

MEASURE S
EIGHTH ANNUAL REPORT TO THE COMMUNITY
July 1, 2021 – June 30, 2022

This is the eighth annual report to the community by the Citizens' Oversight Committee (COC) concerning the status of the School Improvement Bond Measure S, 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. Responsibilities of the committee include informing the public regarding bond construction projects and their costs, ensuring 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 presenting to the Board of Trustees a written report which summarizes the Committee's proceedings and activities for the preceding year, including 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. The first three meetings were held virtually, while the committee met in person for the final meeting of the year. Standing meeting topics include reviewing quarterly and annual financial reports and receiving updates on progress of bond projects. The committee conducted a site tour of the new Ag Building on the Eureka High School campus as part of its May 25, 2022 meeting.

Project Report

In the year ended June 30, 2022, Eureka City Schools expended a total of \$14,092,575 for projects related to Bond Measure S. This brings total bond expenditures since the inception of the bond program to \$35,134,856. The Measure S fund balance as of June 30, 2022, is \$19,103,016, which includes interest received and state matching funds and grant funds.

The majority of bond funds utilized in 2021/22 were for continued work constructing the new Eureka High School Gymnasium. The project, which consists of four phases, includes construction of the new gymnasium, abatement of hazardous materials from the current facility, demolition of the current gymnasium, and construction of a new parking lot. The first phase is expected to be completed by the end of the 2022/23 school year.

Other projects that were completed during 2021/22 include installation of the Public Announcement/Bell systems at Alice Birney and Lafayette Elementary Schools, and at Zane Middle School. Work was finalized on the Winship Middle School perimeter fencing, and finishing touches were performed on the Eureka High School Ag Building.

Two other significant projects have received approval from the Division of State Architect (DSA). Modernization of the Eureka High Science Building commenced in 2022/23 and is slated to be

complete by November 2023. The district also received DSA approval for increment 1 of the Albee Stadium/Cloney Field project, and expects to begin construction work in summer 2023.

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. The second series of bonds, in the amount of \$24,750,000, was issued in July 2020. Combined Building Fund balances for Measure S and Measure T, including interest and other state revenues as of June 30, 2022, is \$36,930,016.

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 approved by the California electorate in November 2016. The District also received a \$3 million matching Career Technical Education State grant, which augments the local Measure S funds allocated to the Eureka High School Agricultural Complex project. These state School Facility Program funds were transferred into the Building Fund in 2021/22. Eureka City Schools continues to follow the required state guidelines for its bond projects in order to remain eligible for additional 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 Measure S General Obligation Bond funds for the year ended June 30, 2022, 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 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 Fund as of June 30, 2022, and the results of its operations the fiscal 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)
Bert Campton (At-large)
Shalise Miles (At-large)

Becky Reece, Vice Chair (Business Community)
Wendy Harper (School District Parent/Guardian)
Syn-dee Noel (Senior Citizens Organization)