



Meeting of the Citizens Oversight Committee
February 15, 2012 – 6:00 p.m. – Emery Bay Village Community Room
160 Emery Bay Drive, Emeryville

Emery Unified School District Guiding Principles:
We Hold High Academic, Social, and Professional Expectations
We Create a Sense of Family
We Inspire and Support Innovation to End Racist and Classist Practices

PUBLIC AGENDA

A. OPENING CEREMONY/ROLL CALL (approximately 6:00 p.m.)

Brian Carver, Chair
Charlie Schuman, Vice Chair
Francisco Aalbers, Member
Lisa Carlisle, Member
Betsy Cooley, Member
Matt Johnson, Member
Mitchell Fine, Member
Ron Henry, Member
Judy Inouye, Member
Vacancy, Member
Marcelline Krafchick, Member
Kelly Maddox, Member

Dave Martinez, Member
Tom Rauch, Member
Barbie Robinson, Member
Andrea Sanchez Cortez, Member
Rodney Wong, Member

Staff

Dr. Debra Lindo, Superintendent of Schools
Roy Miller, Project Director
Dr. Hayin Kim, Director of Community and Youth
Engagement

B. APPROVAL OF AGENDA (approximately 6:05 pm)

C. APPROVAL OF MINUTES (approximately 6:08 pm)

D. REPORTS (approximately 6:10 p.m.)

- I. Superintendent's Report
- II. COC Chairperson's Report
- III. EUSD Staff Comments
- IV. COC Member Comments

E. VISITORS – Public comment for items NOT on the agenda (approximately 6:20 p.m.)

Citizens Oversight Committee Procedures: Community members are encouraged to attend Citizens Oversight Committee meetings. Each agenda contains a "Visitors" section, to allow for public comment on items NOT listed on the agenda. Public comments on items that ARE on the agenda will be taken at the time of the item. When recognized by the COC Chair, speakers are asked to limit their comments to three (3) minutes.

This is a public meeting. Under the Ralph M. Brown Act, any person has the right to record these proceedings with an audio or video tape recorder so long as they do so without causing a persistent disruption. Cal. Gov. Code 54953.5(a). Please note that an official audio recording of the meeting is taking place and is available upon request to the Emery Unified School District. All writings that are public records and relate to an agenda item below which are distributed to a majority of the Oversight Committee (including writings distributed to a majority of the Oversight Committee less than 72 hours prior to the meeting noticed below) will be available at the Emery Unified School District, 4727 San Pablo Avenue, Emeryville, CA during normal business hours (8am to 4pm, Monday through Friday, excluding legal holidays) and at www.emeryvillecenter.org. Cal. Gov. Code. 54957.5(a)-(d).

- F. COC ACTION/DISCUSSION ITEMS (approximately 6:25 pm), PUBLIC COMMENT INVITED
 - 1. THE SUPERINTENDENT WILL PRESENT INFORMATION ABOUT THE COC'S ROLES AND RESPONSIBILITIES that result from discussion and action taken at the February 13, 2012 School Board meeting. COC discussion will follow the Superintendent's presentation. (20 minutes)
 - 2. FINANCE (20 minutes total)
 - a. Subcommittee liaison report- none to report at this meeting as no liaison meeting was held
 - b. Additional input from staff: 1) review of financial info for 01/12, 2) presentation of financial audit report, 3) presentation of performance audit report
 - c. Discussion
 - 3. SCOPE OF WORK (10 minutes total)
 - a. Subcommittee liaison report- none to report at this meeting as no liaison meeting was held
 - b. Additional input from staff: 1) future meeting location for the COC, 2) update on the ECCL project Conceptual Design work and overall project schedule
 - c. Discussion
 - 4. COMMUNITY ENGAGEMENT (10 minutes total)
 - a. Subcommittee liaison report- Judy Inouye
 - b. Additional input from staff: 1) report of Fellows activities, 2) look-ahead to Community Design Workshop #7 on March 3, 2012
 - c. Discussion
- G. NEXT COC MEETING AGENDA ITEMS (March 21, 2012)
- H. COC CHAIR REPORT TO CITY-SCHOOLS
- I. COC COMMITTEE MEMBER CLOSING COMMENTS
- J. CALENDAR REVIEW
- K. ADJOURNMENT

Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation related to COC meetings, may request assistance by contacting the Office of the Superintendent at (510) 601-4906.



Meeting of the Citizens Oversight Committee
January 18, 2012 – 6:00 p.m. – Emery Bay Village Community Room
160 Emery Bay Drive, Emeryville

Emery Unified School District Guiding Principles:
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PUBLIC AGENDA

A. OPENING CEREMONY/ROLL CALL (approximately 6:00 p.m.)

Brian Carver, Chair

Charlie Schuman, Vice Chair

Francisco Aalbers, Member **(ABSENT)**

Lisa Carlisle, Member

Betsy Cooley, Member

Matt Johnson, Member

Mitchell Fine, Member

Ron Henry, Member

Judy Inouye, Member

Vacancy, Member

Marcelline Krafchick, Member **(ABSENT)**

Kelly Maddox, Member **(ABSENT)**

Dave Martinez, Member

Tom Rauch, Member **(ABSENT)**

Barbie Robinson, Member

Andrea Sanchez Cortez, Member **(ABSENT)**

Rodney Wong, Member

Staff

Dr. Debbra Lindo, Superintendent of Schools

Roy Miller, Project Director

Dr. Hayin Kim, Director of Community and Youth
Engagement

B. APPROVAL OF AGENDA (approximately 6:05 pm)

****No changes. Agenda approved.**

C. APPROVAL OF MINUTES (approximately 6:08 pm)

A grammatical amendment was made to item (F4) Community Engagement, Sec. (a1).

