

# ANNUAL REPORT

## 2024-2025



Library and Student Resource Center (LSRC)  
Groundbreaking Ceremony  
September 10, 2024

# Letter from Committee Chair

To: The Board of Trustees and Citizens of the Gavilan Joint Community College District

In November of 2018, Gavilan Joint Community College District received strong community support with the passing of Measure X, a \$248 million general obligation bond initiative. The Measure X Citizens' Bond Oversight Committee is pleased to present its annual report on the progress of the district's bond program for the 2024-2025 fiscal year.

The principal duties of the committee include 1) informing the public about the expenditure of Measure X bond proceeds, 2) ensuring that the district spends bond money only for the purposes set forth in Measure X, and 3) producing an annual report of the committee's proceedings and activities, including a compliance statement. The Board of Trustees' responsibilities include overseeing the bond program, prioritizing and approving projects, and monitoring progress and approving spending on individual projects.

The committee is pleased with the progress made during the 2024-2025 fiscal year. In September 2024, the District celebrated the Groundbreaking Ceremony for the new Library and Student Resource Center (LSRC). In November 2024, Gavilan College held the Ribbon Cutting Ceremony for the new Hollister Campus and opened its doors to students in January 2025. Enrollment is up at the Hollister Campus due to the opening of the new building. You will see more updates for these projects as well as the other projects on the Gilroy Campus in our featured projects section of this report.

This committee, the District's Director of Capital Projects, program manager, and all project teams continue to pay close attention to inflationary pressures and seek to minimize risk by closely monitoring project costs and contingencies. The Capital Projects team has been instrumental in keeping CBOC, the Board of Trustees and the Gavilan Community informed of how Measure X bond dollars are being spent. To date, fifteen projects have been completed including the Hollister Campus, Classroom Technology Upgrades and several site improvement projects such as the Pedestrian Bridge, Covered Walkways and Monument Signs.

The Citizens' Bond Oversight Committee received written and oral reports from the District and program management staff. Based on its review, the committee has concluded that the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

The committee and the District wish to thank the community for their continued support of our students and the Measure X Bond Program.

Respectfully submitted,

Elvira Zaragoza Robinson  
Citizens' Bond Oversight Committee Chair

## Committee Members

The following Citizens’ Bond Oversight Committee members were active during the 2024-2025 fiscal year.

Committee members are appointed by the Board of Trustees.

- Elvira Zaragoza Robinson - Committee Chair, Support Organization
- Thomas Andrade - Committee Vice Chair, Community-At-Large
- Pamela Brown, Community-At-Large
- Michael Dziuba, Taxpayers Association
- Gordon Machado, Business Community
- Jim Rogers, Senior Citizens’ Organization
- Sajiv Jampani, Student Representative

## Committee Meetings

The committee held four meetings in the 2024-2025 fiscal year:

- July 23, 2024
- October 15, 2024
- January 21, 2025
- April 18, 2025

Please visit the [committee meeting page](#) for a complete listing of the meeting schedule, agendas, and minutes.

## Measure X Expenditures as of June 30, 2025

Bond Authorization	\$248,000,000
Interest Earned	\$12,406,342
<b>Total Bond Funds</b>	<b>\$260,406,342</b>

<b>Bond Expenditures:</b>	<b>Budget</b>	<b>Expenses</b>
Architect & Engineering, Division of State Architect, Oversight & Other	\$60,585,598	\$42,139,103
Construction & Contingency	\$187,502,050	\$81,244,206
Furniture & Equipment	\$9,450,600	\$5,618,774
Unallocated Interest	\$2,868,095	\$0
<b>Total (Rounding factors may apply):</b>	<b>\$260,406,342</b>	<b>\$129,002,082</b>

