

**SERIAL 16049 RFP AUDIT OF STADIUM DISTRICT FINANCIAL STATEMENTS**

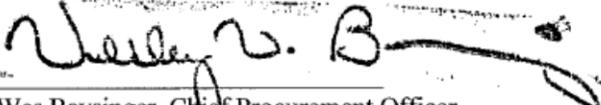
**DATE OF LAST REVISION: March 24, 2016 CONTRACT END DATE: March 31, 2018**

**CONTRACT PERIOD THROUGH MARCH, 31, 2018**

TO: All Departments  
FROM: Office of Procurement Services  
SUBJECT: Contract for **AUDIT OF STADIUM DISTRICT FINANCIAL STATEMENTS**

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 **March 24, 2016. (Eff. 04/01/2016)**

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, Chief Procurement Officer  
Office of Procurement Services

JG/jl  
Attach

Copy to: Office of Procurement Services  
Shelley Keller, Stadium District



## CONTRACT PURSUANT TO RFP

**SERIAL 16049-RFP**

This Contract is entered into this 24th day of March, 2018 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and CliftonLarsonAllen, LLP, an Arizona corporation ("Contractor") for the purchase of audit services.

### 1.0 CONTRACT TERM:

- 1.1 This Contract is for a term of two (2) years, beginning on the 1<sup>st</sup> day of April, 2016 and ending the 31st day of March, 2018.
- 1.2 The County may, at its option and with the agreement of the Contractor, renew the term of this Contract for additional terms up to a maximum of three (3) additional years, (or at the County's sole discretion, extend the contract on a month-to-month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract term at least sixty (60) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

### 2.0 FEE ADJUSTMENTS:

- 2.1 Any request for a fee adjustment must be submitted sixty (60) days prior to the current Contract annual anniversary. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted fee, County 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.

### 3.0 PAYMENTS:

- 3.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum(s) stated in Exhibit "A."
- 3.2 Payment shall be made upon the County's receipt of a properly completed invoice.

### 3.3 INVOICES:

- 3.3.1 The Contractor shall submit one (1) legible copy of their detailed invoice before payment(s) can be made. Incomplete invoices will not be processed. At a minimum, the invoice must provide the following information:

- Company name, address and contact
- County bill-to name and contact information
- Contract Serial Number
- County purchase order number
- Invoice number and date
- Payment terms
- Date of service or delivery
- Description of Purchase (product or services)

- Pricing per unit of purchase
- Total Amount Due

3.3.2 Problems regarding billing or invoicing shall be directed to the using agency as listed on the Purchase Order.

3.3.3 Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Contract Award the Contractor shall complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site (<http://www.maricopa.gov/Finance/Vendors.aspx>).

3.3.4 Discounts offered in the contract shall be calculated based on the date a properly completed invoice is received by the County (ROI).

3.3.5 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

3.4 APPLICABLE TAXES:

3.4.1 **Payment of Taxes:** The Contractor shall pay all applicable taxes. With respect to any installation labor on items that are not attached to real property performed by Contractor under the terms of this Contract, the installation labor cost and the gross receipts for materials provided shall be listed separately on the Contractor's invoices.

3.4.2 **State and Local Transaction Privilege Taxes:** Maricopa County is subject to all applicable state and local transaction privilege taxes. To the extent any state and local transaction privilege taxes apply to sales made under the terms of this contract\_it is the responsibility of the seller to collect and remit all applicable taxes to the proper taxing jurisdiction of authority.

3.4.3 **Tax Indemnification:** Contractor and all subcontractors shall pay all Federal, state, and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold Maricopa County harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

3.5 TAX: (SERVICES)

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.

3.6 STRATEGIC ALLIANCE for VOLUME EXPENDITURES (\$AVE):

3.6.1 The County is a member of the \$AVE cooperative purchasing group. \$AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the \$AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of \$AVE may access a contract resulting from a solicitation issued by the County. If you **do not** want to grant such access to a member of \$AVE, **please so state** in your proposal. In the absence of a statement to the contrary, the County will assume that you do wish to grant access to any contract that may result from this Request for Proposal.

3.7 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS (ICPA's)

3.7.1 County currently holds ICPA's with numerous governmental entities throughout the State of Arizona. These agreements allow those entities, with the approval of the Contractor, to purchase their requirements under the terms and conditions of the County Contract. Please indicate on Attachment A, your acceptance or rejection regarding such participation of other governmental entities. Your response will not be considered as an evaluation factor in awarding a contract

4.0 AVAILABILITY OF FUNDS:

4.1 The provisions of this Contract relating to payment for services shall become effective when funds assigned for the purpose of compensating the Contractor as herein provided are actually available to County for disbursement. The County shall be the sole judge and authority in determining the availability of funds under this Contract. County shall keep the Contractor fully informed as to the availability of funds.

4.2 If any action is taken by any state agency, Federal department or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligations under, or in connection with, this Contract, County may amend, suspend, decrease, or terminate its obligations under, or in connection with, this Contract. In the event of termination, County shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services are performed in accordance with the provisions of this Contract. County shall give written notice of the effective date of any suspension, amendment, or termination under this Section, at least ten (10) days in advance.

5.0 DUTIES:

5.1 The Contractor shall perform all duties stated in Exhibit "B", or as otherwise directed in writing by the Procurement Officer.

5.2 During the Contract term, County may 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.

6.0 TERMS and CONDITIONS:

6.1 INDEMNIFICATION:

To the fullest extent permitted by law, and to the extent that claims, damages, losses or expenses are not covered and paid by insurance purchased by the Contractor, the Contractor shall defend indemnify and hold harmless the County (as Owner), its agents, representatives, agents, officers, directors, officials, and employees from and against all claims, damages, losses, and expenses (including, but not limited to attorneys' fees, court costs, expert witness fees, and the costs and attorneys' fees for appellate proceedings) 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 the County, its agents, representatives, agents, 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 of, or destruction of tangible property, including loss of use resulting there from, caused by negligent acts, errors, omissions, or mistakes in the performance of this Contract, but only to the extent caused by the negligent acts or omissions of the Contractor, a subcontractor, any one directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder.

