

City of Berkeley

Berkeley, California

*Independent Accountant's Report on
Agreed-Upon Procedures Applied to
Measure T1 Tax Revenues*

For the period from July 1, 2021 to June 30, 2023

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and the Members of the City Council
of the City of Berkeley
Berkeley, California

We have performed the procedures enumerated below, which were agreed to by the City of Berkeley (City) (the specified party), on Measure T1 tax revenue of the City as of and for the period from July 1, 2021 to June 30, 2023. The City's management is responsible for the Measure T1 tax revenue of the City.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the financial statements of the City for the period from July 1, 2021 to June 30, 2023. Additionally, the City's users have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described below.

The agreed-upon procedures and associated findings are as follows:

- 1) Verify that the Measure T1 transactions were accounted for separately in the accounting records to allow for accountability.

Findings: No exceptions noted as a result of this procedure.

- 2) Verify that Measure T1 bond proceeds and accrued interest were deposited in total into the City's dedicated T1 accounts.

Findings: No exceptions noted as a result of this procedure.

- 3) Review and obtain an understanding of the Measure T1 Policies and Procedures Manual.

Findings: No exceptions noted as a result of this procedure.

- 4) Select twenty five Measure T1 expenditures and examine the supporting documentation to ensure that the expenditures were related to projects selected for funding and listed on the Measure T1 Projects List.

Findings: No exceptions noted as a result of this procedure.

- 5) Review of program controls:

- a) Verify that the City prepared a program level schedule every six months and that the schedule was part of the bi-annual reporting to the City Council.

Findings: No exceptions noted as a result of this procedure.

- b) Select a sample of five procurements and verify that the procurements were in accordance with the City's Purchasing Manual and Procurement Standards listed in the Measure T1 Policies and Procedures Manual.

Findings: No exceptions noted as a result of this procedure.

- c) Evaluate the City's existing T1 financial reports for effectiveness and accuracy in tracking expenditures at both the project and overall program level.

Findings: We noted that existing financial reports track expenditures incurred to date by project, but do not track progress to project completion or measure progress to completion against the budget. As such, projects that appear within budget may not have adequate remaining budget to fund additional expenditures needed for completion.

- d) Verify that all changes made to the projects list were properly approved by City Council.

Findings: No exceptions noted as a result of this procedure.

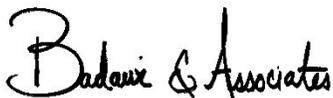
- e) Verify that Summary Quarterly Updates were prepared and posted on the Measure T1 website.

Findings: We noted a change in the City's protocol for the Summary Quarterly Updates. The City now uses GovDelivery, which is system that sends Quarterly Updates to T1 subscribers. In addition, the City has a new website, which is routinely updated with the status of projects.

We were engaged by the City to perform this engagement to apply agreed-upon procedures and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on Measure T1 tax revenue of the City as of and for the period from July 1, 2021 to June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City and is not intended to be and should not be used by anyone other than those specified parties.



Badawi and Associates
Certified Public Accountants
Berkeley, California
March 14, 2024