

**DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M
GENERAL OBLIGATION BOND
BUILDING FUND**

**COUNTY OF YOLO
DAVIS, CALIFORNIA**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

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DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND
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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
Davis Joint Unified School District
Davis, California

Report on the Audit of the Financial Statements

Opinions

We have audited the Balance Sheet of Davis Joint Unified School District (the District), Measure M General Obligation Bond Fund (the Fund), and the related statement of revenues, expenditures, and changes in fund balance as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the fund financial statements referred to above present fairly, in all material respects, the financial position of the Davis Joint Unified School District Measure M General Obligation Bond Fund (the Fund) as of June 30, 2023, and the results of its operations the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the district's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matters

As discussed in Note 1, the financial statements referred to above present only the individual Measure M General Obligation Bond Building Fund and are not intended to present fairly the financial position and results of operations of the District in conformity with generally accepted accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 8, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the district's internal control over financial reporting and compliance.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 8, 2024

BASIC FINANCIAL STATEMENTS

DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND
BALANCE SHEET
JUNE 30, 2023

ASSETS

Cash and cash equivalents	\$ 55,178,842
Accounts receivable	2,351
Due from other funds	<u>240,573</u>
Total Assets	<u><u>\$ 55,421,766</u></u>

**LIABILITIES AND
FUND BALANCES**

Liabilities	
Accounts payable	\$ 364,587
Due to other funds	<u>105,689</u>
Total Liabilities	<u>470,276</u>
Fund balances	
Restricted for bond projects	<u>54,951,490</u>
Total Fund Balances	<u>54,951,490</u>
Total liabilities and fund balances	<u><u>\$ 55,421,766</u></u>

DAVIS JOINT UNIFIED SCHOOL DISTRICT

**MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES

Other local revenues	\$ 1,894,505
Total revenues	<u>1,894,505</u>

EXPENDITURES

Classified salaries	513,061
Employee benefits	195,088
Books and supplies	220,114
Services and other operating expenditures	1,153,997
Capital outlay	<u>21,004,375</u>
Total expenditures	<u>23,086,635</u>
Excess(deficiency) of revenues over expenditures	<u>(21,192,130)</u>
Net change in fund balances	(21,192,130)
Fund balances, July 1, 2022	<u>76,143,620</u>
Fund balances, June 30, 2023	<u><u>\$ 54,951,490</u></u>

DAVIS JOINT UNIFIED SCHOOL DISTRICT

**MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accounting policies of the Measure M General Obligation Bond Fund (the Fund) of the Davis Joint Unified School District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

The Davis Joint Unified School District (the "District"), situated in parts of Solano and Yolo counties, was established 1962. Encompassing approximately 130 square miles, the District serves a population of approximately 81,650 people residing in the southern portion of Yolo County and a small portion of northeastern Solano County. The district provides education to approximately 8,000 students in transitional kindergarten through twelfth grade, as well as additional students in preschool programs, adult education and a charter school. The District is currently operating nine elementary schools, three junior high schools, one traditional senior high school, a charter school, an independent study school an alternative continuation high school, a children’s center and an adult school.

The Bonds were authorized at an election within the District held on November 6, 2018 (the “Election”) at which at least fifty-five percent of the registered voters voting on the proposition voted to authorize the issuance and sale of \$150,900,000 aggregate principal amount of general obligation bonds of the District (the “Authorization”). Because the Bond required only 55% of the vote in accordance with Proposition 39 (Article XIII of the California State Constitution), the District was required to establish a citizen’s bond oversight committee and to conduct a financial and performance audit.

On March 4, 2019, the District issued Measure M Series 2019 General Obligation Bonds (the “2019 Bonds”) in the aggregate principal amount of \$50,300,000 to finance the acquisition, construction, furnishing and equipping of District facilities and to pay certain costs of issuance associated therewith. The Series 2019 were the first series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District.

On May 19, 2020, the District issued Measure M Series 2020 General Obligation Bonds (the “2020 Bonds”) in the aggregate principal amount of \$100,600,000 to finance the acquisition, construction, furnishing and equipping of District facilities and to pay certain costs of issuance associated therewith. The Series 2020 are the second and final series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District.

DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. REPORTING ENTITY (CONTINUED)

The Committee's oversight goals include ensuring expenditures are within the language of the ballot measure. The citizens' oversight committee must include, among others, representation of a bona fide taxpayers association, a business organization and a senior citizens organization. No district employees or vendors are allowed to serve on the citizens' oversight committee.

The fund financial statements presented are for the Measure M General Obligation Bond Building Fund. Since this is just one component of the District, these financial statements are not intended to be a complete presentation of the District's financial position or results of operations. Accordingly, these fund statements do not include a government wide financial statement, management discussion and analysis or related organizational disclosures. The audited financial statements of Davis Joint Unified School District include the Measure M General Obligation Bond Building Fund activities, related debt and disclosures as well as management's discussion and analysis.

B. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The proceeds from the sale of general obligation bonds and the subsequent expenditure of the bond funds are accounted for in the Building fund of the District. Any premium received from the sale of the bonds is deposited in the Bond and Interest Redemption fund of the District.

C. ACCOUNTING POLICIES

The District prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and complies with the policies and procedures of the Department of Education's *California School Accounting Manual*.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

The financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

E. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

F. ENCUMBRANCES

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

G. DEPOSITS AND INVESTMENTS

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq.

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation; obligations with first priority security; and collateralized mortgage obligations.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

G. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

H. CAPITAL AND LONG-TERM DEBT

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the General Obligation Bond Building Fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and liabilities are generally included on the balance sheet.

The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Measure M General Obligation Bond Building Fund are accounted for in the basic financial statements of the District.

I. FUND BALANCE – GOVERNMENTAL FUNDS

As of June 30, 2023, fund balances of the Measure M General Obligation Bond Building Fund are classified as restricted. Restricted funds can only be spent for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

DAVIS JOINT UNIFIED SCHOOL DISTRICT

**MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023 consists of cash in county treasury in the amount of \$55,178,842.

1. Cash in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Cash in County Treasury consists of District cash held by the Yolo County Treasury that is invested in the county investment pool. The Treasury permits negative cash balances so long as the District's total cash in county treasury has a positive balance.

The fair value of the District's investment in the pool is reported in the financial statements at amounts that are based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The weighted average maturity of the pool is 855 days. The pool is rated AAA by Standard and Poor's.

2. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, as the length of the maturity of an investment increases, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury that purchases a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

3. Credit Risk

The District has adopted the County Treasurer's formal investment policy that limits its investment choices other than the limitations of state law.

4. Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk.

DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

3. INTERFUND TRANSACTIONS

Interfund Activity

Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivable/Payables

Interfund receivable and payable balances are a result of balances owed by the Measure M bond funds to other funds to reimburse for bond related expenditures. At June 30, 2023 the Building Fund reported a due to other funds totaling \$105,689 and due from other funds totaling \$240,573.

4. MEASURE M GENERAL OBLIGATION BONDS

Series 2019

On March 4, 2019, the District issued Measure M Series 2019 General Obligation Bonds (the “Bonds”) in the aggregate principal amount of \$50,300,000. The Series 2019 were the first series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. See table below of how the proceeds of the bond were applied.

Sources of Funds

Principal Amount of Bonds	\$ 50,300,000
Net Original Issue Premium	276,474
Total Sources	\$ 50,576,474

Uses of Funds

Deposited to Building Fund	\$ 50,174,000
Deposited to Debt Service Fund	8,352
Cost of Issuance	126,000
Underwriter's Discount	268,122
Total Uses	\$ 50,576,474

DAVIS JOINT UNIFIED SCHOOL DISTRICT

**MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

4. MEASURE M GENERAL OBLIGATION BONDS (CONTINUED)

Series 2020

On May 19, 2020, the District issued Measure M Series 2020 General Obligation Bonds (the “Bonds”) in the aggregate principal amount of \$100,600,000. The Series 2020 are the second and final series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. See table below of how the proceeds of the bond were applied.

Sources of Funds

Principal Amount of Bonds	\$ 100,600,000
Net Original Issue Premium	<u>5,320,736</u>
Total Sources	<u>\$ 105,920,736</u>

Uses of Funds

Deposited to Building Fund	\$ 100,430,000
Deposited to Debt Service Fund	3,610,536
Cost of Issuance	170,000
Underwriter's Discount	<u>1,710,200</u>
Total Uses	<u>\$ 105,920,736</u>

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the County of Solano and the Board of Supervisors of the County of Yolo are obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable.

