

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

NINTH ANNUAL REPORT TO THE COMMUNITY

July 1, 2010 – June 30, 2011

This is the ninth 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, 2011, a total of \$989,721 was expended for projects related to Bond Measure S for middle and high schools as follows:

Eureka High Annex (Marshall) (\$50,208)

- Architect Fees (\$50,208)

Winship Junior High (\$235)

- Inspection fees (\$235)

Zane Junior High (\$41,757)

- Completion of phone system upgrade (\$41,352)
- Architect and Inspection fees (\$405)

Eureka High (\$897,521)

- Upgrade phone system/cabling (\$242,796)
- Gymnasium: Upgrades to Girl's Locker Room and Weight Room, credit applied to Gymnasium roof, reroof Weight Room (\$641,652)
- Gymnasium Earthquake Repair/advertising (\$1,493)
- Miscellaneous: Community Media Center credit, inspection/architect fees, construction management (\$11,580)

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 state-matching funds were received during 2010-11.

The District received a Career Technical Education grant in 2010-11 from the California Department of Education for \$650,000 plus interest for the work completed at the Community Media Center. These

funds have been deposited in the Building Fund offsetting the expenditures for the Community Media Center.

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 \$608,123; interest earned through Measure S bond proceeds is \$2,556,646. These funds have been redirected into the various bond projects.

As of June 30, 2011, the remaining balance in Bond Measure S is \$590,846. Bond Measure T was fully expended by June 30, 2010. 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 Crowe Horwath, LLP 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, 2011 only for the specific projects developed by the District's Governing Board and approved by the voters, 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 27, 2012

Amended: June 19, 2012

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	2010-11	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	-176	-\$2,502
Measure T Total	\$204,059	\$1,539,911	\$2,414,222	\$5,612,329	\$5,328,120	\$76,270	\$10,575	\$92,142	-\$176	\$15,277,452
Measure S (Fund 23)										
Eureka High Annex (Marshall)		63,043	742,288	3,595,454	235,470	3,113	7,300	99,212	50,208	4,796,088
Winship	23,697	611,110	3,068,443	4,020,059	105,367	3,979	3,506	10,483	235	7,846,879
Zane	6,265	597,638	3,758,452	4,676,372	240,937	7,678	7,330	188,260	41,757	9,524,689
Eureka High	95,878	983,087	3,261,187	3,411,850	10,682,384	6,902,100	1,705,063	1,015,669	897,521	28,954,739
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				-20,100	-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	\$969,621	\$53,590,343
TOTAL	\$581,003	\$4,161,254	\$14,796,009	\$21,527,157	\$16,631,757	\$6,993,140	\$1,748,323	\$1,439,607	\$969,445	\$68,867,795