



# ADOPTED BUDGET

Cesar L. Vega, Vice President of Administrative Services  
Stacey Browning, Director of Fiscal Services  
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Cindy Morales, Administrative Assistant

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# BACKGROUND

Imperial County was founded in 1907 and was the last county established in California. The climate is hot and dry with very little moisture. The county borders on Mexico on the south, Riverside on the north, San Diego on the west and Arizona on the east.

Imperial Valley College celebrated its 60th anniversary in 2022. The opening of IVC campus in September of 1962 was the culmination of years of hard work by visionary citizens to finance and build a freestanding community college in the Imperial County. The work to establish what today is the Imperial Community College District originated

three years before the opening of the IVC campus. The State Department of Education approved a recommendation on July 10, 1959, to establish a community college district in Imperial County.

The Imperial County Superintendent of Schools then set a date for an election at which all qualified voters residing within the boundaries of the seven high school and unified districts were eligible to vote. The election was held on October 6, 1959; and by an overwhelming vote, the Imperial Valley Junior College District was established. This was followed by the election of the first Board of Trustees, one from each of the seven high school or unified districts served by the Imperial Junior College District.

Approval for construction of a campus followed in 1960 when district residents set an all-time state record, voting by a ratio of thirteen to one in favor of bonds to finance a new IVC campus on 380 East Aten Road, in the City of Imperial.

Under the administration of the Central Union High School District, IVC gained recognition as an accredited institution of higher education. As the institution grew with the community, this growth was reflected in the steady rise in enrollment and in the diversity of courses and curricula. When IVC and the new college district finally received its own campus in 1962, it was basic. The facility consisted of a library, science laboratories, fine arts rooms, a student activity building, academic classrooms, administration and faculty offices, social science rooms, physical education shower and locker rooms, and agricultural education classrooms and shop.

Over the years, IVC has grown tremendously in enrollment and facilities thanks to the support of our community and voters supporting local general obligation bonds.



# SUPERINTENDENT/PRESIDENT



## A MESSAGE FROM THE PRESIDENT

Thank you for reviewing our 2023-24 Imperial Valley College adopted budget report. This document is presented in a format designed to communicate important financial information, in a way that is easy to understand.

We hope this report is useful to our Board of Trustees, faculty and staff, and community in understanding the various elements and components of the District's budget. Most of our funds are derived from the Student-Centered Funding Formula.

As a financial plan, the District's budget needs to be reviewed and updated periodically as economic conditions change throughout the fiscal year. The District's administrative department carries the responsibility of making sure our budget is used in a responsible manner while meeting the vision and mission of the college.

This financial report provides fiscal assumptions provided by various state agencies like Department of Finance, State Chancellor's Office, Association of Chief Business Officials, School Services of California, and the State of California adopted budget plan for 2023-24.

Any questions regarding this year's budget plan can be directed to the office of the Vice President of Administrative Services.

**Dr. Lennor M. Johnson**

## OUR MISSION

*"To foster excellence in education that challenges students of every background to develop their intellect, character, and abilities; to assist students in achieving their educational and career goals; and to be responsive to the greater community."*



# **BOARD OF TRUSTEES**

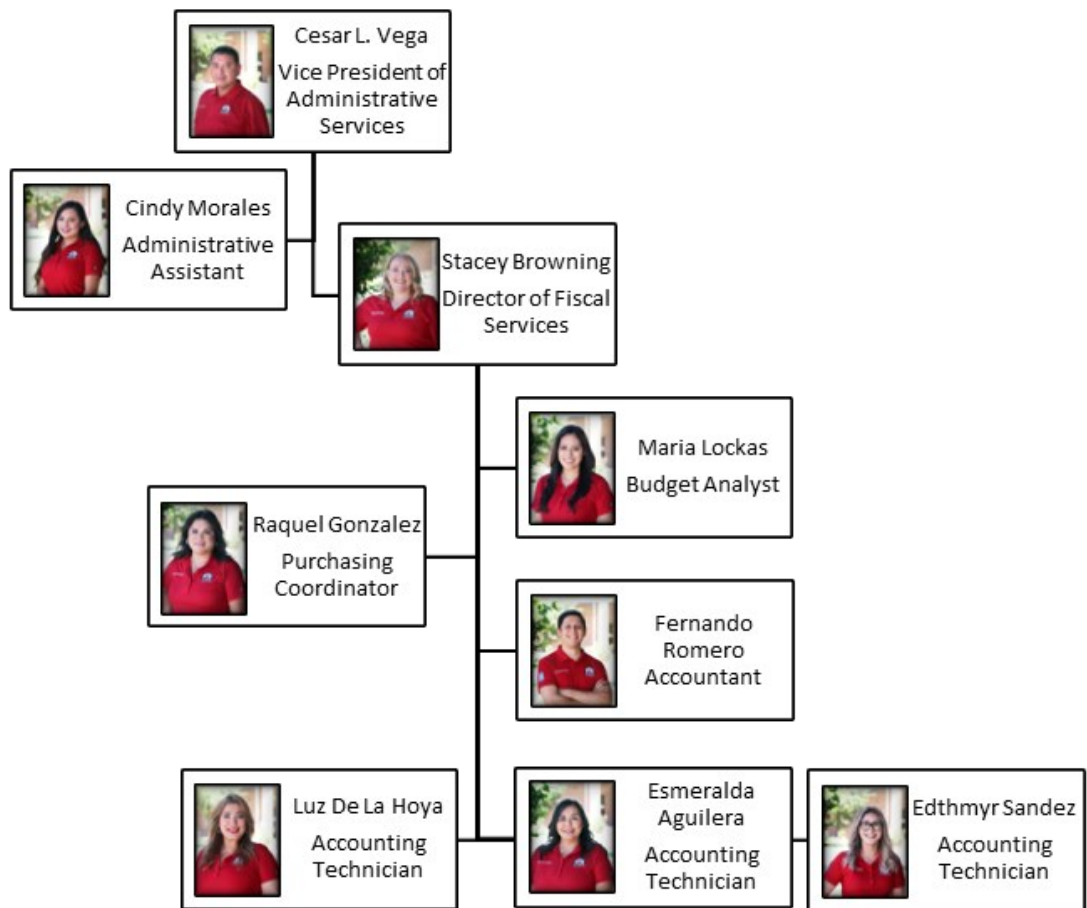
**Romualdo J. Medina, President**  
**Isabel Solis, Clerk**  
**Hortencia Armendariz, Trustee**  
**Karla Sigmond, Trustee**  
**Jerry Hart, Trustee**  
**Betsy Lindbergh, Trustee**  
**Erik Ortega, Trustee**  
**Joshua Figueroa, Student Trustee**

# **PRESIDENT'S CABINET**

**Cesar L. Vega, Vice President of Administrative Services**  
**Dr. Cuauhtemoc Carboni, Vice President of Academic Services**  
**Vacant, Vice President of Student Services and Equity**  
**Jeffrey M. Enz, Associate Vice President of Information Technology**  
**Johanna Fisher, Associate Vice President of Human Resources**  
**Vacant, Executive Director of Communications, Marketing and Public Relations**



# BUSINESS SERVICES



# COMMUNITY COLLEGE FINANCE IN CALIFORNIA

Proposition 98, passed by California voters in November 1988, constitutionally guarantees a minimum level of funding for K-12 education and community colleges in California. The guaranteed amount is calculated each year using one of three “tests” that apply under varying fiscal and economic conditions.

**Test 1** guarantees schools a percentage of General Fund revenues equal to the percentage of General Fund revenues appropriated for K-14 education in the prior fiscal year.

**Test 2** requires that schools receive at least as much as they received from state and local sources in the prior year, adjusted for enrollment growth and inflation as measured by the percentage change in state per capita personal income for the preceding year.

**Test 3** is like Test 2 except the inflation factor is equal to the annual change in per capita state General Fund revenues plus 0.5 percent. Test 3 is used in fiscal years in which state per capita personal income growth exceeds per capita General Fund revenues plus 0.5 percent.

The State Constitution sets a minimum annual funding requirement for schools and community colleges. The minimum guarantee is met with a combination of General Fund and local property tax revenue. After two years of extraordinary growth in the minimum guarantee, Proposition 98 funding is somewhat down from these peak levels. Compared with the estimates included in the June 2022 budget plan, the administration revises its estimates of the minimum guarantee up \$317 million in 2021-22 and down \$3 billion in 2022-23.



For 2023-24, the administration estimates the minimum guarantee is \$108.3 billion—\$2 billion below the 2022-23 level enacted in June 2022. The net decrease over the period is primarily attributable to lower General Fund revenue estimates, somewhat offset by higher local property tax revenue. Despite the drop in the guarantee, the budget package provides a total of \$4.8 billion to cover an 8.22 percent statutory cost-of-living adjustment (COLA) for existing programs.