## Measure X Project List as of June 30, 2025

#	Project Category, Name and Description	Budget	Expenditures
<b>San Benito County Campus</b>			
3101	San Benito County Campus (Hollister Campus)	\$60,641,894	\$59,191,851
	San Benito Campus Phase One includes a multipurpose Academic Building with classroom and lab space, support services, limited food service and collaboration spaces.		
<b>San Benito County Campus Total:</b>		<b>\$60,641,894</b>	<b>\$59,191,851</b>
<b>Gavilan College</b>			
3201	Site Improvement, Security and Infrastructure	\$31,236,226	\$17,818,063
	Infrastructure improvements include renovations and upgrades to the aging utility systems on campus. Site improvements include improvements to roads and parking, Central Quad, pedestrian bridge, signage and wayfinding. Security improvements will include cameras, public address system and door hardware.		
3202	Library and Student Resource Center	\$64,922,959	\$17,161,607
	Construction of a new, state of the art Library and Student Resource Center. The new Library will replace the aging Library and incorporate Student Services functions into one location.		
3204	STEM Center	\$35,209,640	\$728,936
	Construction of a new Science, Technology, Engineering, and Math (STEM) Center includes general lecture classrooms, science labs, computer lab, study areas, and faculty and support staff offices.		
3205	Theater Modernization	\$20,724,427	\$532,580
	Renovation and modernization of the existing Theater Building.		
3208	Roofing Upgrade Project	10,793,192	\$3,507,378
	Replacement of current roofs on the Gilroy campus from a gravel roof to a metal standing seam roof.		
<b>Gavilan College Total:</b>		<b>\$155,600,630</b>	<b>\$39,463,509</b>
<b>District and District Wide Projects</b>			
3207	IT Infrastructure	\$6,192,596	\$1,728,126
	District-wide technology data center improvements and disaster recovery expansion, area network connections and hardware, audio-visual modernization, computer replacements, upgrades of local area cabling, replacement of phone system and network infrastructure modernization.		
3995	Debt Service and Project Completion Costs	\$20,749,011	\$20,545,411
	Pay down debt service and project completion costs.		
3999	Program Management, Planning and Support	\$6,429,019	\$3,899,164
	Cost of issuance, legal, management, program planning and assessments.		
<b>District Wide Projects Total:</b>		<b>\$33,370,626</b>	<b>\$30,346,722</b>
<b>Program Contingency</b>			
3997	<b>Program Contingency</b>	\$4,432,475	\$0
	District Wide Program Contingency for various issues that may be a result of higher construction costs, new projects, etc.		
3998	<b>Catastrophic Contingency</b>	\$3,492,622	\$0
	3% of Measure X initial project list budget.		
	<b>Unallocated Interest Earnings</b>	\$2,868,095	\$0
<b>Program Contingency and Unallocated Interest Earnings:</b>		<b>\$10,793,192</b>	<b>\$0</b>
<b>Measure X Grand Total (Rounding factors may apply):</b>		<b>\$260,406,342</b>	<b>\$129,002,082</b>

# Featured Projects

## Hollister Campus

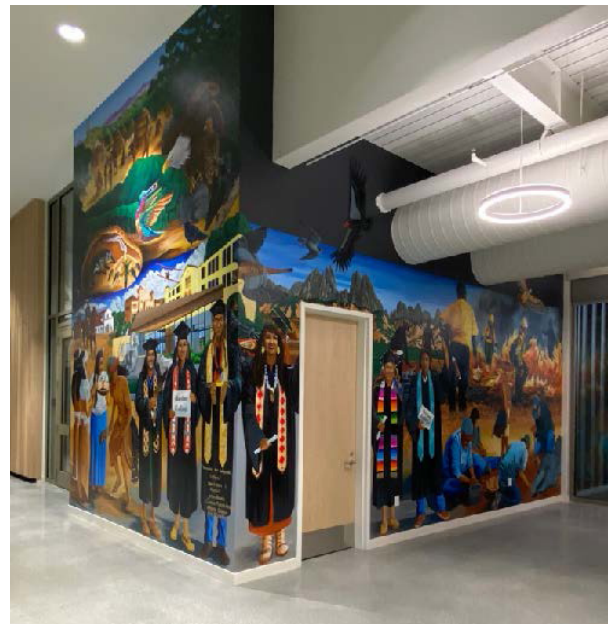
**Budget:** \$60,641,894

**Final Expenses as of June 30, 2025:** \$59,177,985

**Final Completion Date:** November 2024

### Description:

The Hollister Campus project included the construction of a multipurpose academic building with classroom and lab space, support services, food service and collaboration spaces.



### Project Milestones:

July 2023: Construction began

November 2024: Construction completed & Ribbon Cutting Ceremony

January 2025: First classes held on new campus!