****Amended Minutes approved.**

D. REPORTS (approximately 6:10 p.m.)

1. Superintendent's Report

- a. EUSD's executive cabinet participated in a 2-day conference called "Transforming School Culture."
- b. This week is finals week; next week will be the start of the second marking period.
- c. ESS participated in the 2nd Annual National School Portfolio Day, where students presented their art portfolios to college admissions officers and received feedback they can use when applying for college next year.

- d. Board President Cheryl Webb, Superintendent Debbra Lindo, Mayor Jennifer West, and City Manager Pat O'Keefe went to Sacramento to have the Prop 84 Greenway proposal reviewed for feedback, so future proposals will better reflect what the state wants to see. They were also able to visit Loni Hancock's and Nancy Skinner's offices to discuss the recent Supreme Court ruling of RDA funds.

2. COC Chairperson's Report

- a. Chairperson reported at the City/Schools meeting on January 5, 2012.
- b. The Finance Subcommittee meeting was productive. Staff will post for subcommittee meetings if it is received by 9AM the Friday before.
- c. Chairperson suggested that members start thinking about how COC will put together an annual report for the public.
- d. Chairperson noted that Sacramento is considering an adjustment to the CA Ed. Code that will change the number for consecutive terms served from 2 to 3.

3. EUSD Staff Comments

- a. Community Design Workshop 6 is on January 25, 2012 at Ralph Hawley School and will be from 6PM-9PM. The topic of discussion will be small schools.

4. COC Member Comments

E. VISITORS – Public comment for items NOT on the agenda (approximately 6:20 p.m.)

Board Trustee Josh Simon shared his 2 expectations of the COC prior to their discussion on bylaws and roles and responsibilities: 1) to serve as an oversight committee for the Board in case anything is overlooked and 2) to serve as an advisory committee on community engagement.

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F. COC ACTION/DISCUSSION ITEMS (approximately 6:25 pm), PUBLIC COMMENT INVITED

1. THE SUPERINTENDENT WILL PRESENT INFORMATION ABOUT THE COC'S ROLES AND RESPONSIBILITIES that will be further discussed at the January 23rd School Board meeting. Possible action on a recommendation to the School Board regarding same. (20 minutes)

Superintendent Lindo framed the purpose for this discussion: it is an opportunity for members to review and give input/feedback on the bylaws and roles and responsibilities to take back to the Board and City/Schools committee for action. Roy Miller presented the bylaws document, indicating sections that are statutory and sections added or revised. Every member had an opportunity to share their thoughts, which were summarized as recommendations moving forward:

- 1) The COC firmly recommends that all 1-year terms be converted to 2-year terms here on out.
****Motion: B. Cooley, Second: J. Inouye, Opposed: None, Abstain: D. Martinez; Motion Approved.**

- 2) The COC firmly recommends that the Board give more explicit direction and an operationalization of terms to better define the committee's mandate and roles and responsibilities.

****Motion: B. Robinson, Second: M. Johnson, None Opposed, Motion Approved.**

- 3) The COC believes the Board should consider discussing a possible two-committee structure:
1) Finance 2) Community Engagement and Steering committee for scope of work.

****Motion: B. Robinson, Second: J. Inouye, None Opposed, Motion Approved.**

2. FINANCE (20 minutes total)

a. Subcommittee liaison report

- i. Charlie Schuman, Matt Johnson, and Betsy Cooley met with Terri Ryland and Roy Miller on January 9, 2012 from 4PM – 5PM at the District Office.
- ii. The finance summary report now has a cross reference for categories of Measure J.
- iii. A COC presentation of the audit by the auditors will be held on February 15, 2012.
- iv. The next liaison meeting will be on February 7, 2012.
- v. The finance subcommittee met on January 11, 2012 from 7PM – 9PM at the Armstrong facility. Attendees were Brian Carver, Betsy Cooley, Mitch Fine and Charlie Shuman. They discussed the subcommittee's mission statement and responsibilities. The discussion item on information requests was tabled until the next meeting on February 8, 2012.

b. Additional input from staff:

- 1) review of financial info for 11/11 and 12/11.
- 2) educational presentation on audits,
- 3) review of draft financial audit report,
- 4) review of draft performance audit report

Terri Ryland gave an overview of what to expect next month for the audit presentation. Any questions members have should be forwarded to Charlie Shuman to consolidate for staff.

c. Discussion

3. SCOPE OF WORK (10 minutes total)

a. Subcommittee liaison report--None due to the hold on the design process.

b. Additional input from staff: 1) future meeting location for the COC, 2) update on the RDA and financial supports for the ECCL project

Roy Miller reports that the School Board will be looking at the possibility of authorizing the remaining QSCB and other bond sales, as well as an update on RDA funds.

c. Discussion

4. COMMUNITY ENGAGEMENT (10 minutes total)

a. Subcommittee liaison report - Judy Inouye and Rodney Wong met with Hayin Kim on January 10, 2012 from 2PM – 3PM at ESS Emery Room.

b. Additional input from staff: 1) report of Fellows activities, 2) report on Community Design Workshop #5, 3) upcoming community engagement activities

- i. A summary handout for the above activities was distributed.
- ii. Staff will be holding a design workshop for the Community Services Department on January 24, 2012 to present the latest ECCL design for feedback.

c. Discussion

G. NEXT COC MEETING AGENDA ITEMS (February 15, 2012)

1. New location for COC meetings
2. Presentation of the audit
3. Further discussion regarding any Board actions on COC bylaw recommendations.