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 County.

6.2 **INSURANCE.**

6.2.1 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++. 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 County. The form of any insurance policies and forms must be acceptable to County.

6.2.2 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 County, constitute a material breach of this Contract.

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

6.2.4 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 County's right to coverage afforded under the insurance policies.

6.2.5 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 County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, 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.

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

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

6.2.8 **Commercial General Liability.**

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 Products/Completed Operations Aggregate, and \$4,000,000 General Aggregate Limit. The policy shall include coverage for premises liability, bodily injury, broad form

property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provisions which would serve to limit third party action over claims. There shall be no endorsement or modifications of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

**6.2.9 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 or use or maintenance of the Premises under this Contract.

**6.2.10 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 \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

Contractor, its contractors and its subcontractors waive all rights against Contract 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, its contractors and its subcontractors pursuant to this Contract.

**6.2.11 Professional Liability.**

Contractor shall maintain Professional Liability insurance which will provide coverage for any and all acts arising out of the work or services performed by the Contractor under the terms of this Contract, with a limit of not less than \$1,000,000 for each claim, and \$3,000,000 aggregate claims.

**6.2.12 Certificates of Insurance.**

6.2.12.1 Prior to Contract **AWARD**, Contractor shall furnish the County with valid and complete certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, 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 identify this contract number and title.

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

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

**6.2.13 Cancellation and Expiration Notice.**

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to Maricopa County. Contractor must provide to Maricopa County, within 2 business days of receipt, if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring.

Such notice shall be sent directly to Maricopa County Office of Procurement Services and shall be mailed or hand delivered to 320 West Lincoln Street, Phoenix, AZ 85003, or emailed to Procurement Officer noted in solicitation.

**6.3 FORCE MAJEURE**

- 6.3.1 Neither party shall be liable for failure of performance, nor incur any liability to the other party on account of any loss or damage resulting from any delay or failure to perform all or any part of this Contract if such delay or failure is caused by events, occurrences, or causes beyond the reasonable control and without negligence of the parties. Such events, occurrences, or causes will include Acts of God/Nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, riots, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, lockout, blockage, embargo, labor dispute, strike, interruption or failure of electricity or telecommunication service.
- 6.3.2 Each party, as applicable, shall give the other party notice of its inability to perform and particulars in reasonable detail of the cause of the inability. Each party must use best efforts to remedy the situation and remove, as soon as practicable, the cause of its inability to perform or comply.
- 6.3.3 The party asserting *Force Majeure* as a cause for non-performance shall have the burden of proving that reasonable steps were taken to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.
- 6.3.4 The County shall reserve the right to terminate this Contract and/or any applicable order or contract release purchase order upon non-performance by Contractor. The County shall reserve the right to extend the Contract and time for performance at its discretion.

**6.4 WARRANTY OF SERVICES:**

- 6.4.1 The Contractor warrants that all services provided hereunder will conform to the requirements of the Contract, including all descriptions, specifications and attachments made a part of this Contract. County's acceptance of services or goods provided by the Contractor shall not relieve the Contractor from its obligations under this warranty.
- 6.4.2 In addition to its other remedies, County may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all the provisions of this Contract in the manner and to the same extent as services originally furnished hereunder.

**6.5 INSPECTION OF SERVICES:**

- 6.5.1 The Contractor shall provide and maintain an inspection system acceptable to County covering the services under this Contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to County during contract performance and for as long afterwards as the Contract requires.
- 6.5.2 County has the right to inspect and test all services called for by the Contract, to the extent practicable at all times and places during the term of the Contract. County shall perform inspections and tests in a manner that will not unduly delay the work.
- 6.5.3 If any of the services do not conform to Contract requirements, County may require the Contractor to perform the services again in conformity with Contract requirements, at no cost to the County. When the defects in services cannot be corrected by re-performance, County may:

6.5.3.1 Require the Contractor to take necessary action to ensure that future performance conforms to Contract requirements; and

6.5.3.2 Reduce the Contract price to reflect the reduced value of the services performed.

6.5.4 If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with Contract requirements, County may:

6.5.4.1 By Contract or otherwise, perform the services and charge to the Contractor, through direct billing or through payment reduction, any cost incurred by County that is directly related to the performance of such service; or

6.5.4.2 Terminate the Contract for default.

6.6 REQUIREMENTS CONTRACT:

6.6.1 Contractors signify their understanding and agreement by signing a bid submittal, that the Contract resulting from the bid is a requirements contract. However, the Contract does not guarantee any minimum or maximum number of purchases will be made. It only indicates that if purchases are made for the materials or services contained in the Contract, they will be purchased from the Contractor awarded that item if the Contractor can meet all the delivery requirements of the County. Orders will only be placed when the County identifies a need and proper authorization and documentation have been approved.

6.6.2 County reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the Contractor for actual and documentable costs incurred by the Contractor in response to the Purchase Order. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc.

6.6.3 Contractors agree to accept verbal notification of cancellation of Purchase Orders from the County Procurement Officer with written notification to follow. By submitting a bid in response to this Invitation for Bids, the Contractor specifically acknowledges to be bound by this cancellation policy.

6.7 Suspension of Work

The Procurement Officer may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Procurement Officer determines appropriate for the convenience of the County. No adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor. No request for adjustment under this clause shall be granted unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

6.8 Stop Work Order

The Procurement Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Procurement Officer shall either—

- 6.8.1 Cancel the stop-work order; or
- 6.8.2 Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of the County, clause of this contract.
- 6.8.3 The Procurement Officer may make an equitable adjustment in the delivery schedule and/or contract price, or otherwise, and the contract shall be modified, in writing, accordingly, if the Contractor demonstrates that the stop work order resulted in an increase in costs to the Contractor.

