

MEASURE Q
BOND BUILDING FUND OF EL DORADO UNION
HIGH SCHOOL DISTRICT

COUNTY OF EL DORADO
PLACERVILLE, CALIFORNIA

AUDIT REPORT
FOR THE YEAR ENDING
JUNE 30, 2010

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
JUNE 30, 2010

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MEASURES G BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
INTRODUCTION
JUNE 30, 2010

El Dorado Union High School District (the "District") consists of nine schools, which include four comprehensive high schools, three continuation schools, one charter school and one community day school. The District also offered the following programs: Independent Study, Regional occupation, Adult Education and a County Jail School Program.

On June 3, 2008, the voters of the El Dorado Union High School District approved, by more than 55%, Measure Q, authorizing the issuance and sale of general obligation bonds in an aggregate principal amount not to exceed \$66,300,000. During the 2008-2009 fiscal year, the District approved the sale of \$34,000,000 of general obligation bonds.

The total outstanding bond indebtedness as of June 30, 2010 is \$32,460,000.

Measure Q bonds are Proposition 39 bonds, issued by the El Dorado Union High School District. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects.

Upon the passage of Proposition 39, an accompanying piece of legislation, AB 1908 (Chapter 44, Statutes of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond proposition pursuant to the 55% majority authorized in Proposition 39 including the formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

GOODELL,
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SANCHEZ &
BRIGHT, LLP

C E R T I F I E D
P U B L I C
A C C O U N T A N T S

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education and
Measure Q Citizen's Bond Oversight Committee
El Dorado Union High School District
Placerville, California

We have audited the accompanying balance sheet of the Measure Q Bond Building Fund of El Dorado Union High School District (the "District") as of June 30, 2010 and the related statement of revenues, expenditures and changes in fund balance for the year then ended. 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 the financial activity for Measure Q reported in the District's Bond Building Fund and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure Q Bond Building Fund of El Dorado Union High School District as of June 30, 2010, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Board of Education and
Measure Q Citizen's Bond Oversight Committee
El Dorado Union High School District
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2011 on our consideration of the Measure Q Bond Building Fund of El Dorado Union High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
Certified Public Accountants

March 30, 2011

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
BALANCE SHEET
JUNE 30, 2010

ASSETS

Cash in County Treasury (Note 2)	\$ 9,479,731
Total Assets	<u>\$ 9,479,731</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts Payable	\$ 194,320
Due to Other Funds (Note 4)	<u>1,028,345</u>
Total Liabilities	<u>1,222,665</u>
Fund Balance	
Reserved for Capital Projects	<u>8,257,066</u>
Total Liabilities and Fund Balance	<u>\$ 9,479,731</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDING JUNE 30, 2010

<u>REVENUES</u>	
Interest Earnings	\$ 105,460
 Total Revenues	<u>105,460</u>
 <u>EXPENDITURES</u>	
Classified Salaries	32,828
Employee Benefits	2,978
Supplies and Materials	1,386,427
Contract Services	7,192
Capital Outlay	<u>15,371,929</u>
 Total Expenditures	<u>16,801,354</u>
 Excess of Revenues Over (Under) Expenditures	<u>(16,695,894)</u>
 Other Financing Sources (Uses)	
Transfers to Other Funds (Note 4)	(1,269,485)
Other Sources	<u>1,877</u>
 Total Other Financing Sources (Uses)	<u>(1,267,608)</u>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(17,963,502)</u>
 Fund Balance, July 1, 2009	<u>26,220,568</u>
 Fund Balance, June 30, 2010	<u>\$ 8,257,066</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District 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 (AICPA).

A. Reporting Entity

El Dorado Union High School District (the "District") consists of nine schools, which include four comprehensive high schools, three continuation schools, one charter school and one community day school. The District also offered the following programs: Independent Study, Regional occupation, Adult Education and a County Jail School Program.

On June 3, 2008, the voters of the District authorized the issuance and sale of general obligation bonds (Measure Q) not to exceed \$66,300,000.

As described in Note 5, bonds were issued in 2008-2009 to improve student safety and the quality of education at every school by repairing, updating, constructing, furnishing and equipping school facilities, including technology, job training, science and health facilities, roofs, electrical, plumbing and heating systems.

An advisory committee to the District's Governing Board and Superintendent, called the Measure Q Citizens' Bond Oversight Committee was established. The Committee's oversight goals include: advising on bond construction priorities, reviewing school bond construction plans, reviewing project plans and budgets, and ensuring compliance with the conditions of Measure Q.

