

**From:** Rubin Salter, Jr. <rsjr3@aol.com>  
**Sent:** Monday, January 12, 2015 11:28 AM  
**To:** Brown, Samuel  
**Cc:** rsjr3@aol.com; wdh@umd.edu; anurima.bhargava@usdoj.gov; james.eichner@usdoj.gov; zoe.savitsky@usdoj.gov; jrodriguez@maldef.org; lthompson@proskauer.com; vbalenti@email.arizona.edu; Taylor, Martha; tusd@rllaz.com; Desegregation; Tolleson, Julie; Soto, Karla  
**Subject:** Re: 2013-14 USP Audit

Dear Mr. Brown:

The Fisher Plaintiffs respectfully object to the three-week extension requested by the District's to submit the 2013-2014 USP Budget Audit Report. Specifically, Fisher Plaintiffs believe the Unitary Status Plan requires an audit to be performed by an outside firm. The company selected by the District to conduct this Budget Audit is not independent but, rather, has been affiliated with the District for more than 20 years. To use this same company would have an effect of "watering down" or altering the requirements of the USP as to the performance of an audit.

Further, the Fisher Plaintiffs have no confidence in the accounting firm selected by the District to render a report less than a full and "real audit." This is based upon the District having past issues with budgeting procedures with the Federal Government and the State Auditor General. The Fisher Plaintiffs require an audit that is accordance with the American Institute of Certified Public Accountants Audits and Review Standards.

Therefore, the Fisher Plaintiffs cannot, in good faith, agree to any extension of time for the District to submit their 2013-2014 USP Budget Audit Report.

Respectfully,  
Rubin

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-----Original Message-----

From: Brown, Samuel <Samuel.Brown@tUSD1.org>

**From:** Thompson, Lois D. <lthompson@proskauer.com>  
**Sent:** Monday, January 12, 2015 6:35 PM  
**To:** Brown, Samuel  
**Cc:** wbrammer@rllaz.com; Taylor, Martha; Soto, Karla; Tolleson, Julie; wdh@umd.edu; Balentine, Vicki Eileen - (vbalenti) (vbalenti@email.arizona.edu); rsjr3@aol.com; 'Bhargava, Anurima (CRT)'; 'Savitsky, Zoe (CRT)'; Eichner, James (CRT) (James.Eichner@usdoj.gov); Juan Rodriguez (jrodriguez@MALDEF.org)  
**Subject:** 2013-14 USP Audit

Sam,

Mendoza Plaintiffs now have had an opportunity to review the material relating to the scope of the USP mandated “audit” that you provided on December 19, to consult with Vicki Balentine, and to do some further investigation concerning the proposed “Attestation Engagement.” So long as Heinfeld, Meech & Co. (HM) (a) does sufficient “evidence gathering” (we are quoting from the Scope document you provided on December 19), as we discuss more fully below, (b) confirms, as stated in that Scope document and in the model Independent Accountant’s Report that you also sent on December 19, that it will be providing an **opinion**, and (c) the other concerns we raise below are adequately addressed, Mendoza Plaintiffs will agree that HM may provide an examination subject to the AICPA’s professional standards for Attestation Engagements.

Our major issues, that we would like addressed when we all speak on January 20 are the following:

- (1) The Scope document states that the AICPA standards relating to Attestation Engagements require “the auditor to reduce the risk of undetected material misstatement to a low level....” It therefore becomes important to understand the threshold for “materiality”. Has that been discussed? If so, what has been proposed? If not, we ask that that be discussed by the District and HM and that you provide a proposal for the materiality threshold to plaintiffs, the budget expert, and the Special Master.
- (2) The Scope document states that the AICPA standards relating to Attestation Engagements “involve[] substantial evidence gathering.” As you will recall, when the subject of the audit was being discussed and emails were being exchanged during the fall, plaintiffs raised questions about the testing that HM would be doing and who was going to define how that was to be accomplished. It is very important for Mendoza Plaintiffs to understand what processes HM intends to follow and what evidence it will gather to allow it to state what actually was spent on each of the 65 activities in the

Implementation Addendum (plus the two codes to capture expenditures for OCR expenditures and Overhead expenditures). (To be as direct as possible, we do not believe the parties and the Special Master should be asked to rely on representations by the District about how much was spent on each of the 65 activities and the two additional codes. Therefore, we ask what evidence HM will gather to get behind and “test” such representations.)

- (3) Mendoza Plaintiffs ask that an additional code be added to the proposed report to capture “contingency.” We will want to know how much was in that category at the end of the budget year and will also seek specification of how funds that had been allocated to “contingency” were used during the year.

Given that time was required to “crosswalk” the activities in the Implementation Addendum and so that their concerns set forth above can be adequately addressed, Mendoza Plaintiffs agree to the three week extension for completion of the “audit” requested by the District.

**Lois D. Thompson**  
Partner

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From: Brown, Samuel [<mailto:Samuel.Brown@tusd1.org>]  
Sent: Friday, January 09, 2015 12:36 PM  
To: Willis D. Hawley; Anurima Bhargava; James Eichner; Juan Rodriguez; Thompson, Lois D.; Rubin Salter Jr.; Zoe Savitsky; [vbalenti@email.arizona.edu](mailto:vbalenti@email.arizona.edu)  
Cc: Taylor, Martha; Tolleson, Julie; Soto, Karla  
Subject: RE: 2013-14 USP Audit

All: we had intended to say **Monday January 12, 2015** for the two items listed below. Thanks, Sam

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From: Brown, Samuel  
Sent: Friday, January 09, 2015 12:54 PM  
To: 'Willis D. Hawley'; Anurima Bhargava; James Eichner; Juan Rodriguez; Lois Thompson; Rubin Salter Jr.; Zoe Savitsky; [vbalenti@email.arizona.edu](mailto:vbalenti@email.arizona.edu)  
Cc: Taylor, Martha; Tolleson, Julie; Soto, Karla  
Subject: RE: 2013-14 USP Audit

Bill, thank you.

Counsel: as a reminder – we provided the revised scope of the 2013-14 audit on December 19, 2014. As of today, the audit is what the auditors provide us consistent with the scope upon which we appear to have agreed, and in the form