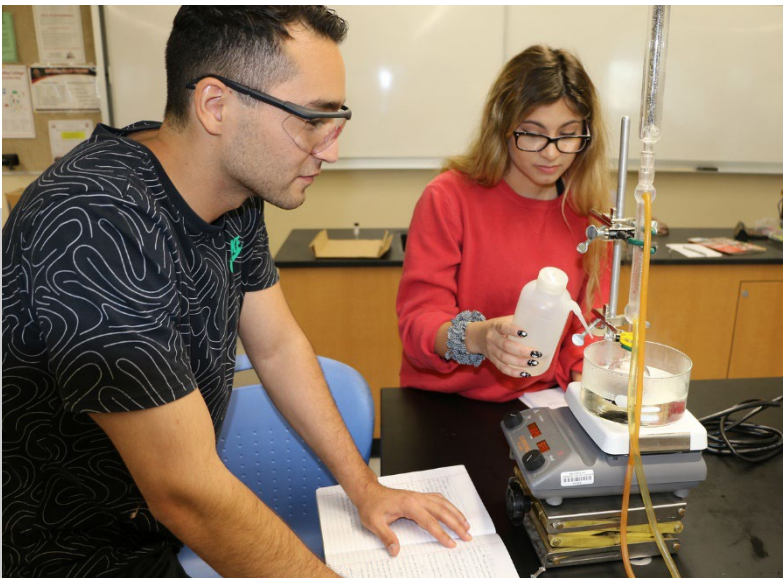
## The Student-Centered Funding Formula

The Student-Centered Funding Formula (SCFF) was adopted in the 2018–19 state budget as a new way to allocate funding to community college districts. The SCFF provides funding that supports access through enrollment-based funding, student equity by targeting funds to districts serving low-income students, and student success by providing districts with additional resources for student's successful outcomes.

The Student-Centered Funding Formula is all about ensuring community colleges are funded, at least in part, in how well their students are faring. It is upending how California's community colleges receive state money by basing general apportionments – discretionary funds available to community college districts – on three principal components:

- The base allocation relies primarily on college size based on prior year data and current year full time equivalent students (FTES) enrollment.
- The supplemental allocation is based on prior year data.
- The student success allocation is based on an average of three prior years of data.

Generally, the Chancellor's Office certifies apportionments three times per year with the Advance Apportionment (AD) released in July, First Principal (P1) and Recalculation (R1) in February, and Second Principal (P2) in June.





# 2023-24 BUDGET ACT SUMMARY

The Budget Act includes \$26.4 million ongoing to fund 0.5% enrollment growth and \$678 million ongoing to support an 8.22% COLA for apportionments, the same COLA proposed for K-12. Another \$112.4 million ongoing would support a COLA of 8.22% for categorical programs and the Adult Education program. The estimated and proposed 2023-24 Total Computational Revenue (TCR) for the SCFF increases by \$398 million from \$9 billion at the Governor’s Budget to \$9.4 billion at the Enacted Budget.

This reflects \$678 million for a proposed COLA of 8.22%; \$26.4 million for FTES growth of 0.5%; and modified estimates for hold harmless and other underlying estimation factors. The table below reflects the final SCFF rates for 2022-23 and the projected rates for 2023-24, as modified by COLA and other base adjustments. SCFF rates for 2023-24 are estimates and final rates will be provided at the Advance Apportionment. The distribution of funds across the three allocations (base, supplemental, and student success) is determined by changes in the underlying factors.

Allocations	2022-23 Rates	2023-24 Rates	Change from 2022-23 (Amount)	Change from 2022-23 (Percent)
Base Credit	\$4,840	\$5,238	\$398	8.22%
Incarcerated Credit	6,788	7,346	\$558	8.22%
Special Admit Credit	6,788	7,346	\$558	8.22%
CDCP	6,788	7,346	\$558	8.22%
Noncredit	4,082	4,417	\$335	8.22%
Supplemental Point Value	1,145	1,239	\$94	8.22%
Student Success Main Point Value	675	730	\$55	8.22%
Student Success Equity Point Value	170	184	\$14	8.22%

## Reduced Deferred Maintenance Funds

The 2022-23 Budget included approximately \$840 million in one-time funds for 2022-23 to address deferred maintenance and energy efficiency projects across the community college system. The 2023-24 Budget Act reduces that appropriation for 2022-23 by \$500 million to approximately \$340 million. This means that Imperial Valley College total 2022-23 allocation will be reduced from \$7,701,019 to \$3,173,041. This represents a total loss of \$4,527,978 in physical plant and instructional materials funds.

## Adjusts Support for Retention and Enrollment Efforts

The 2022 Budget Act included \$150 million in one-time funds for student retention and recruitment activities. The 2023 Budget Act reduces that appropriation for 2022-23 by \$55.4 million to \$94.6 million but appropriates \$50 million one-time for 2023-24 to continue college efforts to increase student retention rates and enrollment.

## Revises COVID-19 Recovery Block Grants

The 2022 Budget Act provided \$650 million in one-time funds to be used for purposes related to the impact of the COVID-19 pandemic, including student support, reengagement strategies, and professional development. While the May Revision had proposed a reduction to those funds, the 2023 Budget Act maintains the full funding.

## Provides Flexibility in the Use of Some Funds

The enacted budget includes provisions to allow community college districts more flexibility in the use of some funds:

- In the context of the reduction in deferred maintenance funds, remaining one-time funds provided to districts for retention and enrollment efforts, the COVID-19 Block Grants, and deferred maintenance and instructional equipment can be used for any of these purposes. The amount remaining is roughly \$1.1 billion.
- The enacted budget approves Chancellor’s Office priority language to expand the use of Strong Workforce program funds to students to cover third-party certification and licensing fees.

As the table shows, some categorical programs receive cost-of-living adjustments while most others receive level or workload-based funding.

Program	2022-23 Enacted	2023-24 Enacted	Change Amount	Percent Change	Explanation of Change
Adult Education Program - Main	603.1	652.2	49.1	8.1%	COLA
Student Success Completion Grant	412.6	362.6	-50.0	-12.1%	Adjust for revised estimates of recipients
Extended Opportunity Programs and Services (EOPS)	169.2	183.1	13.9	8.2%	COLA
Disabled Students Programs and Services (DSPS)	159.7	172.8	13.1	8.2%	COLA
Apprenticeship (community college districts)	69.2	64.3	-4.9	-7.1%	COLA and program reduction
CalWORKs Student Services	50.9	55.1	4.2	8.3%	COLA
NextUp (foster youth program)	50.0	54.1	4.1	8.2%	COLA
Basic Needs Center	40.0	43.3	3.3	8.2%	COLA
Cooperative Agencies Resources for Education (CARE)	30.9	33.5	2.5	8.2%	COLA
Student Mental Health Services	30.0	32.5	2.5	8.2%	COLA
Equal Employment Opportunity Program	12.8	17.0	4.2	32.8%	Add one-time funding
Veterans Resource Centers	10.0	10.8	0.8	8.2%	COLA
Childcare Tax Bailout	4.0	4.3	0.3	8.2%	COLA



# FINANCIAL PLANNING FACTORS

This financial projection dashboard is based on the 2023-24 Enacted State Budget. It provides the most up-to-date planning factors such as the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. It also provides an updated list of planning factors for the Student-Centered Funding Formula (SCFF) formula. These general guidelines and information derive from various state agencies and outside sources that help develop these planning factors, but these guidelines are subject to constant updates as economic conditions change locally, nationally, and globally.

SCFF PLANNING FACTORS					
Factor	2022-23	2023-24	2024-25	2025-26	2026-27
Department of Finance Statutory COLA	6.56%	8.22%	3.94%	3.29%	3.19%
Planning COLA	6.56%	8.22%	3.94%	3.29%	3.19%
Growth Funding	0.50%	0.50%	TBD	TBD	TBD
SCFF Basic Allocation Increase	\$200 m	N/A	TBD	TBD	TBD
SCFF Base Funding Increase	\$400 m	N/A	TBD	TBD	TBD

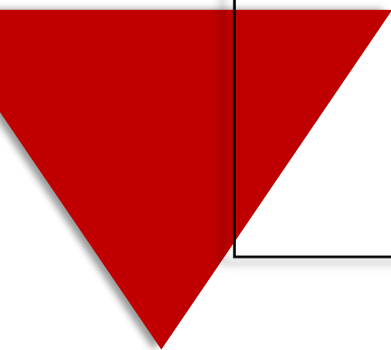
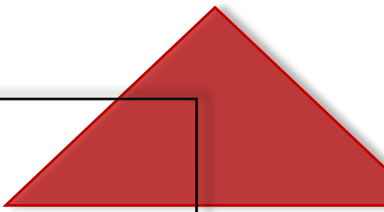
SCFF RATE FACTORS FOR 2022-23 and 2023-24				
	2022-23		2023-24	
Base Credit	8.22%	3.94%	3.29%	3.19%
Supplemental Point Value	8.22%	3.94%	3.29%	3.19%
Student Success Main Point Value	0.50%	TBD	TBD	TBD
Student Success Equity Point Value	N/A	TBD	TBD	TBD
Incarcerated Credit, Special Admit Credit, CDCP	N/A	TBD	TBD	TBD

OTHER PLANNING FACTORS						
Factors		2022-23	2023-24	2024-25	2025-26	2026-27
California CPI		5.69%	3.55%	3.03%	2.64%	2.90%
California Lottery	Unrestricted per FTES	\$204	\$177	\$177	\$177	\$177
	Restricted per FTES	\$100	\$72	\$72	\$72	\$72
Mandate Block Grant		\$32.68	\$35.37	\$36.76	\$37.97	\$39.18
Interest Rate for Ten-Year Treasuries		3.72%	3.60%	2.98%	2.90%	3.00%
CalSTRS Employer Rate		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate		25.37%	26.68%	27.70%	28.30%	28.70%
Unemployment Insurance Rate		0.50%	0.05%	0.05%	0.05%	0.05%
Minimum Wage		\$15.50	\$16.00	\$16.50	\$16.90	\$17.30



## District Funds Classification and Description

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's financial system currently has 12 operating funds open:



<b>General Fund Unrestricted</b>	<b>11</b>
<b>General Fund Restricted</b>	<b>12</b>
<b>Building Fund</b>	<b>22</b>
<b>Child Development Fund</b>	<b>33</b>
<b>Capital Projects Fund</b>	<b>41</b>
<b>General Obligation Bond Fund – Measure B</b>	<b>43</b>
<b>Certificate of Participation Fund</b>	<b>51</b>
<b>Self-Insurance Fund</b>	<b>61</b>
<b>Other Internal Services Fund</b>	<b>69</b>
<b>ASG/Campus Club Funds</b>	<b>71</b>
<b>Student Representative Fee Fund</b>	<b>72</b>
<b>Student Financial Aid Fund</b>	<b>74</b>
<b>General Obligation Bond Fund – Measure J</b>	<b>81</b>

### General Fund

The General Fund is our chief operating fund where the vast majority of our revenues are deposited. There are two types of revenues received: unrestricted and restricted.

