



Tucson Unified School District No. 1
Examination of Desegregation Expenditures
Year Ended June 30, 2016

TUCSON UNIFIED SCHOOL DISTRICT NO. 1

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INDEPENDENT ACCOUNTANT'S REPORT

Management of Tucson Unified School District No. 1

We have examined the accompanying Schedule of Desegregation Expenditures – Budget and Actual of Tucson Unified School District No. 1 for the year ended June 30, 2016. This report is the responsibility of management of the Tucson Unified School District No. 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Schedule of Desegregation Expenditures – Budget and Actual of Tucson Unified School District No. 1 referred to above presents, in all material respects, the desegregation expenditures as described in Note 1.

Tucson Unified School District No. 1's responses to the findings identified in our examination are described in the accompanying schedule of findings of examination. Tucson Unified School District No. 1's responses were not subjected to the examination procedures applied in the examination of the Schedule of Desegregation Expenditures – Budget and Actual and, accordingly, we express no opinion on the responses

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
January 23, 2017

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF DESEGREGATION EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2016

<u>Expenditure by activity:</u>	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Compliance and good faith			
Internal compliance monitoring	\$ 1,210,199	\$ 1,125,664	\$ 84,535
Annual report	237,876	197,249	40,627
Court orders and miscellaneous	996,275	789,705	206,570
Total compliance and good faith	2,444,350	2,112,618	331,732
Student assignment			
Comprehensive boundary plan	242,192	145,374	96,818
Comprehensive magnet plan	10,860,883	10,914,480	(53,597)
Application and selection process	212,554	216,012	(3,458)
Marketing, outreach, and recruitment plan	790,354	671,571	118,783
Student assignment professional development	104,331	105,223	(892)
Total student assignment	12,210,314	12,052,660	157,654
Transportation			
Magnet transportation	4,824,927	5,245,042	(420,115)
Incentive transportation	4,799,146	5,275,158	(476,012)
Total transportation	9,624,073	10,520,200	(896,127)
Administration and certificated staff			
Hire or designate Unitary Status Plan positions	-	-	-
Outreach, recruitment and retention plan	441,185	424,505	16,680
Interview committees/instrument/applicant pool	-	-	-
Evaluate applicant offer rejections	-	-	-
Diversity assignment	-	-	-
Experience assignment	-	-	-
Retention	-	-	-
Reduction in force plan	-	-	-
USP related professional development and support	998,861	957,732	41,129
First-year teacher pilot plan	141,860	146,279	(4,419)
Evaluation instruments	315,926	233,302	82,624
New teacher induction program	768,966	780,713	(11,747)
Teacher support plan	7,362	6,494	868
Aspiring leaders plan	222,623	99,343	123,280
PLC training	273,762	90,256	183,506
USP training plan	-	-	-
Ongoing professional development on hiring process	926	-	926
Observations of best practices	44,309	39,562	4,747
Total administration and certificated staff	3,215,780	2,778,186	437,594

See accompanying notes to this schedule.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF DESEGREGATION EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Quality of education			
ALE access and recruitment plan	4,763,982	4,232,928	531,054
UHS admissions/outreach/recruitment	208,086	148,736	59,350
Pursue OELAS extension	-	-	-
Build/expand dual language programs	2,371,705	2,310,175	61,530
Placement policies and practices	82,889	82,274	615
Dropout prevention and retention plan	2,574,979	2,857,271	(282,292)
Data dashboard (flags and policies)	-	-	-
Culturally relevant courses and student engagement professional development	229,883	211,449	18,434
Multicultural curriculum	1,406,940	1,502,565	(95,625)
Culturally relevant courses	563,997	541,615	22,382
Targeted academic interventions and supports	2,954,208	2,903,097	51,111
Quarterly information events	306,990	304,250	2,740
Collaborate with local colleges and universities	503,643	498,159	5,484
AAAATF recommendations	554,228	476,100	78,128
Referrals, evaluations, and placements	-	-	-
Supportive and inclusive environments	-	-	-
Total quality of education	16,521,530	16,068,619	452,911
Discipline			
Restorative practices and PBIS	965,362	975,693	(10,331)
GSSR	601,395	654,611	(53,216)
Student discipline training for sites	292,682	291,725	957
Discipline roles and responsibilities	-	-	-
Discipline data monitoring	739,636	752,594	(12,958)
Corrective action plans	144,320	148,067	(3,747)
Successful site-based strategies	146,635	151,119	(4,484)
Total discipline	2,890,030	2,973,809	(83,779)
Family and community engagement			
Family center plan	487,496	463,388	24,108
Family engagement resources	91,260	35,406	55,854
Tracking family engagement	17,471	16,192	1,279
Translation and interpretation services	203,108	183,766	19,342
Total family and community engagement	799,335	698,752	100,583
Extracurricular activities			
Extracurricular equitable access plan	148,107	72,356	75,751
Data reporting system	26,166	21,517	4,649
Total extracurricular activities	174,273	93,873	80,400

