

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

EIGHTH ANNUAL REPORT TO THE COMMUNITY

July 1, 2009 – June 30, 2010

This is the eighth 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, 2010, a total of \$1,441,933 was expended for bond measure projects, \$94,468 related to Bond Measure T for elementary schools and \$1,347,465 related to Bond Measure S for middle and high schools, on projects described as follows:

Measure T

Lafayette (\$94,468)

Architect/engineering/inspection fees and construction costs for alterations to the cafeteria

Measure S

Eureka High Annex (Marshall) (\$99,212)

- Construction of an accessible ramp at the main entrance (\$92,323)
- Architect design review for potential remodeling of facility (\$6,889)

Winship Junior High (\$10,483)

- Gym lighting retrofit (\$5,118)
- Phone system upgrade (\$4,650)
- Inspection fees (\$715)

Zane Junior High (\$188,260)

- Gym lighting retrofit (\$6,743)
- Phone system upgrade (\$140,272)
- Concrete flat work (\$27,961)
- Surveillance system for the Tech Center (\$12,549)
- Inspection fees (\$735)

Eureka High (\$1,015,669)

- Gymnasium: Work began on the maintenance of the roof and lighting (\$27,351)
- Weight Room and Girl's Locker Room: roof renovation (\$29,033)
- Landscaping Upgrades: sidewalks, driveways, fencing, retaining wall maintenance, benches (\$59,289)
- Auto Shop: roof renovation (\$54,733)

- Community Media Center: construction was completed in the renovated Industrial Arts Building (\$480,279)
- Science and Main Building: roof renovation (\$269,058)
- Miscellaneous: boiler room bell control modification, surveillance system, inspection fees, OPSC Audit, construction management, (\$95,926)

Central Kitchen (\$22,841)

- Equipment upgrades

Arbitrage Analysis (\$11,000)

- An analysis was required to determine if the district was in compliance with regulations relating to bond funds that were not expended within the initial timeframe

Additional Revenue

In addition to providing support for facility modernization efforts, the bond funds also qualified the District for state matching funds. State matching 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. No matching funds were received during 2009-10.

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 \$608,299; interest earned through Measure S bond proceeds is \$2,548,622. These funds have been redirected into the various bond projects.

As of June 30, 2010, Bond Measure T has been fully expended; the remaining balance in Bond Measure S is \$900,828. 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 Measures S and T bond proceeds have been properly expended only on the specific projects listed.

The firm of Perry-Smith, LLP Accountants of Sacramento, conducted an independent performance audit. In the opinion of the auditing firm, “Eureka City Unified School District expended Measure S and Measure T General Obligation Bond funds for the year ended June 30, 2010 only for the purposes approved by the voters and only on the specific projects developed by the District’s Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section (1)(b)(3)C of Article XIII A of the California Constitution.”

Respectfully submitted by the Citizens’ Oversight Committee Members:

Sue Alton, Chair (At-large)
 Ralph Lindstrom (Business Community)
 Lynn McKenna (Taxpayer Organization)
 Theresa Nelson (At-large) left committee August 2010

Marianne Hutchins (School District/Parent-Teacher Organization)
 Heidi McLean, Secretary (School District/Parent-Teacher Organization)
 Nancy Pritchard, Vice Chair (Senior Citizens Organization)
 Ann Diehl (At-large) joined committee November 2010

Approved: March 29, 2011

Financial Report**Attachment A**

The table below 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	2008-09	2009-10	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	196		\$4,494,371
Jefferson		102,937	174,544	5,513					\$282,994
Lafayette	\$25,951	580,203	260,867	676,566	2,241,826	33,832	8,693	94,468	\$3,922,406
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
Winship Elem							1,686		\$1,686
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
Transfer from General Fund								-2,326	-\$2,326
Measure T Total	\$204,059	\$1,539,911	\$2,414,222	\$5,612,329	\$5,328,120	\$76,270	\$10,575	\$92,142	\$15,277,628
Measure S (Fund 23)									
Eureka High Annex (Marshall)		63,043	742,288	3,595,454	235,470	3,113	7,300	99,212	4,745,880
Winship	23,697	611,110	3,068,443	4,020,059	105,367	3,979	3,506	10,483	7,846,644
Zane	6,265	597,638	3,758,452	4,676,372	240,937	7,678	7,330	188,260	9,482,932
Eureka High	95,878	983,087	3,261,187	3,411,850	10,682,384	6,902,100	1,705,063	1,015,669	28,057,218
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		14,549	22,841	1,968,000
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
Arbitrage Analysis								11,000	11,000
Measure S Total	\$376,944	\$2,621,343	\$12,381,787	\$15,914,828	\$11,303,637	\$6,916,870	\$1,737,748	\$1,347,465	\$52,600,622
TOTAL	\$581,003	\$4,161,254	\$14,796,009	\$21,527,157	\$16,631,757	\$6,993,140	\$1,748,323	\$1,439,607	\$67,878,250