

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
UNITARY STATUS PLAN BUDGET
AGREED-UPON PROCEDURES
MAY 20, 2014**

TUCSON UNIFIED SCHOOL DISTRICT NO. 1

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Management of Tucson Unified School District No. 1

We have performed procedures enumerated below, which were agreed to by the Management of Tucson Unified School District No. 1, solely to assist in determining Tucson Unified School District No. 1's (District) compliance with Section X.B.7. of the Unitary Status Plan (USP) Consent Order (Consent Order) for the fiscal year ended June 30, 2013. The District's management is responsible for the District's compliance with the requirements of the Consent Order. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and the noted exceptions are as follows:

1. Determine the USP Budget was properly reviewed and approved in accordance with Section X.B.1. through X.B.6 of the Consent Order.

No exceptions noted.

2. Determine approved budget allocations were properly input in the District's accounting system.

No exceptions noted.

3. Compare the USP Budget to actual expenditures recorded in the District's accounting system to identify budget variances in excess of 10%.

Exceptions: We noted 111 expenditure line items of 494 total line items that were in excess of 10% of the budget. See *Exhibit A* for a list of the expenditure line items.

4. Compare the USP Budget to actual payroll expenditures recorded in the District's accounting system to identify budget variances in excess of \$54,000.

Exceptions: We noted 64 payroll line items of 2,418 total line items that were in excess of \$54,000 of the budget. See *Exhibit B* for a list of the payroll line items.

5. Test a sample of 30 USP Budget line items to determine expenditures recorded in the District's accounting system are in accordance with the approved budget item.

No exceptions noted.

6. Test a sample of 80 payroll transactions to determine the expenditure had supporting documentation and was an approved USP Budget allocation.

Exceptions: For two of 80 payroll transactions reviewed, the employee's position was not approved under the USP Budget. In addition, for three of 80 payroll transactions reviewed, supporting documentation was not provided to verify the employee position was approved.

7. Test a sample of 30 non-payroll transactions to determine expenditure had supporting documentation and was an approved USP Budget allocation.

No exceptions noted.

8. Review a sample of 20 changes in budget allocations for proper approval.

Exceptions: For two of 20 budget changes reviewed, supporting documentation of proper approval of the budget revision was not provided.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on management's assertion of compliance with the Consent Order. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report, pursuant to Section X.B.7 of the USP, is intended solely for the information and use of the Special Master and Management of Tucson Unified School District No. 1, and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

May 20, 2014

TUCSON UNIFIED SCHOOL DISTRICT NO.1
SCHEDULE OF EXPENDITURES EXCEEDING 10% BUDGET VARIANCE
PERIOD FROM JULY 1, 2012 THROUGH JUNE 30, 2013