# Featured Projects

## Library and Student Resource Center (LSRC)

**Budget:** \$64,524,684

**Expenses as of June 30, 2025:** \$14,020,429

**Est. Completion Date:** August 2026

### Description:

Construction of a new, state of the art Library and Student Resource Center. The new library will replace the aging library and incorporate student service functions and additional administrative offices into one location.



December 2024



February 2025



June 2025

### Project Milestones:

September 2024: Groundbreaking Ceremony & start of underground utility relocation

January 2025: Increment 1 approved by DSA - site work began

May 2025: Increment 2 approved by DSA - building preparation began

## Featured Projects

### Food Pantry Relocation (El Mercado)

**Budget:** \$411,000

**Final Expenses as of June 30, 2025:** \$398,274

**Final Completion Date:** March 2025

#### Description:

As part of the LSRC project, the current food pantry was relocated to the Student Center. This project expanded the partnership between Gavilan College and Second Harvest of Silicon Valley. This partnership strengthens Gavilan's commitment to addressing food insecurity and expanding Basic Needs services for students.



#### Project Milestones:

August 2024: Construction started

January 2025: Equipment installed

March 2025: Ribbon Cutting Ceremony

## Featured Projects

### Monument Signs

**Budget:** \$1,500,000

**Final Expenses as of June 30, 2025:** \$1,302,572

**Final Completion Date:** August 2024

**Description:**

The monument signs are positioned at the northern and southern entrances to campus and act as a welcome sign to all who enter campus.



*North Entrance*



*South Entrance*

# Featured Projects

## Roofing Upgrade Project

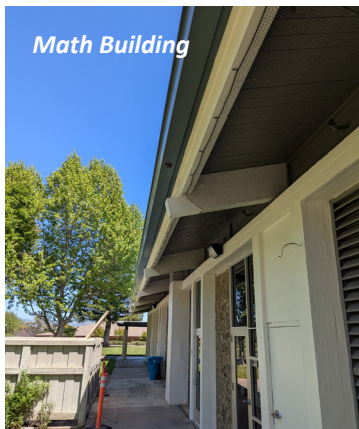
**Budget:** \$3,500,000

**Expenses as of June 30, 2025:** \$2,918,114

**Est. Completion Date:** August 2025

**Description:**

Replacement of current roofs on the Gilroy campus from a gravel roof to a metal standing seam roof along with updated painting of the drain pipes, eaves and rafters.



## Administration Building HVAC Replacement

**Budget:** 700,000

**Expenses as of June 30, 2025:** \$694,540

**Final Completion Date:** May 2025

**Description:**

Removal of existing HVAC in the Administrative Building and replacing with new ceiling mounted units. Removing existing window AC units and replace with new window pane to match existing window.

## Featured Projects

### IT Infrastructure - Fiber Loop Design

**Budget:** \$1,500,000

**Final Expenses as of June 30, 2025:** \$1,336,862

**Final Completion Date:** January 2025

**Description:**

Upgrading the campus infrastructure with the replacement of the fiber ring. This upgrade is essential to enhance the reliability and performance of the College's network services.

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### IT Infrastructure

**Budget:** \$3,000,000

**Expenses as of June 30, 2025:** \$1,672,871

**Est. Completion Date:** December 2025

**Description:**

Installation of new firewall to enhance the network security system for current and future upgrades. Installation of new network equipment including new phone system.

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### Phone Demonstration Day

**Description:**

The Gilroy campus is due for a phone system upgrade. With the opening of the new Hollister Campus, it was decided that a new phone system would be required to integrate both campuses.

On July 31, 2024, an outreach event was held to allow all faculty and staff the opportunity to test out various styles of phones. Afterwards a survey was sent out campus-wide to allow everyone the opportunity to vote for their preferred phone.

The majority response to the in-person demonstration and survey results were in favor of the Yealink model phones. These phones allow for district-wide transition to Voice over Internet Protocol (VoIP) to better utilize technology. They also integrate with the District's use of Microsoft Teams.



# Featured Projects

## Domestic Waterline Replacement

**Budget:** \$2,600,000  
**Expenses as of June 30, 2025:** \$473,318  
**Est. Completion Date:** September 2025

**Description:**

Installation of new domestic water mains and service lines, along with associated infrastructure such as isolation valves and back flow preventer’s serving the Gilroy Campus.

