



**Tucson Unified School District No. 1**  
**Examination of Desegregation Expenditures**  
Year Ended June 30, 2017

# TUCSON UNIFIED SCHOOL DISTRICT NO. 1

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
Independent Accountant's Report	1
Schedule of Desegregation Expenditures – Budget and Actual	2
Notes to the Schedule of Desegregation Expenditures – Budget and Actual	5
Schedule of Findings	6

## INDEPENDENT ACCOUNTANT'S REPORT

Management of Tucson Unified School District No. 1

We have examined the accompanying Schedule of Desegregation Expenditures – Budget and Actual (Schedule) of Tucson Unified School District No. 1 for the year ended June 30, 2017. Tucson Unified School District No. 1's management is responsible for the preparation and fair presentation of the Schedule in accordance with the criteria described in the Notes to the Schedule. Our responsibility is to express an opinion on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule of Desegregation Expenditures – Budget and Actual of Tucson Unified School District No. 1 is presented in accordance with the criteria described in the Notes to the Schedule, in all material respects.

*Heinfeld, Meech & Co., P.C.*

Heinfeld, Meech & Co., P.C.  
Tucson, Arizona  
January 18, 2018

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF DESEGREGATION EXPENDITURES - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2017**

<u>Expenditure by activity:</u>	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
<b>Compliance and good faith</b>			
Internal compliance monitoring	\$ 1,666,863	\$ 1,199,629	\$ 467,234
Annual report	213,190	154,951	58,239
Court orders and miscellaneous	1,026,430	715,940	310,490
<b>Total compliance and good faith</b>	<b>2,906,483</b>	<b>2,070,520</b>	<b>835,963</b>
<b>Student assignment</b>			
Comprehensive boundary plan	126,195	125,630	565
Comprehensive magnet plan	13,304,136	13,373,775	(69,639)
Application and selection process	206,213	208,429	(2,216)
Marketing, outreach, and recruitment plan	743,004	681,402	61,602
Student assignment professional development	105,551	115,948	(10,397)
<b>Total student assignment</b>	<b>14,485,099</b>	<b>14,505,184</b>	<b>(20,085)</b>
<b>Transportation</b>			
Magnet transportation	4,511,046	5,974,524	(1,463,478)
Incentive transportation	4,511,046	5,970,191	(1,459,145)
<b>Total transportation</b>	<b>9,022,092</b>	<b>11,944,715</b>	<b>(2,922,623)</b>
<b>Administration and certificated staff</b>			
Hire or designate Unitary Status Plan positions	-	-	-
Outreach, recruitment and retention plan	437,670	414,339	23,331
Interview committees/instrument/applicant pool	-	-	-
Evaluate applicant offer rejections	-	-	-
Diversity assignment	350,972	311,210	39,762
Experience assignment	505,690	425,292	80,398
Retention	-	-	-
Reduction in force plan	-	-	-
USP related professional development and support	459,663	770,761	(311,098)
First-year teacher pilot plan	-	146,095	(146,095)
Evaluation instruments	152,183	152,183	-
New teacher induction program	1,105,618	861,876	243,742
Teacher support plan	-	6,704	(6,704)
Aspiring leaders plan	131,335	37,973	93,362
PLC training	149,000	70,408	78,592
USP training plan	-	-	-
Ongoing professional development on hiring process	-	-	-
Observations of best practices	45,691	40,432	5,259
<b>Total administration and certificated staff</b>	<b>3,337,822</b>	<b>3,237,273</b>	<b>100,549</b>

