

Eureka City Schools
Citizens' Oversight Committee
For Bond Measures S and T

First Annual Report to the Community

ADDENDUM – March 22, 2004

As a follow-up to our First Annual Report to the Community dated October 27, 2003, the Citizens' Oversight Committee (COC) is pleased to provide the following information.

We recently received the first annual independent financial and performance audit reports for Measures S & T from the Arcata CPA firm of Hartley, May & Abrahamsen. The period covered was from the sale of the first series of bonds (August 21, 2002) through the end of the fiscal year (June 30, 2003). Measure S bond proceeds are intended for facilities improvements at Eureka High School and Zane and Winship middle schools, while Measure T bonds are to cover improvements at the district's elementary schools. The financial status of the two bond measures as of June 30, 2003 can be summarized as follows:

	<u>Measure S</u>	<u>Measure T</u>	<u>Total</u>
Revenues:			
Bond Sales	\$ 21,602,605	\$ 6,496,987	\$ 28,099,592
Interest Earned	<u>654,123</u>	<u>195,975</u>	<u>850,098</u>
Total Revenues	<u>22,256,728</u>	<u>6,692,962</u>	<u>28,948,690</u>
Less Total Expenditures	<u>376,944</u>	<u>204,059</u>	<u>581,003</u>
Fund Balances, 6-30-03	\$ 21,879,784	\$ 6,488,903	\$ 28,368,687

The independent audit report states that bond funds were spent "for specified school facilities projects only, as described in Measures S & T, and not for teacher or administrator salaries or other operating expenses." We agree with the findings of the audits.

The Committee is especially pleased to note that with the passage of Proposition 55 earlier this month, it is anticipated that the district's Measure S & T projects will qualify for \$14 million and \$6 million, respectively, in state matching funds to aid in completion of the projects.

Citizens' Oversight Committee Members:

Melinda Ciarabellini
Marge Custis
Larona Farnum
Kurt Kramer
Fred Nelson

Bob Marino
Susan Seaman
Liana Simpson, Vice-Chair
Ken Skaggs, Chairman