## ADA Path of Travel Alterations

**Budget:** \$400,000  
**Expenses as of June 30, 2025:** \$255,529  
**Est. Completion Date:** September 2025

**Description:**

Removal and replacement of existing concrete walkway and accessible parking stalls between existing bus stop and future Library & Student Resource Center (LSRC) to comply with accessibility requirements serving the Gilroy Campus.

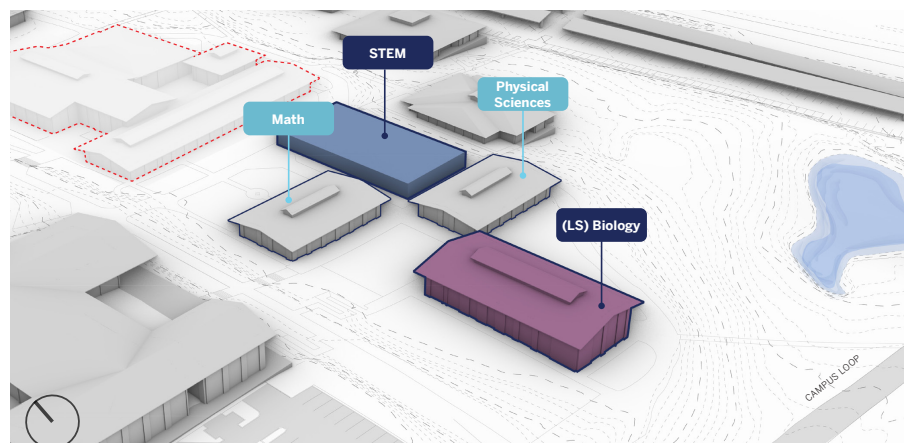
## STEM Center

**Budget:** \$35,209,640  
**Expenses as of June 30, 2025:** \$715,080  
**Est. Completion Date:** August 2028

■ New Construction  
■ Retrofit

**Description:**

A new, 10,000 SF, state-of-the-art STEM Building and renovation of the existing 8,300 SF Life Science (LS) Building. The new STEM Building and renovated LS Building will allow the College to achieve its academic goals around STEM education. Together, these two buildings (alongside the existing Physical Science and Math Buildings) will support improved teaching and learning environments. Classrooms, labs, study spaces and offices will be designed to maximize collaboration between disciplines and bolster access to needed resources.



Classrooms, labs, study spaces and offices will be designed to maximize collaboration between disciplines and bolster access to needed resources.

## Classroom Technology Upgrade

**Budget:** \$900,000

**Final Expenses as of June 30, 2025:** \$899,601

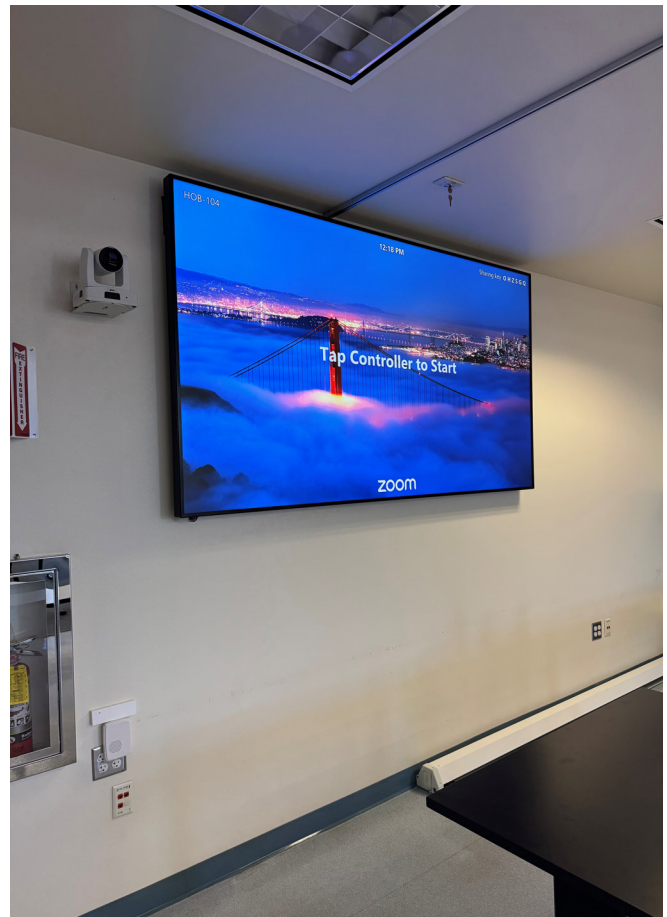
**Final Completion Date:** May 2025

### Description:

Comprehensive design, technology equipment and installation services for Technology Upgrades for 7 Classrooms on the Gilroy Campus.