- **UNRESTRICTED** – funds for which uses are not subject to external or legal constraints and may be used for any purpose not prohibited by law.
- **RESTRICTED** – funds subject to constraints imposed by external resource providers or by law through constitutional provisions or enabling legislation.

Revenues are also classified into the following subcategories:

- Student Centered Funding Formula
- Federal Sources (i.e. categorical funding)
- Other State Revenue (i.e. lottery and grants)
- Local Revenues (i.e. local tax revenues)





## **Education Protection Act (EPA)**

Proposition 30 was passed on November 6, 2012, and established a new tax package that raised the state sales tax by 0.25% from January 1, 2013, through December 31, 2016, and increased personal income taxes to individuals making over \$250 thousand a year from 2012 – 2018. This tax was further extended in November 2016 by the passage of Proposition 55, which extends the personal income tax of Proposition 30 through 2030. This special tax provides additional funds to K-12 and community colleges in California. The Department of Finance is responsible for updating EPA projections periodically based on tax revenues.

The fiscal year 2022-23 EPA funding allocation was last updated by the Department of Finance in June 2023, and based on updated tax revenue information, the original projected revenue of \$1.56 billion came in significantly lower than anticipated \$503 million, a decrease of \$1.057 billion. It is important to note that the California Community College system does not have a continuous appropriation (automatic backfill) for decreases in EPA and local revenues in the same manner than the K-12 system does. As is the case this year, historically, and upon discretion of the Governor and Legislature, community colleges have received backfills of needed general fund revenues in the subsequent Budget Act and/or associated legislation.

Once enacted, the 2023-24 Budget Act will provide the revenue needed to offset the June 2023 decrease in the 2022-23 funding. Since the Budget Act/or associated legislation had not been enacted at the time of certification, 2022-23 P2 does not include the 2022-23 general fund revenue increases needed to offset the decrease in the 2022-23 EPA funding, resulting in a temporary revenue deficit of 10.83% at 2022-23 P2.

As of the third quarter payment in March 2023, Districts have received \$1.17 billion in 2022-23 EPA payments, resulting in \$667.2 million in payments above the revised June 2023 EPA funding allocation estimate. To minimize the impact of the temporary revenue deficit at 2022-23 P2, 2022-23 EPA payments will not be processed in June 2023. The 2022-23 EPA payments will be accounted for by offsetting the first quarter and second quarter 2023-24 EPA payments in September and December 2023, respectively.

Furthermore, to offset the decrease in 2022-23 EPA funding, additional 2022-23 general fund revenues will be allocated to districts once funds are available at the State Chancellor's Office.

Additional 2022-23 general fund payment will be processed through an early 2022-23 Recalculation apportionment, estimated in September or October 2023.

IMPERIAL VALLEY COLLEGE

**2022-23**  
**UNAUDITED**  
**ACTUALS**

DePAOLI  
SPORTS  
COMPLEX



# UNRESTRICTED GENERAL FUND 11

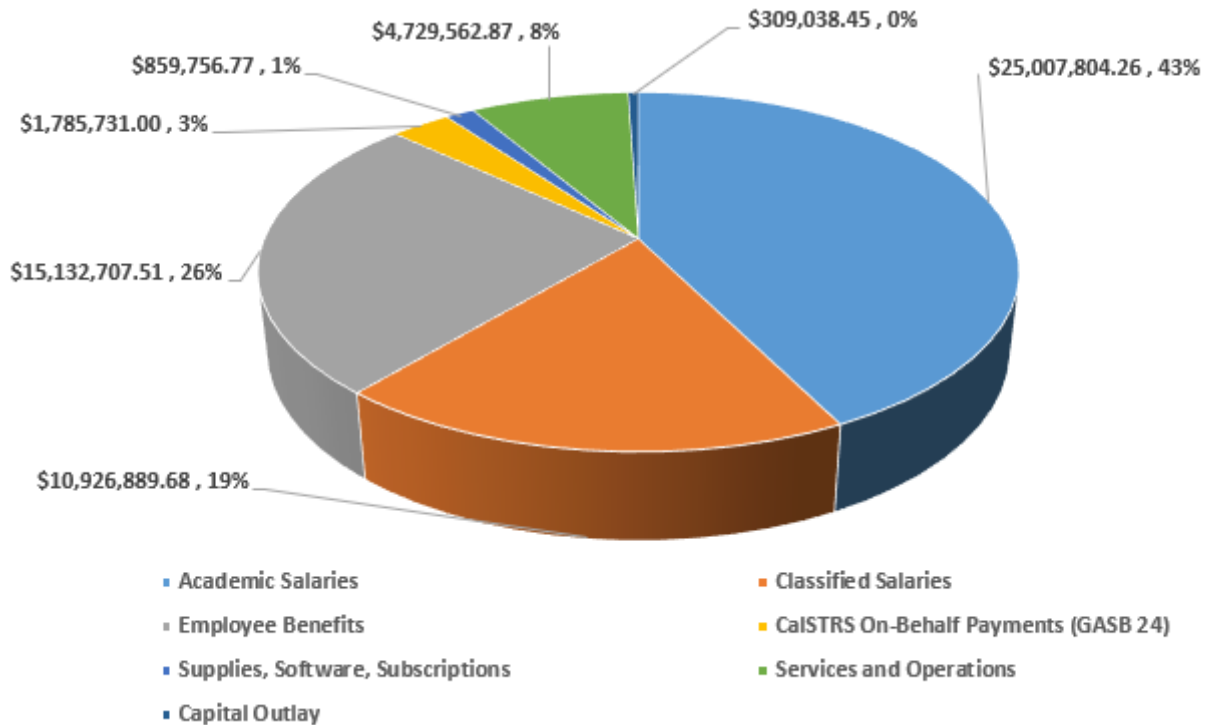
## 2022-23 Unaudited Actuals Financial Report As of June 30, 2023

The unaudited actuals report, before the financial audit, is the final report after all the “books are closed.” This report is based on the actual flow of cash received and expended, not budgetary activities. It also provides the Board of Trustees, stakeholders, and the public with the actual fiscal solvency of the district as of June 30, 2023.

The table below describes the overall fiscal performance of the District’s Unrestricted General Fund in fiscal year 2022-23:

Restricted	Adopted Budget 2022-2023	Unaudited Actuals 2022-23
FTES Reported/Projected	6814	7476
<b>BEGINNING FUND BALANCE</b>	\$ 23,100,706.00	\$ 23,099,274.01
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 23,100,706.00	\$ 23,099,274.01
<b><u>REVENUES</u></b>		
Federal	\$ -	\$ -
State (Apportionment)	\$ 41,520,487.00	\$ 51,676,342.00
State (Apportionment) Prior Year Recalculation	\$ -	\$ (572,704.00)
Education Protection Act (EPA)	\$ 11,491,749.00	\$ 3,726,702.00
State (All Other)	\$ 2,344,672.00	\$ 3,483,897.19
CalSTRS On-Behalf Payments (GASB 24)	\$ 1,785,427.00	\$ 1,785,731.00
Local (Property Tax Included)	\$ 10,990,609.00	\$ 12,799,373.82
<b>TOTAL REVENUES</b>	\$ 68,132,944.00	\$ 72,899,342.01
<b><u>EXPENDITURES</u></b>		
Academic Salaries	\$ 26,102,069.00	\$ 25,007,804.26
Classified Salaries	\$ 11,934,500.00	\$ 10,926,889.68
Employee Benefits	\$ 14,155,207.00	\$ 15,132,707.51
CalSTRS On-Behalf Payments (GASB 24)	\$ 1,785,427.00	\$ 1,785,731.00
Supplies, Software, Subscriptions	\$ 764,580.00	\$ 859,756.77
Services and Operations	\$ 5,317,656.00	\$ 4,729,562.87
Capital Outlay	\$ 448,977.00	\$ 309,038.45
<b>TOTAL EXPENDITURES</b>	\$ 60,508,416.00	\$ 58,751,490.54
Excess (Deficiency) of Revenues over Expenditures	\$ 7,624,528.00	\$ 14,147,851.47
Other Outgo (Transfers, Reserves)	\$ 12,201,000.00	\$ 11,070,000.00
Net Increase/Decrease in Fund Balance	\$ (4,576,472.00)	\$ 3,077,851.47
<b>ENDING FUND BALANCE</b>	\$ 18,524,234.00	\$ 26,177,125.48
<b>ENDING FUND BALANCE (In Percentage)</b>	25%	37%

