cmwe Horwath

BERKELEY UNIFIED SCHOOL DISTRICT

Berkeley, California

MEASURE A OF 2006
“BERKELEY SCHOOLS EXCELLENCE PROGRAM”

FINANCIAL STATEMENTS
June 30, 2014

Crowe Horwath
Crowe Horwath LLP
InciendenI Member Crowe torwaTh fr,temaoona.

INDEPENDENT AUDITORS REPORT

Board of Trustees
Berkeley Unified School District
Berkeley, Cahfomia

Report on the Financial Statements

We have audited the accompanying financial statements of Berkeley Unified School

Opinion
In our opinion, the

—

— e t

BERKELEY UNIFIED SCHOOL DISTRICT

MEASURE A OF 2006 FUND

BALANCE SHEET

June 30,2014

Professional

Development,

Educational
Public Program

Information

BERKELEY UNIFIED SCHOOL DISTRICT

MEASURE A OF 2006 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE

For the Year Ended June 30, 2014

Professional

Development,

Educational
Public Program

Information Evaluation Parent

Visual and Planning and Outreach Unrestricted School Performing and Technology and General Class Size Discretionary Arts Oversight for Schools Translation School Education Reduction Funds Programs Committee Resource Services Libraries Total Resource Resource Resource Resource Resource 0855 Resource Resource Measure A 0000 0841 0852 0853 0854 085610862 0857 0860 of 2006 Revenues:

Special taxes $ 447.764 S 15.984.697 S 2.482,472 $ 1.513.702 $ 494,271 $ 2.180,731 S 302.740 S 1,755.894 $25,162,271 Interest 19,939

-

-

-

-

- 19.939 Otherlocal revenue

-

- 538

- 36 45 619 Contribution to unrestricted

General Fund (12,688,646) - (412448)

____

(13,101,094)

Total revenues 467,703 3,296,051 2,483,010 1,101254 494,271 2,180,731 302,776 1,755,939 12,081,735

Expenditures:

Certificated salaries

- 2,062500 812,700 706,742 - 889,735 1.821 587,000 5,060.498 Classified salaries (project

management) -

- 601,932 48,853 314,745 478,927 196,498 472,272 2,113,226 Employee benefits

- 549,207 366,111 180,382 111415 414,186 61,761 372,712 2,055,773 Books and supplies -

- 209,460 84,805 6.128 82,932 3.113 172,302 558,741 Contract services 474,232 324,162 82,545 78,652 77,866 34,481 55,297 1.127,235

Total expenditures 474,232 2611,707 2.314,364 1,103,326 510,940 1,943,647 297.673 1,659,583 10,915.473

(Deficiency) excess of revenues

(under) over expenditures (6,529) 684,344 168,646 (2,072) (16.669) 237,084 5,103 96,356 1,166,261

Other uses:

Transfer of indirect costs to

Unrestricted General Fund (1,029,714) (155.757) (102,012) - (130.807) (20,033) (111.690) (1,550,013)

Net change in fund balance (6,529) (345.369) (12,889) (104,084) (16.669) 106,276 (14,931) (15,334) (383,751)

Fund balance, beginning of year 918,432 901,809 610,110 272256 338,207 308,539 318,462 537,763 4,205,579

Fund balance, end of year $9.IUO,3 55&44O L?Z =4MZ2 L=-fl _A1ti L224 3JZ1

See accompanying notes to financial statements.

4.

BERKELEY UNIFIED SCHOOL DISTRICT
MEASURE A OF 2006 FUND
NOTES TO FINANCIAL STATEMENTS
June 30! 2014

NOTE I — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Berkeley

BERKELEY UNIFIED SCHOOL DISTRICT MEASURE A OF 2006 FUND
NOTES TO FINANCIAL STATEMENTS June 30. 2014

NOTE 2— CASH AND INVESTMENTS

Cash and investments held on behalf of the Fund of Berkeley Unified School District consist of deposits in the County of Alameda Treasury.

Cash in County Treasury: 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 poo 1.Because the District’s 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 Treasurer’s pooled investment fund contained no derivatives or other investments with similar risk profiles.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2014, the District had no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2014, the District had no concentration of credit risk.

NOTE 3- FUND BALANCE CLASSIFICATION

Governmental Accounting

BERKELEY UNIFIED SCHOOL DISTRICT MEASURE A OF 2006 FUND
NOTES TO FINANCIAL STATEMENTS June 30, 2014

NOTE 3 — FUND BALANCE (Continued)

While GASS Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Trustees. At June 30, 2014, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

7.

Crowe Horwath,

Crowe Hoiwath LLP
independent Menihe, Crowe Horwath tntemain,at

INDEPENDENT AUDITOR’S 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 Education
Berkeley Unified School District
Berkeley, California

We have audited the financial statements of Berkeley Unified School District (the “District’) Measure A of 2006, also referred to as ‘Berkeley Schools Excellence Program (Measure A of 2006)”, as of and for the year ended June 30. 2014, and have issued our report thereon dated December 18, 2014. 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,

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over Measure A of 2006 financial reporting. Accordingly. we do not express an opinion of the effectiveness of the District’s internal control over financial reporting for Measure A of 2006.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency. or a combination of deficiencies in internal control. such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged
with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

8.

Compliance and Other Mailers

As part of obtaining reasonable assurance about whether the District’s Measure A of 2006 financial statements are free of material misstatement, we performed tests of the Measure A of 2006 compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which
could have a direct

noncompliance are whether

ofarewe

BERKELEY UNIFIED SCHOOL DISTRICT MEASURE A OF 2006

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2014

No matters were reported.

10.

BERKELEY UNIFIED SCHOOL DISTRICT MEASURE A OF 2006

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2014

No matters were reported.

11.