Exhibit A

#	Site/Department	Adjusted Budget	YTD Transactions	Expenditure Variance	
				Amount	%
1	Banks	-	101,983	(101,983)	-100%
2	Blenman	129,070	169,625	(40,555)	-31%
3	Bloom	54,035	1,998	52,037	96%
4	Bonillas	132,070	164,622	(32,552)	-25%
5	Borman	370,208	380	369,828	100%
6	Borton	-	532,550	(532,550)	-100%
7	Brichta	124,070	155,659	(31,590)	-25%
8	Cavett	54,035	103,790	(49,755)	-92%
9	Collier	70,035	55,545	14,490	21%
10	Corbett	88,500	430,423	(341,923)	-386%
11	Cragin	108,070	240,429	(132,360)	-122%
12	Davidson	-	185,583	(185,583)	-100%
13	Mary Meredith	303,634	282	303,352	100%
14	Dietz	50,700	167,425	(116,725)	-230%
15	Drachman	348,744	463,887	(115,143)	-33%
16	Dunham	54,035	68,015	(13,981)	-26%
17	Erickson	29,000	51,224	(22,224)	-77%
18	Ford	-	84,573	(84,573)	-100%
19	Fruchthendler	-	47,046	(47,046)	-100%
20	Gale	-	9,626	(9,626)	-100%
21	Grijalva	93,035	225,477	(132,442)	-142%
22	Hollinger	41,044	169,297	(128,253)	-312%
23	Henry	-	7,784	(7,784)	-100%
24	Holladay	191,070	219,336	(28,266)	-15%
25	Howell	124,070	162,574	(38,505)	-31%
26	Hudlow	96,035	147,408	(51,373)	-53%
27	Johnson	111,026	235,519	(124,493)	-112%
28	Kellond	32,421	171,098	(138,677)	-428%
29	Lawrence	27,000	53,076	(26,076)	-97%
30	Lineweaver	50,000	366,380	(316,380)	-633%
31	Lynn/Urquides	268,823	310,771	(41,947)	-16%
32	Lyons	25,000	12,285	12,715	51%
33	Maldonado	56,035	85,764	(29,729)	-53%
34	Manzo	87,053	233,390	(146,337)	-168%
35	Marshall	-	15,268	(15,268)	-100%
36	Menlo Park	54,035	152,917	(98,882)	-183%
37	Miles E.L.C.	48,000	20,101	27,899	58%
38	Miller	87,870	180,248	(92,379)	-105%
39	Mission View	-	102,901	(102,901)	-100%
40	Myers/Ganoung	80,000	222,892	(142,892)	-179%
41	Ochoa	290,768	370,976	(80,208)	-28%
42	Oyama	-	46,287	(46,287)	-100%
43	Pueblo Gardens	55,000	110,220	(55,220)	-100%
44	Robins	-	48,999	(48,999)	-100%
45	Robison	190,153	126,275	63,878	34%
46	Schumaker	-	62,667	(62,667)	-100%
47	Sewell	-	54,567	(54,567)	-100%
48	Soleng Tom	-	43,151	(43,151)	-100%
49	Steele	16,000	64,097	(48,097)	-301%
50	Tolson	58,000	188,794	(130,794)	-226%
51	Tully	32,018	139,498	(107,480)	-336%
52	Van Buskirk	-	156,978	(156,978)	-100%
53	Vesey	-	94,796	(94,796)	-100%
54	Warren	-	99,814	(99,814)	-100%
55	Wheeler	20,000	74,844	(54,844)	-274%

TUCSON UNIFIED SCHOOL DISTRICT NO.1
SCHEDULE OF EXPENDITURES EXCEEDING 10% BUDGET VARIANCE
PERIOD FROM JULY 1, 2012 THROUGH JUNE 30, 2013