The statements presented are for the individual Measure Q Bond Building Fund and are not intended to be a complete presentation of the District's financial position on operations.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues - exchange and non-exchange transactions:

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting (Concluded)

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgets and Budgetary Accounting (Concluded)

These budgets are revised by the District's Board of Trustees during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

D. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

E. Deposits and Investments

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investments losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by *California Government Code* Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Investments Valuation - In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. However, the District's financial statements do not reflect the fair value of investments as the differences between total investment cost and fair value has been determined to be immaterial.

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

E. Deposits and Investments (Concluded)

Deposits and Investment Risk Disclosures - In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (Amendment of GASB No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

F. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash with the County Treasury as part of the common investment pool, (\$9,479,731 as of June 30, 2010). The fair market value of this pool as of that date, as provided by the pool sponsor, was \$9,488,659. The county is restricted by Government code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 - CASH AND INVESTMENTS (CONCLUDED)

Cash in County Treasury (Concluded)

Credit Risk - State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organization (NRSRO's).

At June 30, 2010 the District credit risks are as follows:

Credit Quality Distributions for Securities with Credit Exposure		
<u>Investment Type</u>	<u>Moody's Credit Rating</u>	<u>S & P's Rating</u>
Cash in County Treasury	Not Rated	Not Rated

At June 30, 2010 the District had the following investment maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>		
		<u>Less than 1</u>	<u>1 to 2</u>	<u>3 or more</u>
Cash in County Treasury	\$ 9,488,659	\$ 8,363,304	\$ 878,650	\$ 246,705

NOTE 3 - CAPITAL PROJECTS

All expenditures for capital projects are capitalized in the Statement of Net Assets in the Entity-Wide financial statements of the District. Expenditures are not capitalized in the individual funds of the District. Expenditures shown as capital projects in these financial statements consist of:

Overtime Related to Bond Projects	\$ 32,827
Employee Benefits	2,979
Supplies and Materials	54,995
Non-Capitalized Equipment	1,331,433
All Other Costs - Construction, Services, Site, Building	320,188
Audit Expense	4,200
Hazardous Waste Removal	10,790
Architect Fees	1,274,134
DSA Plan Check Fees	78,375
Preliminary Tests	54,295
Utilities Services	43,091
On-Site Development	5,531,896
Reconstruction	6,345,109
New Construction	1,446,705
Administrative Consultants	65,000
Demolition	23,363
Labor Compliance Program	45,719
Construction Tests	47,414
Inspection	88,841
Total Capital Projects	\$16,801,354

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Interfund Receivables/Payables (Due From/Due To)

Individual fund interfund payable balances at June 30, 2010 are as follows:

	Interfund Payables
County Schools Facilities Fund	\$ 1,028,345

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2010 were as follows:

Transfer from Building Fund to the General Fund for ROP/CTE construction reimbursement	\$ 249,193
Transfer from the Building Fund to the County School Facilities Fund for CTE/Culinary Arts Construction	1,020,292
Total	\$1,269,485

NOTE 5 - MEASURE Q GENERAL OBLIGATION BONDS

On June 3, 2008, the voters of the El Dorado Union High School District approved, by more than 55%, Measure Q, authorizing the issuance and sale of general obligation bonds in an aggregate principal amount not to exceed \$66,300,000. During the 2008-2009 fiscal year, the District approved the sale of \$34,000,000 of general obligation bonds. The total outstanding bond indebtedness as of June 30, 2010 is \$32,460,000.

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 - MEASURE Q GENERAL OBLIGATION BONDS (CONCLUDED)

The outstanding Measure Q general obligation bonded debt at June 30, 2010 is:

Date of Issue	Interest Rate	Maturity Date	Amount of		Deductions	Outstanding June 30, 2010
			Original Issue	Outstanding July 1, 2009		
2009	4.75-8.00	2034	\$ 34,000,000	\$ 34,000,000	1,540,000	\$ 32,460,000
Totals			\$ 34,000,000	\$ 34,000,000	\$ 1,540,000	\$ 32,460,000

Repayment of the bonds will be funded by a separate property tax override levied on property residing within the District boundaries. Property tax revenues will be recorded in a separate Bond Interest and Redemption Fund. The required debt service payments on the bonds will be disbursed from the Bond Interest and Redemption Fund as well. This Bond and Redemption Fund maintained by the El Dorado County Controller's Office and recorded in the District's Debt Service funds is not included in these financial statements. General school district revenues will not be required to fund the debt service on the bonds.