See accompanying notes to this schedule.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF DESEGREGATION EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Facilities and technology			
Multi-year facilities plan	1,341,251	1,249,545	91,706
Multi-year technology plan	6,280,125	5,733,850	546,275
Technology professional development for classroom staff	698,277	639,941	58,336
Total facilities and technology	<u>8,319,653</u>	<u>7,623,336</u>	<u>696,317</u>
Accountability and transparency			
Evidence based accounting system implementation	2,173,322	1,350,761	822,561
Evidence based accounting system training and evaluation	453,119	386,686	66,433
Budget process and development	95,821	120,267	(24,446)
Budget audit	27,420	53,959	(26,539)
Notice and request for approval	-	-	-
Total accountability and transparency	<u>2,749,682</u>	<u>1,911,673</u>	<u>838,009</u>
Other			
Office for Civil Rights	6,327,603	6,877,321	(549,718)
Contingency	(1,565,576)	-	(1,565,576)
Total other	<u>4,762,027</u>	<u>6,877,321</u>	<u>(2,115,294)</u>
Total desegregation expenditures	<u><u>\$ 63,711,047</u></u>	<u><u>\$ 63,711,047</u></u>	<u><u>\$ -</u></u>

See accompanying notes to this schedule.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO THE SCHEDULE OF DESEGREGATION EXPENDITURES –
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2016

Summary of Desegregation Funding

Arizona Revised Statutes (A.R.S.) Section 15-910(G) permits the Tucson Unified School District No. 1's (District) Governing Board to budget for expenses of complying with or continuing to implement activities which were required or permitted by a court order of desegregation or administrative agreement with the United States Department of Education Office for Civil Rights directed toward remediating alleged or proven racial discrimination.

Based on court orders and A.R.S. 15-910(G), the District uses desegregation funding in the following ways:

1. For expenses of complying with or continuing to implement activities which were required or permitted by the Unitary Status Plan (USP), a consent decree submitted through the U.S. District Court for the District of Arizona through a desegregation court order, and related desegregation court orders.
2. For expenses of complying with or continuing to implement activities which were required or permitted by an administrative agreement with the United States Department of Education Office for Civil Rights directed toward remediating alleged or proving racial discrimination.
3. For expenses related to implementation and operation of the English Language Learner program.

Basis of Accounting

The Schedule is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Expenditures generally are recorded when a liability is incurred. However, expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

Budget Variances

Significant variances noted in the Schedule of Desegregation Expenditures – Budget and Actual are primarily due (1) budgeted positions within the Desegregation program that were unfilled throughout the year, and (2) capital and technology projects were under budget.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF FINDINGS OF EXAMINATION
YEAR ENDED JUNE 30, 2016**

Finding:

The District budgeted negative expenditures of \$1,565,576 for contingency in fiscal year 2015-16. Total budgeted expenditures agreed to the District's formally adopted budgets, however, negative expenditures at a detail account level are not a generally accepted budgeting practice.

Management's Response:

The negative budget amount is due to the newly created reallocation process that did not require transfers from unexpended budget allocations at the time the proposal was approved. This process resulted in a negative budget amount in the contingency activity code and unexpended funds in the remaining activity codes.