

WILLIAMS UNIFIED SCHOOL DISTRICT

**MEASURE C
GENERAL OBLIGATION BONDS
BUILDING FUND**

**COUNTY OF COLUSA
WILLIAMS, CALIFORNIA**

FINANCIAL AND PERFORMANCE AUDIT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

**JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS**

**701 HOWE AVENUE, E3
SACRAMENTO, CA**

**(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPCOM**

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Revenues, Expenditures, and Changes in Fund Balance	4
Notes to the Financial Statements	5
SUPPLEMENTAL INFORMATION	
Full Text of Bond Measure C	13
OTHER INDEPENDENT AUDITOR'S REPORTS	
Report on Internal Control Over Financial Reporting and on Compliance and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17
Independent Auditor's Report on Measure C Bond Performance	19



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying Balance Sheet of Williams Unified School District (the District), Measure C General Obligation Bonds Building 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, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

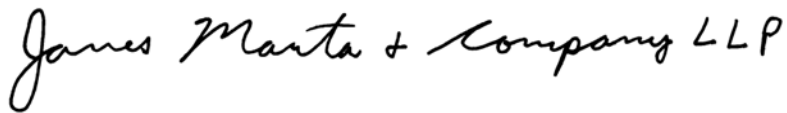
In our opinion, the fund financial statements referred to above present fairly, in all material respects, the financial position of the Williams Unified School District Measure C General Obligation Bonds Building Fund as of June 30, 2020 and the results of its operations the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 1, the financial statements referred to above present only the individual Measure C General Obligation Bonds 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 October 2, 2020 on our consideration of the fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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.

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
October 2, 2020

BASIC FINANCIAL STATEMENTS

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
BALANCE SHEET
JUNE 30, 2020

ASSETS

Cash and cash equivalents	<u>\$ 790,376</u>
Total Assets	<u><u>\$ 790,376</u></u>

**LIABILITIES AND
FUND BALANCES**

Liabilities	
Accounts payable	<u>\$ 25,529</u>
Total Liabilities	<u>25,529</u>
Fund balances	
Restricted for Measure C Bond Projects	<u>764,847</u>
Total Fund Balances	<u>764,847</u>
Total Liabilities and Fund Balances	<u><u>\$ 790,376</u></u>

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

REVENUES

Other local revenues	\$ 150,640
Total revenues	<u>150,640</u>

EXPENDITURES

Services and other operating expenditures	206,918
Capital outlay	<u>7,416,773</u>
Total expenditures	<u>7,623,691</u>
Excess (deficiency) of revenues over expenditures	<u>(7,473,051)</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issuance	<u>3,000,000</u>
Total other financing sources (uses)	<u>3,000,000</u>
Net change in fund balances	(4,473,051)
Fund balances, July 1, 2019	<u>5,237,898</u>
Fund balances, June 30, 2020	<u><u>\$ 764,847</u></u>

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accounting policies of the Measure C General Obligation Bonds Building Fund (the Fund) of Williams 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.

Williams Unified School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five-member Governing Board elected by registered voters of the District, which comprises an area in Colusa County. The District serves students in transitional kindergarten through twelfth grade.

On August 23, 2017, the District issued Measure C, Series A (2017) General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$4,000,000 for the purpose of financing the school facility improvements and to pay certain costs of issuance associated therewith. The Series A (2017) bonds represent the first of three series of bonds authorized to be issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District.

On May 23, 2018, the District issued Measure C, Series B (2018) General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$4,000,000 for the purpose of financing the school facility improvements and to pay certain costs of issuance associated therewith. The Series B (2018) bonds represent the second of three series of bonds authorized to be issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District.

On July 11, 2019, the District issued Measure C, Series C (2019) General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$3,000,000 to modernize, renovate and/or construct classrooms, restrooms, libraries and school facilities, make health, safety and handicapped accessibility improvements, replace temporary portables and upgrade P.E. fields and facilities for school and community use. The Series C (2019) bonds represent the final of three series of bonds authorized to be issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District.

The Bonds were authorized at an election within the District held on November 8, 2016 (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 \$11,000,000 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.

