

APPENDIX X – 2

From: Taylor, Martha
Sent: Thursday, January 31, 2019 8:01 PM
To: Vicki Balentine; Alexander Chanock; James Eichner; Juan Rodriguez; Lois Thompson; Peter Beauchamp; Rubin Salter; Shaheena Simons; Willis D. Hawley
Cc: Desegregation; Converse, Bruce; Weatherless, Renee
Subject: FY18 Desegregation Examination of Expenditures
Attachments: Tucson Unified Examination of Desegregation Expenditures 2018.pdf

Dr. Hawley, Dr. Balentine, and counsel:

Attached is the FY18 Desegregation Examination of Expenditures that is due today.

Regards,
Martha

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
EXAMINATION OF DESEGREGATION EXPENDITURES
YEAR ENDED JUNE 30, 2018

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2018**

INDEPENDENT ACCOUNTANTS' REPORT	3
SCHEDULE OF DESEGREGATION EXPENDITURES – BUDGET AND ACTUAL	4
NOTES TO THE SCHEDULE OF DESEGREGATION EXPENDITURES – BUDGET AND ACTUAL	7



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INDEPENDENT ACCOUNTANTS' REPORT

Management of Tucson Unified School District No. 1
Tucson, Arizona

We have examined the accompanying Schedule of Desegregation Expenditures – Budget and Actual (Schedule) of Tucson Unified School District No. 1 (the District) for the year ended June 30, 2018. The District's management is responsible for the preparation and fair presentation of the Schedule in accordance with the criteria described in Note 1 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.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

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 Note 1 in all material respects, for the year ended June 30, 2018.

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Tucson, Arizona
January 31, 2019

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF DESEGREGATION EXPENDITURES- BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Expenditure by Activity:			
Compliance and Good Faith			
Internal Compliance Monitoring	\$ 1,356,648	\$ 1,239,542	\$ 117,106
Annual Report	191,383	187,410	3,973
Court Orders and Miscellaneous	797,487	779,325	18,162
Transition Plans	2,310,749	2,201,245	109,504
Total Compliance and Good Faith	4,656,267	4,407,522	248,745
Student Assignment			
Comprehensive Boundary Plan	155,871	125,794	30,077
Comprehensive Magnet Plan	8,532,251	8,453,688	78,563
Application and Selection Process	240,434	220,315	20,119
Marketing, Outreach, and Recruitment Plan	753,638	680,635	73,003
Student Assignment Professional Development	110,029	115,431	(5,402)
Total Student Assignment	9,792,223	9,595,863	196,360
Transportation			
Magnet Transportation	4,432,549	5,507,096	(1,074,547)
Incentive Transportation	4,432,549	5,780,336	(1,347,787)
Total Transportation	8,865,098	11,287,432	(2,422,334)
Administration and Certificated Staff			
Hire or Designate Unitary Status Plan Positions	-	-	-
Outreach, Recruitment and Retention Plan	580,031	551,089	28,942
Interview Committees/Instrument/Applicant Pool	-	-	-
Evaluate Applicant Offer Rejections	-	-	-
Diversity Assignment	415,000	443,122	(28,122)
Experience Assignment	380,306	582,752	(202,446)
Retention	-	-	-
Reduction in Force Plan	-	-	-
USP Related Professional Development and Support	1,078,386	777,793	300,593
First-Year Teacher Pilot Plan	4,271	121	4,150
Evaluation Instruments	108,285	107,295	990
New Teacher Induction Program	2,251,165	2,245,324	5,841
Teacher Support Plan	250	346	(96)
Aspiring Leaders Plan	266,000	10,179	255,821
PLC Training	326,986	305,846	21,140
USP Training Plan	-	-	-
Ongoing Professional Development on Hiring Process	-	-	-
Observations of Best Practices	36,905	35,419	1,486
Total Administration and Certificated Staff	5,447,585	5,059,286	388,299