### 7 Classrooms Included:

- HOB 102
- HOB 104
- HOB 114
- PS 102
- BU 110
- BU 118
- BU 119



Measure X  
Financial & Performance Audits



See what's possible.

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND  
(MEASURE X)**

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**FINANCIAL AND PERFORMANCE AUDITS**

JUNE 30, 2025

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
TABLE OF CONTENTS  
JUNE 30, 2025**

---

Independent Auditors' Report	1
------------------------------	---

**FINANCIAL SECTION**

Financial Statements	
Balance Sheet	4
Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Notes to Financial Statements	6

**OTHER REPORTS**

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11
Schedule of Findings and Questioned Costs	13
Summary Schedule of Prior Audit Findings	14

**PERFORMANCE AUDIT**

Independent Auditors' Report on Proposition 39 Compliance	15
Authority of Issuance	16
Purpose of Issuance	16
Authority for the Audit	17
Objectives	17
Scope	18
Methodology	18
Conclusion	19

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Schedule of Findings and Questioned Costs	20
Summary Schedule of Prior Audit Findings	21



## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Citizens' Oversight Committee  
Gavilan Joint Community College District  
Gilroy, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Gavilan Joint Community College District's (the "District") Bond Construction Fund (Measure X) and the related notes to financial statements as of and for the year ended June 30, 2025, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bond Construction Fund (Measure X) of the District as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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 Auditors' 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 opinion.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the District's Bond Construction Fund (Measure X) and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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.

## ***Auditors' 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 auditors' 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2026 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and other matters for the Bond Construction Fund (Measure X). 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 effectiveness of the District's internal control over financial reporting or on compliance for the Bond Construction Fund (Measure X). 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 for the Bond Construction Fund (Measure X).

*CWDL, Certified Public Accountants*

San Diego, California  
February 4, 2026

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# **FINANCIAL SECTION**

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**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
BALANCE SHEET  
JUNE 30, 2025**

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<b>ASSETS</b>	
Investments	\$ 91,701,228
Accounts receivable	<u>891,485</u>
<b>Total Assets</b>	<b>\$ <u>92,592,713</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	<u>\$ 6,169,624</u>
<b>Total Liabilities</b>	<b><u>6,169,624</u></b>
 <b>Fund Balance</b>	
Restricted for capital projects	<u>86,423,089</u>
<b>Total Fund Balance</b>	<b><u>86,423,089</u></b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>92,592,713</u></b>

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
 BOND CONSTRUCTION FUND (MEASURE X)  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2025**

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<b>REVENUES</b>	
Interest income	\$ 6,322,265
<b>Total Revenues</b>	<u>6,322,265</u>
<b>EXPENDITURES</b>	
Salaries and benefits	231,570
Services and other operating expenditures	203,000
Capital outlay	<u>47,356,304</u>
<b>Total Expenditures</b>	<u>47,790,874</u>
<b>Net Change in Fund Balance</b>	(41,468,609)
<b>Restricted Fund Balance, July 1, 2024</b>	<u>127,891,698</u>
<b>Restricted Fund Balance, June 30, 2025</b>	<u>\$ 86,423,089</u>

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Gavilan Joint Community College District's (the "District") Bond Construction Fund (Measure X) 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 (AICPA). The District Bond Construction Fund (Measure X) accounts for financial transactions in accordance with the policies and procedures of the *California School Accounting Manual*.

**Financial Reporting Entity**

The financial statements include only the Bond Construction Fund of the District used to account for Measure X projects. The Bond Construction Fund (Measure X) was established to account for the expenditures of general obligation bonds issued under Measure X. These financial statements are not intended to present fairly the financial position and the changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America.

