

Eureka City Schools
Citizens' Oversight Committee
For Bond Measure S

FIRST ANNUAL REPORT TO THE COMMUNITY

July 1, 2014 – June 30, 2015

This is the first annual report to the community by the Citizens' Oversight Committee concerning the status of the school improvement bond measure approved by Eureka voters in November 2014. Bond Measure S authorized \$49.75 million for the district's pre-school, elementary, middle and high schools. Pursuant to state law, the Eureka City Schools' Governing Board appointed a Citizens' Oversight Committee, an independent committee representing various segments of the community, to inform the public regarding bond construction projects and their costs, and to ensure the projects are within the scope of the bond measures.

Project Report

In the year ended June 30, 2015, a total of \$1,105,968 was expended for projects related to Bond Measure S for Eureka City Schools as follows:

Lincoln Campus Modernization Phases II and III (\$1,007,157)

- Construction/Equipment/Materials (\$841,885)
- Architectural, Inspection, and Legal Fees (\$139,141)
- Engineering/Testing/Monitoring/Abatement fees (\$26,131)

Alice Birney Elementary School Three Classroom Addition (\$11,621)

- Engineering fees (\$11,621)

Winship Middle School Gymnasium Siding Replacement (\$5,831)

- Construction/Equipment/Materials (\$5,831)

Zane Middle School S Street Entrance (\$5,900)

- Engineering fees (\$5,900)

Zane Middle School Engineering Classroom (\$3,025)

- Materials/furniture (\$3,025)

Winzler Children's Center Playground (\$36,179)

- Equipment (\$36,179)

Miscellaneous Bond Issuance Costs (\$36,155)

- Architectural and Legal fees (\$36,155)

Additional Revenue

In addition to providing support for facility modernization efforts, the bond funds also qualify the District for state matching funds. However, there is currently no existing bond authority available for New Construction and Modernization applications.

As of fiscal year end 2014/15, the District had not yet completed a bond sale. As a result, all expenditures for the year were funded through a Transfer In from the District's General Fund. Since there were no bond proceeds, no interest revenue was recorded.

Findings and Conclusion

The Citizens' Oversight Committee believes, based on the opinion expressed by the auditing firm, that Measures S bond proceeds have been properly expended only for the purposes set forth in the Bond measure.

The firm of James Marta & Company LLP of Sacramento, California, conducted independent performance and financial audits. The objective of the performance audit was to determine with reasonable assurance that "the proceeds of the sale of the Measure S general obligation bonds were only used for the purposes set forth in the ballot language and not for any other purpose." In the opinion of the auditing firm, "the District complied with the requirements of the Measure S General Obligation Bonds Building Fund proceeds listed and tested above."

The auditing firm further opined that the fund financial statements "present fairly, in all material respects, the financial position of the Eureka City Unified School District Measure S Obligation Bonds Series 2015 Building Fund as of June 30, 2015 and the results of its operations the year then ended in conformity with accounting principles generally accepted in the United States of America."

Respectfully submitted by the Citizens' Oversight Committee Members:

Denise Jones, Chair (Senior Citizens Organization)

Gene Bass (School District/Parent-Teacher Organization)

Syn-dee Noel (At-large)

Jim Pell (Taxpayer Organization)

Becky Reece, Vice Chair (Business Community)

Approved: May 18, 2016

