

BERKELEY UNIFIED SCHOOL DISTRICT

**MEASURE H OF 2014
PERFORMANCE AUDIT**

June 30, 2017

BERKELEY UNIFIED SCHOOL DISTRICT

MEASURE H OF 2014
PERFORMANCE AUDIT
June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Berkeley Unified School District
Berkeley, California

We have conducted a performance audit of the Berkeley Unified School District Measure H of 2014 for the year ended June 30, 2017.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 3 of this report which included determining that the District expended Measure H of 2014 funds for the year ended June 30, 2017 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure H of 2014 proceeds. Management is responsible for Berkeley Unified School District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of Berkeley Unified School District to determine the audit procedures that are appropriate for the purpose of providing a conclusion on the District's compliance with the requirements of the published election materials specifying the intended use of Measure H of 2014 proceeds, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express any assurance on the internal control.

The results of our procedures indicated that, in all significant respects, Berkeley Unified School District expended Measure H of 2014 proceeds for the year ended June 30, 2017 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure H of 2014 proceeds.



Crowe Horwath LLP

Sacramento, California
June 1, 2018

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE H OF 2014
BACKGROUND INFORMATION

SUMMARY

1. Measure H was authorized by an election of the registered voters of Berkeley Unified School District and extends the previous Measure BB parcel tax authorization for another 10 years. Measure H continues the existing special tax of 6.31 cents per square foot on residential buildings and 9.46 cents per square foot on commercial buildings, and \$20 on unimproved parcels with annual cost-of-living adjustments for 10 years, commencing with the 2013-14 tax year.
2. Total proceeds from parcel taxes for Measure H were \$5,896,343 for the year ended June 30, 2017.
3. For the fiscal year ending June 30, 2017, the District recorded expenditures of Measure H of 2014 parcel tax revenues of \$5,435,128.

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE H OF 2014
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSIONS

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure H of 2014 funds for the year ended June 30, 2017 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure H of 2014 proceeds.

SCOPE

The District provided to us a list of all Measure H of 2014 expenditures for the year ended June 30, 2017 (the "List"). An approximate total of 5,000 transactions were identified, representing \$5,435,128 in expenditures for the year ended June 30, 2017.

METHODOLOGY

1. Verified that the expenditures of the List were accounted for separately in the accounting records of the District.
2. Verified that the net revenues received from the parcel taxes were deposited in total into the District's Measure H of 2014 Fund.
3. Tested a sample of 36 individual expenditures, totaling \$299,630 of the List. Testing was performed to ensure that such expenditures were spent in accordance with the scope of the published election materials specifying the intended use of proceeds for the Measure.

CONCLUSIONS

The results of our procedures indicated that, in all significant respects, Berkeley Unified School District expended Measure H of 2014 funds for the year ended June 30, 2017 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure H of 2014 proceeds.