

BERKELEY UNIFIED SCHOOL DISTRICT

**MEASURE E1 OF 2016
“BERKELEY PUBLIC SCHOOLS EDUCATIONAL EXCELLENCE ACT”
PERFORMANCE AUDIT
June 30, 2022**

BERKELEY UNIFIED SCHOOL DISTRICT
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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 E1 of 2016, "Berkeley Public Schools Educational Excellence Act" (Measure E1) for the year ended June 30, 2022.

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 E1 funds for the year ended June 30, 2022 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure E1 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 E1 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 E1 funds for the year ended June 30, 2022 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure E1 proceeds.



Crowe LLP

Sacramento, California
April 18, 2023

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE E1 OF 2016
BACKGROUND INFORMATION

SUMMARY

1. Measure E1 was authorized by an election of the registered voters of Berkeley Unified School District to support the quality of public education. Measure E1 authorizes the collection of taxes of \$.37 cents per square foot on taxable property for a period of 8 years, beginning with the 2017-2018 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 E1 were \$35,455,324 for the fiscal year ending June 30, 2022.
3. For fiscal year ending June 30, 2022, \$17,181,599 of Measure E1 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, 2022, the District recorded expenditures and indirect cost support transfers of Measure E1 parcel tax revenues totaling \$17,372,823.

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE E1 OF 2016
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSIONS

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure E1 funds for the year ended June 30, 2022 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure E1 proceeds.

SCOPE

The District provided to us a list of all Measure E1 expenditures for the year ended June 30, 2022 (the "List"). A total of \$15,655,381 in expenditures, and \$1,717,442 in indirect cost transfers for the year ended June 30, 2022, were identified. The District also provided to us schedules supporting the \$17,181,599 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 E1 Fund.
3. Tested District calculations and journal entries of Class Size Reduction and Visual and Performing Arts on the schedules supporting the contribution to the unrestricted General Fund totaling \$17,181,599.
4. Tested District journal entries for the allocation of indirect costs from the Measure E1 Fund to the unrestricted General Fund totaling \$1,717,442.
5. Tested that not more than 2% of revenues were allocated to Public Information, Translation Services and Support, and Planning & Oversight Committee.
6. Tested that of the remaining parcel tax revenues, 66%, 27%, and 7% were allocated to High Quality Instruction, Essentials for Excellence, and Effective Student Support for Schools, respectively, from the Measure E1 fund.
7. Selected a sample of 25 individual Non-Payroll expenditures totaling \$710,453 and a sample of 25 individual Payroll expenditures totaling \$109,707. 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 E1.

CONCLUSION

The results of our procedures indicated that, in all significant respects, Berkeley Unified School District expended Measure E1 funds for the year ended June 30, 2022 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure E1 proceeds.