

MEASURE S
TENTH ANNUAL REPORT TO THE COMMUNITY
July 1, 2023 – June 30, 2024

This is the tenth 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. Standing meeting topics include reviewing quarterly and annual financial reports and receiving updates on progress of bond projects. Members of the committee also attended the Eureka High School Gymnasium Grand Opening in August 2023.

Project Report

In the year ended June 30, 2024, Eureka City Schools expended a total of \$4,103,490 for projects related to Bond Measure S. The Measure S fund balance as of June 30, 2024, is \$53,726, which includes interest received, state matching funds and grant funds, and an adjustment for a prior period balance restatement.

The bond funds utilized in 2023/24 were for continued work constructing the new Eureka High School Gymnasium and modernization of the Eureka High Science Building.

The gymnasium project consists of four phases, including construction of the new gymnasium, abatement of hazardous materials from the former facility, demolition of the old gymnasium, and construction of a new parking lot.

The first phase, construction of the new gymnasium, progressed to the point that the District took beneficial occupancy of the facility in August 2023. Though some punch list items remain to be addressed, the gym construction is substantially complete. Phases two and three, abatement of hazardous materials, and demolition of the old gymnasium, have also been finalized. Construction of the parking lot, the culmination of the gymnasium project, is currently in progress, and is expected to be finished and available for use by the opening of school in August 2025.

The Science Building modernization was substantially completed, as classrooms were open for instruction at the start of the 2024/25 school year. At the time of this report, the contractor had just completed work on the remaining open items, and the Notice of completion for the project is in process of being filed.

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, 2024, is \$14,057,398.

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. In September 2023, the District also received \$1,853,094 in State Facility Program funding as partial match for the Lincoln Campus building modernization which was completed in 2016/17. 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 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 S 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)