**6.9 UNCONDITIONAL TERMINATION FOR CONVENIENCE:**

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

**6.10 TERMINATION FOR DEFAULT:**

The County may, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to:

- 6.10.1 Deliver the supplies or to perform the services within the time specified in this contract or any extension;
- 6.10.2 Make progress, so as to endanger performance of this contract; or
- 6.10.3 Perform any of the other provisions of this contract.
- 6.10.4 The County's right to terminate this contract under these subparagraph may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the County) after receipt of the notice from the Procurement Officer specifying the failure.

**6.11 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel any 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 County 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 County 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 County from any other party to the contract arising as the result of the Contract.

**6.12 CONTRACTOR LICENSE REQUIREMENT:**

- 6.12.1 The Respondent shall procure all permits, insurance, licenses and pay the charges and fees necessary and incidental to the lawful conduct of his/her business, and as necessary complete any required certification requirements, required by any and all governmental or non-governmental entities as mandated to maintain compliance with and in good standing for all permits and/or licenses. The Respondent shall keep fully informed of existing and future trade or industry requirements, Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both Office of Procurement Services and the using agency of any and all changes concerning permits, insurance or licenses.
- 6.12.2 Respondents furnishing finished products, materials or articles of merchandise that will require installation or attachment as part of the Contract, shall possess any licenses

required. A Respondent is not relieved of its obligation to possess the required licenses by subcontracting of the labor portion of the Contract. Respondents are advised to contact the Arizona Registrar of Contractors, Chief of Licensing, at (602) 542-1525 to ascertain licensing requirements for a particular contract. Respondents shall identify which license(s), if any, the Registrar of Contractors requires for performance of the Contract.

**6.13 SUBCONTRACTING:**

6.13.1 The Contractor may not assign to another Contractor or Subcontract to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

6.13.2 The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as bid in the pricing section, unless the Prime Contractor is willing to absorb any higher rates or the County has approved the increase. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

**6.14 AMENDMENTS:**

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Office of Procurement Services shall be responsible for approving all amendments for Maricopa County.

**6.15 ADDITIONS/DELETIONS OF SERVICE:**

6.15.1 The County reserves the right to add and/or delete materials and services to a Contract. If a service requirement is deleted, payment to the Contractor will be reduced proportionately, to the amount of service reduced in accordance with the bid price. If additional materials or services are required from a Contract, prices for such additions will be negotiated between the Contractor and the County.

6.15.2 The County reserves the right of final approval on proposed staff for all Task Orders. Also, upon request by the County, the Contractor will be required to remove any employees working on County projects and substitute personnel based on the discretion of the County within two business days, unless previously approved by the County.

**6.16 VALIDITY:**

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 the Contract.

**6.17 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.

**6.18 RIGHTS IN DATA:**

The County shall have the use of data and reports resulting from a Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to a Contract and to the performance thereunder.

6.19 NON-DISCRIMINATION:

CONTRACTOR agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive order 99-4 and amends Executive order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website <http://azmemory.azlibrary.gov/cdm/singleitem/collection/execorders/id/680/rec/1> which is hereby incorporated into this contract as if set forth in full herein. During the performance of this contract, CONTRACTOR shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

6.20 CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

6.20.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor

6.20.1.1 is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

6.20.1.2 have not within 3-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

6.20.1.3 are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

6.20.1.4 have not within a 3-year period preceding this Contract had one or more public transaction (Federal, State or local) terminated for cause of default.

6.20.2 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.

6.21 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:

6.21.1 By entering into the Contract, the Contractor warrants compliance with the Immigration and Nationality Act (INA using e-verify) and all other federal immigration laws and regulations related to the immigration status of its employees and A.R.S. §23-214(A). The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the Immigration Reform and Control Act of 1986, as amended from time to time, for all employees performing work under the Contract and verify employee compliance using the E-verify system and shall keep a record of the verification for the duration of the employee's employment or at least three years, whichever is longer. I-9 forms are available for download at USCIS.GOV.

6.21.2 The County retains the legal right to inspect contractor and subcontractor employee documents performing work under this Contract to verify compliance with paragraph 6.21.1 of this Section. Contractor and subcontractor shall be given reasonable notice of the County's intent to inspect and shall make the documents available at the time and date

specified. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County will consider this a material breach of the contract and may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

**6.22 INFLUENCE**

As prescribed in MC1-1202 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct may be grounds for Disbarment or Suspension under MC1-902.

An attempt to influence includes, but is not limited to:

- 6.22.1 A Person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any type valuable contribution or subsidy,
- 6.22.2 That is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.

If a Person attempts to influence any employee or agent of Maricopa County, the Chief Procurement Officer, or his designee, reserves the right to seek any remedy provided by the Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.

**6.23 ACCESS TO AND RETENTION OF RECORDS FOR THE PURPOSE OF AUDIT AND/OR OTHER REVIEW:**

- 6.23.1 In accordance with section MCI 371 of the Maricopa County Procurement Code the Contractor agrees to retain all books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is latest. The County, 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.
- 6.23.2 If the Contractor's books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.
- 6.23.3 If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance. The course of action to address the disallowance shall be at sole discretion of the County, and may include either an adjustment to future invoices, request for credit, request for a check or deduction from current billings Submitted by the Contractor by the amount of the disallowance, or to require reimbursement forthwith of the disallowed amount by the Contractor by issuing a check payable to Maricopa County.

**6.24 AUDIT DISALLOWANCES:**

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County 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.

6.25 OFFSET FOR DAMAGES;

In addition to all other remedies at Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance of the contract.