The chart below shows the breakdown of the Unrestricted General Fund expenditures, for fiscal year 2022-23:



## Changes from Adopted Budget to Unaudited Actuals

### REVENUE

**State (Apportionment):** State Apportionment revenues were about \$10.1 million higher than expected based on the following:

1. Advance Apportionment calculation was prior to Imperial Community College District being approved for Emergency Conditions Allowance FTES in fiscal year 2022-23. Increase of \$2.1 million.
2. Recognized estimated General Apportionment recalculation to offset the decrease in fiscal year 2022-23 EPA funding. Increase of \$8 million

**State (Apportionment) Prior-Year Recalculation:** Miscellaneous adjustments made from prior fiscal years to the General Apportionment recalculations occur when updated data (i.e., enrollment revenue, property taxes, supplemental and student success metrics, etc.) is provided to the Chancellor's Office and changes the TCR calculation. These adjustments are recorded in the current year as a prior-year recalculation.

**Education Protection Act (EPA):** Fiscal year 2022-23 EPA funding allocation was updated by the Department of Finance in June 2023 from \$1.56 billion to \$503 million, a decrease of \$1.057 billion statewide. Imperial Community College District allocation rate decreased from \$1,574 per FTES at P1, to \$500 per FTES at P2, resulting in an \$8 million decrease.



**State (All Other):** Other State revenue increased about \$1.1 million from initial projections at Advance Apportionment. This included the following revenue sources:

1. Lottery - Increase of \$520,000
2. Full Time Faculty Hiring - Increase of \$540,000
3. Part-Time Faculty Compensation/Office Hours - Increase of \$70,000

**Local (Property Tax Included):** Local revenue increased about \$1.3 million based on the following:

1. Aspen Prize of \$500,000 received.
2. Property taxes increased \$820,000 from what was projected at Advance Apportionment.
3. Other local revenues (i.e., interest, enrollment fees, commission, etc.) either increased or decreased from what was projected at Advance Apportionment, resulting in an overall net increase of \$490,000.

## EXPENDITURES

**Academic and Classified Salaries:** Certificated and classified salary expenses were less than projected for fiscal year 2022-23. This is attributable to faculty and staff retirements and resignations. Although there were some vacancies filled, there were also others that were not, allowing extra savings in salaries.

**Employee Benefits:** Benefits had a net increase of about \$1 million based on the following:

1. 10% increase in health and welfare premiums
2. Decrease in STRS/PERS expense resulting from decrease in salaries expense.

**Other Outgo (Transfers, Reserves):** Other Outgo shows a difference of about \$1.1 million. This is attributed to how transfers from contingencies are recorded. These transfers are recorded as adjustments to the budget, rather than an increase in the expenses. When budget transfers in the contingency funds are factored in, the total used in “other outgo” is about \$11.7 million, resulting in unused “other outgo” of about \$430,000.



# RESTRICTED GENERAL FUND 12

## 2022-23 Unaudited Actuals Financial Report As of June 30, 2023

The funds from the state or federal government granted to qualifying Districts for specific programs, or special purposes such as Strong Workforce Grant, CalWORKS, COVID Recovery Block Grant, and many other categorical funds are deposited and managed from this account.

Often, these categorically funded programs have some type of matching requirement or financial reporting. Sometimes the match is in actual dollars and other times the matching is in-kind. The District's unrestricted general fund is used to match any state matching fund program requirement. An in-kind matching program, for example, would be the employment of counselors, admissions and records staff, and others working directly with student assessment.

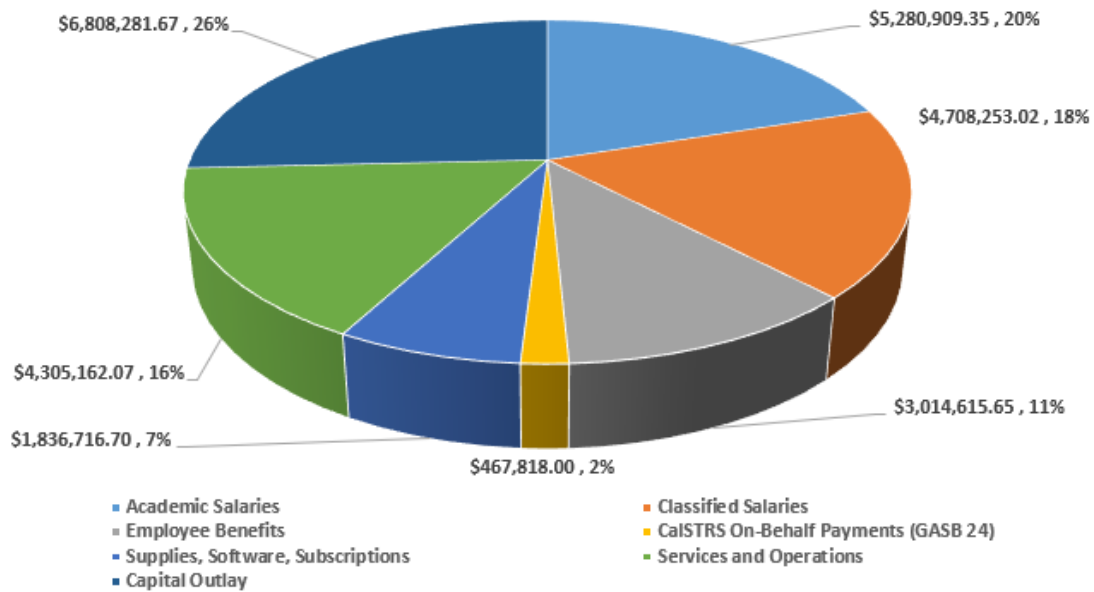
Categorical funds are received on a yearly basis, unless otherwise stated, and they must be monitored constantly to ensure that funds do not run out and not deficit spend. When deficit spending, it may create a liability for the unrestricted General Fund.

The table below describes the overall fiscal performance of the District's Unrestricted General Fund in fiscal year 2022-23:

Restricted	Adopted Budget 2022-2023	Unaudited Actuals 2022-23
<b>BEGINNING FUND BALANCE</b>	\$ 937,191.00	\$ 947,190.27
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 937,191.00	\$ 947,190.27
<b><u>REVENUES</u></b>		
Federal	\$ 9,396,965.00	\$ 10,515,259.60
State	\$ 32,829,577.00	\$ 16,229,265.93
CalSTRS On-Behalf Payments (GASB 24)	\$ 467,818.00	\$ 467,818.00
Local	\$ 3,772,152.00	\$ 2,983,991.19
Transfers	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 46,466,512.00	\$ 30,196,334.72
<b><u>EXPENDITURES</u></b>		
Academic Salaries	\$ 5,882,139.00	\$ 5,280,909.35
Classified Salaries	\$ 6,015,461.00	\$ 4,708,253.02
Employee Benefits	\$ 3,144,294.00	\$ 3,014,615.65
CalSTRS On-Behalf Payments (GASB 24)	\$ 467,818.00	\$ 467,818.00
Supplies, Software, Subscriptions	\$ 2,794,564.00	\$ 1,836,716.70
Services and Operations	\$ 8,370,252.00	\$ 4,305,162.07
Capital Outlay	\$ 16,826,928.00	\$ 6,808,281.67
<b>TOTAL EXPENDITURES</b>	\$ 43,501,456.00	\$ 26,421,756.46
Excess (Deficiency) of Revenues over Expenditures	\$ 2,965,056.00	\$ 3,774,578.26
Other Outgo (Student Aid)	\$ 2,900,605.00	\$ 3,577,978.61
Net Increase/Decrease in Fund Balance	\$ 64,451.00	\$ 196,599.65
<b>ENDING FUND BALANCE</b>	\$ 1,001,642.00	\$ 1,143,789.92
<b>ENDING FUND BALANCE (In Percentage)</b>	2%	4%



The chart below shows the breakdown of the Restricted General Fund expenditures, for fiscal year 2022-23:



## Change from Adopted Budget to Unaudited Actuals

### REVENUE

**Federal:** Most of the federal revenues are received on a reimbursement basis, which means that we only drawdown what we spend. Federal revenue increased from projected for the following reasons:

1. Additional HEERF funds received through SSARP. Increase of \$1.2 million.
2. Other federal revenues (i.e., Perkins, Federal College Work Study, HEERF, TRiO, etc.) either increased or decreased from what was projected at adopted, resulting in an overall net decrease of \$100,000.

**State:** Imperial Community College District received approximately \$37.5 million in state revenue throughout the fiscal year from ongoing or new grants. However, the actuals do not represent this because we deferred about \$21.3 million of the revenue to fiscal year 2023-24. Deferred revenue occurs when the District receives revenue that has not yet been earned, meaning we do not spend it all before the end of the fiscal year. For most grants, carryover is allowable into the following fiscal year, therefore the revenue must also be carried over.