H. COC CHAIR REPORT TO CITY-SCHOOLS

1. Summary of COC bylaw recommendations

I. COC COMMITTEE MEMBER CLOSING COMMENTS

J. CALENDAR REVIEW

1. Community Design Workshop 6 – January 25, 2012, 6PM, Ralph Hawley School
2. School Board meeting – January 23, 2012, 6PM, Emery Theater

K. ADJOURNMENT

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Measure J Accounts Payable Warrants January 1 through January 31, 2012

50081219	01/11/2012	Roy Miller	video cameras and reference materials	468.13
50082152	01/20/2012	Office Depot	ECCL Office supplies	22.83
50098164	01/25/2012	Office Depot	ECCL Office supplies	6.01
50081219	01/11/2012	Roy Miller	ACOE seminar registration fee	390.00
50082155	01/20/2012	School Facility Consultants	Consultant- Confirm EUSD eligibility for State funds	1,065.00
50006602	01/18/2012	John Michael Tribble	DSA closeout of ESS sprinkler bracing project	190.00
			Non-Payroll	2,141.97
			Jan Payroll	32,746.42
			Total Expenditures Jan	34,888.39

Measure J: ECCL Actual Expenditures as of January 31, 2012

meas lang option code	Bond Projects	notes	2011-12 Adopted		Encumbrance	Year-to-Date	Year-to-Date	Activity for Jan	Balance
			Budget	Revised Budget		Prior Month	Current Month		
a	801 Construct, Furnish & Equipment Facilities	1	1,871,000.00	1,877,258.00	168,796.19	545,368.94	580,067.33	34,698.39	1,128,394.48
b	802 Replace, demolish or renovate District properties		2,200,000.00	2,200,000.00	10,000.00	331,850.00	331,850.00	0.00	1,858,150.00
c	803 Replace portables with permanent classrooms		0.00		0.00	0.00	0.00	0.00	0.00
d	804 Construction school-site support		0.00		0.00	0.00	0.00	0.00	0.00
e	805 Upgrade and replace classroom technology		0.00	14,483.00	10.22	4,184.68	4,184.68	0.00	10,288.10
f	806 Acquire available real property		0.00		0.00	0.00	0.00	0.00	0.00
g	807 Provide appropriate packing facilities		0.00		0.00	0.00	0.00	0.00	0.00
h	808 Provide Interim housing		670,000.00	760,238.00	8,781.83	55,257.36	55,447.36	190.00	696,008.81
i	809 Make additional repairs and upgrades		0.00		0.00	0.00	0.00	0.00	0.00
j	810 Perform necessary site preparation		250,000.00	250,000.00	0.00	0.00	0.00	0.00	250,000.00
k	811 Address unforeseen conditions revealed by construction		0.00		0.00	0.00	0.00	0.00	0.00
l	812 Mitigate items identified by the EIR		0.00		0.00	0.00	0.00	0.00	0.00
m	813 Install energy efficient systems		0.00		0.00	0.00	0.00	0.00	0.00
Total			4,991,000.00	5,101,979.00	187,588.24	936,660.98	971,549.37	34,888.39	3,942,841.39
Payroll								2,141.97	
Non-payroll expenditures								32,746.42	
Total Activity for Month								34,888.39	

¹ Budget was adjusted to include \$75,000 budget lines not coded to specific "a to m" components of project - i.e. bond audit fees, consultants and contracted services.

Detail for Dates 01/01/2012 to 01/31/2012								Fiscal Year 2011/12	
Ref#	Pay To Name	Journal #	Description	Trans Dt	Adopted Budget	Revised Budget	Revenue	Account Balance	
Option									
210-8591-9120-	- - - -		CY Deferred Rev, Measure						
			Balance Forward	01/01/12			15,000,000.00	15,000,000.00-	
210-8660-9150-	- - - -		Interest, Mea J Interest,						
			Balance Forward	01/01/12	156,303.00	156,303.00	7,024.84	149,278.16	
Total for Option , and Revenue accounts					156,303.00	156,303.00	15,007,024.84	14,850,721.84-	
Option 704 - ECCL_Proj									
Ref#	Pay To Name	Journal #	Description	Trans Dt	Adopted Budget	Revised Budget	Encumbered	Expenditure	Account Balance
210-5800-9120-0000-9100-400-52-	-704		OthSvcOpEx, Measure J Ser						
			Balance Forward	01/01/12				275,000.00	275,000.00-
210-5820-9150-0000-8100-400-52-	-704		Audit Expe, Mea J Interes						
			Balance Forward	01/01/12	5,000.00	5,000.00			5,000.00
210-5825-9150-0000-8100-400-52-	-704		Consultant, Mea J Interes						
			Balance Forward	01/01/12	50,000.00	50,000.00			50,000.00
210-5830-9110-0000-8100-500-52-	-704		Contracted, Measure J Ser						
			Balance Forward	01/01/12					.00
210-5830-9150-0000-8100-400-52-	-704		Contracted, Mea J Interes						
			Balance Forward	01/01/12	20,000.00	20,000.00			20,000.00
210-7638-9120-0000-9100-400-52-	-704		DbtSvc Int, Measure J Ser						
			Balance Forward	01/01/12				34,920.83	34,920.83-
Total for Option 704, and Expense accounts					75,000.00	75,000.00	.00	309,920.83	234,920.83-
Option 801 - A) School Const									
210-2305-9110-9214-8100-400-70-	-801		Supv Sal, Measure J SerA,						
			Balance Forward	01/01/12	230,025.00	230,025.00		123,943.98	106,081.02
		PR12-00039	01/31/12 Regular Payroll (Earning:	01/31/12				20,657.33	85,423.69
		PR12-00041	Salary Encumbrance between 02/(01/31/12			103,286.65		17,862.96-
			Account Total	01/31/12	230,025.00	230,025.00	103,286.65	144,601.31	
210-2405-9110-9214-8100-400-70-	-801		Clrk Sal, Measure J SerA,						
			Balance Forward	01/01/12	39,420.00	39,420.00		14,919.28	24,500.72
		PR12-00039	01/31/12 Regular Payroll (Earning:	01/31/12				2,980.00	21,520.72
		PR12-00041	Salary Encumbrance between 02/(01/31/12			14,900.00		6,620.72
			Account Total	01/31/12	39,420.00	39,420.00	14,900.00	17,899.28	
210-2924-9110-9214-8100-400-70-	-801		OthClasHSt, Measure J Ser						
			Balance Forward	01/01/12	95,357.00	95,357.00			95,357.00
210-3202-9110-9214-8100-400-70-	-801		PERS Class, Measure J Ser						

