

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

FIFTH ANNUAL REPORT TO THE COMMUNITY

July 1, 2006 – June 30, 2007

This is the fifth 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, 2007, a total of \$16,631,757 was expended for bond measure projects, \$5,328,120 related to Bond Measure T for elementary schools and \$11,303,637 related to Bond Measure S for middle and high schools, on projects described as follows:

Alice Birney Elementary School (\$149,097)

Damaged siding was removed on the south side of the center classroom wing and dry rot was repaired.

Grant Elementary School (\$3,029,060)

Classroom interiors were remodeled for increased efficiency, upgraded code compliance, improved lighting, and new ceilings and flooring. New modular classrooms replaced older units that were in disrepair. All restrooms, walkways, and entryways were upgraded to meet disability access standards. Infrastructure upgrades included data, phone, water, sewer, clock, and fire alarm. A new entry/student services wing was constructed, and the parking lot was expanded to improve traffic flow.

Lafayette Elementary School (\$2,241,826)

Classroom interiors were remodeled for increased efficiency, upgraded code compliance, improved lighting, and new ceilings and flooring. New modular classrooms replaced older units that were in disrepair. All restrooms, walkways, and entryways were upgraded to meet disability access standards. Infrastructure upgrades included data, phone, water, sewer, clock, and fire alarm. A new library was constructed in the former kindergarten building, complete with computer access for students. New metal roofing was installed on each building receiving renovations.

Eureka High School Annex (\$235,470)

Project management fees were reallocated from the Eureka High School project to the Annex project based on actual Annex expense totals.

Winship Middle School (\$105,367)

New pavement was placed on the north side of the campus along with the installation of a curbed ramp for food-service deliveries. Casework was installed in various areas of the campus including classrooms and student services areas. Project closeout costs include fees for the Division of the State Architect and final construction management.

Zane Middle School (\$240,937)

Sidewalks that exceeded the allowable slope for disability access standards were replaced at the locker room entrances and at the Sixth Grade classroom building. Site drainage at the Girls' Locker Room entrance was improved to eliminate water collection.

Eureka High School (\$10,682,384)

The industrial arts building was renovated and houses a lecture hall and computer classrooms. Work continues into 2007-08 for a community media center. Work in the main building was primarily focused on seismic and disability access upgrades. All ceilings were painted and new carpet was installed in the administration wing. Infrastructure upgrades included electrical, sewer, and fire alarm. Elevators were installed in the Main Building and in the Industrial Arts Building. Restrooms, walkways, and entryways of renovated buildings were upgraded to meet disability access standards. The cafeteria patio has been renovated and a campus quad is being constructed. A new service drive was created at the cafeteria entrance. Work will continue on this project into 2007-08.

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 through Measure T bond proceeds is \$589,543; interest earned through Measure S bond proceeds is \$2,131,738. These funds have been redirected into the various bond projects.

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, 2007.

The firm of Perry-Smith, LLP Accountants of Sacramento, conducted an independent financial and performance audit. In the opinion of the auditing firm, based on their test of the expenditures, 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: January 22, 2008

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:

	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>Total</u>
Measure T (Fund 22)						
Alice Birney		\$122,806	\$668,355	\$1,485,882	149,097	\$2,426,140
Grant		143,067	371,637	909,183	3,029,060	4,452,947
Jefferson		102,937	174,544	5,513		282,994
Lafayette	\$25,951	580,203	260,867	676,566	2,241,826	3,785,413
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
	<u>\$204,059</u>	<u>\$1,539,911</u>	<u>\$2,414,222</u>	<u>\$5,612,329</u>	<u>\$5,328,120</u>	<u>\$15,098,641</u>
Measure S (Fund 23)						
Eureka High Annex (Marshall)		\$63,043	\$742,288	\$3,595,454	235,470	\$4,636,255
Winship	\$23,697	611,110	3,068,443	4,020,059	105,367	7,828,676
Zane	6,265	597,638	3,758,452	4,676,372	240,937	9,279,664
Eureka High	95,878	983,087	3,261,187	3,411,850	10,682,384	18,434,386
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
	<u>\$376,944</u>	<u>\$2,621,343</u>	<u>\$12,381,787</u>	<u>\$15,914,828</u>	<u>\$11,303,637</u>	<u>\$42,598,539</u>
Grand Total	\$581,003	\$4,161,254	\$14,796,009	\$21,527,157	\$16,631,757	\$57,697,180