

IMPERIAL COMMUNITY COLLEGE DISTRICT

AUDIT REPORT

Fiscal Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees Imperial Community College District Imperial, California

Report on Audit of Financial Statements *Opinions*

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Imperial Community College District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 opinions.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 one year 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 generally accepted auditing standards (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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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In accordance with Government Auditing Standards, we have also issued our report dated December 26, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that 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 over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

San Diego, California

December 26, 2024

IMPERIAL COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024

The Imperial Community College District (the "District") consists of one main campus. The District serves approximately 8,000 students per semester. Full-Time Equivalent Student (FTES) for 2023-24 was 7,645.

The following discussion and analysis provides an overview of the financial position and activities of the District for the fiscal year ended June 30, 2024. Please read it in conjunction with the financial statements and notes thereto which follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

FINANCIAL HIGHLIGHTS

Net position increased by \$20.1 million or 39% from the prior year. This was due primarily to the overall increase in current assets, particularly in cash and cash equivalents, and capital assets.

STATEMENT OF NET POSITION

The Statement of Net Position presents the Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position of the District as of the end of the fiscal year using the accrual basis of accounting, which is comparable to that used by most private-sector institutions. Net Position—the difference between assets and liabilities—are one way to measure the financial health of the District. The net asset data allows readers to determine the resources available to continue the operations of the District.

The Net Position of the District consists of three major categories:

- 1. Net investment in capital assets The District's equity in property, plant, and equipment, net of related debt.
- 2. Restricted Net Position (distinguished between major categories of restriction.) The constraints placed on the use of the assets are externally imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or imposed through constitutional provisions or enabling legislation.
- 3. Unrestricted Net Position/(Deficit) The District can use them for any lawful purpose. Although unrestricted, the District's governing board may place internal restrictions on this Net Position, but it retains the power to change, remove, or modify those restrictions.

IMPERIAL COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024

STATEMENT OF NET POSITION, continued

	2024	2023	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 242,671,530	\$ 150,556,600	\$ 92,114,930
Non-current assets	112,144,667	101,820,702	10,323,965
Deferred outflows of resources	 30,120,083	25,243,200	4,876,883
Total Assets and Deferred Outflows of Resources	384,936,280	277,620,502	107,315,778
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	38,127,312	54,142,817	(16,015,505)
Non-current liabilities	365,797,070	257,643,108	108,153,962
Deferred inflows of resources	 12,646,980	17,522,746	(4,875,766)
Total Liabilities and Deferred Inflows of Resources	416,571,362	329,308,671	87,262,691
NET POSITION			
Net investment in capital assets	(5,042,958)	(7,512,401)	2,469,443
Restricted	180,182,855	64,750,337	115,432,518
Unrestricted	 (206,774,979)	(108,926,105)	(97,848,874)
Total Net Position	\$ (31,635,082)	\$ (51,688,169)	\$ 20,053,087

The District's Net Position/(Deficit) increased \$20.1 million or 39% from the previous year. Overall cash and investments increased by \$100.0 million primarily due to increases in state aid and local property taxes in 2023-24. Additionally, accounts payable, accrued liabilities and unearned revenue decreased by approximately \$21.4 million, bonded debt increased by approximately \$110.5 million, and net pension and OPEB liabilities increased by approximately \$3.1 million. This was offset by a decrease in deferred inflows related to pensions by approximately \$2.2 million. Finally, much of the District's Unrestricted Net Position/(Deficit) have been designated or reserved for capital outlay and debt service.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the District. The purpose of the statement is to present the revenues received by the District, both operation and non-operating, and the expenses paid by the District, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the District. State general apportionment funds, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles.

Changes in total Net Position on the Statement of Net Position above are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. Operating revenues are received for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the District.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, continued