selection Filtered by User Permissions, (Org = 18, Online/Offline = N, Fiscal Year = 2012, Start Date = 1/1/2012, End Date = 1/31/2012, Unposted JEs? = N, Assets and Liabilities? = N, Restricted? = Y, Fund = 210, Object = 1-8, Obj Digits = 0, Page Break Lvl =)

ESCAPE ONLINE

Detail for Dates 01/01/2012 to 01/31/2012									Fiscal Year 2011/12
Ref#	Pay To Name	Journal #	Description	Trans Dt	Adopted Budget	Revised Budget	Encumbered	Expenditure	Account Balance
Option 801 - A) School Const (continued)									
210-3202-9110-9214-8100-400-70- -801 PERS Class, Measure J Ser (continued)									
			Balance Forward	01/01/12	39,848.00	39,848.00		15,168.11	24,679.89
	PR12-00039	01/31/12	Regular Payroll (Contrib	01/31/12				2,581.92	22,097.97
	PR12-00041		Salary Encumbrance between 02/	01/31/12			12,909.60		9,188.37
			Account Total	01/31/12	39,848.00	39,848.00	12,909.60	17,750.03	
210-3312-9110-9214-8100-400-70- -801 OASDI Clas, Measure J Ser									
			Balance Forward	01/01/12	21,856.00	21,856.00		7,367.26	14,488.74
	PR12-00039	01/31/12	Regular Payroll (Contrib	01/31/12				1,465.51	13,023.23
	PR12-00041		Salary Encumbrance between 02/	01/31/12			7,327.55		5,695.68
			Account Total	01/31/12	21,856.00	21,856.00	7,327.55	8,832.77	
210-3322-9110-9214-8100-400-70- -801 Medi Class, Measure J Ser									
			Balance Forward	01/01/12	5,290.00	5,290.00		2,013.53	3,276.47
	PR12-00039	01/31/12	Regular Payroll (Contrib	01/31/12				342.74	2,933.73
	PR12-00041		Salary Encumbrance between 02/	01/31/12			1,713.70		1,220.03
			Account Total	01/31/12	5,290.00	5,290.00	1,713.70	2,356.27	
210-3402-9110-9214-8100-400-70- -801 H&W Class, Measure J SerA									
			Balance Forward	01/01/12	49,558.00	49,558.00		18,458.06	31,099.94
	PR12-00039	01/31/12	Regular Payroll (Contrib	01/31/12				3,251.72	27,848.22
	PR12-00041		Salary Encumbrance between 02/	01/31/12			16,258.60		11,589.62
			Account Total	01/31/12	49,558.00	49,558.00	16,258.60	21,709.78	
210-3502-9110-9214-8100-400-70- -801 SUI Class, Measure J SerA									
			Balance Forward	01/01/12	5,874.00	5,874.00		2,235.78	3,638.22
	PR12-00039	01/31/12	Regular Payroll (Contrib	01/31/12				380.57	3,257.65
	PR12-00041		Salary Encumbrance between 02/	01/31/12			1,902.85		1,354.80
			Account Total	01/31/12	5,874.00	5,874.00	1,902.85	2,616.35	
210-3602-9110-9214-8100-400-70- -801 WC Class, Measure J SerA,									
			Balance Forward	01/01/12	9,121.00	9,121.00		3,471.67	5,649.33
	PR12-00039	01/31/12	Regular Payroll (Contrib	01/31/12				590.95	5,058.38
	PR12-00041		Salary Encumbrance between 02/	01/31/12			2,954.75		2,103.63
			Account Total	01/31/12	9,121.00	9,121.00	2,954.75	4,062.62	
210-3802-9110-9214-8100-400-70- -801 PERS RedCL, Measure J Ser									
			Balance Forward	01/01/12	7,651.00	7,651.00		2,911.99	4,739.01
	PR12-00039	01/31/12	Regular Payroll (PERS R	01/31/12				495.68	4,243.33
	PR12-00041		Salary Encumbrance between 02/	01/31/12			2,478.40		1,764.93
			Account Total	01/31/12	7,651.00	7,651.00	2,478.40	3,407.67	
210-4300-9110-9217-8100-400-70- -801 Matls&Supp, Measure J Ser									