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. REPORTING ENTITY (CONTINUED)

The Committee's oversight goals include ensuring expenditures are within the language of the ballot measure and advising the District's Governing Board on various projects. 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 C General Obligation Bonds 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 Williams Unified School District include the Measure C General Obligation Bond activities, related debt and disclosures as well as the management 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 Interest and 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.

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 compensated absences and 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 authorized to maintain cash in banks and revolving funds that are insured up to \$250,000 by the Federal Depositary Insurance Corporation (FDIC).

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.

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

G. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 C 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, 2020, fund balances of the Measure C 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.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2020 consist of \$790,376 cash in the county treasury.

A. POLICIES AND PRACTICES

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 instrument; 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 agreement; 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.

B. 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 Colusa 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 1,492 days. The pool is rated AAA by Standard and Poor's.

C. INVESTMENT RISKS

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.

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

3. MEASURE C GENERAL OBLIGATION BONDS

Series A (2017)

The authorized issuance amount of the bonds is \$11,000,000. On August 23, 2017, the District issued Measure C Series A (2017) General Obligation Bonds (the “Bonds”) in the aggregate principal amount of \$4,000,000 for the purpose of financing the renovation, construction and improvement of school facilities and to pay certain costs of issuance associated therewith. See table below of how the proceeds of the bond were applied.

Sources of Funds

Principal Amount of Bonds	\$ 4,000,000
Net Original Issue Premium	<u>408,037</u>
Total Sources of Funds	<u><u>\$ 4,408,037</u></u>

Uses of Funds

Deposit to Building Fund	\$ 3,865,000
Deposit to Interest and Sinking Fund	341,151
Costs of Issuance	<u>201,886</u>
Total Uses of Funds	<u><u>\$ 4,408,037</u></u>

The Series A Bonds are payable from the proceeds of *ad valorem* property taxes which the Board of Supervisors of the Colusa County are obligated to levy and collect on all taxable property in the District for the payment of principal and interest on the Bonds when due. The bonds carry interest rates ranging from 2.0% to 5.0% and mature in staggered amounts each year starting in August 1, 2018 up through August 1, 2047.

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

3. MEASURE C GENERAL OBLIGATION BONDS (CONTINUED)

Series B (2018)

On May 23, 2018, the District issued Measure C Series B (2018) General Obligation Bonds (the “Bonds”) in the aggregate principal amount of \$4,000,000 for the purpose of financing the renovation, construction and improvement of school facilities and to pay certain costs of issuance associated therewith. See table below of how the proceeds of the bond were applied.

Sources of Funds

Principal Amount of Bonds	\$ 4,000,000
Net Original Issue Premium	292,661
Total Sources of Funds	<u>\$ 4,292,661</u>

Uses of Funds

Deposit to Building Fund	\$ 3,855,000
Deposit to Interest and Sinking Fund	225,965
Costs of Issuance	<u>211,696</u>
Total Uses of Funds	<u>\$ 4,292,661</u>

The Series B Bonds are payable from the proceeds of *ad valorem* property taxes which the Board of Supervisors of the Colusa County are obligated to levy and collect on all taxable property in the District for the payment of principal and interest on the Bonds when due. The bonds carry interest rates ranging from 2.0% to 5.0% and mature in staggered amounts each year starting in August 1, 2018 up through August 1, 2047.

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

3. MEASURE C GENERAL OBLIGATION BONDS (CONTINUED)

Series C (2019)

On July 11, 2019, the District issued Measure C Series C (2019) General Obligation Bonds (the “Bonds”) in the aggregate principal amount of \$3,000,000 to modernize, renovate and/or construct classrooms, restrooms, libraries and school facilities, make health, safety and handicapped accessibility improvements, replace temporary portables and upgrade P.E. fields and facilities for school and community use. See table below of how the proceeds of the bond were applied.