Exhibit A

#	Site/Department	Adjusted Budget	YTD Transactions	Expenditure Variance	
				Amount	%
56	White	-	265,094	(265,094)	-100%
57	Whitmore	32,518	80,834	(48,316)	-149%
58	Wright	-	146,391	(146,391)	-100%
59	Carson	54,035	45,838	8,196	15%
60	Doolen	332,459	607,033	(274,574)	-83%
61	Booth/Fickett	401,686	497,696	(96,108)	-24%
62	Hohokam	193,371	89,067	104,303	54%
63	Magee	73,841	116,684	(42,843)	-58%
64	Mary Bell McCorkle K-8	104,335	147,951	(43,616)	-42%
65	Naylor	96,000	326,476	(230,476)	-240%
66	Pistor	202,104	489,591	(287,486)	-142%
67	Secrist	6,500	22,270	(15,770)	-243%
68	Townsend	194,035	423,867	(229,832)	-118%
69	Vail	340,459	500,179	(159,720)	-47%
70	Valencia	118,070	212,244	(94,174)	-80%
71	Wakefield	236,139	457,877	(221,738)	-94%
72	Joyce M. Drake Middle School	-	51,278	(51,278)	-100%
73	Southwest Altern Ms/Sams	-	14,207	(14,207)	-100%
74	Roskruge	205,586	302,908	(97,322)	-47%
75	Catalina	849,721	1,388,671	(538,950)	-63%
76	Pueblo	1,751,478	2,036,719	(285,312)	-16%
77	Rincon	199,445	409,080	(209,634)	-105%
78	Sabino	33,318	106,368	(73,051)	-219%
79	Sahuaro	435,164	517,602	(82,438)	-19%
80	Project More	202,963	243,596	(40,633)	-20%
81	Teenage Parent	304,992	440,674	(135,682)	-44%
82	Southwest Alt High School	271,192	101,748	169,444	62%
83	Howenstine (Excep Ed)	742,164	33,683	708,481	95%
84	TUSD Distance Learning Progra	-	171,882	(171,882)	-100%
85	Comm & Media Outreach	786,507	461,984	323,842	41%
86	Printing,Whse,Distribution	-	308,557	(308,557)	-100%
87	Financial Services	517,388	352,977	164,411	32%
88	Operations	1,544,195	1,900,104	(355,901)	-23%
89	Desegregation Dept	3,355,125	2,192,696	1,111,693	33%
90	Student Equity & Intervention	851,491	607,408	242,989	29%
91	Dpty Sup Teaching & Learning	128,230	24,669	103,561	81%
92	Secondary Leadership	373,767	603,366	(229,598)	-61%
93	Desegregation	(1,000,409)	115,293	(1,115,702)	112%
94	Middle Asst Superintendent	-	40,394	(40,394)	-100%
95	Elementary Asst Superintenden	188,003	229,011	(41,008)	-22%
96	Language Acquisition	10,169,867	2,270,168	7,899,699	78%
97	Guidance, Counsel & Stdnt Prev	4,586,169	3,469,890	1,116,279	24%
98	Native Am Studies-Actvy Only	271,362	238,306	33,056	12%
99	Technology Services	805,447	1,438,042	(632,596)	-79%
100	Curriculum & Innovation	819,288	569,960	249,328	30%
101	Mexican Am RAZA-Actvy Only	139,831	175,644	(35,813)	-26%
102	Career Technical Ed	-	25,231	(25,231)	-100%
103	A.L.E.	2,123,169	897,357	1,225,812	58%
104	Human Resources	227,467	387,805	(160,338)	-70%
105	Office of Legal Services	560,377	244,625	315,752	56%
106	Transportation	4,862,805	10,486,595	(5,623,790)	-116%
107	Accountability & Research	294,293	216,441	77,853	26%
108	Exceptional Education	4,332,636	2,627,908	1,704,727	39%
109	Grants Accountability Office	41,804	87,977	(46,173)	-110%
110	School Safety/Security	246,984	220,210	26,774	11%
111	Employee Relations	-	43,195	(43,195)	-100%

TUCSON UNIFIED SCHOOL DISTRICT NO.1
 SCHEDULE OF PAYROLL EXPENDITURES EXCEEDING BUDGET BY \$54,000
 PERIOD FROM JULY 1, 2012 THROUGH JUNE 30, 2013