The Series 2019 bonds consist of serial bonds bearing various fixed interest rates from 3.5% to 5% and mature in staggered amounts each year starting in August 1, 2019 up through August 1, 2047.

The Series 2020 bonds consist of serial bonds bearing various fixed interest rates from 3% to 5% and mature in staggered amounts each year starting in August 1, 2020 up through August 1, 2043.

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MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

5. COMMITMENTS AND CONTINGENCIES

As of June 30, 2023, the Building Fund had the following commitments with respect to unfinished capital projects:

Project Name	Initial Committed Balance	Expenditures to Date	Committed Balance at June 30, 2023
Program Cost	\$ 439,689.00	\$ 177,752.80	\$ 261,936.20
CTE Pathway	2,351,329	2,165,540	185,788.86
CTE Pathway	3,280,010	2,775,828	504,181.59
CTE Pathway	7,291,501	6,015,697	1,275,804.18
CTE Journalism	-	3,443	-
ECE TK/K	24,500	24,500	-
Next Gen	1,291,085	289,523	1,001,562.23
BLE MPR	2,147,936	1,304,977	842,958.86
NDE MPR	3,475,863	1,982,777	1,493,085.66
Willet MPR	2,691,129	1,374,891	1,316,237.77
CCE MPR	4,205,227	2,384,272	1,820,954.69
CDE parking Lot	52,998	5,600	47,398.00
DHS Stem	33,421,361	7,796,395	25,624,966.10
DHS Stem	2,191,429	2,191,429	-
DHS Aquatics	744,580	13,823	730,756.70
Changing Stations	12,500	12,500	-
Do Generator	-	2,039	-
DWT WiFi Refresh	-	32,019	-
DVCA Renovations	6,287,978	1,947,137	4,340,841.49
ELC KOR	377,946	121,330	256,616.21
Totals	<u>\$ 70,287,061</u>	<u>\$ 30,621,472</u>	<u>\$ 39,703,089</u>

6. SUBSEQUENT EVENTS

Management has evaluated its June 30, 2023 financial statements for subsequent events through March 8, 2024, the date the financial statements were available to be issued. Management is not aware of any subsequent events that could require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND

FULL TEXT OF BOND MEASURE

By approval of this measure by at least fifty-five percent (55%) of the registered voters voting thereon, the Davis Joint Unified School District shall be authorized to issue and sell bonds of up to \$150.9 million in aggregate principal amount to provide financing for the specific school facilities projects listed below in the Bond Project List, subject to all of the accountability safeguards specified herein.

SECTION I: KEY FINDINGS

The Davis Joint Unified School District is committed to continuing to provide a strong, high-quality education for all students in all its local elementary, middle and high schools; and

Many classrooms and facilities in Davis schools are over 50 years old and require updates; and

Old plumbing and electrical systems need replacement and academic facilities need earthquake safety upgrades to provide a safe, healthful learning environment for students; and

Improvements are needed for campus safety and security, including upgrading access control, security cameras and fencing; and

Classrooms and labs need to be modernized to meet today's educational standards for science, technology, engineering and math; and

In 2000, local voters approved a school facilities bond, Measure K, which enabled the District to complete basic repairs to education facilities, and a citizens' oversight committee verified that all funds expended were spent in accordance with voter-approved priorities; and

Though Measure K funding from 2000 made a significant impact, our local schools still have urgent needs that reach beyond of the scope of the District's annual operating budget such that passing this bond measure provides a guaranteed and necessary source of local funding to maintain and improve the community's local school facilities; and

The District has conducted a project prioritization process with input from parents, teachers, staff, and members of the community to identify the upgrades needed at each school site in order to meet modern safety standards, to meet the District's goals for supporting current academic standards and to address specific priorities at individual school sites; and

While a single bond measure will not be able to address all needs in our Davis schools, it will start a first phase of improvements to address the most urgent updates needed in local classrooms and maintain high-quality education for all Davis students; and

Addressing urgent needs includes updating classrooms, science labs, innovation labs and facilities to meet current academic standards, enhancing campus safety and security systems, keeping schools clean, well-maintained and in good condition, updating classrooms for career technical education and workforce training programs, replacing aging plumbing and electrical systems, improving school access for students and staff members with disabilities, and performing essential safety repairs on classrooms and facilities; and

DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND

FULL TEXT OF BOND MEASURE

Upgrades are also needed to update classrooms and science labs for a well-rounded, 21st-century education and equip schools with the learning technology needed to attract and retain the best teachers and staff; and

Ensuring our local schools provide a high-quality education keeps our property values and community strong; and

Unlike the District's parcel tax funds, which support the District's educational programs and staffing, bond revenue is the primary means by which the District is able to keep its school buildings and classrooms in good repair, safe, designed and equipped to support changing educational standards, methods and approaches; and

This bond measure will benefit local schools and no funds can be taken away by the State or other school districts, and by law, no money can be used for administrator salaries or pensions; and

This bond measure requires strict fiscal accountability protections including mandatory annual audits and an independent citizens' oversight committee comprised of local residents to ensure funds are managed and spent properly.

SECTION II: ACCOUNTABILITY MEASURES

The provisions in this section are included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Section 15264 et seq. of the California Education Code).

Evaluation of Needs. The Board of Education has evaluated the facilities needs of the District, and has identified projects to finance from a local bond measure at this time. The Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

Independent Citizens' Oversight Committee. The Board of Education shall establish an independent Citizens' Oversight Committee in accordance with Education Code sections 15278-15282 and applicable Board policy, to ensure bond proceeds are expended only for the school facilities projects listed in the Bond Project List. The committee shall be so empowered, or a new committee established, within sixty (60) days of the date when the Board of Education enters the results of the election in its official minutes.

Annual Performance Audit. The Board of Education shall conduct or cause to be conducted an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List.

Annual Financial Audit. The Board of Education shall conduct or cause to be conducted an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List.

DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND

FULL TEXT OF BOND MEASURE

Annual Report to Board. Upon approval of this measure and the sale of any bonds approved, the Board of Education shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent shall cause a report to be filed with the Board of Education no later than January 1 of each year, commencing on the first January 1 after bonds have been issued and proceeds spent, stating (1) the amount of bond proceeds received and expended in the past fiscal year, and (2) the status of any project funded or to be funded from bond proceeds. The report may be incorporated into the annual budget, annual financial report, or other appropriate routine report to the Board.

SECTION III: BOND PROJECT LIST

This Bond Project List, which is an integral part of this proposition, describes the specific projects the District proposes to finance with proceeds of the bonds. All information contained within this “Section III: Bond Project List” comprises the list and description of permissible projects and expenses that may be paid from bond proceeds.

In order to meet all identified facility needs, the District intends to complete projects using a combination of funding sources, including joint use, development impact fees, and state funding (if available). In addition, the District will pursue state matching funds if and when they become available, and if received, they will be used for and mainly applied to projects on the Bond Project List or other high priority capital outlay expenditures as permitted in Education Code section 17070.63(c). While no specific project is dependent on the receipt of state funding for completion, approval of this measure does not guarantee that all projects on this Bond Project List at all listed sites will be funded beyond the local revenues generated by this measure. The District’s proposal for the projects assumes the receipt of some state matching funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

Specific projects to be funded by the bond measure include, without limitation, the following:

A. COMPLETE BASIC UPGRADES TO MEET CURRENT STUDENT HEALTH AND SAFETY STANDARDS

- Update aging classrooms and educational facilities to meet current fire, seismic and safety codes;
- Fix and/or replace deteriorating roofs;
- Repaint school exteriors and interiors and refresh or replace trees and landscaping;
- Resurface playgrounds and asphalt areas;
- Remove or replace aging portable buildings and classrooms;
- Replace and upgrade outdated and deteriorating utility lines for gas, sewer and water service, electrical mains and distribution and other energy efficient systems, controls and infrastructure; Replace and upgrade electrical, lighting, plumbing, heating and ventilation systems; and replace and upgrade air conditioning or other classroom cooling systems;
- Acquire and install solar energy systems and equipment;
- Repair and replace aging student restrooms, including gender neutral toilet modernization, reconfiguration, and additions;
- Create ADA-compliant access and safe pedestrian paths of travel at schools;