**Fund Accounting**

The operations of the Bond Construction Fund (Measure X) are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

**Basis of Accounting**

The Bond Construction Fund (Measure X) is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

**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. The District's governing board adopts an operating 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. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Encumbrances**

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances lapse at June 30.

**Prepaid Expenditures**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased.

**Fund Balance**

As of June 30, 2025, the fund balance is classified as follows:

**Restricted** - amounts that can be spent only 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.

**Use of Estimates**

The preparation of financial statements in accordance 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 during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – INVESTMENTS**

**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.

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
 BOND CONSTRUCTION FUND (MEASURE X)  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2025**

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**NOTE 2 – INVESTMENTS, continued**

**Investment in County Treasury**

In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the County Treasury as part of the common investment pool. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the accounting financial statements 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. The District's investment in the Santa Clara County Treasury is measured at fair value on a recurring basis which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in the investment pool are not required to be categorized within the fair value hierarchy.

**General Authorizations**

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

<b>Authorized Investment Type</b>	<b>Maximum Remaining Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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**NOTE 2 – INVESTMENTS, continued**

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Santa Clara County Treasury Investment Pool. The District maintains a Bond Construction Fund (Measure X) investment of \$91,701,228 with the Santa Clara County Treasury Investment Pool, with a weighted average maturity of 415 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Santa Clara County Treasury Investment Pool is not required to be rated, nor has it been rated as of June 30, 2025.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2025, consisted of accrued interest amounting to \$891,485.

**NOTE 4 – ACCOUNTS PAYABLE**

Accounts payable as of June 30, 2025, consisted of vendor payables for a total of \$6,169,624.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

**Construction Commitments**

As of June 30, 2025, the District had approximately \$48.6 million in commitments with respect to unfinished capital projects. The projects are funded by proceeds from general obligation bonds.

**Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Bond Construction Fund (Measure X) at June 30, 2025.

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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**NOTE 6 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through February 4, 2026, the date on which the financial statements were available to be issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

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## **OTHER REPORTS**

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**INDEPENDENT AUDITORS' 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**

To the Board of Trustees and Citizens' Oversight Committee  
Gavilan Joint Community College District  
Gilroy, California

We have audited, in accordance with the 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, the financial statements of the Gavilan Joint Community College District's (the "District") Bond Construction Fund (Measure X) as of and for the year ended June 30, 2025 and the related notes to financial statements, and have issued our report thereon dated February 4, 2026.

***Emphasis of Matter***

As discussed in Note 1, the financial statements present only Bond Construction Fund (Measure X), and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Report on 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over the Bond Construction Fund (Measure X) financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Bond Construction Fund (Measure X).

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 District's Bond Construction Fund (Measure X) 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether District's Bond Construction Fund (Measure X)'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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance for the Bond Construction Fund (Measure X). This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance Bond Construction Fund (Measure X). Accordingly, this communication is not suitable for any other purpose.

 CWDL, Certified Public Accountants

San Diego, California  
February 4, 2026

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2025**

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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 audit findings or questioned costs identified during 2024-25.***

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2025**

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*There were no financial statement audit findings or questioned costs identified during 2023-24.*

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# **PERFORMANCE AUDIT**

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## INDEPENDENT AUDITORS' REPORT ON PROPOSITION 39 COMPLIANCE

To the Board of Trustees and Citizens' Oversight Committee  
Gavilan Joint Community College District  
Gilroy, California

We have conducted a performance audit of the Gavilan Joint Community College District's (the "District") Bond Construction Fund (Measure X) for the year then ended June 30, 2025.

We conducted our performance audit in accordance with *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 conclusions 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 on page 17 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Bond Construction Fund (Measure X) under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of the District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that, in all significant respects, the District expended Bond Construction Fund (Measure X) funds for the year then ended June 30, 2025 only for the specific projects developed by the District's Board of Education, and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.



San Diego, California  
February 4, 2026

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
PERFORMANCE AUDIT  
JUNE 30, 2025**

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**AUTHORITY OF ISSUANCE**

The general obligation bonds associated with Measure X were issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by the Board of Supervisors of the County (the "County Resolution"), pursuant to a request of the District made by a resolution adopted by the Board Trustees of the District on July 10, 2018.