Exhibit B

#	Line Item Description	Adjusted Budget	YTD Transactions	Payroll Variance
1	Desegregation/Ocr Gifted	-	77,639	(77,639)
2	Desegregation/Ocr Gifted	282,155	320	281,835
3	Desegregation/Ocr Gifted	(13,506)	415,364	(428,871)
4	Desegregation/Ocr Gifted	-	273,663	(273,663)
5	Desegregation/Ocr Gifted	82,396	187,323	(104,928)
6	Desegregation/Ocr Gifted	-	142,627	(142,627)
7	Deseg/Ocr Exceptional Ed	229,148	-	229,148
8	Desegregation/Ocr Gifted	-	98,277	(98,277)
9	Desegregation/Ocr Gifted	222,073	334,064	(111,991)
10	Desegregation/Ocr Gifted	-	66,593	(66,593)
11	Desegregation/Ocr Gifted	71,168	176,792	(105,624)
12	Desegregation/Ocr Gifted	8,910	130,915	(122,005)
13	Desegregation/Ocr Gifted	101,026	181,206	(80,180)
14	Desegregation/Ocr Gifted	24,719	132,465	(107,747)
15	Desegregation/Ocr Gifted	20,530	261,260	(240,730)
16	Desegregation/Ocr Gifted	61,797	176,402	(114,605)
17	Desegregation/Ocr Gifted	41,198	115,227	(74,029)
18	Desegregation/Ocr Gifted	55,352	127,444	(72,092)
19	Desegregation/Ocr Gifted	-	77,355	(77,355)
20	Desegregation/Ocr Gifted	33,210	147,066	(113,856)
21	Desegregation/Ocr Gifted	204,465	273,445	(68,979)
22	Desegregation/Ocr Gifted	49,260	110,908	(61,648)
23	Desegregation/Ocr Gifted	24,649	108,296	(83,647)
24	Desegregation/Ocr Gifted	-	124,277	(124,277)
25	Desegregation/Ocr Gifted	-	71,427	(71,427)
26	ELL Incremental Costs	-	80,574	(80,574)
27	Desegregation/Ocr Gifted	-	201,236	(201,236)
28	Desegregation/Ocr Gifted	-	112,447	(112,447)
29	Desegregation/Ocr Gifted	253,869	469,945	(216,076)
30	Desegregation/Ocr Gifted	299,480	373,708	(74,227)
31	Desegregation/Ocr Gifted	74,520	257,421	(182,901)
32	Desegregation/Ocr Gifted	83,096	336,687	(253,591)
33	Desegregation/Ocr Gifted	114,098	290,731	(176,633)
34	Desegregation/Ocr Gifted	247,187	385,192	(138,006)
35	Desegregation/Ocr Gifted	86,446	157,930	(71,484)
36	Desegregation/Ocr Gifted	169,651	341,626	(171,975)
37	Desegregation/Ocr Gifted	149,968	239,166	(89,198)
38	Vocation/Tech Education	573,140	1,026,867	(453,727)
39	Desegregation/Ocr Gifted	1,113,887	1,284,286	(170,399)
40	Vocation/Tech Education	1,221,086	1,516,521	(295,435)
41	Desegregation/Ocr Gifted	140,183	314,420	(174,237)
42	Desegregation/Ocr Gifted	25,459	82,967	(57,508)
43	Desegregation/Ocr Gifted	330,923	400,611	(69,688)
44	Vocation/Tech Education	2,414,752	2,557,293	(142,540)
45	ELL Incremental Costs	252,620	306,626	(54,006)
46	Deseg/Ocr Regular Educatn	200,042	77,682	122,361
47	ELL Incremental Costs	553,500	28,571	524,929
48	Deseg/Ocr Regular Educatn	-	110,605	(110,605)
49	Deseg/Ocr Regular Educatn	429,057	334,409	94,648
50	Deseg/Ocr Regular Educatn	12,965	349,372	(336,406)

TUCSON UNIFIED SCHOOL DISTRICT NO.1
 SCHEDULE OF PAYROLL EXPENDITURES EXCEEDING BUDGET BY \$54,000
 PERIOD FROM JULY 1, 2012 THROUGH JUNE 30, 2013

Exhibit B

#	Line Item Description	Adjusted Budget	YTD Transactions	Payroll Variance
51	Deseg/Ocr Regular Educatn	274,420	881,330	(606,910)
52	Desegregation/Ocr Gifted	1,487,283	551,329	935,954
53	Deseg/Ocr Transportation	522,391	393,701	128,690
54	Deseg/Ocr Regular Educatn	90,223	14,055	76,168
55	ELL Incremental Costs	7,308,192	1,415,567	5,892,625
56	Deseg/Ocr Transportation	3,443,772	2,693,912	749,860
57	Deseg/Ocr Regular Educatn	203,575	743,183	(539,609)
58	Deseg/Ocr Regular Educatn	270,822	428,882	(158,059)
59	Deseg/Ocr Transportation	2,979,650	3,207,329	(227,679)
60	Desegregation/Ocr Gifted	1,600,166	563,294	1,036,872
61	Deseg/Ocr Regular Educatn	128,401	341,843	(213,442)
62	Deseg/Ocr Transportation	1,447,480	5,497,375	(4,049,895)
63	Deseg/Ocr Regular Educatn	224,660	169,757	54,903
64	Deseg/Ocr Exceptional Ed	2,267,437	2,082,890	184,546