

**MEASURE "C"**  
**"Pittsburg Unified School District Excellence in Education Act of 2008"**

**PITTSBURG UNIFIED SCHOOL DISTRICT**

**AUDIT REPORT**

**For the Fiscal Year Ended**  
**June 30, 2011**

**MEASURE "C" EXCELLENCE IN EDUCATION ACT OF 2008  
PITTSBURG UNIFIED SCHOOL DISTRICT  
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June 30, 2011**

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INDEPENDENT AUDITORS' REPORT  
ON MEASURE "C" SCHEDULE OF REVENUES AND EXPENDITURES

Governing Board  
Pittsburg Unified School District  
Pittsburg, California

We have audited the accompanying Measure "C" Schedule of Revenues and Expenditures of Pittsburg Unified School District for the fiscal year ended June 30, 2011. This schedule is the responsibility of the Pittsburg Unified School District's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the schedule presents only the revenues and expenditures specific to the Pittsburg Unified School District's Measure "C", as approved by the voters on November 4, 2008, and is not intended to present fairly the financial position and results of operations of the Pittsburg Unified School District in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Measure "C" Schedule of Revenues and Expenditures referred to above presents fairly, in all material respects, the revenues and expenditures allowable under the Pittsburg Unified School District Quality Education Funding Renewal Measure for the fiscal year ended June 30, 2011.

This report is intended for the information and use of the Governing Board and management of Pittsburg Unified School District, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Christy White Accountancy Corporation*  
San Diego, California  
November 1, 2011

**MEASURE "C" EXCELLENCE IN EDUCATION ACT OF 2008  
PITTSBURG UNIFIED SCHOOL DISTRICT  
Notes to Financial Schedule  
June 30, 2011**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The accounting policies of the Pittsburg Unified School District, (the "District") conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The Pittsburg Unified School District accounts for their financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

**B. Financial Reporting Entity**

On November 4, 2008, the District voters passed the "Pittsburg Unified School District Excellence in Education Act of 2008", (Measure "C"). This Measure results in a tax of \$65 per parcel, with an annual increase by \$6 per year per parcel. The ballot measure also includes a senior exemption. Any parcel owned and occupied by a person sixty-five (65) years or older would be exempt from the parcel tax upon proper application to the district. The revenues raised by this Measure shall be used to prevent deterioration in the quality of public education in the City of Pittsburg in the face of cuts in funding for public schools, and to promote continued student achievement in the core curriculum.

**C. Financial Presentation**

The Measure requires that an annual expenditure plan be developed to recommend expenditures of the tax proceeds that are consistent with the intent of the Measure. For financial presentation purposes, the District has reported the District's Annual Measure "C" Schedule of Revenues and Expenditures.

**D. Accounting Method**

Revenue is recorded under the modified accrual method of accounting. Revenue consists of the special secured tax levy that attaches as an enforceable lien on property as of January 1st. Taxes are payable in two installments on November 1st and February 1st. The property taxes are payable in one installment on or before August 31st. The Contra Costa County Treasury (the County) bills and collects the taxes for the District. The District recognizes tax revenues when received. Expenditures are recorded under the modified accrual basis of accounting.

MEASURE "C" EXCELLENCE IN EDUCATION ACT OF 2008  
PITTSBURG UNIFIED SCHOOL DISTRICT  
Measure "C" Schedule of Revenues and Expenditures  
For the Fiscal Year Ended June 30, 2011

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	<u>BUDGET</u>	<u>REPORTED</u>
<b>Revenues Collected</b>		
Measure "C" Taxes Collected by the County	\$ 900,000	\$ 998,696
<b>Reported Expenditures</b>		
Teachers Salaries & Benefits - Elementary	490,061	397,095
Teachers Salaries & Benefits - High School	88,260	70,558
Teachers Salaries & Benefits - Mentor Teacher	-	42,581
Professional Services	17,620	7,076
Textbooks	90,000	-
Technology	65,500	-
Total Expenditures	<u>751,441</u>	<u>517,310</u>
Total Measure "C" Revenues Spent	<u>751,441</u>	<u>517,310</u>
Balance Used to Preserve Programs and Replace Funds Lost Due to Inadequate State Funding	<u>\$ 148,559</u>	<u>\$ 481,386</u>

The accompanying notes are an integral part of this schedule.

INDEPENDENT AUDITORS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Governing Board  
Pittsburg Unified School District  
Pittsburg, California

We have performed the agreed-upon procedures enumerated in Exhibit A, which were agreed to by the Pittsburg Unified School District for the purpose of determining compliance with the Pittsburg Unified School District Quality Education Funding Renewal Measure, as approved by the voters November 4, 2008, for the fiscal year ended June 30, 2011. This engagement to perform Agreed-Upon Procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated results, findings and recommendations are described in this report as Exhibits A, B & C, respectively.