Sources of Funds

Principal Amount of Bonds	\$ 3,000,000
Net Original Issue Premium	<u>301,918</u>
Total Sources of Funds	<u><u>\$ 3,301,918</u></u>

Uses of Funds

Deposit to Building Fund	\$ 3,000,000
Deposit to Interest and Sinking Fund	95,000
Costs of Issuance	<u>206,918</u>
Total Uses of Funds	<u><u>\$ 3,301,918</u></u>

The Series C Bonds are payable from the proceeds of *ad valorem* property taxes which the Board of Supervisors of the Colusa County are obligated to levy and collect on all taxable property in the District for the payment of principal and interest on the Bonds when due. The bonds carry interest rates ranging from 2.0% to 5.0% and mature in staggered amounts each year starting in August 1, 2020 up through August 1, 2048.

4. COMMITMENTS AND CONTINGENCIES

As of June 30, 2020, the Building Fund had no committed capital projects.

5. SUBSEQUENT EVENTS

The District’s management evaluated its June 30, 2020 financial statements for subsequent events through October 2, 2020, the date the financial statements were available to be issued. Management is not aware of any subsequent events, other than the one discussed below, that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
FULL TEXT OF BOND MEASURE

Section 1. Specifications of Election Order. Pursuant to sections 5304, 5322, 15100 et seq., and section 15266 of the California Education Code, an election shall be held within the boundaries of the District on November 8, 2016, for the purpose of submitting to the registered voters of the District the following proposition:

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the District shall be authorized to issue and sell bonds of up to \$11.0 million in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, subject to all of the accountability safeguards specified below. Bonds will be issued in one or more series.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent wisely 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 Trustees has prepared its Capital Investment Program in order to evaluate and address all of the facilities needs of the District, and to determine which projects to finance from a local bond at this time. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List contained in Exhibit A.

Independent Citizens' Oversight Committee: The Board of Trustees shall establish an independent Citizens' Oversight Committee (section 15278 et seq. of the California Education Code), to ensure bond proceeds are expended only for the school facilities projects listed in Exhibit A. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board of Trustees.

Annual Performance Audits: The Board of Trustees shall cause to conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A.

Annual Financial Audits: The Board of Trustees shall cause to conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in Exhibit A.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Trustees 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 no later than January 1 of each year, commencing January 1, 2017, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
FULL TEXT OF BOND MEASURE

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A shall be considered a part of the ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

The Bond Project List, which is an integral part of this proposition, lists the specific projects the District proposes to finance with proceeds of the Bonds. Such projects will be completed as needed. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Therefore the Board of Trustees cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects.

Approval of Measure C does not guarantee that the proposed project or projects in the Williams Unified School District that are the subject of bonds under Measure C will be funded beyond the local revenues generated by Measure C. The school district's proposal for the project or projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

FURTHER 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, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for 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, pursuant to section 53410 of the California Government Code.

Other Terms of the Bonds: When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum, and that interest will be made payable at the time or times permitted by law. The bonds may be issued and sold in several series, and no bond shall be made to mature later than shall be permitted by law.

WILLIAMS UNIFIED SCHOOL DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
FULL TEXT OF BOND MEASURE

EXHIBIT A
WILLIAMS UNIFIED SCHOOL DISTRICT
BOND PROJECT LIST

Bond funds may be spent on the following projects at some or all of the District's sites although there is no guarantee that the bonds will provide sufficient funds to allow completion of all listed projects:

- Modernize and renovate outdated classrooms, restrooms and school facilities
- Make health, safety and handicapped accessibility improvements
- Improve student safety at drop-off and pick-up areas
- Replace temporary portables with permanent classrooms
- Repair or replace leaky roofs
- Repair or replace deteriorating plumbing and sewer systems
- Upgrade inadequate electrical systems
- Upgrade and expand libraries
- Repair or replace outdated heating, ventilation and air-conditioning systems
- Upgrade/renovate playgrounds, play structures and P.E. fields and facilities for school and community use
- Improve student access to computers and modern technology
- Upgrade fire-alarm systems
- Modernize/renovate classrooms to meet 21st century educational standards
- Replace existing wiring systems to meet current electrical and accessibility codes and increased capacity
- Federal and State-mandated Occupational Safety & Health Administration (OSHA) safety upgrades including playground equipment replacement
- All Federal and State-mandated Americans with Disabilities Act (ADA) accessibility upgrades including site access, parking, staff and student restrooms, relocation of some existing electrical devices, drinking fountains, playground equipment, etc.
- Upgrade school site parking, roadways, utilities and grounds
- Abate and remove hazardous materials identified prior or during construction
- Repair, replace and/or upgrade paved surfaces, turf, and other grounds to eliminate safety hazards

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program management, staff training expenses and a customary contingency, and escalation for unforeseen design and construction costs. In addition to the listed projects stated above, the Project List also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the Project List, payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by bond projects. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, and other miscellaneous equipment and software.

