

2024 Annual Report to the Community

Measure J Citizens Bond Oversight Committee

Imperial Community College District

Purpose; Executive Summary

This 2024 Annual Report is delivered in respect of the reporting requirements of the Measure J citizens' bond oversight committee (as used herein, "CBOC" or "Committee"), pursuant to California Proposition 39 (approved November 7, 2000) ("Prop 39") and California Education Code section 15278 et seq. Prop 39 reduced the vote threshold required to pass a measure authorizing a California school district to issue general obligation bonds from a two-thirds "supermajority" vote to a 55 percent vote, while adding certain transparency and accountability requirements. California Education Code Section 15278 furthers the Prop 39 Constitutional mandate by requiring an oversight committee to be established when bond measures are passed under Prop 39. The purposes and scope of responsibilities of the CBOC under Prop 39 and the Education Code are described in more detail below.

In summary, for Fiscal Year 2023-24, the CBOC members fulfilled all required responsibilities identified in Education Code Section 15278, and performed other authorized activities as identified in said Education Code.

Background on the District and Measure J

The Imperial Community College District ("District") consists of approximately 168 acres in an area of the southern-most region of California, encompassing all of the City of Imperial (the "City"), as well as unincorporated areas of Imperial County (the "County"). Measure J was approved by voters on November 10, 2010 to authorize \$80 million in general obligation bonds to support the District with bond funds authorized under Prop 39, repayable from *ad valorem* taxes collected from taxpayers within the District, for the constructing and upgrading of District classrooms and school facilities.

The Measure J 77-word ballot statement reads:

"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construct and improve classrooms and facilities, including vocational, career, and technical facilities, modernize outdated classrooms, and improve student access to computers and modern technology, by issuing \$80,000,000 in bonds at legal interest rates, with an independent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."

Prop 39 requires that the full ballot Measure J include a specific list of capital projects ("Bond Project List"), effectively limiting the scope of the bond projects to be funded by Measure J bond proceeds to only the projects contained on the Bond Project List ("Exhibit A").

Under the Measure J authorization, \$9.4 million in principal amount of Series 2010A Bonds were issued by the District on January, 2011. The proceeds of the Series 2010A Bonds have

been [fully] spent by the District on capital projects contained on the Bond Project List, described below.

On March, 2014, the District issued \$16.6 million in principal amount of its Series 2014A Bonds under the Measure J authorization to fund additional Measure J projects. The proceeds of the Series 2014A Bonds have been [fully] spent by the District on capital projects contained on the Bond Project List, described below.

On August, 2018, the District issued \$32.2 million in principal amount of its Series 2018C Bonds under the Measure J authorization to fund additional Measure J projects. The proceeds of the Series 2018C Bonds have been, and continue to be, spent by the District on capital projects, described below.

On August, 2020, the District issued \$18.9 million in principal amount of its Series 2020D Bonds under the Measure J authorization to fund additional Measure J projects. The proceeds of the Series 2020D Bonds have not been spent, but are earmarked for upcoming capital projects by the District, described below.

Of the \$80 million Measure J authorization, \$2.9 million remains in authorized but unissued general obligation bonds.

Citizens Bond Oversight Committee and CBOC Activities

One of the legal requirements of Prop 39 and Measure J is the establishment of a CBOC comprised of at least seven members representing the business community (2), a senior citizens' organization, a taxpayers' association, student representative, and support organization. The CBOC actively reviews and reports on the expenditure of Measure J bond funds for school construction to ensure the bond funds are spent in accordance with the provisions of Prop 39 and Measure J. The CBOC is an independent committee accountable to the public and is not under the authority of the District's Governing Board. The CBOC's purpose is oversight of the Measure J bond program, providing transparency to, and communication with, the public about the District's Measure J bond expenditures. The CBOC does not have authority to choose, prioritize, or direct the District's bond projects.

