

## **SIXTH ANNUAL REPORT TO THE COMMUNITY**

**July 1, 2019 – June 30, 2020**

This is the sixth 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. 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 virtually 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. Due to the pandemic, the committee conducted no site tours during the year.

### **Project Report**

In the year ended June 30, 2020, Eureka City Schools expended a total of \$5,881,797 for projects related to Bond Measure S. This brings total bond expenditures since the inception of the bond program to \$18,003,925.

The Eureka High School Agricultural Complex headlines the list of projects substantially completed during the year. Students were able to begin in-person instruction in the new 10,000 sq. ft. state-of-the-art facility, which features an agri-mechanics classroom, mechanics shop area, and two agri-science classrooms with attached kitchen, during the 2020/21 school year.

Other completed projects include installation of the Public Announcement bell and clock system at Eureka High School, the fencing project at Grant Elementary, and final additions for the student and bus drop-off zones at Washington Elementary.

A number of other projects are either awaiting approval from the Division of State Architect, or are in the development or planning stages. These include construction of the Eureka High School Gymnasium, modernization 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, and modernization of the Eureka High Science Building.

### **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, 2020, were \$8,491,919. The District completed the sale of a second series of bonds in July 2020.

### **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. 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, 2020, 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, 2020, 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)

Shalise Miles ( At-large)

Becky Reece, Vice Chair (Business Community)

Burt Campton (At-large)

Syn-dee Noel (Senior Citizens Organization)