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ESCAPE ONLINE

Detail for Dates 01/01/2012 to 01/31/2012									Fiscal Year 2011/12
Ref#	Pay To Name	Journal #	Description	Trans Dt	Adopted Budget	Revised Budget	Encumbered	Expenditure	Account Balance
Option 801 - A) School Const (continued)									
210-4300-9110-9217-8100-400-70- -801 Matls&Supp, Measure J Ser (continued)									
			Balance Forward	01/01/12	12,000.00	12,000.00	342.93	2,648.81	9,008.26
P12-00327	Roy Miller	EN12-01635	ECCL/Reimbursement	01/05/12			468.13		8,540.13
P12-00327	Roy Miller	EN12-01693	ECCL/Reimbursement	01/11/12			468.13-		9,008.26
P12-00327	Roy Miller	EX12-01612	ECCL/Reimbursement	01/11/12				468.13	8,540.13
P12-00116	Office Depot	EN12-01787	Office Supplies for ECCL Staff	01/20/12			22.83-		8,562.96
P12-00116	Office Depot	EX12-01687	Office Supplies for ECCL Staff	01/20/12				22.83	8,540.13
P12-00116	Office Depot	EN12-01852	Office Supplies for ECCL Staff	01/25/12			6.01-		8,546.14
P12-00116	Office Depot	EX12-01741	Office Supplies for ECCL Staff	01/25/12				6.01	8,540.13
			Account Total	01/31/12	12,000.00	12,000.00	314.09	3,145.78	
210-4415-9110-9220-8100-400-70- -801 Comp Equip, Measure J Ser									
			Balance Forward	01/01/12	12,000.00	12,000.00		1,751.49	10,248.51
210-5200-9110-9221-8100-400-70- -801 Travel&Cnf, Measure J Ser									
			Balance Forward	01/01/12	12,000.00	12,000.00		1,214.67	10,785.33
P12-00326	Roy Miller	EN12-01634	ECCL/Reimbursement-Seminar R	01/05/12			390.00		10,395.33
P12-00326	Roy Miller	EN12-01692	ECCL/Reimbursement-Seminar R	01/11/12			390.00-		10,785.33
P12-00326	Roy Miller	EX12-01611	ECCL/Reimbursement-Seminar R	01/11/12				390.00	10,395.33
			Account Total	01/31/12	12,000.00	12,000.00	.00	1,604.67	
210-5800-9110-9225-8100-400-52- -801 OthSvcOpEx, Measure J Ser									
			Balance Forward	01/01/12					.00
210-5825-9110-9208-8100-400-70- -801 Consultant, Measure J Ser									
			Balance Forward	01/01/12	36,000.00	36,000.00			36,000.00
P12-00349	School Facility Consulta	EN12-01678	ECCL/State Construction Funds	01/10/12			1,065.00		34,935.00
P12-00349	School Facility Consulta	EN12-01779	ECCL/State Construction Funds	01/20/12			1,065.00-		36,000.00
P12-00349	School Facility Consulta	EX12-01679	ECCL/State Construction Funds	01/20/12				1,065.00	34,935.00
			Account Total	01/31/12	36,000.00	36,000.00	.00	1,065.00	
210-5830-9110-9211-8100-400-70- -801 Contracted, Measure J Ser									
			Balance Forward	01/01/12	24,000.00	24,000.00		785.93	23,214.07
210-5830-9110-9212-8100-400-70- -801 Contracted, Measure J Ser									
			Balance Forward	01/01/12	180,000.00	180,000.00	4,750.00	12,204.77	163,045.23
210-5845-9110-9609-8100-400-70- -801 Legal Exp, Measure J SerA									
			Balance Forward	01/01/12	36,000.00	36,000.00		26,352.78	9,647.22
210-6220-9110-9203-8500-400-70- -801 DSA Fees, Measure J SerA,									
			Balance Forward	01/01/12	100,000.00	100,000.00			100,000.00
210-6230-9110-9203-8500-400-70- -801 CDE Fees, Measure J SerA,									
			Balance Forward	01/01/12	60,000.00	60,000.00			60,000.00
selection	Filtered by User Permissions, (Org = 18, Online/Offline = N, Fiscal Year = 2012, Start Date = 1/1/2012, End Date = 1/31/2012, Unposted JEs? = N, Assets and Liabilities? = N, Restricted? = Y, Fund = 210, Object = 1-8, Obj Digits = 0, Page Break Lvl =)								ESCAPE ONLINE