The CBOC currently has six members. Members of the CBOC, including officers, are listed below:

Browning, William
Chin, Oreda
Horton, Benjamin
Jaime, Victor
Romero, Richard
Salorio, Sofia

The Committee's responsibilities are to inform the public concerning the expenditures of Measure J bond funds and to advise the public as to whether the District has: (1) spent Measure J bond funds only for construction, rehabilitation, or replacement of District facilities, including the furnishing and equipping of facilities or the acquisition or lease of real property as described in the Bond Project List, and (2) has not expended Measure J bond funds for administration salaries or other operating expenses. The Committee is required to issue to the District's Governing Board a report, at least annually, of the results of its activities.

In furtherance of its purpose, the CBOC may engage in any of the following activities:

- Receiving and reviewing copies of the required annual, independent performance audit for Measure J proceeds.
- Receiving and reviewing copies of the required annual, independent financial audit for Measure J proceeds.
- Inspecting college facilities and grounds to ensure that Measure J bond revenues are expended in compliance with the Division of State Architect.
- Reviewing efforts by the District to maximize Measure J bond revenues by implementing cost-saving measures.

The Committee had its initial meeting on January 13, 2020. Since its formation, the Committee has met at least twice per year to review the progress and expenditures of the Measure J bond program. In furtherance of its role and responsibilities, the CBOC has engaged in the following activities:

- Appointment of Chairperson and Vice Chairperson
- Review of Financial and Performance Audits
- Review and Revision of Committee Bylaws
- Review of Prop 39, Measure J Ballot Language and the Bond Project List
- Review of Brown Act Requirements
- Review of Program Management Fees
- Review of Project Manager Status Reports
- Review of District's periodic Expenditure Reports to the Governing Board

As required by law, the CBOC is provided technical and administrative support by the District, including support from Cesar L. Vega, Vice President for Administrative Services, and the other members of the District's Administrative Services department. Such technical or administrative support to the CBOC is charged to the District's general fund and may not be paid from Measure J bond funds.

Current Status of Measure J Bond Projects

Between Fiscal Year 2010-11 and Fiscal Year 2014-15, Measure J proceeds, in the amount of \$26 million funded, among other things, the renovation of Career Technical Building Facility and Relocation of Trash area.

Measure J completed projects include:

Scope of Project and Location	Measure J Bond Dollars Spent	Completion Date
Career Technical Building Facility (Bldg 3100, 3200)	\$23,936,698.66	Fiscal Year 2014-2015
Relocation of Trash area	\$21,740.73	Fiscal Year 2014-2015
HVAC Repairs	\$85,315.00	Fiscal Year 2018-2019
Plumbing Repairs	\$13,600.00	Fiscal Year 2018-2019
Transformer Repairs	\$2,010.00	Fiscal Year 2018-2019
Building Maintenance	\$24,116.00	Fiscal Year 2018-2019
Plumbing Repairs	\$21,222.00	Fiscal Year 2019-2020
Concrete Repairs	\$146,634.00	Fiscal Year 2019-2020
HVAC Repairs	\$329,283.00	Fiscal Year 2019-2020
Transformer Repairs	\$42,070.00	Fiscal Year 2019-2020
Building Maintenance	\$214.00	Fiscal Year 2019-2020
Transformer Upgrades	\$146,515.00	Fiscal Year 2020-2021

Scope of Project and Location	Measure J Bond Dollars Spent	Completion Date
HVAC Repairs	\$356,235.00	Fiscal Year 2020-2021
Concrete Repairs	\$25,531.00	Fiscal Year 2020-2021
Transformer Upgrade	\$309,509.00	Fiscal Year 2021-2022
Building Maintenance (Bldg. 1500 Restroom Renovation)	\$217,860.00	Fiscal Year 2021-2022
DSPS Modular Building	\$3,042,454.00	Fiscal Year 2021-2022
Card Access (Door Replacement)	\$69,606.00	Fiscal Year 2021-2022

During Fiscal Year 2022-23, the District completed construction of the following projects:

Scope of Project and Location	Measure J Bond Dollars Spent	Completion Date
Building Maintenance	\$44,024.00	Fiscal Year 2022-2023
Transformer Upgrade	\$13,341.00	Fiscal Year 2022-2023

During the current fiscal year (FY 2023-24), the District completed construction of the following projects:

Scope of Project and Location	Measure J Bond Dollars Spent	Completion Date
Academic Modernization	\$9,919,276	Fiscal Year 2023-2024
Nursing Remodel	\$1,245,023	Fiscal Year 2023-2024

The above information for the current fiscal year is a summary of projects and expenditures based on the District's periodic expenditure reports prepared for the Governing Board.