**Local:** Local revenue decreased about \$788,000 based on the following:

1. Local revenues (i.e., student health fees, parking control fees, course fees, athletics fundraising revenues, etc.) either increased or decreased from what was projected at the adopted budget.

### EXPENDITURES

**Academic and Classified Salaries:** Certificated and classified salary expenses were less than projected. This is attributable to retirement and resignation vacancies. Although there were some vacancies filled, there were also others that were not, allowing extra savings in salaries.

**Capital Outlay:** Expenses in Capital Outlay were less than projected because several projects are in process and have not yet been completed. Most of these projects are funded by HEERF (\$3.3 million) and Deferred Maintenance (\$7 million) funds.



**2023-24  
ADOPTED  
BUDGET**

# UNRESTRICTED GENERAL FUND 11

## 2023-24 Adopted Budget Plan

Title 5, California Code of Regulations (CCR), Section 58305 requires community colleges to develop a Final Budget (Adopted) as an update to the Tentative Budget, which reflects the Governor's June 2022 signed State Budget Plan. The Adopted Budget also must be approved by the Board of Trustees no later than September 15 of each year.

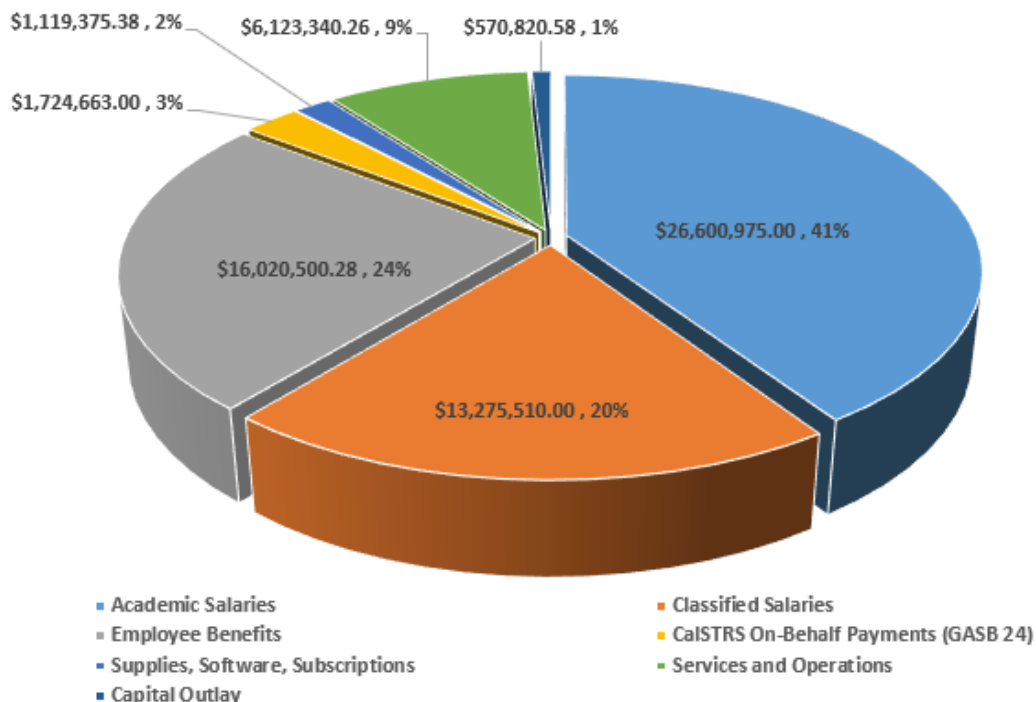
The Final Budget for fiscal year 2023-24 reflects the vision and mission of the Board of Trustees and the Superintendent/President. It was put together using the most up-to-date financial information provided by state agencies like California Department of Finance, Legislative Analyst Office, Chancellor's Office, School Services of California, etc.

It is important to understand that budgets are moving targets that must be updated periodically or as economic conditions change. More than ever, the state economy has fluctuated in unprecedented ways never seen. After two years of significant surpluses, the state of California faces a budget deficit this year.

In the context of budget development, a budget deficit occurs when estimated resources are insufficient to cover the cost of currently authorized services. Under the State Constitution, a budget deficit must be solved by increasing revenue or reducing spending. Most of the reasons why the state faces a budget deficit in 2023-24 is due to state revenue coming lower than previously estimated.

The District's policy as far as minimum reserves is to maintain at least a 16% reserve of unrestricted general funds which translates to approximately four (4) months of operating expenditures. However, over the last few years, the practice of retaining at least six (6) months of operating reserves (25%) places the District in a much stronger position to mitigate the impact of economic uncertainties.

The chart below shows the breakdown of the Unrestricted General Fund expenditures, for fiscal year 2023-24:





<b>Unrestricted</b>	<b>Adopted Budget 2023-2024</b>
FTES Reported/Projected	7476
<b>BEGINNING FUND BALANCE</b>	\$ 26,177,125.48
Prior Year Adjustments	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 26,177,125.48
<b><u>REVENUES</u></b>	
State (Apportionment)	\$ 44,118,877.00
Education Protection Act (EPA)	\$ 12,957,977.00
State (All Other)	\$ 3,305,717.00
CalSTRS On-Behalf Payments (GASB 24)	\$ 1,724,663.00
Local (Property Tax Included)	\$ 10,512,378.00
<b>TOTAL REVENUES</b>	\$ 72,619,612.00
<b><u>EXPENDITURES</u></b>	
Academic Salaries	\$ 26,600,975.00
Classified Salaries	\$ 13,275,510.00
Employee Benefits	\$ 16,020,500.28
CalSTRS On-Behalf Payments (GASB 24)	\$ 1,724,663.00
Supplies, Software, Subscriptions	\$ 1,119,375.38
Services and Operations	\$ 6,123,340.26
Capital Outlay	\$ 570,820.58
<b>TOTAL EXPENDITURES</b>	\$ 65,435,184.50
Excess (Deficiency) of Revenues over Expenditures	\$ 7,184,427.50
Other Outgo (Transfers, Reserves)	\$ 13,267,000.00
Net Increase/Decrease in Fund Balance	\$ (6,082,572.50)
<b>ENDING FUND BALANCE</b>	\$ 20,094,552.98
<b>ENDING FUND BALANCE (In Percentage)</b>	26%

The 2023-24 Adopted Budget needs to be carefully monitored and updated, as necessary, to ensure we do not deficit spend. The full-time equivalent student (FTES) used to calculate our general fund revenues is 7,476, per our latest annual 320 report. This gives us a projected total revenue of \$72,619,612, versus total expenditures of \$65,435,184.50. As a result, the District is projecting a surplus of revenues of \$7,184,427.50, which will impact our projected ending fund balance of \$20,094,552.98.

As stated previously, some of the most important planning factors used to calculate this year's 2023-24 Adopted Budget include an 8.22% cost-of-living-adjustment (COLA) and SCFF growth funding of 0.50%. The Department of Finance also projects a Consumer Price Index (CPI) increase of 3.55%, and lottery revenue of \$177 per FTES for unrestricted funds, and \$72 per FTES for restricted funds.

On the other hand, CalSTRS rates for 2023-

24 sit at 19.10%, while CalPERS rates increased from 25.37% in 2022-23, to 26.68% in 2023-24. This is an increase of 1.31% from the previous year. In fact, CalPERS rate is projected to increase to 28.70% by fiscal year 2026-27.

# RESTRICTED GENERAL FUND 12

## 2023-24 Adopted Budget Plan

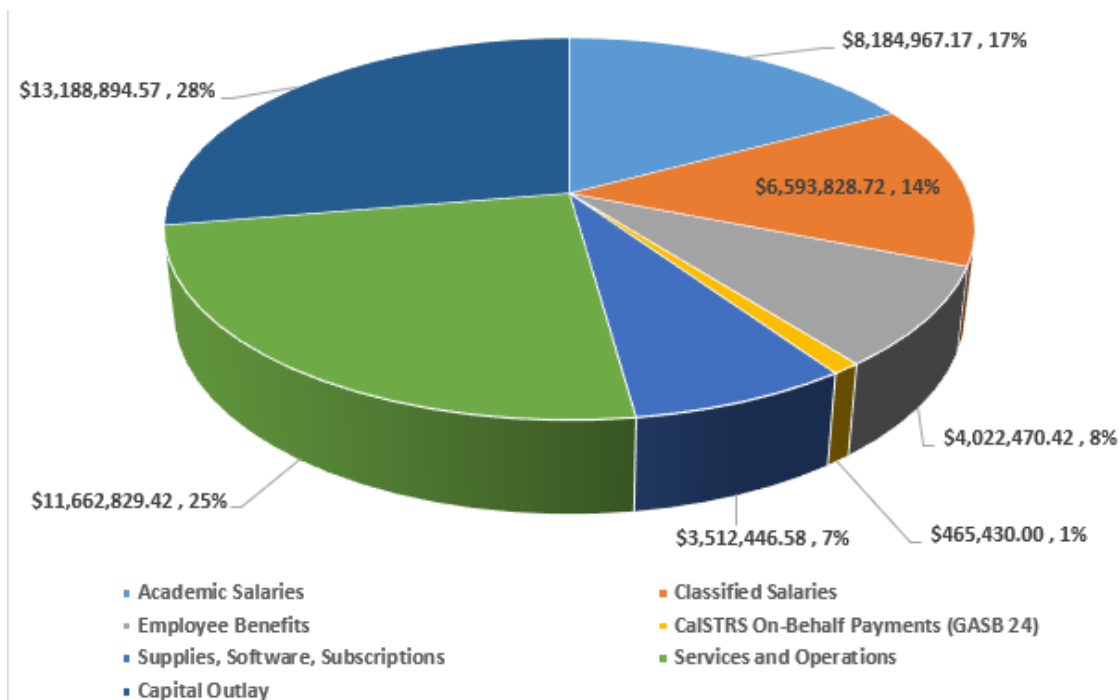
As stated earlier, the bulk of our financial resources come from state apportionment generated by the Student-Centered Funding Formula, or SCFF, but categorical programs are also established by state and federal legislation to support and supplement the existing core instructional programs. Categorical programs are accounted for in Fund 12, which is a special fund designated for moneys that serve a specific targeted group.