6.26 PUBLIC RECORDS:

Under Arizona law, all Offers submitted and opened are public records and must be retained by the Records Manager at the Office of Procurement Services. Offers shall be open to public inspection and copying after Contract award and execution, except for such Offers or sections thereof determined to contain proprietary or confidential information, by the Office of Procurement Services. If an Offeror believes that information in its Offer or any resulting Contract should not be released in response to a public record request under Arizona law, the Offeror shall indicate the specific information deemed confidential or proprietary and submit a statement with its offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise from disclosure. The Records Manager of the Office of Procurement Services shall determine whether the identified information is confidential pursuant to the Maricopa County Procurement Code.

6.27 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.

6.28 RELATIONSHIPS:

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, co-employee, partnership, principal and agent, or joint venture between the County and the Contractor.

6.29 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

6.30 ORDER OF PRECEDENCE:

In the event of a conflict in the provisions of this Contract and Contractor's license agreement, if applicable, the terms of this Contract shall prevail.

6.31 INCORPORATION OF DOCUMENTS:

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

6.31.1 Exhibit A, Pricing;

6.31.2 Exhibit B, Scope of Work;

**NOTICES:**

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

For County:

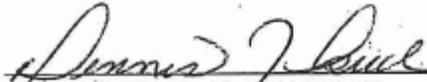
Maricopa County  
Office of Procurement Services  
ATTN: Contract Administration  
320 West Lincoln Street  
Phoenix, Arizona 85003-2494

For Contractor:

CliftonLarsonAllen, LLP  
Dennis Osuch  
20 East Thomas Road, Suite 2300  
Phoenix, AZ 85012

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

**CONTRACTOR**

  
AUTHORIZED SIGNATURE

Dennis J. Osuch, Principal  
PRINTED NAME AND TITLE

20 East Thomas Rd. Ste 2300, Phx, AZ 85012  
ADDRESS

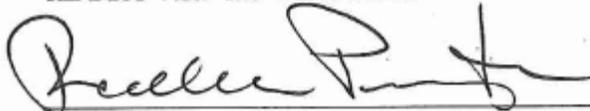
3-8-16  
DATE

**MARICOPA COUNTY**

  
CHIEF PROCUREMENT OFFICER,  
OFFICE OF PROCUREMENT SERVICES

3/29/16  
DATE

**APPROVED AS TO FORM:**

  
LEGAL COUNSEL

March 25, 2016  
DATE

**EXHIBIT A**

**PRICING**

SERIAL 16049-RFP  
 NIGP CODE: 91804  
 RESPONDENT'S  
 NAME: CliftonLarsonAllen LLP  
 COUNTY VENDOR NUMBER : 2011000628  
 ADDRESS: 20 East Thomas Road, Suite 2300  
Phoenix, Arizona 85012  
  
 P.O. ADDRESS: \_\_\_\_\_  
 TELEPHONE  
 NUMBER: 602-604-3630  
 FACSIMILE NUMBER: 602-266-2907  
 WEB SITE: [www.claconnect.com](http://www.claconnect.com)  
 CONTACT (REPRESENTATIVE): Dennis J. Osuch  
 REPRESENTATIVE'S E-MAIL ADDRESS: [Dennis.Osuch@CLAconnect.com](mailto:Dennis.Osuch@CLAconnect.com)

**YES**

WILL ALLOW OTHER GOVERNMENTAL ENTITIES TO PURCHASE FROM THIS CONTRACT [ X ]

PAYMENT TERMS  
 NET 30 DAYS

**1.0 PRICING:**

<u>Fiscal Year</u>	<u>CAFR</u>	<u>Agreed Upon Procedures</u>	<u>Total</u>
June 30, 2016	\$30,825	\$3,915	\$34,740
June 30, 2017	\$31,350	\$3,985	<u>\$35,335</u>
<b>Total Initial Term</b>			<b>\$70,075.00</b>
June 30, 2018	\$31,875	\$4,000	\$35,875 *
June 30, 2019	\$32,290	\$4,100	\$36,390 *
June 30, 2020	\$32,815	\$4,200	\$37,015 *
Total Price Not to Exceed*			<u><u>\$ 179,355 *</u></u>

\*Assuming contract renewal

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

- 1.1. The purpose of this solicitation is to solicit proposals for Auditing Services for the Maricopa County Stadium District. The Maricopa County Stadium District (District) desires the audit firm 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 audit firm to apply agreed upon procedures to evaluate the revenue received under the District's Booking Management Agreement

**2.0 SCOPE OF WORK:**

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, 2016.

**2.1 REPORTING REQUIREMENTS:**

- 2.1.1 Contractor shall prepare a Comprehensive Annual Financial Report on the examination of the financial statements. The contractor shall prepare all financial statements and notes to the financial statements incorporating any new Government Accounting Standard Board (GASB) pronouncements or supplemental information as required by GASB as it relates to the District.
- 2.1.2 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.
- 2.1.3 Contractor shall prepare the supplementary information as required by the Government Accounting Standards Board as mandated by Generally Accepted Auditing Standards.
- 2.1.4 Contractor shall prepare the report according to program requirements of the Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting Award Program and respond to prior year comments.
- 2.1.5 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.
- 2.1.6 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 WORKING PAPERS:

All working papers of the auditors will be retained for at least five years. Such working papers will be available for examination by authorized representatives of the Maricopa County Stadium District.

2.3 ACCEPTANCE:

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

3.0 **PROCUREMENT REQUIREMENTS:**

3.1 The Comprehensive Annual Financial Report shall be printed, bound and issued by September 30th of each year. Twenty-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.

3.2 CONTRACTOR EMPLOYEE MANAGEMENT:

3.2.1 Contractor shall endeavor to maintain the personnel proposed in their offer throughout the implementation of the Solution. In the event that Contractor personnel's employment status changes, Contractor shall provide County a list of proposed candidates with equivalent experience with the Solution. County reserves the right to assist in the selection of the replacement candidate. Under no circumstances is it acceptable for the implementation schedule to be impacted by a personnel change on the part of the Contractor.

3.2.2 Contractor shall not reassign any provided personnel without the express consent of the County.

3.2.3 County reserves the right to immediately remove from its premises any Contractor personnel it determines is a risk to County operations.