Detail for Dates 01/01/2012 to 01/31/2012									Fiscal Year 2011/12
Ref#	Pay To Name	Journal #	Description	Trans Dt	Adopted Budget	Revised Budget	Encumbered	Expenditure	Account Balance
Option 801 - A) School Const (continued)									
210-6240-9110-9204-8500-400-70- -801	Preliminar, Measure J Ser		Balance Forward	01/01/12	100,000.00	100,000.00			100,000.00
210-6250-9110-9203-8500-400-70- -801	OtherCostP, Measure J Ser		Balance Forward	01/01/12	120,000.00	120,000.00			120,000.00
210-6297-9110-9223-8500-400-70- -801	Contingency, Measure J S		Balance Forward	01/01/12	600,000.00	600,000.00			600,000.00
210-6298-9110-9225-8100-400-70- -801	Reserve, Measure J SerA,		Balance Forward	01/01/12					.00
210-6298-9110-9225-8500-400-70- -801	Reserve, Measure J SerA,		Balance Forward	01/01/12		6,258.00			6,258.00
Total for Option 801, and Expense accounts					1,796,000.00	1,802,258.00	168,796.19	270,146.50	1,363,315.31
Option 802 - B) Replace Dist									
210-5825-9110-9205-8100-400-70- -802	Consultant, Measure J Ser		Balance Forward	01/01/12	45,000.00	45,000.00			45,000.00
210-5830-9110-9204-8100-400-70- -802	Contracted, Measure J Ser		Balance Forward	01/01/12	45,000.00	45,000.00			45,000.00
210-6210-9110-9202-8500-400-70- -802	Architect, Measure J SerA		Balance Forward	01/01/12	1,810,000.00	1,810,000.00	10,000.00	331,850.00	1,468,150.00
210-6210-9110-9205-8500-400-70- -802	Architect, Measure J SerA		Balance Forward	01/01/12	300,000.00	300,000.00			300,000.00
Total for Option 802, and Expense accounts					2,200,000.00	2,200,000.00	10,000.00	331,850.00	1,858,150.00
Option 805 - E) Tech Upgrade									
210-4315-9110-9307-8100-400-55- -805	Comp Softw, Measure J Ser		Balance Forward	01/01/12		14,483.00	10.22	4,184.68	10,288.10
210-4415-9110-9307-8100-100-55- -805	Comp Equip, Measure J Ser		Balance Forward	01/01/12					.00
210-4415-9110-9307-8100-400-55- -805	Comp Equip, Measure J Ser		Balance Forward	01/01/12					.00
Total for Option 805, and Expense accounts					.00	14,483.00	10.22	4,184.68	10,288.10
Option 808 - H) Interim Hous									
210-4400-9110-9306-8100-100-56- -808	NonCap Eq, Measure J SerA		Balance Forward	01/01/12		13,000.00			13,000.00
210-4415-9110-9306-8100-100-55- -808	Comp Equip, Measure J Ser		Balance Forward	01/01/12		33,000.00		28,479.95	4,520.05
selection	Filtered by User Permissions, (Org = 18, Online/Offline = N, Fiscal Year = 2012, Start Date = 1/1/2012, End Date = 1/31/2012, Unposted JEs? = N, Assets and Liabilities? = N, Restricted? = Y, Fund = 210, Object = 1-8, Obj Digits = 0, Page Break Lvl =)								<input type="button" value="ESCAPE"/> <input type="button" value="ONLINE"/>

Detail for Dates 01/01/2012 to 01/31/2012									Fiscal Year 2011/12
Ref#	Pay To Name	Journal #	Description	Trans Dt	Adopted Budget	Revised Budget	Encumbered	Expenditure	Account Balance
Option 808 - H) Interim Hous (continued)									
210-4415-9110-9306-8100-100-55- -808 Comp Equip, Measure J Ser (continued)									
210-4415-9110-9306-8100-400-55- -808 Comp Equip, Measure J Ser									
			Balance Forward	01/01/12		20,478.00	7,451.20	16,805.19	3,778.39-
210-5650-9110-9306-8100-400-70- -808 Interim Housing, Measure									
			Balance Forward	01/01/12	670,000.00	670,000.00			670,000.00
210-5830-9110-9306-8100-300-56- -808 Contracted, Measure J Ser									
			Balance Forward	01/01/12		23,760.00	1,520.63	9,972.22	12,267.15
P12-00338	John Michael Tribble	EN12-01728	ECCL/EUSD Final DSA Close-Out	01/13/12			190.00-		12,457.15
P12-00338	John Michael Tribble	EN12-01729	ECCL/EUSD Final DSA Close-Out	01/13/12			190.00		12,267.15
P12-00338	John Michael Tribble	EN12-01749	ECCL/EUSD Final DSA Close-Out	01/18/12			190.00-		12,457.15
P12-00338	John Michael Tribble	EX12-01651	ECCL/EUSD Final DSA Close-Out	01/18/12				190.00	12,267.15
			Account Total	01/31/12	.00	23,760.00	1,330.63	10,162.22	
Total for Option 808, and Expense accounts					670,000.00	760,238.00	8,781.83	55,447.36	696,008.81
Option 810 - J) Site Prepar									
210-6140-9110-9104-8500-400-70- -810 Surveying, Measure J SerA									
			Balance Forward	01/01/12	50,000.00	50,000.00			50,000.00
210-6157-9110-9104-8500-400-70- -810 Environmen, Measure J Ser									
			Balance Forward	01/01/12	200,000.00	200,000.00			200,000.00
Total for Option 810, and Expense accounts					250,000.00	250,000.00	.00	.00	250,000.00
Total for Org 018-Emery Unified School District									
			Starting Balance		+ Revenues		- Encumbrances	- Expenditures	= Calculated Ending Balance
Budgeted					156,303.00			5,101,979.00	4,945,676.00-
Actual					15,007,024.84		187,588.24	971,549.37	13,847,887.23



To the Governing Board
and the Citizen's Oversight Committee
of the Emery Unified School District

We have audited the financial statements of the Emery Unified School District Measure J bond building fund for the year ended June 30, 2011, and have issued our report thereon dated [REDACTED], 2012. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 18, 2011, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Emery Unified School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements were noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated [REDACTED].

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Governing Board, Oversight Committee, and management of Emery Unified School District and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
[REDACTED], 2012

EMERY UNIFIED SCHOOL DISTRICT



MEASURE J
2010 GENERAL OBLIGATION BOND ELECTION
AUDIT REPORT

JUNE 30, 2011

EMERY UNIFIED SCHOOL DISTRICT

MEASURE J
2010 GENERAL OBLIGATION BOND ELECTION
FINANCIAL AUDIT

JUNE 30, 2011

**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND -MEASURE J**

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JUNE 30, 2011**

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

Governing Board and
Citizens Oversight Committee
Emery Unified School District
Emeryville, California

We have audited the accompanying financial statements of the Emery Unified School District (the District), Building Fund Measure J, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements present only the Building Fund specific to Measure J and are not intended to present fairly the financial position and results of operations of Emery Unified School District in conformity with accounting principles generally accepted in the United States of America.