According to reports provided by the District and its Measure J Project Manager, the District is currently undertaking or planning the following capital projects funded (or to be funded) with proceeds of the Measure J bonds:

Project Name	Measure J Total Project Costs	Measure J Bond Dollars Spent to Date	Measure J Bond Funds Balance
Academic Modernization	\$9,919,276	\$9,919,276	\$0
Concrete Repair	\$172,165	\$172,165	\$0
Electrical/Transformers	\$513,444	\$513,444	\$0
DSPS Modular	\$3,042,454	\$3,042,454	\$0
Card Access	\$93,691	\$93,691	\$0
Plumbing	\$34,822	\$34,822	\$0
Building Maintenance	\$286,214	\$286,214	\$0
HVAC Replacements	\$770,833	\$770,833	\$0
Relocatable Classrooms	\$942,603	\$853,803	\$88,800
Nursing Remodel	\$1,245,023	\$1,245,023	\$0
Administrative Costs (Audit, Legal, Advertising)	\$402,090	\$386,282	\$15,808
Contingency	\$2,584,249	\$(32,384)	\$2,616,633
Auto Tech Bldg.	\$34,786,449	\$1,447,956	\$33,338,493

Summary of Bond Fund Expenditures; Performance and Financial Audit Review

The 2023-24 Fiscal Year runs from July 1, 2023, through June 30, 2024. During the 2023-24 Fiscal Year, \$4,571,593 in Measure J bond dollars were spent on bond projects. The table below shows the major categories of spending during the fiscal year.

Audited financials, including the required performance and financial audits for the fiscal year ended June 30, 2024 will be available on the District's website:

<https://www.imperial.edu/faculty-and-staff/campus-committees/advisory-and-mandated-committees/citizens-bond-oversight/> under the tab "Measure J").

Summary of Measure J Financial Statement Fiscal Year 2023-2024	
Beginning Fund Balance as of 7/1/2023:	\$39,640,107
Income:	\$0
Interest Income:	\$991,220
Other Income:	\$0
Total Funds Available:	\$40,631,327
Expenditures During Fiscal Year:	
Architect, Engineering and Design Fees:	\$635,644
Main Construction:	\$3,157,616
Inspections/Consultants/Legal:	\$303,830
All Other Expenditures:	\$474,503
Total Expenditures:	\$4,571,593
Adjustment for Restatement:	\$0
Ending Fund (balance at 6/30/2024):	\$36,059,734

The CBOC was provided copies of the Fiscal Year 2023-24 Performance and Financial Audits, on or by April 1, 2025.

PERFORMANCE AUDIT SUMMARY

CWDL Certified Public Accountants, the District's independent auditors, will submit a performance audit of Measure J General Obligation Bonds for 2023-24 on April 16, 2025, to the District's Governing Board. This audit is mandated under the requirements of Prop 39.

The scope of the audit was based on a list of all identified Measure J project expenditures for Fiscal Year 2023-24, which totaled \$4,571,593. The methodology used by the auditing firm included verifying the mathematical accuracy of the expenditure list and reconciling it to those reported by the District in its audited Measure J Bonds financial statements for Fiscal Year 2023-24. The auditor based its results on a selected sample of expenditures totaling \$4,522,217. This data set was selected to provide a representation of data across a range of expenditures on construction projects and vendors and covered 99% of the fiscal year's total spending of Measure J bond funds.

Based on the information provided, the auditing firm concluded that the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure J bond building fund of Imperial Community College District as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

FINANCIAL AUDIT SUMMARY

To support the performance audit, the auditing firm also performed an audit of the District's financial statements of the "Balance Sheet" and "Statement of Revenues, Expenditures, and Change in Fund Balance" for the same period. This audit is mandated under the requirements of Prop 39. Per the audit, there were \$36,250,820 in assets for the fiscal period, which reconciles with the liability and fund balance total of \$36,250,820 (comprised of \$191,086 in Accounts Payable and \$36,059,734 in the Measure J Building Fund balance).

