

Eureka City Schools
Citizens' Oversight Committee
For Bond Measures S and T

SIXTH ANNUAL REPORT TO THE COMMUNITY

July 1, 2007 – June 30, 2008

This is the sixth annual report to the community by the Citizens' Oversight Committee concerning the status of two school improvement bond measures approved by Eureka voters in March 2002. Bond Measure T authorized \$10.6 million for the elementary schools, and Bond Measure S authorized \$32.5 million for the middle and high schools. Pursuant to state law, the Eureka City Schools' Governing Board appointed a Citizens' Oversight Committee, an independent committee representing various segments of the community, to inform the public regarding bond construction projects and their costs, and to ensure the projects are within the scope of the bond measures.

Project Report

In the year ended June 30, 2008, a total of \$6,993,140 was expended for bond measure projects, \$76,270 related to Bond Measure T for elementary schools and \$6,916,870 related to Bond Measure S for middle and high schools, on projects described as follows:

Alice Birney Elementary School (\$1,210)

An enclosure was constructed for the trash receptacle.

Grant Elementary School (\$41,228)

Expenditures include utilities and inspection fees for the completion of the new modular buildings that replaced older dilapidated classrooms.

Lafayette Elementary School (\$33,832)

Data infrastructure was upgraded and equipment in the student services area was replaced.

Eureka High School Annex (\$3,113)

An exhaust hood was installed in the Art building.

Winship Middle School (\$3,979)

Repair was made to the school-bell system and motion detectors were installed. Project closeout costs included fees for the Division of the State Architect.

Zane Middle School (\$7,678)

Utility lines were rerouted around modular classrooms. Project closeout costs included fees for the Division of the State Architect.

Eureka High School (\$6,902,100)

Work continued at the high school from 2006-07. Work in the Main Building primarily focused on seismic and disability access upgrades. Elevators were installed in the Main Building and the Industrial Arts Building. Infrastructure upgrades included electrical, sewer, and fire alarm. Restrooms, walkways, and entryways of renovated buildings were upgraded to meet disability access standards. All ceilings

were painted. Work began for replacement of the gymnasium floor and roof, including new skylights and heating/ventilation equipment. Work also began on installing a retaining wall to the east of the Industrial Arts Building to stabilize the falling slope. Works continues on a Community Media Center in the renovated Industrial Arts Building.

Additional Revenue

In addition to providing support for facility modernization efforts, the bond funds also qualified the District for state matching funds. State match fund amounts are determined by a formula that evaluates specific aspects for each eligible site. Qualified site funds are then matched by District bond funds on a 60 percent District to 40 percent state-match ratio. The state-match funds secured by District Bond funds totaled \$4,511,558 for the elementary bond (Measure T) and \$15,336,494 for the middle/high school bond (Measure S) since the inception of the bonds.

The District also continues to earn interest on bond proceeds that have been deposited and invested through the Humboldt County Treasurer's Office. Since the inception of the bonds, interest earned and other local income through Measure T bond proceeds is \$604,727; interest earned through Measure S bond proceeds is \$2,434,557. These funds have been redirected into the various bond projects.

As of June 30, 2008, the remaining balance in Bond Measure T is \$99,145 and remaining balance in Bond Measure S is \$3,871,976. See Attachment A for a financial history of the bond measures.

Findings and Conclusion

The Citizens' Oversight Committee believes, based on the opinion expressed by the auditing firm, that expenditures of Measures T and S bond proceeds have been properly made for projects generally described in the bond measures, and that no bond funds have been spent on District operating expenses through June 30, 2008.

The firm of Perry-Smith, LLP Accountants of Sacramento, conducted an independent financial and performance audit. In the opinion of the auditing firm, each of the expenditures tested "represented valid Bond expenditures, were properly charged to the location indicated, were properly coded as to the nature of the expenditure, and were determined to represent construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and were not spent for salaries or other administrative expenses."

Respectfully submitted by the Citizens' Oversight Committee Members:

Sue Alton, Chair (At-large)
Marianne Hutchins (School District/Parent-Teacher Organization)
Ralph Lindstrom (Business Community)
Lynn McKenna (Taxpayer Organization)
Heidi McLean (School District/Parent-Teacher Organization)
Theresa Nelson (At-large)
Nancy Pritchard, Vice Chair (Senior Citizens Organization)

Approved: February 10, 2009

Financial Report

The table below, provided by Eureka City Schools, shows expenditures by school facility by fiscal year (July 1 through June 30) since the inception of the school improvement bond measures:

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Total
Measure T (Fund 22)							
Alice Birney		\$122,806	\$668,355	\$1,485,882	\$149,097	\$1,210	\$2,427,350
Grant		143,067	371,637	909,183	3,029,060	41,228	4,494,175
Jefferson		102,937	174,544	5,513			282,994
Lafayette	\$25,951	580,203	260,867	676,566	2,241,826	33,832	3,819,245
Lincoln	8,067	199,096	187,478	28,774	291		423,706
Washington	6,862	362,065	746,489	2,506,411	6,247		3,628,074
Worthington		4,926	2,568				7,494
Winzler		2,231	201				2,432
Corpyard		32,814	253				33,067
Central Kitchen		2,325					2,325
Powerschool/computers	131,311	-8,159					123,152
Bond Issue Costs	31,868	-4,400	1,830				29,298
Expenditure Credit					-98,401		-98,401
Measure T Total	\$204,059	\$1,539,911	\$2,414,222	\$5,612,329	\$5,328,120	\$76,270	\$15,174,911
Measure S (Fund 23)							
Eureka High Annex (Marshall)		63,043	742,288	3,595,454	235,470	3,113	4,639,368
Winship	23,697	611,110	3,068,443	4,020,059	105,367	3,979	7,832,655
Zane	6,265	597,638	3,758,452	4,676,372	240,937	7,678	9,287,342
Eureka High	95,878	983,087	3,261,187	3,411,850	10,682,384	6,902,100	25,336,486
Jacobs	8,689	142,210	48,774	-20,497			179,176
Corp Yard		95,712	591		2,284		98,587
Central Kitchen		184,825	1,496,664	231,590	17,531		1,930,610
Bond Issue Costs	10,678	-4,400	5,388		84,961		96,627
Powerschool/computers	231,737	-51,882					179,855
Expenditure Credit					-65,297		-65,297
Measure S Total	\$376,944	\$2,621,343	\$12,381,787	\$15,914,828	\$11,303,637	\$6,916,870	\$49,515,409
TOTAL	\$581,003	\$4,161,254	\$14,796,009	\$21,527,157	\$16,631,757	\$6,993,140	\$64,690,320