DAVIS JOINT UNIFIED SCHOOL DISTRICT

**MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND**

FULL TEXT OF BOND MEASURE

- Improve security at schools by providing wayfinding, signage, fire and classroom intrusion alarms, public address and emergency communication systems, video surveillance cameras and other security systems, safety locks on classroom doors, and exterior lighting for student safety;
- Upgrade emergency communications and technology backup systems, signage and fencing;
- Improve student safety and traffic circulation by upgrading or providing additional and/or reconfigured school drop-off areas, including new access roads for fire lane and/or MPR service; and upgrading or providing additional and/or reconfigured car or bicycle parking lots and bicycle racks and perimeter fencing;
- Install or repair shade structures on school campuses and create sheltered and shaded eating and outdoor learning areas as needed; upgrade, install, or enhance outdoor learning environments including learning courts, small group areas, gardens, trees and amphitheaters;
- Rebuild, equip and furnish school sites in the event of unforeseen emergency.

B. IMPROVE SCHOOLS TO MEET CURRENT ACADEMIC STANDARDS AND PROVIDE ACCESS TO MODERN INSTRUCTIONAL TECHNOLOGY

- Provide updated classroom Audio/Visual technology for content delivery and presentation, which may include projectors and/or large format flat-screen monitors and sound and voice amplification systems;
- Acquire and/or improve classroom technology, upgrade of backbone systems wireless access points, switches, and MDF/IDF data rooms with environmental controls;
- Acquire computer hardware for student use in the classroom that is current and up-to-date;
- Improve school site network infrastructure in order to enhance network-based content and curriculum delivery, which may include:
 - Upgrade and improve the routing and network aggregation capabilities for each site in order to support the larger numbers of concurrent network and internet connections.
 - Upgrade and improve the network access layer switching capabilities in order to support the larger numbers of devices on our school networks as well as supporting the higher speed requirements.
 - Upgrade and improve classroom wiring for both wired and wireless data communication.
 - Where necessary, upgrade and improve fiber network cabling between data wiring closets at the school sites.
- Furnish classrooms and learning spaces with flexible furniture;
- Build new or transform existing spaces to ensure functional kitchens, multi-use rooms and stages to meet District facility standards for elementary, junior high and senior high schools.

C. PROVIDE DEDICATED SPACE FOR SCIENCE, MATH, ENGINEERING, ARTS/MUSIC INSTRUCTION, SUPPORT 21ST CENTURY LEARNING AND ADDRESS SPECIFIC PRIORITIES AT INDIVIDUAL SCHOOL SITES

- To accommodate 21st century learning methods, renovate, reconfigure, replace and/or repurpose or relocate existing classrooms, programs and buildings, including roofs, walls, windows, doors, floors, ceilings and paint;

DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND

FULL TEXT OF BOND MEASURE

- Construct, furnish and equip flexible classrooms, learning studios, innovation centers, performance spaces, collaboration spaces and maker spaces for STEM, art, robotics, woodshop, technology, computer lab, broadcast media, music, drama and dance;
- Renovate, repair and upgrade school libraries to accommodate modern technology; add, modernize, or reconfigure library innovation lab and/or learning center for student resource and counseling;
- Construct and/or improve, furnish and equip middle and high school performing arts and music spaces and venues;
- Renovate and upgrade multipurpose rooms, support spaces, play and eating areas, and trash enclosures;
- Upgrade, install, construct, modernize, reconfigure, or relocate food service facilities, community centers, faculty/staff meetings spaces, workrooms, and parent/student support service areas, including related equipment and/or appliances;
- Add, modernize, or reconfigure locker rooms, PE fitness classrooms, weight rooms, PE storage, and gymnasiums; install turf fields and improve track and athletic facilities; add, resurface, and/or restripe hardcourts; add or repair existing playfields, including related equipment; construct new field house building and aquatic center at high school.

