

Brown, Samuel

From: Soto, Karla
Sent: Wednesday, January 28, 2015 1:50 PM
To: 'Thompson, Lois D.'
Cc: Taylor, Martha; Brown, Samuel; Juan Rodriguez (jrodriguez@MALDEF.org); Weatherless, Renee
Subject: RE: 2013-14 USP Audit

Good afternoon Lois,

That makes sense to me and concur with your recommendation. We do need feedback as soon as possible, however, as we would have to communicate the recalculation for the identified activities with the auditors and still comply with the deadline for the submission of the audit report.

As far as the contingency, we can certainly accommodate your request if we are allowed to track that with an additional activity code. I do see the importance of having a separate contingency code to be able to track and justify any adjustments made in that area.

Thank you,

*Karla G. Soto
Chief Financial Officer
Tucson Unified School District
1010 E. 10th Street
Tucson, AZ 85719
(520)225-6493*

From: Thompson, Lois D. [mailto:lthompson@proskauer.com]
Sent: Tuesday, January 27, 2015 12:53 PM
To: Soto, Karla
Cc: Taylor, Martha; Brown, Samuel; Juan Rodriguez (jrodriguez@MALDEF.org)
Subject: RE: 2013-14 USP Audit

Thank you again for a prompt response.

As to the recalculation of activity expenditure allocations, I don't think Mendoza Plaintiffs acting on their own should do identify the activities to be recalculated. I would suggest that I share the below with the other parties, the SM, and Vicki Balentine and I propose to suggest that Dr. Balentine provide the list since she worked closely with the District to develop the 65 categories. Does that make sense to you?

The only other outstanding issue I think is with respect to contingency, where the auditors require direction from you. As I asked in my email of January 21: Will the District make the allocation and provide the detail necessary so that the accountants can report on the use of funds that started out the year as "contingency" or went into that category during the course of the year and so that we may know how much was left in "contingency" at year end?

Thanks,

Lois D. Thompson
Partner

Proskauer
2049 Century Park East
Suite 3200
Los Angeles, CA 90067-3206
d 310.284.5614
f 310.557.2193
lthompson@proskauer.com

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From: Soto, Karla [<mailto:KARLA.SOTO@tusd1.org>]
Sent: Monday, January 26, 2015 12:53 PM
To: Thompson, Lois D.
Cc: Taylor, Martha; Brown, Samuel
Subject: FW: 2013-14 USP Audit

Good afternoon Lois,

I have received the responses to your additional questions regarding the 2013-2014 USP Audit. Please see Corey Arvizu's e-mail below. If you deem it necessary, please provide a list of activities that you are requesting additional review by the auditors.

Thank you,

Karla G. Soto
Chief Financial Officer
Tucson Unified School District
1010 E. 10th Street
Tucson, AZ 85719
520-225-6146

From: Corey Arvizu [<mailto:carvizu@heinfeldmeech.com>]
Sent: Monday, January 26, 2015 1:19 PM
To: Soto, Karla
Cc: Casey Good
Subject: RE: 2013-14 USP Audit

Karla,
Please see responses below.

Thanks,
Corey

Could you confirm our surmise that the accountants propose to test 80 payroll transactions and 30 accounts payable transactions based on the relative overall size of the personnel portion of the USP budget?

Correct. Our audit sample was weighted for additional payroll transactions based on payroll and related expenses comprising approximately 75% of the total USP expenditures of the period under review.

With respect to the recalculation of 25 of 65 activity expenditure allocations, we share Dr. Hawley's view that some of the activity expenditure allocations are considerably more significant than others even as we understand the advantage of a random sample. We are therefore wondering whether some activity expenditures – that fall below a certain threshold (maybe the \$378,000 materiality calculation benchmark the accountants say they will be using if that in fact makes sense after one has looked at the size of the 65 activity expenditure allocations) -- be eliminated for purposes of recalculation before the random sample is taken. **We can accommodate a request to review activities that are considered more significant than others. Please provide a list of the specific activities. If the activity is considered significant for reasons other than quantitative considerations please provide a brief narrative as to the reason for significance.**

Corey Arvizu, CPA
Heinfeld, Meech & Co
Office: (520) 742-2611, Ext. 101
Mobile: (520) 591-2313

From: Soto, Karla [<mailto:KARLA.SOTO@tusd1.org>]
Sent: Wednesday, January 21, 2015 5:08 PM
To: Corey Arvizu; Casey Good
Subject: Fwd: 2013-14 USP Audit

I apologize for our continued persistence but can you please provide your feedback on the follow up questions below?

Thank you,
Karla

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: "Thompson, Lois D." <lthompson@proskauer.com>
Date: 01/20/2015 3:59 PM (GMT-07:00)
To: "Taylor, Martha" <Martha.Taylor@tusd1.org>, "Brown, Samuel" <Samuel.Brown@tusd1.org>
Cc: wbrammer@rllaz.com, "Soto, Karla" <KARLA.SOTO@tusd1.org>, "Tolleson, Julie" <Julie.Tolleson@tusd1.org>, wdh@umd.edu, vbalenti@email.arizona.edu, rsjr3@aol.com, "Bhargava, Anurima (CRT)" <Anurima.Bhargava@usdoj.gov>, "Savitsky, Zoe (CRT)" <Zoe.Savitsky@usdoj.gov>, James.Eichner@usdoj.gov, jrodriguez@MALDEF.org, Desegregation <deseg@tusd1.org>, "Willis D. Hawley" <wdh@umd.edu>
Subject: RE: 2013-14 USP Audit

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