3.2.4 County reserves the right to request the replacement of Contractor personnel at any time, for any reason.

**CONTRACTOR SCOPE OF SERVICES:**

1.0 **UNDERSTANDING AND APPROACH**

CONTRACTOR shall furnish all labor, materials, transportation, and equipment necessary to audit the District's basic financial statements for the fiscal year ending June 30, 2016 and 2017, with the option to renew for three additional years. Contractor understands the Maricopa County Stadium District is seeking the following services:

*Reporting Requirements* – Contractor will audit the financial statements of the Maricopa County Stadium District and draft the Comprehensive Annual Financial Report. The financial statements and notes to the financial statements will incorporate any new Government Accounting Standard Board (GASB) pronouncements or supplemental information as required by GASB as it relates to the District.

Contractor opinion will include the scope of the audit, 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. The report will include Contractor opinion as to whether the basic financial statements conform to generally accepted accounting principles. Contractor will also issue an "in relation to" opinion on the combining statements and schedules.

Contractor will prepare the supplementary information as required by the Government Accounting Standards Board as mandated by Generally Accepted Auditing Standards.

Contractor will prepare the report according to program requirements of the Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting Award Program and respond to prior year comments.

Contractor will prepare a management letter, if applicable, which will 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 will be delivered to the District Director and the Financial Officer for review and approval prior to its release.

Contractor will prepare communication to governance at completion of the audit to describe the scope of the audit, audit results, significant audit matters, material audit adjustments and any passed audit adjustments.

Contractor will conduct an agreed upon procedures and report on the results of those procedures related to the Booking Management Agreement revenue. A draft of the statement will be delivered to the District Director and the Financial Officer for review and approval prior to its release.

**Working Papers** –Contractor work papers will be maintained for at least a seven year period and will be available for examination by authorized representatives of the audit committee and by authorized representatives of regulatory personnel, subject to professional ethics requirements. Significant records are stored in one of our secure Master Record Repositories per the engagement type. Upon the receipt of a request for retrieval, an appropriate review format will be determined based on the scope of the examination.

***Audit approach***

Based on information provided in the request for proposal, as well as Contractor knowledge in previously performing the audit of the District's 2015 CAFR, Contractor will develop an audit plan in order to meet County time requirements. As in past engagements, Contractor will meet with District representatives and management to design the exact audit schedule. Contractor audit plan includes the pre-audit, planning, fieldwork, and reporting phases. Throughout Contractor audit, Contractor will communicate with management on at least a weekly or biweekly basis to share information about the status of Contractor fieldwork, potential management letter comments, control deficiencies, and potential audit adjustments with a "status report". Periodic meetings will be held with upper management to review the status of all findings.

Contractor will make use of modern auditing and assessment techniques and tools, and have a complete library of relevant information systems related to government and investment auditing guides, compliance guidelines, best practices, benchmarks and automated tools, and publications to assist in providing excellent service to Contractor clients.

Contractor will communicate frequently, proactively and constructively with the District. Ongoing communication will allow Contractor service team to effectively adjust to the District's priorities.

Contractor will maintain objectivity and independence in order to be able to issue Contractor audit opinions.

**Phase I: Assessment**

The assessment phase of an engagement starts when an engagement letter is issued.

Upon notice of contract award, Contractor will prepare the engagement letter. Contractor will communicate Contractor plan to start the work and to further discuss the audit process. These discussions are intended to accomplish the following:

- Identify key management and staff involved in the audit,
- Identify primary audit liaisons,

- Introduce Contractor audit team and identify key personnel,
- Discuss the timetable,
- Explain Contractor means and ways of communication,
- Discuss logistics and administrative matters, and
- Complete a preliminary assessment of risk based on a review of prior year work papers, reviewing correspondence files, reviewing permanent files and knowledge of County organization.

**Phase II: Planning and strategy**

The planning phase will lay the foundation for the audit. The planning process will be the key to successful, cost-effective, and efficient audits.

- ***Conduct Entrance Meeting with District’s Management*** – Contractor will meet with District personnel to agree on an outline of responsibilities and timeframes. The agenda will include, but is not limited to, the following:
  - Establish audit approach and timing schedule,
  - Assistance by District personnel,
  - Application of generally accepted accounting principles
  - Initial audit concerns, if applicable,
  - Concerns of District’s management,
  - Inquire about any issues, which Contractor may need to be aware of,
  - Inquire about current business relations with the District that might have an impact on the audit,
  - Review specific regulations and any specific contract requirements affecting the engagement.
  - Establishment of any report parameters,
  - Progress reporting process, and
  - Establish principal contacts.
- ***Understanding of the District*** – Prior to any evaluation or testing, Contractor engagement will begin by gaining an understanding of the operational and financial systems. An important part of this planning work is to determine the nature and usefulness of data (such as accounting and computer manuals, flow charts, budgets, etc.), which the District may have already prepared, so that Contractor documentation of accounting procedures and internal controls can be performed on an efficient basis.
- ***Develop a More In-Depth Understanding of Areas of Concern*** – Contractor will identify areas which may have a significant impact on timing and completion of the audit or that may be of special concern to management. Contractor will review such areas in-depth to obtain an early understanding and resolution of the “problem” that may impede Contractor progress. Then Contractor will develop Contractor approach so the District will have sufficient time to compile the data necessary for completion of the audit with a minimum amount of disruption.
- ***Perform Analytical Reviews*** – This feature of Contractor audit approach involves the review of current and historical financial and statistical data, as well as budgeted data to identify trends, fluctuations, and relationships requiring further investigation. This guides us in the development of Contractor scope and relative emphasis of the audit work.
- ***Determine Laws and Regulations that may have Audit Significance*** – Contractor will make inquiries of management as to recent ordinances or resolutions that may have a financial statement or compliance impact on the audit, as well as review board minutes to confirm information gathered from inquiry and review for other resolutions or ordinances that may have an impact. Contractor inquiries will not be limited to management, but Contractor will make inquiries of other staff members as

Contractor will also review documents and inquire as to the existence of any significant contracts, bond, loan or other debt instrument covenants. Because Contractor staff is dedicated to government audits and only work in the state of Arizona, Contractor staff is well versed in Arizona laws and requirements.