See accompanying notes to this schedule.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF DESEGREGATION EXPENDITURES - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
<b>Quality of education</b>			
ALE access and recruitment plan	5,053,067	4,382,899	670,168
UHS admissions/outreach/recruitment	98,524	103,800	(5,276)
Pursue OELAS extension	-	-	-
Build/expand dual language programs	3,172,351	2,888,826	283,525
Placement policies and practices	82,698	80,631	2,067
Dropout prevention and retention plan	3,445,284	3,402,749	42,535
Data dashboard (flags and policies)	-	-	-
Culturally relevant courses and student engagement professional development	330,289	317,825	12,464
Multicultural curriculum	1,785,498	1,723,472	62,026
Culturally relevant courses	787,822	727,028	60,794
Targeted academic interventions and supports	4,622,219	3,808,687	813,532
Quarterly information events	16,743	27,677	(10,934)
Collaborate with local colleges and universities	244,264	226,219	18,045
AAAATF recommendations	382,059	360,301	21,758
Referrals, evaluations, and placements	-	-	-
Supportive and inclusive environments	-	-	-
<b>Total quality of education</b>	<b>20,020,818</b>	<b>18,050,114</b>	<b>1,970,704</b>
<b>Discipline</b>			
Restorative practices and PBIS	466,561	352,148	114,413
GSRR	241,306	186,849	54,457
Student discipline training for sites	150,000	213,950	(63,950)
Discipline roles and responsibilities	-	-	-
Discipline data monitoring	-	13,533	(13,533)
Corrective action plans	-	253	(253)
Successful site-based strategies	29,750	4,533	25,217
<b>Total discipline</b>	<b>887,617</b>	<b>771,266</b>	<b>116,351</b>
<b>Family and community engagement</b>			
Family center plan	225,865	227,671	(1,806)
Family engagement resources	750,731	647,208	103,523
Tracking family engagement	96,336	67,162	29,174
Translation and interpretation services	308,675	253,482	55,193
<b>Total family and community engagement</b>	<b>1,381,607</b>	<b>1,195,523</b>	<b>186,084</b>
<b>Extracurricular activities</b>			
Extracurricular equitable access plan	163,950	86,673	77,277
Data reporting system	24,327	8,323	16,004
<b>Total extracurricular activities</b>	<b>188,277</b>	<b>94,996</b>	<b>93,281</b>

See accompanying notes to this schedule.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF DESEGREGATION EXPENDITURES - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
<b>Facilities and technology</b>			
Multi-year facilities plan	1,723,040	1,431,480	291,560
Multi-year technology plan	402,137	350,700	51,437
Technology professional development for classroom staff	842,713	730,617	112,096
<b>Total facilities and technology</b>	<u>2,967,890</u>	<u>2,512,797</u>	<u>455,093</u>
<b>Accountability and transparency</b>			
Evidence based accounting system implementation	1,445,004	1,057,792	387,212
Evidence based accounting system training and evaluation	408,654	305,875	102,779
Budget process and development	98,433	98,064	369
Budget audit	48,568	56,704	(8,136)
Notice and request for approval	-	-	-
<b>Total accountability and transparency</b>	<u>2,000,659</u>	<u>1,518,435</u>	<u>482,224</u>
<b>Other</b>			
Office for Civil Rights	7,921,168	7,498,400	422,768
Contingency	(1,408,485)	-	(1,408,485)
<b>Total other</b>	<u>6,512,683</u>	<u>7,498,400</u>	<u>(985,717)</u>
<b>Total desegregation expenditures</b>	<u><u>\$ 63,711,047</u></u>	<u><u>\$ 63,399,223</u></u>	<u><u>\$ 311,824</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, 2017**

**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.

As outlined in the Unitary Status Plan, section X.B., the District shall use the USP Expenditure plan to prepare a budget for the school district that shall include as part of that budget a separate section delineating the budget necessary to implement the terms of the Unitary Status Plan. This was further clarified and categories established by the USP Implementation Addendum of 2014, as presented in the Schedule of Desegregation Expenditures - Budget and Actual. This budget is approved annually by the District, Special Master, and Plaintiffs.

**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) unanticipated capital expenditures for transportation vehicles.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
SCHEDULE OF FINDINGS OF EXAMINATION  
YEAR ENDED JUNE 30, 2017**

**Finding No. 1:**

The District budgeted negative expenditures of \$1,408,485 for contingency in fiscal year 2016-17. 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 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.

**Finding No. 2:**

For two of 40 expenditures reviewed, the expenditure was not recorded properly in accordance with the Schedule of Desegregation Expenditures – Budget and Actual.

Budget Line Item	Description of expenditure	Expenditure amount
GSSR	Employee Training and PD Services	\$ 108.00
Annual Report	District Supplies	1,497.19

**Management’s Response:**

The expenditure was for registration for 10 students and 2 chaperones for this Career Day event hosted by the Arizona Diamondbacks. STEM, sports industry, and public service careers were exhibited. This expenditure was coded to 80602-GSRR in error as it should have been coded to 80511-GSRR as a Targeted Academic Intervention.

The furniture was purchased for the Desegregation department. The department is fully funded by 910(G) funds and budgets are split between the activities 80101-Internal Compliance Monitoring and 80102-Annual Report. In this case, the expenditure should have been coded to activity 80101-Internal Compliance Monitoring.