</u> | <u>\$1,575.00</u> |
| 2.4.4 Staff | <u>\$85.00</u> | <u>15</u> | <u>\$1,275.00</u> |
| 2009 BOOKING MGMT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>\$5,630.00</u> |
| 2.5 2010 Agreed upon procedures for Booking Management Contract | | | |
| 2.5.1 Partner | <u>\$180.00</u> | <u>8</u> | <u>\$1,440.00</u> |
| 2.5.2 Manager | <u>\$140.00</u> | <u>10</u> | <u>\$1,400.00</u> |
| 2.5.3 Senior | <u>\$108.00</u> | <u>15</u> | <u>\$1,620.00</u> |
| 2.5.4 Staff | <u>\$88.00</u> | <u>15</u> | <u>\$1,320.00</u> |
| 2010 BOOKING MGMT TOTAL NOT-TO-EXCEED AMOUNT | | | <u>\$5,780.00</u> |

EXHIBIT B**SCOPE OF WORK****1.0 INTENT:**

- 1.1 The purpose of this Contract for Auditing Services for the Maricopa County Stadium District (District). The District requires the Contractor to express an opinion on the fair presentation of the District's financial statements contained in the Comprehensive Annual Financial Report in conformity with generally accepted accounting principles, as well as perform the necessary audit procedures related to that opinion and the Comprehensive Annual Financial Report. The District may also request the Contractor to apply agreed upon procedures to evaluate the revenue received under the District's Booking Management Agreement

2.0 CONTRACTOR RESPONSIBILITIES:

Contractor shall furnish all labor, materials, transportation and equipment necessary to audit the District's general purpose financial statements for the fiscal year ending June 30, 2006. Contractor shall perform services as specified in Exhibit B-1.

2.1 Reporting Requirements.

- 2.1.1 Contractor's opinion is to include the scope of the examination, the fact that the audit was performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards. Reports shall also include Contractor's opinion as to whether the statements conform to generally accepted accounting principles.
- 2.1.2 Contractor shall prepare a management letter which shall include statements on audit findings and recommendations affecting the financial statements, internal controls, accounting system, legality of actions, instances of noncompliance with laws and regulations and any other material matters. A draft of the letter shall be delivered to the District Director and the Financial Officer for review and approval prior to its release.
- 2.1.3 Contractor shall prepare a statement of agreed upon procedures and the results of those procedures related to the Booking Management Agreement revenue. A draft of the statement shall be delivered to the District Director and the Financial Officer for review and approval prior to its release.

2.2 Delivery.

The Comprehensive Annual Financial Report shall be printed, bound and issued by August 31st of each year. Thirty-five copies of the report shall be provided, as well as an electronic copy in PDF format. Contractor shall meet the proposed delivery requirements. District reserves the right to obtain services on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

2.3 Acceptance.

Contractor's work shall be deemed accepted upon review and approval by the District Director and/or the Financial Office. All documentation shall be completed prior to final acceptance.

2.4 Tax.

No tax shall be levied against labor. It is the responsibility of the Contractor to determine any and all taxes and include the same in proposal price.

EXHIBIT B-1**AUDIT APPROACH PROCEDURES****1.0 Initial Survey of Operations**

- 1.1 Conduct entrance conference with key District personnel and issuance of engagement letter.
- 1.2 Review prior District financial statements and applicable accounting records.
- 1.3 Review internal control and operating procedures. Preparation of internal control memos.
- 1.4 Review prior year audit working papers.
- 1.5 Prepare and issue internal control questionnaires to the District staff.

2.0 Development of Audit Schedule and Detail Audit Plan

- 2.1 Identify responsibilities and assign tasks to the audit staff and District personnel. Submit *Prepared by Client (PBCs)* to audit liaison for assignment to District staff.
- 2.2 Prepare detailed time budgets and complete staff scheduling.
- 2.3 Prepare detailed audit plan.
 - 2.3.1 Understanding and documentation internal controls.
 - 2.3.2 Consolidation and documentation of engagement risk.
 - 2.3.3 Develop preliminary scopes for test of controls.
 - 2.3.4 Preliminary judgment about materiality and calculation of tolerable misstatement.

3.0 Documentation, Evaluation and Testing of Accounting Systems

- 3.1 Review compliance with existing State and County regulations and other contractual requirements, as applicable.
- 3.2 Evaluate and document major accounting systems.
- 3.3 Develop detailed audit programs.
- 3.4 Test major accounting systems for accuracy and reliability.
- 3.5 Perform tests of controls to reduce substantive test work.

4.0 Tests of Controls and Account Verification

- 4.1 Entrance conference to commence year-end audit work.
- 4.2 Perform detailed audit procedures in significant areas, such as:
 - 4.2.1 Journal entries – tests of controls for District policies.
 - 4.2.2 Payroll – tests of controls to reduce substantive test work and for compliance with applicable requirements.