After the above areas have been reviewed, detailed audit programs specifically stating audit objectives, compliance requirements and audit procedures will be established.

Prior to beginning fieldwork, the principal will review the requirements of the audit engagement, including general audit approach, specific areas of assignment, major compliance issues and estimated timetable for the completion of the engagement.

### **Phase III: Systems evaluation**

Having established the audit framework in the planning phase, Contractor then determine the extent to which Contractor can depend on existing internal controls and accounting systems to produce reliable and timely financial information. Three key steps are involved in this process:

- **Review Internal Control Systems** – Contractor will document the accounting systems of all departments of the District. Then Contractor will review Contractor understanding of the major transaction cycles of the District, (e.g. payroll, purchasing, disbursements and program expenses, revenue and cash receipts, etc.), and prepare documentation of accounting cycles with the aid of District personnel. Contractor then identify strengths and weaknesses that have an impact on audit objectives, which enables the audit team to determine the emphasis to be placed on audit testing.
- **Audit Programs** – Utilizing Contractor electronic audit program guides and Contractor understanding of the systems, Contractor prepare audit programs for conducting an audit that is responsive to the audit concerns and reflects the evaluation of the internal control systems. The purpose of this guide is to assist Contractor personnel in developing the audit procedures that focus on the primary audit concerns of the District. With this guidance, Contractor auditors are able to use audit procedures best suited for each audit objective and situation, considering existing controls.
- **Review Data Processing Controls and Audit Software** – Contractor will review the general and special computer application controls at the District. In addition, Contractor will plan the appropriate usage of Contractor audit software and personal computers to develop appropriate applications. All audit personnel are assigned a personal computer for use on engagements. They have worked extensively in utilizing client computer data and systems to generate needed work schedules and reports for the purpose of completing audits.

### **Phase IV: Testing and analysis**

**Internal Controls** – Testing internal accounting controls will be performed during preliminary fieldwork on cash receipts, payroll and cash disbursements, at a minimum. Contractor utilization of sampling in auditing generally centers on compliance and controls testing, rather than substantive testing of account balances. Contractor use quality control materials from PPC in all Contractor audit engagements. These forms guide Contractor staff through a logical process of assessing inherent risk, control risk, and combined audit risk, followed by an assessment of appropriate sample size for testing the following areas:

- Controls over key financial statement assertions.
- Controls over compliance.

Sampling and testing procedures will encompass all District departments as well as those related to federal programs.

1. **Payroll** – A random sample of payroll checks will be selected and will be verified with approved personnel records. Contractor tests will be designed to test the effectiveness of key controls over financial statement assertions.
2. **Cash disbursements** – A random sample of accounts payable checks will be selected and verified with supporting purchase orders, requisitions, invoices, receiving documents, etc. Amounts will be traced to the general ledger. Disbursement journals will also be reviewed for any unusual items. The procedures will be designed to test the District's key controls over financial statement assertions.
3. **Cash receipts** – For other significant cash receipting processes Contractor will obtain an understanding of key controls over financial statement transactions, evaluate the design of the

controls and perform walk-throughs on key controls to determine the effectiveness of key controls. These cash receiving procedures will be designed to evaluate the effectiveness of controls over all significant departments and/or sites that are responsible for collecting, handling, and recording cash receipts.

4. **Journal entries** – all journal entries will be reviewed and any unusual or significant items will be tested.

Contractor procedures for evaluating internal controls include 1) review of background information such as policy manuals, job descriptions, chart of accounts, and the District’s organizational chart; 2) evaluation of the effectiveness of the internal control systems; 3) performance of compliance tests of transactions and walk-throughs to determine that controls are as prescribed; 4) reevaluation of internal controls based on the results of the tests and 5) conclusion on the adequacy of the system of internal controls and determination of the nature, extent and timing of substantive tests.

Annually, Contractor will rotate audit procedures and will perform tests of controls on some or all of the above areas.

**Substantive Testing** – Substantive testing differs from compliance procedures in that their objective is to provide reasonable assurances of the accuracy of the financial data included in the financial statements. The nature and extent of the substantive procedures to be employed is dependent on a number of different factors, including the nature of the amount under audit, the volume and relative size of the transactions underlying the amount being audited, the effectiveness of the internal controls surrounding the processing stream, and the relative ease of the audit effort.

Sampling is not the only substantive procedure available and, in fact, is not the most efficient or appropriate approach to be used to achieve substantive audit satisfaction in a number of different audit areas. In the appropriate circumstances, the application and evaluation of effective analytical audit techniques can be equally valuable. Analytical techniques include historical trend analysis of revenues and expenditures/expenses, relationships between asset balances and related income amounts, and other non-transaction-specified procedures.

Contractor may also rely heavily on direct confirmations with third parties to test areas such as cash, investments, receivables, and various revenue streams. Analytical techniques and confirmations will be used in a number of audit areas where reliable, independent data can be used to verify recorded balances in order to limit detailed testing in these areas.