WILLIAMS UNIFIED SCHOOL DISTRICT

MEASURE C GENERAL OBLIGATION BONDS

FULL TEXT OF BOND MEASURE

The budget for each project, as defined in the Capital Investment Program is an estimation and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded 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. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating enhanced and operationally efficient campuses. Necessary site preparation/restoration and landscaping, may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

The allocation of bond proceeds may be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will pursue to reduce the District's share of the costs of the projects, the District may not be able to complete some of the projects listed above.

Fiscal Accountability: In accordance with Education Code Section 15272, the Board of Trustees will appoint a Citizens' Oversight Committee and conduct annual independent audits to assure that funds are spent only on District projects and for no other purpose. The expenditure of bond money on these projects is subject to stringent financial accountability requirements. By law, performance and financial audits will be performed annually, and all bond expenditures will be monitored by an independent citizens' oversight committee to ensure that funds are spent as promised and specified. 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.

No Administrator Salaries: Proceeds from the sale of the bonds authorized by this proposition shall be used only for the acquisition, construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and not for any other purpose, including teacher and school administrator salaries and other operating expenses.

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
Williams Unified School District
Williams, 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 C General Obligation Bonds Building Fund of Williams Unified School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Measure C General Obligation Bonds Building Fund financial statements, and have issued our report thereon dated October 2, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 C General Obligation Bond Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Measure C General Obligation Bond Building Fund 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.

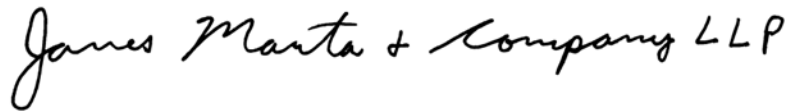
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

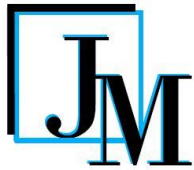
As part of obtaining reasonable assurance about whether Measure C General Obligation Bond Building Fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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. Accordingly, this communication is not suitable for any other purpose.

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
October 2, 2020



James Marta & Company
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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

Citizen's Oversight Committee
and Governing Board Measure C
General Obligation Bonds Building Fund
Williams Unified School District
Williams, California

Report on Performance

We have completed a performance audit of Measure C General Obligation Bonds of Williams Unified School District (the "District"), for the year ended June 30, 2020 and have issued our report thereon dated October 2, 2020.

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 C General Obligation Bonds in accordance with Appendix A of the 2019-20 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 2019-20 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 C General Obligation Bond funds for the year ended June 30, 2020.

Objectives

The objectives of our performance audit was to determine that the Williams Unified School District expended Measure C 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 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, 2020. The expenditures included all account and project codes associated with the bond projects. Expenditures before July 1, 2019 and after June 30, 2020 were not reviewed as they were not within the scope of our audit.

Methodology

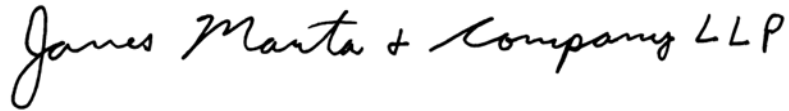
1. We obtained the general ledger for the fiscal year ended June 30, 2020.
2. We selected expenditures to ensure compliance with Proposition 39 and Measure C General Obligation Bond Funding.
3. We verified the mathematical accuracy of the expenditures included in the Measure C Building Fund detailed general ledger for the fiscal year ended June 30, 2020.
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 C 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 Williams Unified School District has properly accounted for the expenditures of Measure C 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 Williams 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 script is cursive and fluid, with the letters "J", "M", and "C" being particularly large and stylized.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 2, 2020