Common elements of categorical programs include:

- The programs supplement the base program
- They are designed to serve a specified targeted audience
- They usually have a life span identified within the legislation
- Sometimes categorical programs continue to exist after their expiration date but at the expense of unrestricted general fund resources.

There are categorical programs that also require an in-kind match (1-1 dollar) from the District's chief operating fund (Unrestricted General Fund) to, for example, pay for counselors, admissions and records personnel, and other staff working directly serving students. There are, however, unintended consequences that multi-year grants do not consider and that is the potential increase of salaries and benefits leaving the Unrestricted General Fund liable for the difference in funding.

The chart below shows the breakdown of the Restricted General Fund expenditures, for fiscal year 2023-24:



For 2023-24, the District projects receiving total revenues of \$49,596,496.59, and estimate total expenditures of \$47,630,866.88, for a difference of \$1,965,629.71. However, the District is projecting to spend approximately \$3,120,591.46 in student aid, support, and services throughout the year leaving a small deficit of - \$11,171.83, and zero percent reserves.

Furthermore, another reason for deficit spending and a negative fund balance is because there are monies that we receive and carry over throughout the year, but we may or may not expect to receive additional revenue for. We only budget expenses, but this does not mean that we will not receive revenue, it is just uncertain how much revenue we will receive, so we don't budget for it until we receive it.

Examples of these funds include:

- Athletics fundraising
- Student Housing Management
- IVC Kitchen
- Student fees (i.e., EMT/Fire Course Fees)
- Various campus organization funds were brought into Banner (Financial System) from QuickBooks.

<b>Restricted</b>	<b>Adopted Budget 2023-2024</b>
<b>BEGINNING FUND BALANCE</b>	\$ 1,143,789.92
Prior Year Adjustments	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	<b>\$ 1,143,789.92</b>
<b><u>REVENUES</u></b>	
Federal	\$ 5,694,616.21
State	\$ 40,611,056.46
CalSTRS On-Behalf Payments (GASB 24)	\$ 465,430.00
Local	\$ 2,825,393.92
<b>TOTAL REVENUES</b>	<b>\$ 49,596,496.59</b>
<b><u>EXPENDITURES</u></b>	
Academic Salaries	\$ 8,184,967.17
Classified Salaries	\$ 6,593,828.72
Employee Benefits	\$ 4,022,470.42
CalSTRS On-Behalf Payments (GASB 24)	\$ 465,430.00
Supplies, Software, Subscriptions	\$ 3,512,446.58
Services and Operations	\$ 11,662,829.42
Capital Outlay	\$ 13,188,894.57
<b>TOTAL EXPENDITURES</b>	<b>\$ 47,630,866.88</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 1,965,629.71
Other Outgo (Student Aid)	\$ 3,120,591.46
Net Increase/Decrease in Fund Balance	\$ (1,154,961.75)
<b>ENDING FUND BALANCE</b>	<b>\$ (11,171.83)</b>
<b>ENDING FUND BALANCE (In Percentage)</b>	<b>0%</b>





**MULTI-YEAR  
PROJECTIONS**

**DSPS BUILDING**



# UNRESTRICTED GENERAL FUND 11

## Multi-Year Projections

The Fiscal Crisis Management and Assistance Team, also known as FCMAT, as well as the Community College Chancellor's Office, highly recommend districts to develop and maintain accurate multi-year projections (MYP's) to help plan.

Multi-year projections are best developed when districts have a solid understanding of how revenues work (i.e., SCFF, categorical programs, Prop. 98, and more) and expenditures. The information used to build accurate MYPs comes directly from state and local agencies but as macro and microeconomic conditions change, the MYPs need to be updated.

As a financial tool, multi-year projections give the district the ability to make comprehensive financial decisions that impact today and two years out. This is important when the district enters negotiations with any of our bargaining unit

Factors		2024-25	2025-26
Department of Finance COLA		3.94%	3.29%
California Consumer Price Index		3.03%	2.64%
California Lottery	Unrestricted	\$177	\$177
	Restricted	\$72	\$72
10-Year Treasury Interest Rate		\$36.76	\$37.97
CalSTRS Employer Rate		19.10%	19.10%
CalPERS Employer Rate		27.70%	28.30%
Unemployment Insurance Rate		0.05%	0.05%

partners. The MYP below was created using the Department of Finance, Legislative Analyst Office, and the system's Chancellor's Office most up-to-date financial assumptions for 2023-24, 2024-25, and 2025-26. These are some of the key planning factors used in the development of this multi-year projection:

In addition, the following multi-year projection includes all agreed upon and ratified collective bargaining agreements. As previously stated, this MYP will be updated periodically, or as economic conditions change in terms of projected revenues and/or updated expenditures.

FTES Reported/Projected		2023-24 7,476	2024-25 7,252	2025-26 7,091
<b>BEGINNING FUND BALANCE</b>		<b>\$ 26,177,125</b>	<b>\$ 20,094,553</b>	<b>\$ 19,719,537</b>
<b>A. REVENUES</b>				
State Apportionment	8611	44,118,877	47,174,970	47,426,448
Education Protection Act (EPA)	8630	12,957,977	12,957,977	12,957,977
Other State Revenues	8600-8699	3,305,717	2,483,632	2,509,014
CalSTRS On-Behalf	8600	1,724,663	1,724,663	1,724,663
Other Local Revenues	8800-8899	10,512,378	10,512,378	10,512,378
Other Financing Sources	8910-8999	-	-	-
<b>Total Revenues</b>		<b>72,619,612</b>	<b>74,853,620</b>	<b>75,130,480</b>
<b>B. EXPENDITURES</b>				
Certificated Salaries	1000-1999	26,600,975	27,593,665	28,410,752
Classified Salaries	2000-2999	13,275,510	13,836,053	14,336,316
Employee Benefits	3000-3999	16,020,500	17,713,969	18,820,815
CalSTRS On-Behalf	3000	1,724,663	1,724,663	1,724,663
Supplies, Software, Subscriptions	4000-4999	1,119,375	1,153,292	1,183,739
Services and Operations	5000-5999	6,123,340	6,308,877	6,475,432
Capital Outlay	6000-6999	570,821	588,116	603,643
<b>Total Expenditures</b>		<b>65,435,184</b>	<b>68,918,636</b>	<b>71,555,359</b>
<b>C. Excess/ (Deficiency) of Revenues over Expenditures</b>		<b>7,184,428</b>	<b>5,934,984</b>	<b>3,575,121</b>
<b>D. Other Outgo, Transfers</b>	7000-7999	13,267,000	6,310,000	4,310,000
<b>E. Net Increase/Decrease in Fund Balance</b>		<b>(6,082,572)</b>	<b>(375,016)</b>	<b>(734,879)</b>
<b>ENDING FUND BALANCE</b>		<b>\$ 20,094,553</b>	<b>\$ 19,719,537</b>	<b>\$ 18,984,658</b>
<b>Ending Fund Balance Percent</b>		<b>26%</b>	<b>26%</b>	<b>25%</b>

The background image shows the exterior of the Spencer Library Media Center. A large, leafy green tree is on the left side of the frame. The building has a brick wall with the words "SPENCER LIBRARY MEDIA CENTER" visible. To the right, there is a covered entrance area with a blue metal roof. The foreground consists of a paved walkway and a small patch of green grass.

**2023-24**  
**CATEGORICAL**  
**PROGRAMS**



# 2023-24 CATEGORICAL & OTHER DISTRICT FUNDS

## Adopted Budget Plan

**FUND 22** The Building Fund is for capital outlay projects. It is used to account for the accumulation and expenditure of moneys for the acquisition or construction of significant capital outlay items, and Scheduled Maintenance and Special Repairs (SMSR) projects.

(EC §81964). Responsibility for this fund vests with the district and the Board.

The revenues recorded in this account is to pay for the completion of our new Auto-Technology Center, Surveillance Cameras Refresh, Wayfinding Project, and Gym Modernization.

The Auto-Technology Center project will be multi-funded between Fund 22 and Measure J Funds. The Gym modernization and renovation project is also a multi-funded project between IVC and State Chancellor’s Office (50/50 in-kind match).