Projects listed may be completed at any and all school sites and facilities where such project is determined by the Board to be necessary or required, and projects are authorized to be performed at each and all of the District’s schools and sites, including without limitation:

Elementary Schools	
Birch Lane Elementary	North Davis Elementary
Cesar Chavez Elementary	Patwin Elementary
Fairfield Elementary	Pioneer Elementary
Fred T. Korematsu Elementary	Willett Elementary
Marguerite Montgomery Elementary	
Junior High Schools	
Da Vinci Academy Junior High	Frances Harper Junior High
Ralph Waldo Emerson Junior High	Oliver Wendell Holmes Junior High
High Schools	
Davis Senior High	Da Vinci Charter Academy (Junior High and High School)
Martin Luther King Jr. High School	
Alternative Schools or Other Support Facilities	
Davis School for Independent Study	DJUSD Children’s Center
Davis Adult and Community Education	District Office, including Maintenance & Operations facilities

Listed projects, repairs, improvements, rehabilitation projects and upgrades will be completed only as needed, and the listing of projects does not imply a particular prioritization among such improvements. Projects may be done in phases, based on Board of Education priorities. Listed projects may be completed at any and all

DAVIS JOINT UNIFIED SCHOOL DISTRICT
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BUILDING FUND

FULL TEXT OF BOND MEASURE

District schools, sites, properties (owned or leased) and education buildings where such project is determined necessary. Decisions regarding the scope, timing, prioritization or other facets of project implementation will be made solely by the Board of Education by subsequent action. Where terms such as “renovate,” “upgrade,” “repurpose” and “improve” are used in the Bond Project List, the Board of Education has the discretion to determine the best method for accomplishing the project’s objective. For any listed project involving renovation or modernization of a building or the major portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the District determines that replacement and new construction is more practical than renovation, considering the building’s age, condition, expected remaining life, comparative cost and other relevant factors. In addition, where feasible, projects may be completed in partnership with other agencies on a joint use basis using bond proceeds. Property, buildings and equipment on the bond project list may be acquired through lease, sale, lease-purchase, lease-leaseback or other project delivery or acquisition methods determined appropriate by the Board.

Each project is assumed to include its share of costs of bond issuance, architectural, engineering, legal and similar planning costs, construction management, bond project staff and consultants, staff development and training expenses associated with learning construction techniques and approaches and new bond-funded equipment and systems, and a customary contingency for unforeseen design and construction costs. In addition to the projects listed above, the Bond Project List also includes payment of the costs of preparation of all facilities planning and project implementation studies, feasibility and assessment reviews, master planning, environmental studies, permit and inspection fees, temporary housing costs and relocation costs for dislocated programs, buildings, facilities or activities caused or necessitated by construction projects.

The final cost of each project will be determined as plans are finalized and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Necessary site preparation, grading or restoration may occur in connection with acquisition of property, new construction, modernization, renovation or remodeling, or installation or removal of modular classrooms, including ingress and egress, removing, replacing or installing irrigation, utility lines, trees and landscaping, relocating fire access roads and acquiring any necessary easements, leases, licenses or rights of way to the property.

SECTION IV: ADDITIONAL SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of Bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation or replacement of school facilities on the Bond Project List, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Section 15100 of the California Education Code, and all the enumerated purposes shall constitute the specific single purpose of the bonds and proceeds of the bonds shall be spent only for such purpose.

DAVIS JOINT UNIFIED SCHOOL DISTRICT
MEASURE M GENERAL OBLIGATION BOND
BUILDING FUND

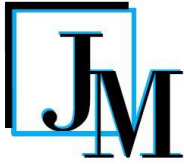
FULL TEXT OF BOND MEASURE

Other Terms of the Bonds. The bonds may be issued and sold in several series, and in accordance with a financing plan determined by the Board of Education pursuant to requirements of law. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum and with a maximum term not exceeding the statutory maximum, provided that the average useful life of bonds sold will not exceed one hundred twenty percent (120%) of the average life of the projects being financed or as otherwise provided by federal tax law. Bond funds may be used to reimburse the District for Bond Project list expenditures incurred prior to the election and bond issuance, in accordance with federal tax law.

Attention of all voters is directed to the fact that the financial information contained in this measure is based upon the District's projections and estimates only, which are not binding upon the District, nor are the summary estimates, if any, provided in the Ballot Label. The actual tax rates, debt service and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessors in the annual assessment and the equalization process.

In preparing this information, the District obtained reasonable and informed projections of assessed property valuations that took into consideration projections of assessed property valuations made by the County Assessor, if any, in accordance with Education Code Section 15100(c).