There were no financial statement findings or questioned costs identified during fiscal year 2023-24.

Conclusions

To the best knowledge of the CBOC members, based upon the information provided to the CBOC and review of the same, the Committee finds that the Measure J Bond funds were spent only for the specific capital projects developed by the District's Governing Board and approved by the voters per the Bond Project List, all as required by Prop 39. (California Constitution, Article 13A, Section 1(b)(3).) Except as permitted by California law (including relevant case law and opinion of the California Attorney General), no Measure J bond proceeds have been spent on administrator salaries or other operating costs.

Committee Meetings and Additional Information

The Committee invites community members to attend its meetings. All meetings are open to the public and comply with Brown Act meeting requirements. Meeting dates/times, Agendas, Minutes, Expenditure Reports, and Bond Audit Reports as well as a copy of this report are available to the public at the District Office and are posted on the District's web site.

Dated: April 1, 2025

MEASURE J CITIZENS BOND OVERSIGHT COMMITTEE
IMPERIAL, CALIFORNIA
By: Benjamin Horton, Chairperson, on behalf of the CBOC



IMPERIAL COMMUNITY COLLEGE DISTRICT

Measure J Bond Program Reconciled Budget Summary Report

General Obligations Bonds, Election of 2010, Series 2018C

As of June 30, 2024

INCOME ACTIVITY	2018-19	2019-20	2020-21	2021-2022	2022-2023	2023-2024	TOTAL TO-DATE
Bond Series 2018C (Par) August 1, 2018 <i>(Par \$32,208,655 Less Cost of Issuance \$205,000 = \$32,003,655 Project Fund)</i>	\$ 32,003,655						\$ 32,003,655
Bond Interest (Received)	\$ 337,770	\$ 548,171	\$ 297,057	\$ 189,113	\$ 273,889	\$ 388,023	\$ 2,034,023
Total:							\$ 34,037,678