Contractor final fieldwork will be designed to obtain sufficient competent evidential matter through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under examination. An example of some of those procedures that will be performed during Contractor final work in August of each year will include but not be limited to the following audit procedures:

Audit Area	Activity
<b>Revenues</b>	<ol style="list-style-type: none"> <li>1. Test the completeness, existence, accuracy and proper cut-off of contract revenue by reconciling revenues to the original and amended contracts, taking into account the consumer price index and contract performance measures.</li> <li>2. Confirm auto surcharge revenue with the records of the Arizona State Treasurer.</li> <li>3. Test investment revenue for completeness and existence. Contractor will determine investments are adjusted to fair market value through investment income.</li> <li>4. Perform predictive tests on key financial statement transactions.</li> <li>5. Use analytical procedures to determine the reasonableness of other revenues.</li> </ol>

Audit Area	Activity
<b>Expenditures</b>	<ol style="list-style-type: none"> <li>1. Material expenditure line items will be analyzed and any significant transactions during the year will be tested.</li> <li>2. All debt service expenditures will be agreed to debt retirement schedules.</li> <li>3. Capital expenditures will be reconciled to property and equipment additions.</li> <li>4. Depreciation expense will be reviewed for reasonableness.</li> <li>5. June, July and August expenditures will be tested for proper cutoff.</li> <li>6. Current to prior and current to budget analysis will also be performed for significant functions and line items and any unusual variances will be investigated.</li> <li>7. Transfers will be reconciled among all funds and will be analyzed for allowability.</li> </ol>
<b>Assets</b>	<ol style="list-style-type: none"> <li>1. All cash in bank and investments will be confirmed and determinations made for presentation in accordance with GASB Statements 3 and 31, and as amended by GASB Statement No. 40.</li> <li>2. Intergovernmental, taxes and other significant receivables will be confirmed as part of revenue analysis and traced to subsequent cash receipts to test for proper cut-off.</li> <li>3. Interfund receivables and payables will be reconciled.</li> <li>4. Property and equipment totals and accumulated depreciation will be reconciled with current additions and prior year's balances.</li> <li>5. Restricted assets and applicable reserves will be presented in accordance with GAAP.</li> </ol>
<b>Liabilities</b>	<ol style="list-style-type: none"> <li>1. Accounts payable and other accrued liabilities will be tested to the applicable invoices and supporting documentation.</li> <li>2. Deferred inflows of resources will be reconciled to supporting schedules and analyzed for reasonableness.</li> <li>3. Contractor will review the disclosures for pension benefits to determine compliance with GASB Statement No. 68.</li> <li>4. Compensated absences will be confirmed with a sample of employees and recalculated using District policies and personnel records.</li> <li>5. All bonds, loans, capital leases, and other long-term liabilities will be reconciled to debt retirement schedules and analysis of current year debt service payments.</li> </ol>
<b>Fund Equity</b>	<ol style="list-style-type: none"> <li>1. All fund balances will be reconciled to the prior audited balances.</li> <li>2. Contractor will review compliance with GASB Statement No. 54 and comparability to the prior year.</li> <li>3. Fund balance restrictions, commitments and assignments will be reconciled to supporting documentation.</li> <li>4. Net position will be reconciled to the prior year.</li> <li>5. Net position restrictions will be verified and analyzed for reasonableness.</li> </ol>
<b>Other Areas</b>	<ol style="list-style-type: none"> <li>1. Board meeting minutes for the year will be reviewed.</li> <li>2. Representations from legal council will be obtained regarding claims against the District</li> <li>3. Subsequent events will be reviewed for potential footnote disclosure.</li> </ol>

**Extent of Use of EDP Software** – Contractor utilize engagement software to manage a “paperless” audit process. All year-end account analysis schedules as prepared by the District’s financial staff are easily imported to enhance audit efficiency and personnel time commitment. Additionally, each audit team is equipped with portable scanners for audit evidence that is not in an “Excel/Word/Adobe” format. This approach increases efficiency for Contractor audit team and the District’s financial staff.

Contractor will also obtain much of Contractor accounting and auditing guidance on-line via a secure Internet Web site. This is a comprehensive source for technical accounting and auditing publications and guidance which is routinely updated.

Recognizing the District’s computer environment, Contractor may use file interrogation software to facilitate an efficient audit of large volumes of transactions. Contractor file interrogation software is able to read electronic downloads of transactions in many different formats, including text files, spreadsheet files, and database files. Potential applications for file interrogation may include sampling for testing of internal

controls, sampling for confirmation of receivables, sampling of disbursements, selection of journal entries related to identified fraud risks, summation of large volumes of similar transactions or sub-ledgers to determine agreement to the general ledger, and recalculation of depreciation expense per individual capital asset.

**Analytical Review** – In accordance with generally accepted auditing standards, analytical review will be utilized in the planning process and during the final review stage of the audit. Specific procedures would include comparison of actual results to prior years and to the adopted budget (as amended), comparison of expected revenue (percent collected) to actual revenue recognized, and a reasonableness test for return on investments. Other substantive procedures may be supplemented by analytical procedures, depending on Contractor audit risk assessment process.

**Phase V: Reporting and follow-up**

Contractor independent auditors’ report, communication with governance, and Government Auditing Standards report will be issued promptly after the completion of Contractor fieldwork. Contractor plan to meet with representatives from the District as deemed appropriate to review the highlights of the audit and the comments and recommendations contained in Contractor management letter before they are finalized. If necessary, Contractor will present the final audit report to the audit and/or finance committee and board of directors as well as address any questions they may have.

**Communication** –Through all phases of the audit, Contractor think it is important to have regular communications with District management to discuss the status of the engagement. Contractor will provide timely communication of any critical issues, concerns, and potential findings with the person primarily responsible for the area and Contractor audit liaisons.

