

BERKELEY UNIFIED SCHOOL DISTRICT

**MEASURE E
“BERKELEY EDUCATORS RECRUITMENT AND RETENTION ACT”
PERFORMANCE AUDIT**

June 30, 2021

BERKELEY UNIFIED SCHOOL DISTRICT

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"BERKELEY EDUCATORS RECRUITMENT AND RETENTION ACT"
PERFORMANCE AUDIT
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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 E, "Berkeley Educators Recruitment and Retention Act" (Measure E) for the year ended June 30, 2021.

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 E funds for the year ended June 30, 2021 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure E 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 E 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 E funds for the year ended June 30, 2021 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure E proceeds.



Crowe LLP

Sacramento, California
May 20, 2022

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE E
BACKGROUND INFORMATION

SUMMARY

1. Measure E was authorized by an election of the registered voters of Berkeley Unified School District (the "District") to support the quality of public education through compensation of its educators. Measure E authorizes the collection of taxes of \$12.4 cents per square foot on improvements, and \$25 per parcel on unimproved taxable property for a period of 12 years, beginning with the 2020-2021 tax year. These rates may be adjusted for inflation every year. The funds raised are to be used to recruit and retain qualified teachers and prevent shortages of essential school staff of the District.
2. Total proceeds from parcel taxes for Measure E were \$10,129,224 for the fiscal year ended June 30, 2021.
3. For the fiscal year ended June 30, 2021, the District recorded expenditures and indirect cost transfers out from Measure E parcel tax revenues totaling \$9,168,311.

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE E
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSIONS

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure E funds for the year ended June 30, 2021 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure E proceeds.

SCOPE

The District provided to us a list of all Measure E expenditures for the year ended June 30, 2021 (the "List"). A total of \$8,763,987 in expenditures, and \$404,324 in indirect cost transfers for the year ended June 30, 2021, were identified.

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 E fund.
3. Tested that not more than 1% of revenues were allocated to Public Information, Support, and Planning & Oversight.
4. Tested that of the remaining parcel tax revenues, 95% and 5% were allocated to Educator Compensation, and Recruitment & Retainment, respectively, from the Measure E fund.
5. Selected a sample of 1 individual Non-Payroll expenditures totaling \$85,580 and a sample of 28 individual Payroll expenditures totaling \$238,203. 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 E.

CONCLUSION

The results of our procedures indicated that, in all significant respects, Berkeley Unified School District expended Measure E funds for the year ended June 30, 2021 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure E proceeds.