See accompanying Notes to the Schedule of Desegregation Expenditures – Budget and Actual.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF DESEGREGATION EXPENDITURES- BUDGET AND ACTUAL
(CONTINUED)
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Quality of Education			
ALE Access and Recruitment Plan	5,749,484	5,677,015	72,469
UHS Admissions/Outreach/Recruitment	148,025	82,681	65,344
Pursue OELAS Extension	-	-	-
Build/Expand Dual Language Programs	3,125,870	3,285,093	(159,223)
Placement Policies and Practices	-	-	-
Dropout Prevention and Retention Plan	3,277,354	3,472,724	(195,370)
Data Dashboard (Flags and Policies)	-	-	-
Culturally Relevant Courses and Student Engagement Professional Development	454,845	281,496	173,349
Multicultural Curriculum	1,774,303	1,734,809	39,494
Culturally Relevant Courses	951,775	775,685	176,090
Targeted Academic Interventions and Supports	4,245,544	4,157,226	88,318
Quarterly Information Events	23,135	20,230	2,905
Collaborate with Local Colleges and Universities	288,764	256,845	31,919
AAAATF Recommendations	379,821	299,896	79,925
Referrals, Evaluations, and Placements	-	-	-
Supportive and Inclusive Environments	-	-	-
Total Quality of Education	20,418,920	20,043,700	375,220
Discipline			
Restorative Practices and PBIS	489,657	369,096	120,561
GSRR	201,592	197,773	3,819
Student Discipline Training for Sites	86,582	20,497	66,085
Discipline Roles and Responsibilities	-	-	-
Discipline Data Monitoring	6,549	6,301	248
Corrective Action Plans	-	-	-
Successful Site-Based Strategies	37,200	3,443	33,757
Total Discipline	821,580	597,110	224,470
Family and Community Engagement			
Family Center Plan	305,001	261,254	43,747
Family Engagement Resources	486,364	502,444	(16,080)
Tracking Family Engagement	84,751	84,461	290
Translation and Interpretation Services	266,131	236,875	29,256
Total Family and Community Engagement	1,142,247	1,085,034	57,213
Extracurricular Activities			
Extracurricular Equitable Access Plan	169,472	113,529	55,943
Data Reporting System	24,116	-	24,116
Total Extracurricular Activities	193,588	113,529	80,059

See accompanying Notes to the Schedule of Desegregation Expenditures – Budget and Actual.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF DESEGREGATION EXPENDITURES- BUDGET AND ACTUAL
(CONTINUED)
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Families and Technology			
Multi-Year Facilities Plan	1,031,370	971,155	60,215
Multi-Year Technology Plan	132,061	75,000	57,061
Technology Professional Development for Classroom Staff	1,092,618	841,437	251,181
Total Families and Technology	<u>2,256,049</u>	<u>1,887,592</u>	<u>368,457</u>
Accountability and Transparency			
Evidence Based Accounting System Implementation	1,387,945	1,016,368	371,577
Evidence Based Accounting System Training and Evaluation	425,820	430,390	(4,570)
Budget Process and Development	97,715	100,657	(2,942)
Budget Audit	62,000	55,456	6,544
Notice and Request for Approval	-	-	-
Total Accountability and Transparency	<u>1,973,480</u>	<u>1,602,871</u>	<u>370,609</u>
Other			
Office for Civil Rights	8,144,010	7,982,996	161,014
Contingency	-	-	-
Total Other	<u>8,144,010</u>	<u>7,982,996</u>	<u>161,014</u>
Total Desegregation Expenditures	<u><u>\$ 63,711,047</u></u>	<u><u>\$ 63,662,935</u></u>	<u><u>\$ 48,112</u></u>

See accompanying Notes to the Schedule of Desegregation Expenditures – Budget and Actual.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO THE SCHEDULE OF DESEGREGATION EXPENDITURES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018

NOTE 1 SUMMARY OF DESEGREGATION FUNDING

Arizona Revised Statutes (A.R.S.) Section 15-910(G) permits the Tucson Unified School District No. 1's (the 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 towards 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:

- 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.
- 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 towards remediating alleged or proving racial discrimination.
- For expenses related to implementation and operations of the English Language Learner program.

NOTE 2 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 judgements, are recorded only when payment is due.

As outlined in the USP, 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 USP. 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 and is filed with the court.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO THE SCHEDULE OF DESEGREGATION EXPENDITURES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018**

NOTE 3 BUDGET VARIANCES

Significant variances noted in the Schedule of Desegregation Expenditures – Budget and Actual are primarily due to (1) budgeted training being less than anticipated due to less substitute contract days utilized and training being handled internally at a reduced cost (2) unspent funds in relation to family engagement software not approved by the governing board, and (3) transportation costs being budgeted at 40% of overall District transportation costs and actual expenditures allowing for the priority reallocation to 50% of overall District transportation costs.



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