

MEASURE T
THIRD ANNUAL REPORT TO THE COMMUNITY
July 1, 2023 – June 30, 2024

This is the third annual report to the community by the Citizens' Oversight Committee (COC) concerning the status of the School Improvement Bond Measure T, approved by Eureka voters in March 2020. Bond Measure T authorized \$18 million for projects specific to Eureka High School.

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 COC 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.

Project Report

In the year ended June 30, 2024, Eureka City Schools expended a total of \$4,131,312 for the Albee Stadium and Cloney Field storm drain replacement project funded under Bond Measure T. Expenditures included costs for planning, engineering, and permitting costs, and construction costs. The expenditures also include transfers of project costs initially charged to Measure S.

The Measure T fund balance as of June 30, 2024, is \$14,003,672, which includes interest received and an adjustment for a prior period balance restatement.

As noted in previous reports, the District opted to delay beginning of construction until it received a funding determination for the project from the state's Office of Public School Construction (OPSC). The District subsequently received the funding determination and put the project to bid. Adams Commercial General Contracting, Inc., was awarded the contract based on a low bid of \$26,283,330. Construction work in Albee Stadium and Cloney Field commenced in May 2024.

Bond Sale

The authorized issuance amount of the Measure T General Obligation Bonds is \$18,000,000. Bonds in the amount of \$18,000,000 were issued in March 2022. Combined Building Fund balances for Measure S and Measure T, including interest and other state revenues as of June 30, 2024, is \$14,057,398.

Additional Revenues

As cited previously, the District applied for state matching funds through OPSC. To assist in their funding determination, OPSC staff visited the site in order to gain a better understanding of the project scope. The state has since committed to providing a Facility Hardship Rehab grant in the amount of \$14,705,246 to assist in completion of the project.

Findings and Conclusion

The firm of Eide Bailly, LLP of Rancho Cucamonga, California, conducted independent bond performance and financial audits. The objective of the performance audit was to determine with reasonable assurance that “expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure S and Measure T”, and to determine “whether salary transactions, charged to the Building Fund were in support of Measure S and Measure T and not for District general administration or operations”. The results of the auditor’s tests indicate that the District “expended Building Fund (Measures S and Measure T) funds only for the specific projects approved by the voters”. The performance audit concluded with the statement that “in all material respects, Eureka City Schools has properly accounted for the expenditures held in the Building Fund (Measure S and Measure T) and that such expenditures were made for authorized Bond projects”.

Eide Bailly further opined that the fund financial statements “present fairly, in all material respects, the financial position of the Building Fund (Measure S and Measure T) of Eureka City Schools, as of June 30, 2024, and the changes in its financial position for the year then ended in accordance 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 Eide Bailly, LLP, that Measure T proceeds have been properly accounted for and 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)

Thavisak "Lucky" Syphanthong (School District Parent/Parent-Teacher Organization)

Becky Reece, Vice Chair (Business Community)

Wendy Harper (School District Parent/Guardian)

Syn-dee Noel (Senior Citizens Organization)