	2024	2023	Change
OPERATING REVENUES			
Tuitition and fees, net	\$ 2,606,988	\$ 2,566,839	\$ 40,149
Grants and contracts, non-capital	62,972,376	64,015,183	(1,042,807)
Total Operating Revenues	65,579,364	66,582,022	(1,002,658)
OPERATING EXPENSES			
Salaries and employee benefits	75,937,448	69,757,168	6,180,280
Supplies, materials, and other operating expenses and services	15,612,449	23,834,109	(8,221,660)
Student aid	37,461,215	34,294,599	3,166,616
Depreciation and amortization	4,505,778	4,171,145	334,633
Total Operating Expenses	133,516,890	132,057,021	1,459,869
Operating Loss	(67,937,526)	(65,474,999)	(2,462,527)
NON-OPERATING AND OTHER REVENUES/(EXPENSES)			
State apportionments, non-capital	57,433,259	55,176,396	2,256,863
Local property taxes	20,529,502	16,938,127	3,591,375
State taxes and other revenues	11,351,732	5,626,845	5,724,887
Investment income	3,387,155	1,416,613	1,970,542
Interest expense on capital asset-related debt	(9,005,289)	(5,421,003)	(3,584,286)
Other financing sources	-	1,000,000	(1,000,000)
Transfer to OPEB Trust	(4,000,000)	-	(4,000,000)
State and local capital income	7,993,969	5,156,158	2,837,811
Total Non-Operating and Other Revenues/(Expenses)	87,690,328	79,893,136	7,797,192
Change in Net Position	19,752,802	14,418,137	5,334,665
NET POSITION, BEGINNING OF YEAR	(51,688,169)	(66,106,306)	14,418,137
PRIOR PERIOD ADJUSTMENT (SEE NOTE 11)	300,285		300,285
NET POSITION, END OF YEAR	\$ (31,635,082)	\$ (51,688,169)	\$ 20,053,087

The Statement of Revenues, Expenses, and Changes in Net Position reflect an increase in the Net Position at the end of the year. The cost of operations increased by \$1.5 million, primarily related salaries and benefits due to changes in the net pension and net OPEB liability, offset by decrease in supplies, materials and other operating expenses and services. Although the statement shows an operating loss of \$67.9 million, that balance does not reflect the \$87.7 million in non-operating and other revenues/(expenses). Thus, the District reported an increase in its Net Position of \$20.1 million dollars for this fiscal year.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides additional information about the District's financial results by reporting its major sources and uses of cash. This information assists readers in assessing the District's ability to generate revenue, meet its obligations as they come due, and evaluate its need for external financing. The statement is divided into several parts. The first part deals with operating cash flows and shows the net cash provided used in the operating activities of the institution. The second section reflects cash flows from non-capital financing activities and shows the sources and uses of those funds. The third section deals with cash flows from capital and related financing activities. The fourth section deals with cash flows from investing activities. This section reflects the cash received and spent for short-term investments and any interest paid or received on those investments.

IMPERIAL COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024

STATEMENT OF CASH FLOWS, continued

Cash Provided by/(Used in)	2024	2023	Change
Operating activities	\$ (88,703,994) \$	(28,764,738) \$	(59,939,256)
Non-capital financing activities	87,287,302	70,738,621	16,548,681
Capital financing activities	93,904,624	(15,318,926)	109,223,550
Investing activities	 2,372,755	642,665	1,730,090
Net Increase/(Decrease) in Cash and cash equivalents	\$ 94,860,687 \$	27,297,622 \$	67,563,065

CAPITAL ASSETS

Note 6 to the financial statements provides additional information on Capital Assets. A summary of capital assets, net of accumulated depreciation, for 2024 and 2023.

	2024	2023	Change
Capital assets not being depreciated	\$ 2,937,471	\$ 19,780,065	\$ (16,842,594)
Capital assets being depreciated	158,027,349	126,978,035	31,049,314
Less: Accumulated depreciation	(49,898,833)	(46,234,138)	(3,664,695)
Total Capital Assets, Net	\$ 111,065,987	\$ 100,523,962	\$ 10,542,025

LONG-TERM LIABILITIES

Note 7 to the financial statements provides additional information on long-term liabilities. A summary of long-term debt, for 2024 and 2023.

	 2024	2023	Change
General obligation bonds	\$ 257,680,248	\$ 147,130,598	\$ 110,549,650
Compensated absences	1,265,759	1,228,591	37,168
Software lease	1,098,901	1,309,823	(210,922)
Net OPEB liability	55,295,749	57,295,528	(1,999,779)
Net pension liability	 60,896,736	55,745,102	5,151,634
Total Long-term Liabilities	\$ 376,237,393	\$ 262,709,642	\$ 113,527,751

DISTRICT'S FIDUCIARY RESPONSIBILITY

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs and donors for student loans and scholarships. These activities are excluded from the District's other financial statements because we cannot use these assets to finance operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the District's Business Office, Imperial Community College District, 380 E. Aten Road, Imperial, California 92251.