The annual requirements to amortize general obligation bonds payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30	Principal	Interest	Total
2011	\$ 1,470,000	\$ 1,519,488	\$ 2,989,488
2012	-	1,460,688	1,460,688
2013	-	1,460,688	1,460,688
2014	230,000	1,452,638	1,682,638
2015	315,000	1,433,563	1,748,563
2016-2020	1,750,000	6,866,088	8,616,088
2021-2025	5,990,000	5,930,044	11,920,044
2026-2030	10,275,000	4,158,959	14,433,959
2031-2034	12,430,000	1,236,503	13,666,503
Totals	\$ 32,460,000	\$ 25,518,659	\$ 57,978,659

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 - CONSTRUCTION COMMITMENTS

As of June 30, 2010, the Measure Q Bond Building Fund had \$188,297 in contracts for construction of new classrooms, roof repairs and land improvements that remain encumbered and not yet paid.

NOTE 7 - SUBSEQUENT EVENT

On July 21, 2010, the District issued General Obligation Bonds, Series 2010 for \$17,300,000. The bonds begin maturing August 1, 2011 and fully mature August 1, 2032. The interest rates range between 2.0 - 4.5%. The proceeds from the bond issuance are to be used to finance specific construction and modernization projects approved by the voters in the 2008 election.

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C E R T I F I E D
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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

Board of Education and
Measure Q Citizen's Bond Oversight Committee
El Dorado Union High School District
Placerville, California

We have audited the financial statements of the El Dorado Union High School District as of and for the year ended June 30, 2010, and have issued our report thereon dated March 30, 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 El Dorado Union High School District's internal control over 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 El Dorado Union High School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the El Dorado Union High School District's 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 a 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.

Board of Education and
Measure Q Citizen's Bond Oversight Committee
El Dorado Union High School District

Our consideration of internal control over 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 financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Measure Q Bond Building Fund of El Dorado Union High School District's 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 internal control 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 Measure Q Citizen's Oversight Committee, District Board, management and the taxpayers of El Dorado Union High School District and is not intended to be and should not be used by anyone other than these specified parties.


GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
Certified Public Accountants

March 30, 2011

GOODELL,
PORTER,
SANCHEZ &
BRIGHT, LLP

C E R T I F I E D
P U B L I C
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INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Board of Education and
Measure Q Citizen's Bond Oversight Committee
El Dorado Union High School District
South Lake Tahoe, California

We have audited the financial statements of the Measure Q Bond Building Fund of the El Dorado Union High School District (the "District") as of and for the year ended June 30, 2010 and have issued our report thereon dated March 30, 2011. Our audit was made in accordance with generally accepted standards in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we also performed an audit for compliance as required in the performance requirements for Proposition 39 Measure Q General Obligation Bonds for the year ending June 30, 2010. The objective of the examination of compliance applicable to the District is to determine with reasonable assurance that:

- The proceeds of the sale of Measure Q Bonds were only used for the purposes set forth in the ballot measures and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measures, evaluated the remodeling, new construction and renovations of items which will relieve overcrowding, repair local schools and improve student safety conditions of the District.

To meet our objectives, audit tests were performed and included, but were not limited to the following:

1. We verified the bond proceeds were deposited in the District's name and invested in accordance with applicable legal requirements.

Board of Education and
Measures G Citizen's Bond Oversight Committee
El Dorado Union High School District
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2. We sampled six (6) contracts and verified compliance with the Public Contract Code bid requirements, Board approvals, invoices paid were within the contract terms and change orders were approved.
3. We tested approximately \$4.5 million in bond fund invoices paid. This equates to testing eighteen (18) separate payments for validity, allowability and accuracy. Expenditures sampled in our test included payments made to contractors and other vendors.
4. We inspected Citizens' Bond Oversight Committees meeting minutes to ensure compliance with the Brown Act.
5. We verified District appointed members to the Citizens' Bond Oversight Committees which fulfilled all applicable required criteria.

Our audit of compliance made for the purposes set forth in the preceding paragraph of this report would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied with the compliance requirements for Measure Q Bond proceeds listed and tested above.

This report is intended for the information of the Governing Board, management, the Citizens' Bond Oversight Committee; however, this report is a matter of public record.


GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
Certified Public Accountants

March 30, 2011

MEASURE Q BOND BUILDING FUND OF
EL DORADO UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
SUMMARY OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

As stated in our Independent Auditor's Report on Performance, our tests resulted in no findings and recommendations related to the financial and performance audits of the Measure Q Bond Building Fund for the year ending June 30, 2010.