

APPENDIX X – 8



June 26, 2017

Management of Tucson Unified School District No. 1

We are pleased to confirm our understanding of the services we are to provide for Tucson Unified School District No. 1 (District).

We will examine the Schedule of Desegregation Expenditures of Tucson Unified School District No. 1 as of June 30, 2017. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include tests of your records and other procedures we consider necessary to enable us to express an opinion as to whether your Schedule of Desegregation Expenditures is presented, in all material respects, in conformity with Section X.B.7 of the Consent Order and the agreed upon format of activities. We have also attached the scope of work agreed upon with management of Tucson Unified School District No. 1. If, for any reason, we are unable to complete the examination, we will not issue a report as a result of this engagement.

We will submit a report on our examination and a listing of our findings, if any. This report is intended solely for the use of the Special Master and Tucson Unified School District No. 1, and should not be used by anyone other than these specified parties.

Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, fraud, or other violations of laws or regulations, that may exist. However, we will inform you of any material errors or fraud that comes to our attention. We will also inform you of any other violations of laws or regulations that come to our attention, unless clearly inconsequential.

We understand that you will provide us with the basic information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria or assist in the development of the subject matter, but the responsibility for the subject matter remains with you.

At the end of the engagement, we will require a representation letter from management.

You are responsible for the presentation of the Schedule of Desegregation Expenditures and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for assuming all management responsibilities and for overseeing any nonattest services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

Corey Arvizu is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will be \$8,050. The fee estimated is based on anticipated cooperation from District personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new estimate before we incur the additional costs.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

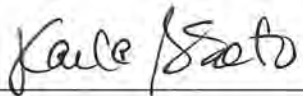
  
Heinfeld/Meech & Co., P.C.  
Tucson, Arizona

RESPONSE

This letter correctly sets forth the understanding of Tucson Unified School District No. 1.

Printed Name: Karla G. Soto

Title: Chief Financial Officer

Signature: 

Date: 6/28/17

### **Scope of Work**

District management and representatives of Heinfeld, Meech & Co. (HM) are proposing the following reporting alternative in regards to improving the audit requirement specified in Section X.B.7 of the Unitary Status Plan. Based on the description of the scope below, HM will provide an examination report on a schedule of desegregation expenditures prepared by District management. The examination will be performed in accordance with the professional standards applicable to Attestation Engagements as specified by the AICPA. An examination is the highest level of attestation service and is analogous to an audit of historical financial statements. It requires the auditor to reduce the risk of undetected material misstatement to a low level and involves substantial evidence gathering. As a result of the examination, the auditor provides an opinion about the conformity of the subject matter with the criteria. See the Schedule of Desegregation Expenditures – Budget and Actual issued for 2015-16 for an example of the report that is to be issued.

The examination report shall report expenditures for each of the descriptions of activities in the Implementation Addendum as amended in November of 2014. For 2016-17, the examination report shall focus only on the expenditure of 910G funds.

Section X.B.7 of the USP states:

The District will provide the Plaintiffs and the Special Master with an audit report of each year's USP Budget. The audit report shall indicate whether the funds allocated in the USP Budget were spent in accordance with that budget and such other information as may be necessary to provide the Plaintiffs, the Special Master, and the public with full disclosure concerning how funds allocated to the USP Budget were spent. The audit shall be conducted by an outside accounting firm and shall be posted on the USP Web Page as required by Section (X)(D)(1). Each audit report shall be delivered by January 31 after the conclusion of the fiscal year that is the subject of the audit.

Heinfeld, Meech & Co. conducts "Audits" of organizations to evaluate financial statements, including funding from all sources, to check for accuracy and full representation of financial activities and claims and considering those activities and claims when considered in conjunction with the financial statements taken as a whole.

What is described as an "Audit Report" in the USP is focused on evaluating specific information focused on one specific set of activities (implementing the USP) and therefore does not constitute an "Audit" as the term is used in the audit profession because there are no related financial statements to which procedures may be applied. Therefore, HM is hereby agreeing to conduct an Examination to produce an "Audit Report" pursuant to USP section X.B.7, but is not conducting an "Audit" of financial statements as the term is used in the audit profession. The procedures performed as part of the examination engagement are specifically designed to allow the specified users in evaluating the subject matter that would not normally be within the scope of a financial statement audit.

This engagement is solely to engage in an Examination in order to produce an “Audit Report” which achieves the following objectives, as stated by USP section X.B.7:

1. To indicate whether the funds allocated in the USP Budget were spent in accordance with that budget for the fiscal year ending on June 30, 2017, and
2. To provide such other information as may be necessary to provide the Plaintiffs, the Special Master, and the public with full disclosure concerning how funds allocated to the USP Budget were spent.



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP  
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

## SYSTEM REVIEW REPORT

To the Partners of Heinfeld, Meech & Co., P.C.  
and the Peer Review Committee of the  
CalCPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C (the firm) in effect for the year ended May 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C in effect for the year ended May 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Heinfeld, Meech & Co., P.C has received a peer review rating of *pass*.

*Mann Urrutia Nelson CPAs*

Sacramento, California

August 6, 2015