

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Measure J bond building fund's 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.

San Diego, California
February 24, 2021



INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Governing Board Members and
Measure J Citizens' Oversight Committee
Imperial Community College District
Imperial, California

We were engaged to conduct a performance audit of the Imperial Community College District (the District) Building Fund (Measure J) for the year ended June 30, 2020.

We conducted this performance audit in accordance with the standards applicable to performance 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 sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended Building Fund (Measure J) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

CWDL, Certified Public Accountants

San Diego, California
February 24, 2021

BACKGROUND

**MEASURE J BOND BUILDING FUND
IMPERIAL COMMUNITY COLLEGE DISTRICT
Background Information
June 30, 2020**

LEGISLATIVE HISTORY

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts or county offices of education "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", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

IMPERIAL COMMUNITY COLLEGE DISTRICT MEASURE J GENERAL OBLIGATION BONDS

The Imperial Community College District, Imperial County, California Election of 2010 General Obligation Measure J Bonds were authorized at an election of the registered voters of the Imperial Community College District held on November 2, 2010 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$80,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. A summary of the text of the ballot language was as follows:

"To improve the quality of education and expand career opportunities, shall the Imperial Community College District be authorized to acquire, construct and improve classrooms and facilities, including vocational, career, and technical facilities, modernize outdated classrooms, and improve student access to computers and modern technology, by issuing \$80,000,000 in bonds at legal interest rates, with an independent Citizens' Oversight Committee, annual financial and performance audits, no money for salaries, and bonds only issued without increasing existing tax rates?"

**MEASURE J BOND BUILDING FUND
IMPERIAL COMMUNITY COLLEGE DISTRICT
Background Information
June 30, 2020**

Objectives of the Audit

1. Determine whether expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure J.
2. Determine whether salary transactions charged to the Building Fund were in support of Measure J and not for District general administration or operations.

Scope of the Audit

The scope of our performance audit covered the period of July 1, 2019 to June 30, 2020. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2020, were not reviewed or included within the scope of our audit or in this report.

Procedures Performed

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2020 for the Building Fund (Measure J). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure J as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2019 and ending June 30, 2020, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included transactions totaling \$935,974. This represents 68.6 percent of the total expenditures of \$1,365,087.
3. Based on our testing, we verified that funds from the Building Fund (Measure J) were expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

Conclusion

The results of our tests indicated that, in all significant respects, the Imperial Community College District has properly accounted for the expenditures held in the Building Fund (Measure J) and that such expenditures were made for authorized Bond projects.

FINDINGS AND RESPONSES SECTION

**MEASURE J BOND BUILDING FUND
IMPERIAL COMMUNITY COLLEGE DISTRICT
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2020**

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings or questioned costs identified during 2019-20.

**MEASURE J BOND BUILDING FUND
IMPERIAL COMMUNITY COLLEGE DISTRICT
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2020**

There was no audit of the Measure J bond building fund for 2018-19 as of the date of this report.