



Ratcliff & Associates, P.C.
Certified Public Accountants

December 1, 2016

Board of Directors
Grand Prairie ISD Education Foundation
2602 Belt Line Road
Grand Prairie, TX 75052

We are pleased to confirm our understanding of the services we are to provide for Grand Prairie ISD Education Foundation (the "Foundation") for the year ended December 31, 2016.

Audit Services

We will audit the financial statements of the Foundation, which comprise the statement of financial position as of December 31, 2016, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Other Services

In addition, we will perform the following nonattest services:

- 1) Reconcile certain accounts to the financial statements and to supporting documentation provided by you;
- 2) Convert certain accounts from cash to accrual basis, which may include preparing yearend adjusting entries for the Foundation to review and, if approved by you, to record as of December 31, 2016;
- 3) Prepare the financial statements of the Foundation in conformity with U.S. generally accepted accounting principles based on information provided by you.
- 4) Prepare the Foundation's Form 990 for filing with the IRS.

We will perform these other services in accordance with applicable professional standards, including the Code of Professional Conduct issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Our responsibility for other information included in documents containing the Foundation's audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether such other information contained in these documents is properly stated.

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Foundation's financial statements.

Our report will be addressed to the Board of Directors or a committee of Grand Prairie ISD Education Foundation. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories and other assets, as applicable, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from the Foundation's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from: 1) errors, 2) fraudulent financial reporting, 3) misappropriation of assets, or 4) violations of laws or governmental regulations that are attributable to the Foundation or to acts by management or employees acting on behalf of the Foundation.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Foundation and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Management Responsibilities

You agree to assume all management decisions and responsibilities for the other services performed by us that include: 1) reconciliations, 2) cash-to-accrual conversions, and 3) financial statement preparation services, and any other nonattest services we provide as described in the Other Services section on page one. You agree to oversee these nonattest services by designating an individual, preferably from senior management, with suitable skill, knowledge, and experience; evaluate the adequacy and results of the services; and accept responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with: 1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, 2) additional information that we may request for the purpose of the audit, and 3) unrestricted access to persons within the Foundation from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Foundation involving: 1) management, 2) employees who have significant roles in internal control, and 3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Foundation received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the Foundation complies with applicable laws and regulations.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Engagement Administration, Fees, and Other

We will schedule the engagement based in part on deadlines, the length and timing of fieldwork, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. To assist in these efforts, we will send you the Engagement Request List. We prefer you provide the requested materials in electronic form (e.g., Excel and Word) as soon as you have them available in order that we may process them and perform advanced work. If, for whatever reason, your personnel are unavailable to provide the requested items or other necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established timeframe. Furthermore, it may result in an increase in fees over our original estimate.

John Ratliff is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. In addition, Alyse Goldsmith will be responsible for the fieldwork and day-to-day progress. We are ready to begin our audit any time after February 9, 2017 and to issue our report no later than three weeks after our field work.

Our fees for the audit and other services will be at the previously contracted rate of \$6,000 for the audit and \$1,500 for the Form 990 preparation. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your 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 fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each week as work progresses and are payable on

Grand Prairie ISD Education Foundation

December 1, 2016

Page 4 of 4

presentation. 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 below and return a copy of this letter to us.

Very truly yours,

Ratliff & Associates, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Grand Prairie ISD Education Foundation.

Signature: _____

Title: _____

Date: _____