EXHIBIT B-1**AUDIT APPROACH PROCEDURES**

- 4.2.3 Disbursements – tests of controls to reduce substantive test work and for compliance with applicable requirements.
- 4.2.4 Cash and investments – tests of details; District records; State Treasurer records and investment agent records, as applicable.
- 4.2.5 Due from other governments – tests of details; District records, confirmation.
- 4.2.6 Other receivables – tests of details; District records, analytical procedures, confirmations as applicable.
- 4.2.7 Accounts payable – tests of details; District records, analytical procedures.
- 4.2.8 Accrued interest – analytical procedures; District records.
- 4.2.9 Salaries and employee benefits payable – tests of details; District records, analytical procedures.
- 4.2.10 Compensated absences – tests of details, analytical procedures; District records.
- 4.2.11 Capital assets – tests of controls, tests of details, analytical procedures; District records.
- 4.2.12 Revenues – tests of controls, tests of details, analytical procedures; District records, confirmations, as applicable.
- 4.2.13 Expenses/expenditures – tests of controls, tests of details, analytical procedures; District records, third-party records, as applicable.
- 4.2.14 Inter-fund transfers – tests of details; District records.
- 4.2.15 Fund balances/net assets – tests of details; District records.
- 4.2.16 Subsequent review – tests of details; District records, confirmation.
- 4.3 Ascertain proper resolution of accounting and reporting problems.

5.0 Report Preparation

- 5.1 Audit staff to prepare applicable financial statements audit reports on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- 5.2 Engagement partner and non-engagement partner to review final draft of the CAFR to include the MD&A, basic financial statements, notes, and supplementary schedules. Recommendations and suggestions will be provided as necessary.
- 5.3 Submit auditor's opinion and bound CAFR to the District.

6.0 Sample Sizes

- 6.1 Auditor will haphazardly select sample sizes derived from the entire population of transactions within the major transaction cycles, from 5 to 40 samples, depending on materiality and auditor's assessment of District's internal control as a result of auditor's inquiries of District personnel.

EXHIBIT B-1**AUDIT APPROACH PROCEDURES**

6.2 The following are estimates of sample sizes in various areas of internal accounting controls.

6.2.1 Payroll – 15-25 payroll transactions.

6.2.2 Disbursements – 25-40 disbursement transactions.

6.2.3 Journal entries – 5-10 journal entries and all significant items.

6.2.4 Bidding – as deemed necessary.

7.0 Extent and Use of EDP Software

A review and evaluation of the District's electronic data processing (EDP) internal controls will be performed during the audit. Internal control questionnaires regarding the District's general and application controls will be presented to District staff to complete. The audit procedures that will be likely applied to the District's EDP systems will include systems tests for integrity, review of basic system and application controls and flowcharting of the various systems and components. The use of a computer specialist is not anticipated, but may be used if deemed necessary based on initial assessment of system controls. Receipt of the District's trial balance in an electronic format will facilitate the use of auditor's software applications for certain audit procedures; however, the use of data extraction software is not anticipated.

8.0 Type and Extent of Analytical Procedures

As required by auditing standards generally accepted in the United States of America, analytical procedures will be performed both in the planning and the final phases of this audit. The following are analytical methods and informational sources that will be used during this audit:

8.1 Comparison of actual prior-year activity to current-year activity.

8.2 Comparison of current-year activity to the District's budget.

8.3 Analytical ratios of current-year financial information.

8.4 Comparison of current-year activity to comparable entities.

8.5 Other analytical procedures as deemed necessary.

EXHIBIT B-2**STADIUM DISTRICT RESPONSIBILITIES****1.0 Initial Survey of Operations**

- 1.1 Entrance conference with audit staff, District audit liaison and other District staff as appropriate.
- 1.2 Complete and return internal control questionnaires to audit staff.
- 1.3 Provide copies of pertinent District policies and procedures, grant agreements, budgets and other relevant agreements, contracts and documents to audit staff.

2.0 Development of Audit Schedule

- 2.1 Coordinate with audit senior to set a mutually agreed-upon audit schedule that includes the dates of fieldwork and the timing of information to be provided by District staff.
- 2.2 District audit liaison to meet with District staff to coordinate and verify completion of *Prepare by Client (PBCs)* audit requests submitted by audit staff.

3.0 Documentation, Evaluation and Testing of Accounting Systems

- 3.1 Ensure availability of applicable District staff to discuss with audit staff their understanding of the District's accounting systems.
- 3.2 Provide information to the audit staff related to any other contractual agreements as identified during test work.

4.0 Test of Controls Account Verification

- 4.1 Prepare and sign confirmations as requested by the auditor.
- 4.2 Provide final adjusted trial balance to audit staff.
- 4.3 Provide supporting schedules and documentation related to significant balances in the adjusted trial balance as requested in the PBC audit requests.
- 4.4 Ensure availability of District staff during scheduled audit fieldwork dates to provide assistance, locate supporting documentation or respond to inquiries.

5.0 Report Preparation

- 5.1 Provide concurrence on completed CAFR.

HEINFELD, MEECH & CO. P.C., 10120 N ORACLE ROAD, TUCSON, AZ 85704

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Certificates of Insurance Required

Contract Period: To cover the period ending **May 31, 2007 2008 2011.**