The District’s share for this project is approximately \$10 million. In fiscal year 2023-24, at Adopted Budget, the District is making an inter-fund transfer (Fund 11 to Fund 22) of \$5 million to support this project.

BUILDING FUND - 22	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ 10,834,344.90	\$ 17,736,206.15
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 10,834,344.90	\$ 17,736,206.15
<b>REVENUES</b>		
Local	\$ 656,219.86	\$ 665,000.00
Inter-Fund Transfers In	\$ 8,750,000.00	\$ 5,000,000.00
<b>TOTAL REVENUES</b>	\$ 9,406,219.86	\$ 5,665,000.00
<b>EXPENDITURES</b>		
Supplies, Software, Subscriptions	\$ (3,039.86)	\$ -
Services and Operations	\$ 78,357.78	\$ 28,200.00
Capital Outlay	\$ 2,429,040.69	\$ 17,591,026.00
<b>TOTAL EXPENDITURES</b>	\$ 2,504,358.61	\$ 17,619,226.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 6,901,861.25	\$ (11,954,226.00)
Other Outgo	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 6,901,861.25	\$ (11,954,226.00)
<b>ENDING FUND BALANCE</b>	\$ 17,736,206.15	\$ 5,781,980.15



**Fund 33** The Child Development Fund 33 is the fund designated to account for all revenues for, or from the operation of, childcare and development services, including student fees for child development services.

Costs incurred in the operation and maintenance of the childcare and development services are paid from this fund. However, those segments of childcare and development activities that are part of the instructional activity of the college or district must be accounted for in the General Fund.

CHILD DEVELOPMENT - 33	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ 697,781.00	\$ 642,791.38
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 697,781.00	\$ 642,791.38
<b>REVENUES</b>		
State	\$ 1,072,920.00	\$ 1,560,871.00
Local	\$ 35,135.15	\$ 235,079.00
<b>TOTAL REVENUES</b>	\$ 1,108,055.15	\$ 1,795,950.00
<b>EXPENDITURES</b>		
Academic Salaries	\$ 60,179.64	\$ 64,994.00
Classified Salaries	\$ 600,242.20	\$ 630,036.86
Employee Benefits	\$ 338,714.64	\$ 393,593.51
Supplies, Software, Subscriptions	\$ 60,608.82	\$ 367,540.52
Services and Operations	\$ 48,626.93	\$ 39,718.23
Capital Outlay	\$ 54,672.54	\$ 119,945.32
<b>TOTAL EXPENDITURES</b>	\$ 1,163,044.77	\$ 1,615,828.44
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ (54,989.62)	\$ 180,121.56
Other Outgo (Designated Reserves)	\$ -	\$ 179,179.00
<b>Net Increase (Decrease) In Fund Balance</b>	\$ (54,989.62)	\$ 942.56
<b>ENDING FUND BALANCE</b>	\$ 642,791.38	\$ 643,733.94
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	55%	36%

**Fund 41** This fund is also used to account for the receipt and expenditure of State Funded capital projects, like our intersegmental student housing project between San Diego State University and Imperial Valley College.

The entire balance that you see in the spreadsheet below is 100% allocated to support the construction of this project which is scheduled to be finished in a couple of years.

CAPITAL PROJECTS FUND - 41	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ (2,227,413.14)	\$ -
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ (2,227,413.14)	\$ -
<b>REVENUES</b>		
State	\$ 4,715,336.00	\$ 4,554,000.00
Local	\$ -	\$ 100,000.00
<b>TOTAL REVENUES</b>	\$ 4,715,336.00	\$ 4,654,000.00
<b>EXPENDITURES</b>		
Services and Operations	\$ -	\$ -
Capital Outlay	\$ 2,487,922.86	\$ 4,554,000.00
<b>TOTAL EXPENDITURES</b>	\$ 2,487,922.86	\$ 4,554,000.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 2,227,413.14	\$ 100,000.00
Other Outgo	\$ -	\$ -
<b>Net Increase (Decrease) In Fund Balance</b>	\$ 2,227,413.14	\$ 100,000.00
<b>ENDING FUND BALANCE</b>	\$ -	\$ 100,000.00

**Fund 43** This is a new fund opened this year to account for the revenues and expenditures of Measure B General Obligation Bond. The current balance reflects the issuance of Series A worth \$50 million. The ledger does not reflect any financial activity in the prior year because there is nothing to report as of June 30, 2023. From an accounting and auditing perspective, this fund is designated to account for the proceeds from the sale of bonds, and they are deposited with the county treasury and recorded as Other Financing Sources. Moneys may only be expended for the purposes authorized by the language of the Proposition 39 Bond voter approved ballot measure. As there may be several projects on-going at any moment in time, multiple sub-funds of the General Obligation Bond Fund may be used, but all projects and sub-funds will be rolled up and reported to the Chancellor's Office as one fund.

Measure B Bond Fund - 43	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ -
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ -	\$ -
<b>REVENUES</b>		
Financing Sources	\$ -	\$ 49,810,000.00
Local	\$ -	\$ 750,000.00
<b>TOTAL REVENUES</b>	\$ -	\$ 50,560,000.00
<b>EXPENDITURES</b>		
Services and Operations	\$ -	\$ -
Capital Outlay	\$ -	\$ 49,810,000.00
<b>TOTAL EXPENDITURES</b>	\$ -	\$ 49,810,000.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ -	\$ 750,000.00
Other Outgo	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ -	\$ 750,000.00
<b>ENDING FUND BALANCE</b>	\$ -	\$ 750,000.00
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	0%	2%

**Fund 51** This fund is used when the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CERTIFICATE OF PARTICIPATION - 51	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ 913.67	\$ 935.46
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 913.67	\$ 935.46
<b>REVENUES</b>		
Local	\$ 21.79	\$ -
<b>TOTAL REVENUES</b>	\$ 21.79	\$ -
<b>EXPENDITURES</b>		
Capital Outlay	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ -	\$ -
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 21.79	\$ -
Other Outgo	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 21.79	\$ -
<b>ENDING FUND BALANCE</b>	\$ 935.46	\$ 935.46
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	0%	0%



**Fund 61** This is a Self-Insurance designated fund under EC §81602 to account for income and expenditures of self-insurance programs authorized by EC §72506(d).

This fund is maintained in the county treasury and used to provide for payments on deductible types of insurance policies, losses or payments arising from self-insurance programs, and losses or payments due to noninsured perils.

Whenever there is a settlement, a deductible, or a claim that needs to be paid, the District pays it out using these funds. Thankfully, IVC hasn't had the need to increase these funds for a while and due to minimal risk, liability, or exposure to claims, but if these were to increase, more funds will need to be added to this fund from the General Fund.

SELF-INSURANCE FUND - 61	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ 144,445.72	\$ 144,515.97
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 144,445.72	\$ 144,515.97
<b>REVENUES</b>		
Local	\$ 7,053.22	\$ 10,000.00
Transfers	\$ 20,000.00	\$ 50,000.00
<b>TOTAL REVENUES</b>	\$ 27,053.22	\$ 60,000.00
<b>EXPENDITURES</b>		
Services and Operations	\$ 26,982.97	\$ 30,000.00
<b>TOTAL EXPENDITURES</b>	\$ 26,982.97	\$ 30,000.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 70.25	\$ 30,000.00
Other Outgo	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 70.25	\$ 30,000.00
<b>ENDING FUND BALANCE</b>	\$ 144,515.97	\$ 174,515.97

**Fund 69** This fund is used to account for revenues and expenditures for other internal services, as in the case of our Cash-Deferral account for economic uncertainties derived from economic recessions, or whenever the State of California imposes cash deferred payments due to lack of state funds.

OTHER INTERNAL SERVICES - FUND 69	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ 10,000,000.00	\$ 10,000,000.00
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 10,000,000.00	\$ 10,000,000.00
<b>REVENUES</b>		
Transfers	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ -	\$ -
<b>EXPENDITURES</b>		
Capital Outlay	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ -	\$ -
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ -	\$ -
Other Outgo	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ -	\$ -
<b>ENDING FUND BALANCE</b>	\$ 10,000,000.00	\$ 10,000,000.00

**Fund 71** Trust funds are used to account for assets held on behalf of another party in which the district has some discretionary authority for decision making or responsibility for approving expenditures, for example ASG and Campus Clubs.

Trust funds are appropriate when one or more of the following conditions is present.

- There is an agreement granting the district discretionary authority.
- There are contractual or regulatory conditions restricting the use of the funds or requiring the district to exercise a management role or report the results of operations in its financial statements
- There is a compelling reason to measure operations (revenues, expenditures/expenses, and fund balance) and report the results in the district’s financial statements. Examples of compelling reasons may include the materiality of the revenues and expenditures, or the usefulness of the information to the readers of the financial statements

ASG/CAMPUS CLUBS FUND - 71	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ 216,130.00	\$ 208,418.64
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 216,130.00	\$ 208,418.64
<b>REVENUES</b>		
Local	\$ 49,790.34	\$ 31,400.00
Transfers	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 49,790.34	\$ 31,400.00
<b>EXPENDITURES</b>		
Supplies, Software, Subscriptions	\$ 40,031.04	\$ 72,037.92
Services and Operations	\$ 17,470.66	\$ 18,381.47
Capital Outlay	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 57,501.70	\$ 90,419.39
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ (7,711.36)	\$ (59,019.39)
Other Outgo	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ (7,711.36)	\$ (59,019.39)
<b>ENDING FUND BALANCE</b>	\$ 208,418.64	\$ 149,399.25

**Fund 72** This is a Student Representative Fee Trust Fund, and it is used to account for moneys collected pursuant to EC §76060.5 that provides for a student representation fee of one dollar per semester if approved by two-thirds of the students voting in the election.

