

## **FIFTH ANNUAL REPORT TO THE COMMUNITY**

**July 1, 2018 – June 30, 2019**

This is the fifth annual report to the community by the Citizens' Oversight Committee (COC) 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, to ensure the projects are within the scope of the bond measures and that no bond proceeds are used for any teacher or administrative salaries or other operating costs, and to present to the Board of Trustees a written report which summarizes the Committee's proceedings and activities for the preceding year, and includes a statement indicating whether the District is in compliance with requirements of Article XIII A, Section I(b)(3) of the California Constitution.

### **Committee Activities**

The committee met four times during the year at its regularly scheduled quarterly meetings. Standing meeting topics include reviewing quarterly and annual financial reports and receiving updates on progress of bond projects. The committee members also conducted site tours to the Eureka High Main Building and Alice Birney and Lafayette Elementary campuses. The visits were featured as part of select quarterly meetings to provide committee members a firsthand view of various completed and in-progress bond projects.

### **Project Report**

In the year ended June 30, 2019, a total of \$1,702,399 was expended for projects related to Bond measure S for Eureka City Schools. This brings total bond expenditures since the inception of the bond program to \$11,760,659.

Some of the projects completed during the year include construction of the new student and bus drop-off zones at Washington Elementary, and installation of Public Announcement bell and clock systems at Grant Elementary and Washington Elementary. Finishing touches were also completed for the modernization of the Don Moehnke Music Building at Eureka High School.

Projects underway include construction of the 10,000 sq. ft. Eureka High School Agricultural Complex. Eureka City Schools received a \$3 million matching Career Technical Education State grant, which augments the local Measure S funds allocated to the project.

A number of other projects, including construction of the Eureka High School Gymnasium, modernizations of the parent and community reception areas and nurses' offices at Alice Birney Elementary and Lafayette Elementary, the new parking lot and student and bus drop-off zones at Grant Elementary, modernization of the Eureka High Science Building, and installation of the Eureka High School Public Announcement bell and clock system, are either awaiting approval from the Division of State Architect, or are in the development or planning stages.

## **Bond Sale**

The authorized issuance amount of the Measure S General Obligation Bonds Series 2015 is \$49,750,000. The first series of bonds in the amount of \$25,000,000 was issued in August 2015. Total Building Fund balances, including interest and other state revenues as of June 30, 2019, were \$14,174,960. The District anticipates the sale of a second series of bonds in 2019/20.

## **Additional Revenues**

In addition to providing support for facility construction and modernization efforts, the bond funds also qualify the district for state matching funds. During 2017/18, the district received \$364,590 in state matching funds through new bond authority that was approved by the California electorate in November 2016. Eureka City Schools continues to follow the required state guidelines for its bond projects in order to remain eligible for matching funds.

## **Findings and Conclusion**

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 District expended the 2015 Measure S General Obligation Bond funds for the year ended June 30, 2019, only for purposes approved by voters and only for specific projects adopted by the District’s Board of Trustee”, and not for any other purpose. In the opinion of the auditing firm, “Eureka City Schools has properly accounted for the expenditures of 2015 Measure S General Obligation Bond Fund”.

James Marta & Company further opined that the fund financial statements “present fairly, in all material respects, the financial position of the Eureka City Schools District Measure S General Obligation Bond Series 2015 Building Fund as of June 30, 2019 and the results of its operations the year then ended in conformity with accounting principles generally accepted in the United States of America.”

The Citizens’ Oversight Committee believes, based on the opinion expressed by the auditing firm of James Marta & Company LLP, that Measure S proceeds have been properly expended only for the purposes set forth in the Bond measure.

Respectfully submitted by the Citizens’ Oversight Committee Members:

Denise Jones, Chair (Taxpayer Organization)  
Greg Burger (School District/Parent-Teacher Organization)  
Jason Mayhorn (School District Parent/Guardian)

Becky Reece, Vice Chair (Business Community)  
Burt Campton (At-large)  
Syn-dee Noel (Senior Citizens Organization)