**Proposed segmentation of the audit engagement**

Contractor delivery of services includes the development of a work plan which will consist of:	
<b>Pre-audit</b>	<ul style="list-style-type: none"> <li>• Contractor will complete Contractor client acceptance procedures and will review prior working papers.</li> <li>• Contractor will prepare an engagement letter for board and management approval.</li> </ul>
<b>Planning (May/June 2016)</b>	<ul style="list-style-type: none"> <li>• A planning meeting with the District’s management and staff. The purpose of this meeting is to develop an understanding of the exact audit time lines and expectations, as well as complete Contractor required SAS 99 communication.</li> <li>• Following Contractor planning meeting Contractor will provide a client assistance letter specifying the items that the District’s management will need to prepare or make available for Contractor audit team, thus maximizing the efficiency of Contractor services and ultimately minimizing the cost. The client assistance letter will include the detailed audit plan and a list of all year-end schedules, including audit confirmation letters, to be prepared by the District.</li> <li>• Contractor will provide a detailed audit schedule by July 1<sup>st</sup> to the District.</li> <li>• Contractor will request documents such as contracts, contract amendments, new funding sources and any new or amended agreements with the Diamondbacks. Contractor will begin to assess internal control structures and gather file documentation.</li> <li>• Contractor will obtain an understanding of the District’s operations, controls, and environment in order to determine Contractor initial risk assessment.</li> <li>• Fieldwork for the audit will include completing the assessment of internal controls over the financial statements, detailing audit procedures and performing Contractor tests of compliance and internal controls over the applicable grant records.</li> <li>• Contractor will utilize Contractor IT staff to assess and test the controls of the general ledger system (as deemed necessary).</li> </ul>

<p><b>Final Fieldwork (completed September 9, 2016)</b></p>	<ul style="list-style-type: none"> <li>• Contractor will complete Contractor internal control testwork in conjunction with Contractor substantive testing.</li> <li>• Contractor will perform Contractor detail audit testing of the significant audit areas such as revenues and accounts receivable, capital assets, debt, cash, and investments and expenditures (both personnel and non-personnel services)</li> <li>• Based on Contractor risk assessment and level of internal control testwork performed during preliminary work, Contractor will determine Contractor extent of substantive procedures, incorporating an element of unpredictability, as well as a rotation of audit procedures.</li> </ul>
<p><b>Communication During final fieldwork</b></p>	<ul style="list-style-type: none"> <li>• Contractor will communicate with management on at least a weekly basis to share information about the status of Contractor fieldwork. Contractor will also share any potential management letter comments with management at that time.</li> <li>• Contractor will hold an exit meeting with District representatives and District management and provide a list of any additional follow-up questions or information requests needed to conclude Contractor audit procedures. Contractor will also discuss logistics for issuing Contractor final reports.</li> </ul>
<p><b>Reporting (September 30, 2016)</b></p>	<ul style="list-style-type: none"> <li>• Contractor will review the audit report and prepare a letter of recommendation, the Government Auditing Standards Report, and a communication letter for governance. Contractor will be available to attend any and all committee and subcommittee meetings.</li> <li>• Contractor will provide draft copies of all reports by September 19, 2016.</li> <li>• Delivery date of final reports will be established with management and Contractor will plan to deliver all reports no later than September 30, 2016.</li> </ul>

***Proposed segmentation of the agreed upon procedures engagement***

<p><b>Contractor delivery of services includes the development of a work plan which will consist of:</b></p>	
<p><b>Pre-engagement</b></p>	<ul style="list-style-type: none"> <li>• Contractor will complete Contractor client acceptance procedures and will review prior working papers.</li> <li>• Contractor will prepare an engagement letter for management approval. The engagement letter will outline procedures agreed to by management in order to test specific assertions over the booking management revenue.</li> </ul>
<p><b>Planning (November 2016)</b></p>	<ul style="list-style-type: none"> <li>• Contractor will coordinate a fieldwork date with the booking manager.</li> <li>• Contractor will provide samples in advance, including a list of items to prepare for Contractor engagement.</li> </ul>
<p><b>Agreed Upon Procedures Fieldwork (November/December 2016)</b></p>	<ul style="list-style-type: none"> <li>• Contractor will perform the procedures outlined in the agreed upon procedures engagement letter provided to management in April 2016. Contractor procedure will be designed to test assertions specifically identified by management as they relate to the booking management revenue.</li> </ul>
<p><b>Communication During final fieldwork</b></p>	<ul style="list-style-type: none"> <li>• Contractor will communicate with management on at least a weekly basis to share information about the status of Contractor fieldwork. Contractor will also share any potential findings or exceptions with management and the booking manager at that time.</li> <li>• Contractor will hold an exit meeting with booking manager representatives and District management and provide a list of any additional follow-up questions or information requests needed to conclude Contractor procedures. Contractor will also discuss logistics for issuing Contractor final reports.</li> </ul>
<p><b>Reporting (December 2016/ January 2017)</b></p>	<ul style="list-style-type: none"> <li>• Contractor will provide a draft copy of the agreed upon procedures report to management in December 2016 or January 2017 (depending on scheduled fieldwork with the booking manager).</li> <li>• Delivery date of final report will be established with management and Contractor will plan</li> </ul>

to deliver the report no later than January 2017.

***Audit approach for future audits***

Each year certain audit procedures will be rotated and each audit will include some surprise procedures in accordance with applicable audit standards. As part of Contractor audit process, Contractor will develop a plan to communicate regularly with management on the status of the preliminary work, final fieldwork and wrap-up following Contractor final fieldwork.

***Upcoming New GASB Literature***

From time-to-time the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) and other regulatory and oversight agencies issue new pronouncements. Contractor proposal has considered all new accounting and auditing standards that may be implemented over the contract period; however, new pronouncements may be issued that are not currently in draft or final form. If a new pronouncement becomes effective that may have a significant impact on the District financial statements, Contractor will discuss those matters with the District as soon as those pronouncements are known.

***Commitment to time line***

CLA will perform these services in the time period specified in the Solicitation 16049-RFP and as finalized in the planning stages of the engagement. Contractor project management methodology results in a client service plan that provides for regular formal communication with the entire management team and allows us to be responsive to County needs. The schedule allows for input from County personnel to make certain that the services are completed based on County requirements. The plan may also be amended during the year based on input from you.

**CLIFTONLARSONALLEN LLP, 20 EAST THOMAS ROAD, SUITE 2300, PHOENIX, AZ 85012**

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Terms: NET 30

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Contact Person: Dennis J. Osuch

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Certificates of Insurance Required

Contract Period: To cover the period ending **March 31, 2018.**