This report is intended for the information and use of the Governing Board and management of Pittsburg Unified School District and is not intended to be and should not be used by anyone other than these specified parties who have agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Christy White Accountancy Corporation*

San Diego, California

November 1, 2011

**MEASURE "C" EXCELLENCE IN EDUCATION ACT OF 2008  
PITTSBURG UNIFIED SCHOOL DISTRICT  
Exhibit A – Agreed-Upon Procedures  
June 30, 2011**

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The Pittsburg Unified School District requested that the following agreed-upon procedures be performed.

- A. Agree the Measure "C" Schedule of Revenues and Expenditures for fiscal year 2010-11 to the District's general ledger.
- B. Obtain an understanding of the internal controls over the recording of revenues and expenditures for Measure "C."
- C. Select a sample of expenditures and determine District compliance with the expenditure provisions and restrictions in the Pittsburg Unified School District Excellence in Education Act. Specifically that proceeds of the Excellence in Education Act shall be authorized to be used to provide financial support to school programs and activities as follows:
  - Expand student access to technology and computers.
  - Expand the number of college preparatory, honors and advanced placement classes.
  - Maintain essential programs and materials.
  - Keep class size small in the early grades.
  - Attract and retain highly qualified teachers.
- D. Provide a written report on the schedule of revenues and expenditures along with results of the above procedures performed.

**MEASURE "C" EXCELLENCE IN EDUCATION ACT OF 2008  
PITTSBURG UNIFIED SCHOOL DISTRICT  
Exhibit B – Findings and Recommendations  
June 30, 2011**

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The following results are based upon the performance of the agreed-upon procedures as discussed in Exhibit A.

**Agreed-Upon Procedure A:** Agree the Measure "C" Schedule of Revenues and Expenditures for fiscal year 2010-11 to the District's general ledger.

**Results:** For the year fiscal year ended June 30, 2011, revenues and expenditures reported by the Pittsburg Unified School District for Measure "C" are included in the general ledger of the District.

**Agreed-Upon Procedure B:** Obtain an understanding of the internal controls over the recording of revenues and expenditures for Measure "C."

**Results:** Internal controls over the revenues and expenditures for Measure "C" appear to be sufficient and in operation as designed. There were no exceptions noted.



**MEASURE "C" EXCELLENCE IN EDUCATION ACT OF 2008  
PITTSBURG UNIFIED SCHOOL DISTRICT  
Exhibit B – Findings and Recommendations (continued)  
June 30, 2011**

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**Agreed-Upon Procedure C:** Select a sample of expenditures and determine District compliance with the expenditure provisions and restrictions in the Pittsburg Unified School District Excellence in Education Act. Specifically that proceeds of the Excellence in Education Act shall be authorized to be used to provide financial support to school programs and activities as follows:

- Expand student access to technology and computers.
- Expand the number of college preparatory, honors and advanced placement classes.
- Maintain essential programs and materials.
- Keep class size small in the early grades.
- Attract and retain highly qualified teachers.

**Results:** The auditor tested the contract services expenditures provided by Francisco & Associates plus the salaries of 5 teachers charged to the parcel tax during fiscal year 2010-11. We determined the expenditures were allowable, supported by adequate documentation, and were appropriately coded to the general ledger Measure "C" records.

In addition, the District spent \$481,386 or 48% of the parcel tax revenue in 2010-11 to preserve programs and replace funds lost due to inadequate state funding. The ballot language permits funds to be used to "maintain essential programs and materials." The District did not specify the exact nature of the programs maintained. We concur with the District's position that absent parcel tax funding, many programs would suffer given current State funding shortfalls. Therefore, we find the \$481,386 amount "allowable" on that premise. However, to clearly demonstrate compliance we would recommend that specific expenditures be identified in the future, charged against Measure "C" and itemized by type in the Schedule of Measure "C" expenditures included in this report.

**Agreed Upon Procedures D:** Provide a written report on the schedule of revenues and expenditures along with results of the above procedures performed.

**Results:** This report satisfies agreed upon procedure D.

**MEASURE "C" EXCELLENCE IN EDUCATION ACT OF 2008  
PITTSBURG UNIFIED SCHOOL DISTRICT  
Exhibit C – Prior Year Findings and Recommendations  
June 30, 2011**

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**Prior Year Finding: Identification of Programs Maintained Due to Funding From Parcel Tax Revenues**

The District did not specify the exact nature of the programs maintained. We concur with the District's position that absent parcel tax funding, many programs would suffer given current State funding shortfalls. Therefore, we find the \$259,958 amount "allowable" on that premise. However, to clearly demonstrate compliance we would recommend that specific expenditures be identified in the future, charged against Measure "C" and itemized by type in the Schedule of Measure "C" expenditures included in this report.