As discussed in the notes to the financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of GASB Statement No. 54 for the year ended June 30, 2011.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund Measure J of the Emery Unified School District at June 30, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2011, on our consideration of the District Building Fund's Measure J internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Vaurinek, Ture, Day & Co LLP

Pleasanton, California
[REDACTED], 2011

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**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND - MEASURE J**

**BALANCE SHEET
JUNE 30, 2011**

ASSETS

Cash and investments	\$ 24,498,300
Accounts receivable	19,550
Total Assets	<u><u>\$ 24,517,850</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$ 142,543
Total Liabilities	<u>142,543</u>

FUND BALANCES

Restricted	24,375,307
Total Fund Balances	<u>24,375,307</u>
Total Liabilities and Fund Balances	<u><u>\$ 24,517,850</u></u>

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The accompanying notes are an integral part of these financial statements.

**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND -MEASURE J**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

REVENUES

Interest income	\$ 16,050
Total Revenues	<u>16,050</u>

EXPENDITURES

Current expenditures	
Salaries and benefits	504,849
Books and supplies	117,723
Services and operating expenditures	<u>27,558</u>
Total Expenditures	<u>650,130</u>

DEFICIENCY OF REVENUES OVER EXPENDITURES (634,080)

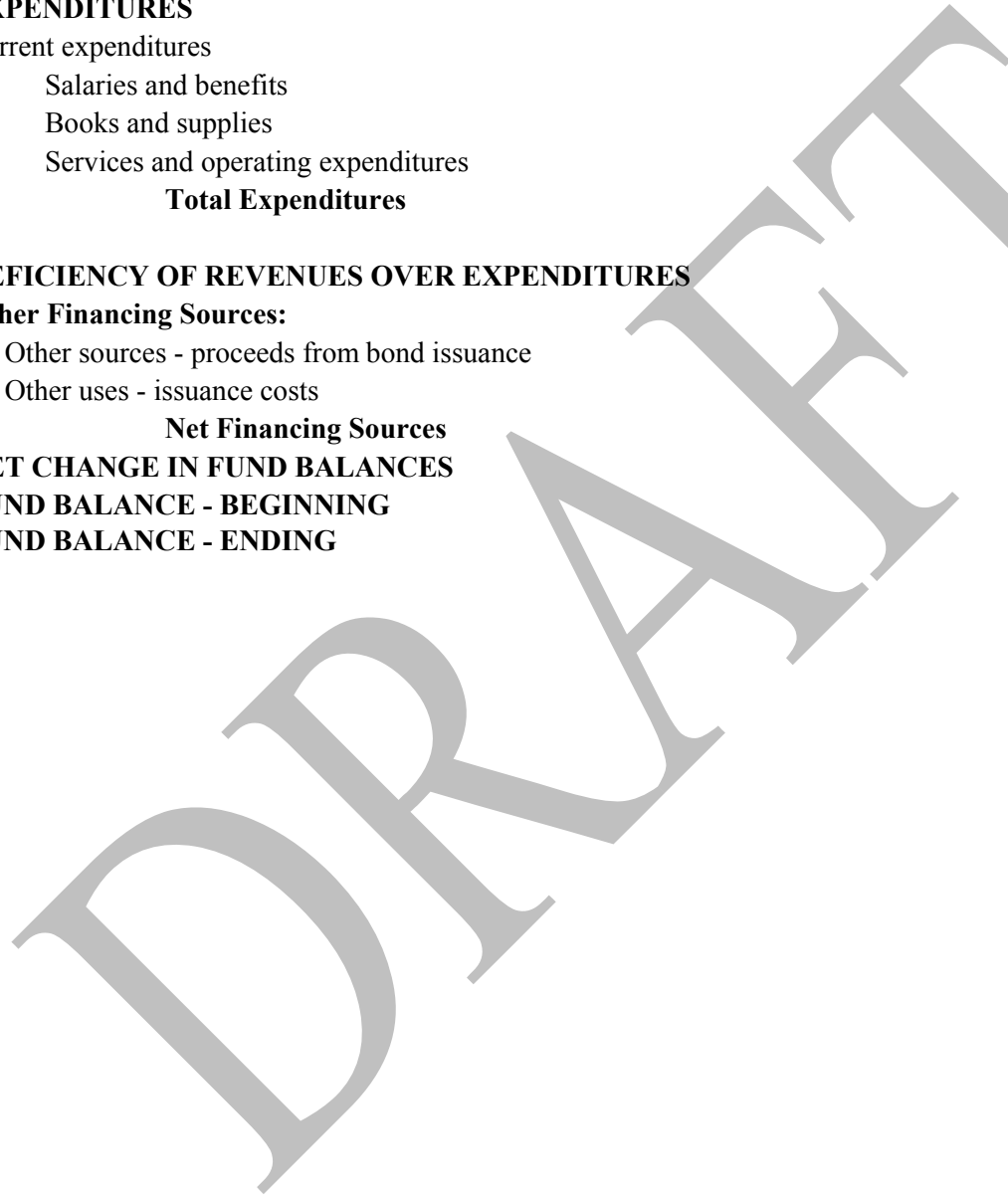
Other Financing Sources:

Other sources - proceeds from bond issuance	25,499,600
Other uses - issuance costs	<u>(490,213)</u>
Net Financing Sources	<u>25,009,387</u>

NET CHANGE IN FUND BALANCES 24,375,307

FUND BALANCE - BEGINNING -

FUND BALANCE - ENDING \$ 24,375,307



The accompanying notes are an integral part of these financial statements.