The fee is to be expended to provide for the support of governmental affairs representatives who may be stating their positions and viewpoints before city, county, and district governments and before offices and agencies of the State government.

STUDENT REPRESENTATIVE FEE FUND - 72	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ 57,262.74	\$ 54,394.30
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 57,262.74	\$ 54,394.30
<b>REVENUES</b>		
Local	\$ 41,178.00	\$ 42,000.00
<b>TOTAL REVENUES</b>	\$ 41,178.00	\$ 42,000.00
<b>EXPENDITURES</b>		
Services and Operations	\$ 44,046.44	\$ 42,000.00
<b>TOTAL EXPENDITURES</b>	\$ 44,046.44	\$ 42,000.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ (2,868.44)	\$ -
Other Outgo	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ (2,868.44)	\$ -
<b>ENDING FUND BALANCE</b>	\$ 54,394.30	\$ 54,394.30

The District may charge a fee to recover its actual cost of administering these fees up to, but not more than, seven percent of the fees collected and deposited.

Currently, IVC’s student representation fee is \$2.00 dollars for every student who enrolls each term. Note, \$1.00 dollar of every \$2.00 dollar collected is used by ASG for travel related activities, and \$1.00 of every \$2.00 dollar collected goes towards state fees.

**Fund 74** This is the Student Financial Aid Trust Fund that IVC uses to account for the deposit and direct payment of government-funded student financial aid, including grants and loans or other moneys intended for similar purposes and the required district matching share of payments to students.

The objective of college work-study programs is to provide financial assistance to students, services must be performed by students as a condition for receiving the money. Such expenditures are salaries, not financial aid.

STUDENT FINANCIAL AID FUND - 74	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ (10,193.00)	\$ (10,257.00)
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ (10,193.00)	\$ (10,257.00)
<b>REVENUES</b>		
Federal	\$ 24,163,031.22	\$ 25,317,077.00
State	\$ 10,131,504.00	\$ 16,760,707.00
<b>TOTAL REVENUES</b>	\$ 34,294,535.22	\$ 42,077,784.00
<b>EXPENDITURES</b>		
	\$ -	
<b>TOTAL EXPENDITURES</b>	\$ -	\$ -
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 34,294,535.22	\$ 42,077,784.00
Other Outgo (Student Financial Aid Expense)	\$ 34,294,599.22	\$ 42,077,784.00
<b>Net Increase (Decrease) In Fund Balance</b>	\$ (64.00)	\$ -
<b>ENDING FUND BALANCE</b>	\$ (10,257.00)	\$ (10,257.00)

**Fund 81** This is our Measure J Capital Outlay Projects Fund, and it is used to account for the accumulation and expenditure of moneys for the acquisition or construction of significant capital outlay items, and Scheduled Maintenance and Special Repairs (SMSR) projects.

In general, this fund shall be established and maintained in the appropriate county treasury and the money shall be used only for capital outlay purposes. The remaining balance in this spreadsheet is to pay for the new auto-technology project.

GENERAL OBLIGATION FUND - 81	Unaudited Actuals Fiscal Year 2022-2023	Adopted Budget 2023-2024
<b>BEGINNING FUND BALANCE</b>	\$ 45,621,983.18	\$ 39,339,821.13
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 45,621,983.18	\$ 39,339,821.13
<b>REVENUES</b>		
Financing Sources	\$ -	\$ -
Local	\$ 728,430.34	\$ 730,000.00
<b>TOTAL REVENUES</b>	\$ 728,430.34	\$ 730,000.00
<b>EXPENDITURES</b>		
Supplies, Software, Subscriptions	\$ 7,441.22	\$ -
Services and Subscriptions	\$ 89,682.00	\$ 10,000.00
Capital Outlay	\$ 6,913,469.17	\$ 39,262,587.00
<b>TOTAL EXPENDITURES</b>	\$ 7,010,592.39	\$ 39,272,587.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ (6,282,162.05)	\$ (38,542,587.00)
Other Outgo	\$ -	\$ -
<b>Net Increase (Decrease) In Fund Balance</b>	\$ (6,282,162.05)	\$ (38,542,587.00)
<b>ENDING FUND BALANCE</b>	\$ 39,339,821.13	\$ 797,234.13



# FINAL REMARKS

We continue to live in unprecedented economic times that more than ever challenge national economists with their ability to predict the future of the nation's economy. In a new post-pandemic fiscal year, the 2023-24 state budget shows that revenues have softened, and everyone is watching to what happens in October. The postponement of this year's personal income tax deadline to October sheds light on how risky this year's state adopted plan is. It appears that Governor Newsom is banking on the state economy to rebound and for personal income tax revenue to come in as newly predicted.

Regardless, on whether Governor's Newsom predictions come on target or not, the fact is that Proposition 98 minimum guarantee for 2023-24 remains below the 2021-22 levels.

The state's reliance on one-time revenue to pay for an on-going cost-of-living-adjustment (COLA) of 8.22% in the current year increases risk to all community college budgets. Then we have inflation that continues to make ends meet more expensive. According to School Services of California, "even though inflation has abated from a peak of 9.1% to a current 3.9%, year over year, wage demands continue to be high in a tight labor market."



Inflation can be detrimental to a district's general fund because as the price for daily goods and services increase, so does the need for wage increase. At the heart of the covid-19 pandemic, we all experienced the impact of the Biden Administration's infusion of one-time monies to stimulate the local, state, and national economy. The demand for goods and services created an even a supply and demand shortage, which then created pressure to districts to increase compensation, as inflation went up.

A slowing economy and inflation are not the only challenges that community colleges face today – far from it. The fact of the matter is that we are still dealing with post-pandemic consequences like enrollment and attendance declines. The Student-Centered Funding Formula is primarily an enrollment-based funding mechanism that rewards districts for students' success, but if students don't come back like before and enrollment remains below pre-pandemic levels, the general fund will be impacted.

Throughout this report, it is often mentioned how community colleges heavily rely on the big three tax sources of revenue to support their general fund. As we learned from this year's state budget plan, tax revenues do not always come as predicted, and part of the reason is because we are tight to our national and global economy. The conflicts in Ukraine and Russia, and the trade wars between China and the United States create so much uncertainty and unpredictability for our local, state, and national economy. Think of the supply chain bottlenecks and shortage of goods and services we would experience in a China vs United State military conflict? What would that do to our economy?

The cost for property and casualty insurance coverage is skyrocketing due to increased natural disasters phenomenon, but what's really impacting general funds throughout the community college system are the rate increases in health and welfare benefits. In the case of Imperial Valley College, the district has seen rate increases of 10% for 2022-23, and 16% in 2023-24, and insurance experts predict more rate increases are on the way in subsequent years.

A district's general fund also bears the impact of all employer's pension rate increases to both CalPERS and CalSTRS, and other post-employment benefit (OPEB) contributions, and pension liabilities. All district's OPEB and pension liability contributions come from the unrestricted general fund and, in the case of IVC, we do not get any additional compensation from the state to offset this very expensive expense. The rate increases associated with CalPERS and CalSTRS are also a general fund expense, but the state (Governor) seldom makes one-time investments to offset the rate increase cost for these two pension liability accounts.

To conclude, the cost-of-living adjustment (COLA) is one of the most discussed items in K-14 finance. It's a focal point during the release of annual budget proposals, and over the course of the fiscal year, as districts build their next year's budget. The COLA is also the centerpiece of all negotiation considerations with our labor union partners. To ensure consistency across each of the conversations, it's critically important that all parties understand what it means to "receive a cost-of-living-adjustment."



First, the statutory COLA is a federally derived figure that compares the changes in state and local government consumption expenditures and gross investment aggregated at the national level. More simply put, it measures the increases, or decreases, in the cost of doing business using national governmental activity as a proxy. This can be a point of contention, especially in a high-cost state such as California where the consumer price index, and related cost of living, are considerably higher than most states. *The state of California does not calculate funding increases for education*

*based on the cost of living increases specific to California.*

Second, the application of the funded COLA does not automatically result in new revenues for community colleges. The funded COLA, simply stated, increases the funding per unit of measurement. The largest, and most significant, funding source for most districts are the revenues generated through the Student-Centered Funding Formula. The primary unit that is measured is full-time equivalent student (FTES). The application of the current statutory COLA of 8.22% increases the funding per unit. However, if enrollment is down year-over-year, which is pervasive statewide amidst the drastic decline in enrollment, the number of units used to calculate funding may also decline.

The third, and final, point is that the COLA, or growth in funding per unit, is intended to cover *all the costs associated with educating students*. This includes, but is not limited to, the cost of staffing which includes step-and-column increases, health and welfare benefits, pension rate (CalSTRS and CalPERS) increases, instructional materials, utilities, and supplemental services for students. It's critically important to recognize this component, especially as the cost of doing business for the employer and the employee are going up, and it's the new ongoing revenues generated by the funded COLA that are used to cover *all* these costs.