

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE A OF 2006
"BERKELEY SCHOOLS EXCELLENCE PROGRAM"
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 A of 2006, "Berkeley Schools Excellence Program" 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 A of 2006 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 A of 2006 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 A of 2006 Bond 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 A of 2006 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 A of 2006 proceeds.



Crowe Horwath LLP

Sacramento, California
June 1, 2018

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE A OF 2006
"BERKELEY SCHOOLS EXCELLENCE PROGRAM"
BACKGROUND INFORMATION

SUMMARY

1. Measure A of 2006 was authorized by an election of the registered voters of Berkeley Unified School District to support the quality of public education. Measure A of 2006 authorizes the collection of taxes of 22.80 cents per square foot on residential property, 34.36 cents per square foot on commercial property and \$50.00 for unimproved parcels, for a period of 10 years, beginning with the 2007-08 tax year. These rates may be adjusted for inflation every year. The funds raised are to be used for class size reduction, libraries, visual and performing arts programs, teacher training and academic support.
2. Total proceeds from parcel taxes for Measure A of 2006 were \$25,697,475 for the fiscal year ending June 30, 2017.
3. For fiscal year ending June 30, 2017, \$15,126,021 of Measure A parcel tax revenue was transferred to the District's unrestricted General Fund, for Class Size Reduction purposes, and release time for music.
4. For the fiscal year ending June 30, 2017, the District recorded expenditures of Measure A parcel tax revenues of \$9,554,262.

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE A OF 2006
"BERKELEY SCHOOLS EXCELLENCE PROGRAM"
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSIONS

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure A of 2006 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 A of 2006 proceeds.

SCOPE

The District provided to us a list of all Measure A of 2006 expenditures for the year ended June 30, 2017 (the "List"). An approximate total of \$9,554,262 in expenditures for the year ended June 30, 2017 were identified. The District provided to us schedules supporting the \$15,126,021, transferred to the General Fund for Class Size Reduction and Visual & Performing Arts purposes.

METHODOLOGY

1. Verified that the expenditures of the Fund 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 A of 2006 Fund.
3. Tested District calculations of Student Enrollment, Teacher FTE's and Teacher Compensation on the schedules supporting the transfer to the General Fund.
4. Tested that not more than 2% of revenues were allocated to Public Information, Translation Services and Support, and Planning & Oversight Committee.
5. Tested that the remaining revenues 66%, 10.25%, 6.25%, 7.25%, 1.25% and 9% of the revenues have been allocated to Class Size Reduction, School Discretionary Funds, Visual and Performing Arts, School Libraries, Parent Outreach, Professional Development, Educational Program Evaluation and Technology for Schools for the Measure A of 2006 Fund.
6. Selected a sample of 25 individual expenditures totaling \$132,155. Tested expenditures of each Resource Code ensuring that such expenditures were spent in accordance with the scope of the published material specifying the intended use of proceeds for Measure A of 2006.

CONCLUSION

The results of our procedures indicated that, in all significant respects, Berkeley Unified School District expended Measure A of 2006 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 A of 2006 proceeds.