**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND - MEASURE J**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Emery Unified School District Building Fund Measure J conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The Emery Unified School District Building Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

Financial Reporting Entity

The financial statements include only the Building Fund of the Emery Unified School District used to account for Measure J projects. This Fund was established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds Election of 2010. These financial statements are not intended to present fairly the financial position and results of operations of the Emery Unified School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Building Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Building Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND - MEASURE J**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

Fund Balances - Governmental Funds

As of June 30, 2011, fund balances of the governmental funds are classified as follows:

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Spending Order

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Changes in Accounting Principles

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance

EMERY UNIFIED SCHOOL DISTRICT BUILDING FUND - MEASURE J

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

The District has implemented the provisions of this statement for the year ended June 30, 2011.

New Accounting Pronouncements

In November 2010, the GASB issued GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged.

**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND - MEASURE J**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 2 - INVESTMENTS

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State: U.S. Treasury instrument; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreement; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security, and collateralized mortgage obligations.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fairly value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Investment in the State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND - MEASURE J**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool and LAIF. The District maintains a building fund general obligation bond investment of \$4,498,280 with the Alameda County Investment Pool. The fair value of this investment is approximately \$4,498,514 with an average maturity of 520 days. In addition, the District maintains a building fund general obligation bond investment of \$20,000,020 with LAIF. The fair value of deposits for LAIF is \$20,031,549 with an average maturity of 237 days.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2011, consisted of the following:

Interest	\$ 16,022
Other local sources	3,528
	<u>\$ 19,550</u>

NOTE 4 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2011, consisted of the following:

Vendor Payable	<u>\$ 142,543</u>
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Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2011.

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INDEPENDENT AUDITORS' REPORT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board and
Citizens Oversight Committee
Emery Unified School District
Emeryville, California

We have audited the accompanying financial statements of the Emery Unified School District (the District) Building Fund Measure J, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Emery Unified School District's internal control over Measure J financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Emery Unified School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Emery Unified School District's Measure J internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over Measure J financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over Measure J financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Emery Unified School District's Building Fund Measure J financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing board, management, and the Measure J Citizen's Oversight Committee, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Ture, Day & Co LLP

Pleasanton, California

, 2011

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND -MEASURE J**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

None reported.

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EMERY UNIFIED SCHOOL DISTRICT



MEASURE J
2010 GENERAL OBLIGATION BOND ELECTION
PERFORMANCE AUDIT

JUNE 30, 2011

**EMERY UNIFIED SCHOOL DISTRICT
MEASURE J
2010 GENERAL OBLIGATION BOND ELECTION**

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VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Governing Board and
Citizens Oversight Committee
Emery Unified School District
Emeryville, California

We were engaged to conduct a performance audit of the Emery Unified School District (the District), Measure J, 2010 General Obligation Bond Election funds for the year ended June 30, 2011.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's Measure J internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1 (b)(3)(C) of the California Constitution. Accordingly, we do not express an opinion on the effectiveness of the District's Measure J internal control.

The results of our tests indicated that the District expended Measure J, 2010 General Obligation Bond Election funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1 (b)(3)(C) of the California Constitution.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
[REDACTED], 2011

**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND - MEASURE J**

JUNE 30, 2011

AUTHORITY FOR ISSUANCE

The Measure J Bonds are issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The Bonds are authorized to be issued by a resolution adopted by the Board of Trustees of the District on February 28, 2011.

The District received authorization at an election held on November 2, 2010, to issue bonds of the District in an aggregate principal amount not to exceed \$95,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2010 Authorization). The 2011A Bonds represent the first series of the authorized bonds to be issued under the 2010 Authorization.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds issued under the Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include replacing/upgrading outdated schools no longer meeting seismic safety standards; providing updated classrooms, technology, science/computer labs, improving school safety, creating energy efficient cost-saving facilities that provide job training, after-school, pre-school, and other community services.

“ maintain academic excellence/student performance, attract and retain quality teachers by: replacing/upgrading outdated schools no longer meeting seismic safety standards; provide updated classrooms; technology, science/computer labs; improve school safety; create energy efficient cost-saving facilities that provide job training, after school, pre-school, and other community services by issuing \$95 million dollars in bonds at legal rates with citizens oversight, audits, and NO money for administrators salaries, benefits or pensions.”

AUTHORITY FOR THE AUDIT

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The school district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the school district to appoint a citizen's oversight committee.

**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND - MEASURE J**

JUNE 30, 2011

4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the Government Auditing Standards issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to the Measure J Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure J.
2. Determine whether salary transactions charged to the Measure J Building Fund were in support of Measure J and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2010 to June 30, 2011. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2011 were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2011 for the Building Fund (Measure J). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure J as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2010 and ending June 30, 2011, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included transactions totaling \$990,214. This represents 87 percent of the total expenditures of \$1,140,342, including expenditures related to transferred funds.
3. We verified that funds from the Measure J Building Fund were generally expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects. In addition, we verified that funds held in the Measure J Building Fund were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

**EMERY UNIFIED SCHOOL DISTRICT
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JUNE 30, 2011

CONCLUSION

The results of our tests indicated that, in all significant respects, the Emery Unified School District has properly accounted for the expenditures made by the Measure J Building Fund and that such expenditures were made for authorized Bond projects. Further, it was noted that funds in the Measure J Building Fund, and expended by the District, were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

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**EMERY UNIFIED SCHOOL DISTRICT
BUILDING FUND -MEASURE J**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

None reported.

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