OTHER INDEPENDENT AUDITOR'S REPORTS



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
Davis Joint Unified School District
Davis, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the Measure M General Obligation Bond Building Fund of Davis Joint Unified School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Measure M General Obligation Bond Building Fund's fund financial statements, and have issued our report thereon dated March 8, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Measure M General Obligation Bond Building Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Measure M General Obligation Bond Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Measure M General Obligation Bond Building Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

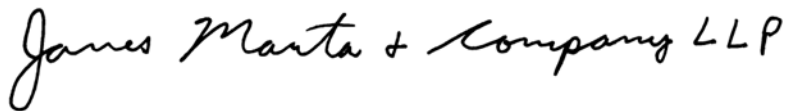
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

Compliance and Other Matters

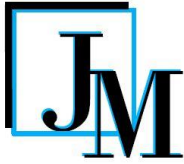
As part of obtaining reasonable assurance about whether Measure M General Obligation Bond Building Fund's fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. This report is intended solely for the information and use of management, and the Citizen's Oversight Committee and Governing Board of Davis Joint Unified School District, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 8, 2024



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**INDEPENDENT AUDITOR'S REPORT
ON MEASURE M BOND PERFORMANCE**

Citizen's Oversight Committee
and Governing Board
Davis Joint Unified School District
Davis, California

Report on Performance

We have completed a performance audit of Measure M General Obligation Bonds of Davis Joint Unified School District (the "District"), for the year ended June 30, 2023 and have issued our report thereon dated March 8, 2024.

Management's Responsibility

The design, implementation, and maintenance of internal controls relevant to the financial process and compliance with the requirements of state laws and regulations is the responsibility of District's management.

Auditor's Responsibility

Our responsibility is to determine that the District complied with the Measure M General Obligation Bonds in accordance with Appendix A of the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Appendix A of the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objects. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The results of the procedures performed indicate that the District complied with the requirements identified in Appendix A of the K-12 Local Education Agencies and State Compliance Reporting for the Measure M General Obligation Bond funds for the year ended June 30, 2023.

Objectives

The objectives of our performance audit was to determine that the Davis Joint Unified School District expended Measure M General Obligation Bond funds for the year ended June 30, 2023 only for purposes approved by voters and only for specific projects adopted by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C.

Scope of the Audit

The scope of our performance audit covered the fiscal year ended June 30, 2023. The expenditures included all account and project codes associated with the bond projects. Expenditures before July 1, 2022 and after June 30, 2023 were not reviewed as they were not within the scope of our audit.

Methodology

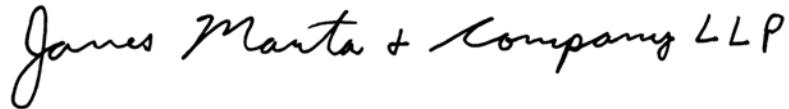
1. We obtained the general ledger for the fiscal year ended June 30, 2023.
2. We selected expenditures to ensure compliance with Proposition 39 and Measure M General Obligation Bond Funding.
3. We verified the mathematical accuracy of the expenditures included in the Measure M Building Fund detailed general ledger for the fiscal year ended June 30, 2023.
4. We verified that the funds were generally expended for the modernization, renovation, and construction of school facilities constituting authorized bond projects.
5. Solely to assist us in planning and completing our performance audit, we obtained an understanding of the internal controls of the District.
6. We selected a sample of bond expenditures and performed the following:
 - a. Reviewed the invoices, contracts, warrant copies and other supporting documents to verify the funds were spent in accordance with list of projects defined in the full Measure M bond text.
 - b. For any expenditures that were subject to the bid process, we reviewed supporting documentation to verify that all applicable bid process requirements were satisfied.
 - c. We verified that any change orders for the selected projects were approved by the Board of Trustees.
7. We verified that funds used to pay the salaries of district employees were allowable per opinion 04-110 issued November 9, 2004 by the State of California Attorney General.

Conclusion

Based on the procedures performed, we found that the Davis Joint Unified School District has properly accounted for the expenditures of Measure M General Obligation Bonds. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures. Our audit does not provide a legal determination on the District's compliance with specific requirements.

Purpose of this Report

The purpose of this report is solely to describe the scope of our performance audit and the results of that testing. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's compliance. This report is intended solely for the information and use of management and Governing Board of Davis Joint Unified School District, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 8, 2024