BUDGET/EXPENSE ACTIVITY	ORIGINAL BUDGET	REVISED BUDGET	Expenses for 2018-19	Expenses for 2019-20	Expenses for 2020-21	Expenses for 2021-22	Expenses for 2022-23	Expenses for 2023-24	EXPENDED TO-DATE	% EXPENDED
Available Program Contingency	\$ 337,770	\$ 2,584,249	\$ -	\$ -	\$ -	\$ 44,899	\$ -	\$ (77,283)	\$ (32,384)	-1.25%
Academic Bldgs. (200,300,800)	\$ 8,673,000	\$ 9,919,276	\$ 71	\$ 588,409	\$ 109,561	\$ 63,521	\$ 5,681,436	\$ 3,476,279	\$ 9,919,276	100.00%
Relocatable Classrooms	\$ -	\$ 942,603	\$ -	\$ -	\$ 88,581	\$ 678,239	\$ 86,982	\$ -	\$ 853,802	90.58%
DSPS Bldg/Modular	\$ 1,451,520	\$ 3,042,454	\$ -	\$ 124,799	\$ 1,719,156	\$ 1,198,499	\$ -	\$ -	\$ 3,042,454	100.00%
Nursing Renovation	\$ 1,348,480	\$ 1,245,023	\$ -	\$ 10,928	\$ -	\$ 385,234	\$ 750,373	\$ 98,488	\$ 1,245,023	100.00%
Electrical	\$ 340,000	\$ 513,444	\$ 2,010	\$ 42,070	\$ 146,515	\$ 309,509	\$ 13,341	\$ -	\$ 513,445	100.00%
Heating, Ventilation & Air Conditioning	\$ 7,150,000	\$ 770,833	\$ 85,315	\$ 329,283	\$ 356,235	\$ -	\$ -	\$ -	\$ 770,833	100.00%
Plumbing (Restrooms, Showers, Floors, Walls)	\$ 1,000,000	\$ 34,822	\$ 13,600	\$ 21,222	\$ -	\$ -	\$ -	\$ -	\$ 34,822	100.00%
Bookstore Modular Replacement	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Misc. Projects										
- Bldg Maint (paint, roofs, floors, rr)	\$ 330,000	\$ 286,214	\$ 24,116	\$ 214	\$ -	\$ 217,860	\$ 44,024	\$ -	\$ 286,214	100.00%
- Card Access System	\$ 1,115,000	\$ 93,691	\$ -	\$ 7,246	\$ 54,197	\$ 8,163	\$ -	\$ 24,085	\$ 93,691	100.00%
- Concrete Repair / Replace (Safety)	\$ 150,000	\$ 172,165	\$ -	\$ 146,634	\$ 25,531	\$ -	\$ -	\$ -	\$ 172,165	100.00%
- Gym (Bleacher & Equipment Repair)	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Auto Tech Building	\$ 10,000,000	\$ 15,375,404	\$ -	\$ -	\$ -	\$ -	\$ 412,125	\$ 1,035,831	\$ 1,447,956	9.42%
Other										
- Prog Mgmt/Legal Fees	\$ -	\$ 362,098	\$ 169,144	\$ 87,254	\$ 44,402	\$ 25,483	\$ 15,815	\$ 7,545	\$ 349,643	96.56%
- Advertising	\$ -	\$ 2,829	\$ 617	\$ 1,325	\$ 887	\$ -	\$ -	\$ -	\$ 2,829	100.00%
- Audit Expense	\$ -	\$ 37,163	\$ -	\$ 5,705	\$ 5,929	\$ 9,032	\$ 6,497	\$ 6,648	\$ 33,811	90.98%
	\$ 33,133,770	\$ 35,382,268	\$ 294,872	\$ 1,365,088	\$ 2,550,994	\$ 2,940,439	\$ 7,010,593	\$ 4,571,592	\$ 18,733,578	52.95%

BOND RECAP	SERIES 1 REVENUES	INTEREST TO-DATE	TOTAL REVENUE TO-DATE	TOTAL EXPENDED TO-DATE	% EXPENDED
Bond Series 2018C (Par) August 1, 2018 <i>(Par \$32,208,655 Less Cost of Issuance \$205,000 = \$32,003,655 Project Fund)</i>	\$ 32,003,655	\$ 2,034,023	\$ 34,037,678	\$ 18,733,578	55.04%

"Exhibit A"



IMPERIAL COMMUNITY COLLEGE DISTRICT

Measure J Bond Program Reconciled Budget Summary Report

General Obligations Bonds, Election of 2010, Series 2020D

As of June 30, 2024

INCOME ACTIVITY	2020-21	2021-22	2022-23	2023-24	TOTAL TO-DATE
Bond Series 2020D (Par) August 27, 2020 <i>(Par \$18,926,000.85 Less Cost of Issuance \$200,000=\$18,726,001 Project Fund)</i>	\$ 18,726,001.00				\$ 18,726,001.00
Bond Interest (Received)	\$ 132,961.00	\$ 140,965.00	\$ 454,541.00	\$ 603,197.00	\$ 1,331,664
Total:					\$ 20,057,665

BUDGET/EXPENSE ACTIVITY	ORIGINAL BUDGET	REVISED BUDGET	Expenses for 2020-21	Expenses for 2021-22	Expenses for 2022-23	Expenses for 2023-24	EXPENDED TO-DATE	% EXPENDED
Auto Tech Building	\$ -	\$ 19,411,045	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
	\$ -	\$ 19,411,045	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

BOND RECAP	SERIES 1 REVENUES	INTEREST TO-DATE	TOTAL REVENUE TO-DATE	TOTAL EXPENDED TO-DATE	% EXPENDED
Bond Series 2020D August 27, 2020 <i>(Par \$18,926,000.85 Less Cost of Issuance \$200,000=\$18,726,001 Project Fund)</i>	\$ 18,726,001	\$ 1,331,664	\$ 20,057,665	\$ -	0.00%