The District received authorization from an election held on November 6, 2018, to issue bonds of the District in an aggregate principal amount not to exceed \$248,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55% of the votes cast by eligible voters within the District (the "2006 Authorization"). The bonds represent the first, second, third, and fourth series of the authorized bonds to be issued under the 2006 Authorization.

**PURPOSE OF ISSUANCE**

The general obligation bond funds of the District would be used to finance the design, acquisition, installation, restoration, and construction of public schools and school facilities and providing facilities improvements and upgrades, and the acquisition of related facilities costs, including, but not limited to, financing the following: renovation of classrooms and science labs; upgrading of electrical systems and wiring to safely accommodate computers, technology, and other electrical devices; repair and replacement of fixtures and systems. Project costs for expansion of existing facilities may include, but is not limited to, some or all of the following: vocational and technical training programs and to enhance nursing, firefighter, paramedic, public safety, and hi-tech job training. Project costs for furniture and equipment may include, but is not limited to, some or all of the following: desks and tables; window and floor covering; computer, media recording, and presentation equipment; science laboratory equipment; and/or other electronic equipment.

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
PERFORMANCE AUDIT  
JUNE 30, 2025**

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**AUTHORITY FOR THE AUDIT**

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 the District, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55% of the electorate. In addition to reducing the approval threshold from two-thirds to 55%, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The District must list the specific school facilities projects to be funded in the ballot measure and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the District to appoint a citizen's oversight committee.
4. Requires the District to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the District to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

**OBJECTIVES**

The objective of our performance audit was to determine that the District expended Bond Construction Fund (Measure X) for the year ended June 30, 2025 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

1. Determine whether expenditures charged to the Bond Construction Fund (Measure X) have been made in accordance with the bond project list approved by the voters through the approval of Measure X.
2. Determine whether salary transactions, if any, charged to the Bond Construction Fund (Measure X) were in support of Measure X and not for District general administration or operations.

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
PERFORMANCE AUDIT  
JUNE 30, 2025**

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**SCOPE**

The scope of our performance audit covered the period of July 1, 2024 to June 30, 2025. 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, 2025, were not reviewed or included within the scope of our audit or in this report.

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 but not for the purpose of expressing an opinion of the effectiveness of the District internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. We did not audit the District's financial statements. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**METHODOLOGY**

We obtained the general ledger and the project expenditure reports prepared by the District for the year ended June 30, 2025, for the Bond Construction Fund (Measure X). Within the year audited, we obtained the actual invoices, purchase orders, 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 X as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
  - a) We considered all expenditures recorded in all object codes.
  - b) We considered all expenditures recorded in all projects that were funded from July 1, 2024 through June 30, 2025 from Measure X bond proceeds.
  - c) We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified based on our assessment of materiality.
  - d) For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2024 and ending June 30, 2025. The results can be projected to the intended population.
3. Our sample included transactions totaling \$20,792,627. This represents 43.5% of the total expenditures of \$47,790,874.

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
PERFORMANCE AUDIT  
JUNE 30, 2025**

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**METHODOLOGY, continued**

4. We reviewed the actual invoices and other supporting documentation to determine that:
  - a) Expenditures were supported by invoices with evidence of proper approval and documentation of receipts for goods or services.
  - b) Expenditures were supported by proper bid documentation, as applicable.
  - c) Expenditures were expended in accordance with voter-approved bond project list.
  - d) Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
  
5. We determined that the District has met the compliance requirement of Measure X if the following conditions were met:
  - a) Supporting documents for expenditures were aligned with the voter-approved bond project list.
  - b) Supporting documents for expenditures were not used for salaries of school administrators or other operating expenses of the District.

The results of our tests indicated that the District expended Bond Construction Fund (Measure X) 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.

**CONCLUSION**

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

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**SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

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**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
PERFORMANCE AUDIT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2025**

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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 performance audit findings identified during 2024-25.***

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
BOND CONSTRUCTION FUND (MEASURE X)  
PERFORMANCE AUDIT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2025**

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*There were no performance audit findings identified during 2023-24.*



# GAVILAN COLLEGE

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Measure X Bond Program | [gavilanmeasurex.org](http://gavilanmeasurex.org)