Berkeley

PUBLIC SCHOOLS/
Berkeley Unified School District

MEASURE BB Of 2000 AND
MEASURE H Of 2014

fINANCIAL STATEMENTS AND
PERfORMANCE AUDIT

JUNE 30, 2014

BERKELEY UNIFIED SCHOOL DISTRICT Berkeley. California

MEASURE BB OF 2000 AND MEASURE H OF 2014 FINANCIAL STATEMENTS
June 30. 2014

BERKELEY UNIFIED SCHOOL DISTRICT Berkeley. California

MEASURE BB OF 2000 AND MEASURE H OF 2014 FINANCIAL STATEMENTS
June 30. 2014

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INDEPENDENT AUDITOR’S REPORT

Board of Trustees
Berkeley Unified School District
Berkeley, California

Report on the Financial Statements

We have audited the accompanying financial statements of Berkeley Unified School District (the District”) Measure BB of 2000 and Measure H of 2014 included in the General Fund of the District (“Measure BB of 2000 and Measure H of 2014’), as of and for the year ended June 30, 2014, and the related notes to the financial statements as listed in the Table of Contents,

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America: this includes the design. implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or
error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. issued by the Comptroller General of the United States of America. Those standards require that we plan
and perform the audit to obtain reasonable assurance about whether the financial statements are free of
material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in
the financial statements. The procedures selected depend on the auditor’s judgment, including the
assessment of the risks of material misstatement of the financial statements, whether due to fraud or
error. In making those risk assessments, the auditor considers internal control relevant to the entity9.7 276.5 242.1 9.7

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Berkeley Unified School Districts Measure BB of 2000 and Measure H of 2014 as of June 30, 2014. and the changes n financial position for the year then ended. in conformity wth accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 the financial statements present only the financial activity and balances of Measure BB of 2000 and Measure H of 2014 only, and do not purport to, and do

ASSETS

BERKELEY UNIFIED SCHOOL DISTRICT MEASURE SB OF 2000 and MEASURE H OF 2014 BALANCE SHEET
June 30. 2014

Cash (Note 2)
Receivables

Total assets

LIABILITIES AND FUND BALANCE

Accounts payable
Due to Unrestricted General Fund

Total liabilities

Fund balance — restricted (Note 3)

Total liabilities and fund balance

See accompanying notes to financial statements.

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321730

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S 312756
412,373

725,129

735,371

$ 1.460.500

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BERKELEY UNIFIED SCHOOL DISTRICT MEASURE 68 OF 2000 AND MEASURE H OF 2014 STATEMENT OF REVENUES. EXPENDITURES AND CHANGE IN FUND BALANCES
For the Year Ended June 30. 2014

Revenues:
Parcel tax $ 5759341
Interest 1878
Other local revenue 84.980

Total revenues 5846.199

Expenditures:
Classified salaries 2.253,492
Employee benefits 874.234
Books and services 498495
Services and other 2.055.995
Capital outlay 72.514

Total expenditures 5754,730

Excess of revenues over expenditures 91,469

Other uses:

Transfer to Unrestricted General Fund (387.293)

Net change in fund balance (295.824)

Fund balance—beginning 1.031.195

Fund balanceUnr142 456.6 3Nbaladitu

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BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE BE OF 2000 AND MEASURE H OF 2014 NOTES TO FINANCIAL STATEMENTS
June 30. 2014

NOTE I -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Berkeley Unified School District (the “District) conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practices within California School Districts. The District accounts for its financial transactions in accordance with policies and procedures of the Department of Education’s California School Accounting Manual. The activities of the Measure EB of 2000 and Measure H of 2014 are recorded along with other activities in the District’s General Fund. The following is a summary of the more significant accounting policies:

Financial Reporting Entity: The financial statements include the financial activity of Measure BE of 2000 and Measure H of 2014 only. The Fund was established to account for the revenues and expenditures of Measure BE of 2000 and Measure H of 2014. These financial statements are not intended to

BERKELEY UNIFIED SCHOOL DISTRICT MEASURE SB OF 2000 AND MEASURE H OF 2014 NOTES TO FINANCIAL STATEMENTS June 30. 2014

NOTE 2— CASH (Continued)

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Alameda County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited monthly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the Districts deposits are maintained in a recognized pooled investment fund under the care of a third party and the District’s share of the pool does not consist of specific. identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws! the Alameda County Treasurer may invest in derivative securities. However! at June 30! 2014, the Alameda County Treasurer has represented that the Treasurers pooled investment fund

Crowe Horwath, Crowe Horwath LLP

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INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Districts Measure SB of 2000 and Measure H of 2014 financial statements are free of material misstatement. we performed tests of Measure SB of 2000 and Measure H of 2014 comphance with certain provisions of laws! regulations! contracts, and grant agreements. noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance wfth those provisions was not an objective of our audit and, accordingly. we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing! and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance for Measure SB of 2000 and Measure H of 2014. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entitys internal control and compliance for Measure SB of 2000 and Measure H of 2014. Accordingly. this communication is not suitable for any other purpose

Crowe Horwath LLP

Sacramento! California
December 18! 2014

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BERKELEY UNIFIED SCHOOL DISTRICT MEASURE BB OF 2000 AND MEASURE H OF 2014 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2014

No matters were reported.

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BERKELEY UNIFIED SCHOOL DISTRICT MEASURE SB OF 2000 AND MEASURE H OF 2014 SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS For the Year Ended June 30. 2014

No matters were reported

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BERKELEY UNIFIED SCHOOL DISTRICT

Berkeley, California

MEASURE BB OF 2000 AND MEASURE H OF 2014 PERFORMANCE AUDIT
June 30, 2014

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BERKELEY UNIFIED SCHOOL DISTRICT MEASURE SB OF 2000 AND MEASURE H OF 2014 OBJECTIVES. SCOPE. METHODOLOGY AND CONCLUSIONS

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure SB of 2000 and Measure H of 2014 funds for the year ended June 30. 2014 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure BB of 2000 and Measure H of 2014 proceeds.

SCOPE

The District provided to us a list of all Measure BB of 2000 and Measure H of 2014 expenditures for the year ended June 30, 2014 (the ‘List). An approximate total of 6,000 transactions were identified. representing $5,754,730 in expenditures for the year ended June 30. 2014.

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 SB of 2000 and Measure H of 2014 Fund.

3. Tested a sample of 40 40