IMPERIAL COMMUNITY COLLEGE DISTRICT STATEMENT OF NET POSITION JUNE 30, 2024

ASSETS		
Current Assets:		
Cash and cash equivalents	\$	218,668,592
Restricted investments		9,452,639
Accounts receivable, net		14,537,890
Prepaid expenses		12,409
Total Current Assets		242,671,530
Non-current Assets:		
Unamortized discounts		-
Right-to-use assets, net		1,078,680
Capital assets, net		111,065,987
Total Non-current Assets		112,144,667
TOTAL ASSETS		354,816,197
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refundings		278,150
Deferred outflows related to OPEB		9,352,031
Deferred outflows related to pensions		20,489,902
TOTAL DEFERRED OUTFLOWS OF RESOURCES		30,120,083
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	384,936,280
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u> </u>	304,930,200
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	\$	10,678,218
Unearned revenue	Ψ	17,008,771
Long-term debt, current portion Total Current Liabilities		10,440,323
Non-current Liabilities:		38,127,312
		1 265 750
Compensated absences		1,265,759
Net OPEB liability		55,295,749
Net pension liability		60,896,736
Long-term debt, non-current portion		248,338,826
Total Non-current Liabilities		365,797,070
TOTAL LIABILITIES		403,924,382
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB		9,125,829
Deferred inflows related to pensions		3,521,151
TOTAL DEFERRED INFLOWS OF RESOURCES		12,646,980
NET POSITION		
Net investment in capital assets		(5,042,958)
Restricted for:		, , ,
Debt service		17,138,092
Capital projects		161,516,571
Other special purposes		1,528,192
Unrestricted		(206,774,979)
TOTAL NET POSITION		(31,635,082)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$	384,936,280
	<u> </u>	55 1,550,200

IMPERIAL COMMUNITY COLLEGE DISTRICT STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2024

OPERATING REVENUES		
Tuition and fees, gross	\$	9,670,817
Less: Scholarship discounts and allowances		(7,063,829)
Tuition and fees, net		2,606,988
Grants and Contracts, non-capital:		
Federal		28,813,335
State		30,799,958
Local		3,359,083
TOTAL OPERATING REVENUES		65,579,364
OPERATING EXPENSES		
Salaries		52,200,862
Employee benefits		23,736,586
Supplies, materials, and other operating expenses and services		15,612,449
Student aid		37,461,215
Depreciation and amortization		4,505,778
TOTAL OPERATING EXPENSES		133,516,890
OPERATING LOSS		(67,937,526)
NON-OPERATING REVENUES/(EXPENSES)		
State apportionments, non-capital		57,433,259
Local property taxes		20,529,502
State taxes and other revenues		11,351,732
Investment income		3,387,155
Interest expense on capital asset-related debt		(9,005,289)
Transfer to OPEB Trust		(4,000,000)
TOTAL NON-OPERATING REVENUES/(EXPENSES)		79,696,359
INCOME/(LOSS) BEFORE OTHER REVENUES/(EXPENSES), OR GAINS/(LOSS	I	11,758,833
OTHER REVENUES/(EXPENSES), OR GAINS/(LOSSES)		
State revenues, capital		4,554,000
Gain/(loss) on disposal of capital assets		(12,557)
Local revenues, capital		3,452,526
TOTAL OTHER REVENUES/(EXPENSES), OR GAINS/(LOSSES)		7,993,969
CHANGE IN NET POSITION		19,752,802
NET POSITION, BEGINNING OF YEAR		(51,688,169)
PRIOR YEAR ADJUSTMENT (SEE NOTE 12)		300,285
NET POSITION, END OF YEAR	\$	(31,635,082)

IMPERIAL COMMUNITY COLLEGE DISTRICT STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 2,606,988
Grants and contracts	50,212,005
Payments to students and vendors for financial aid, supplies and services	(59,007,273)
Payments to or on behalf of employees	 (82,515,714)
Net Cash Used in Operating Activities	 (88,703,994)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State apportionments	59,406,068
Local property taxes	20,529,502
State taxes and other revenues	11,351,732
Transfer to OPEB trust	 (4,000,000)
Net Cash Provided by/(Used in) Non-capital Financing Activities	 87,287,302
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(14,829,743)
Gain/(loss) on disposal of capital assets	(12,557)
State revenues	4,554,000
Principal received/(paid) on capital debt	108,007,789
Interest received/(paid) on capital debt	(3,814,865)
Net Cash Provided by/(Used in) Capital Financing Activities	 93,904,624
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	2,372,755
Net Cash Provided by/(Used in) Investing Activities	 2,372,755
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	94,860,687
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	123,807,905
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 218,668,592

IMPERIAL COMMUNITY COLLEGE DISTRICT STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY/(USED) IN OPERATING ACTIVITIES

Operating loss	\$ (67,937,526)
Adjustments to Reconcile Operating Loss to	
Net Cash Used in Operating Activities:	
Depreciation and amortization	4,505,778
Changes in Assets and Liabilities:	
Accounts receivable, net	5,239,874
Deferred outflows of related to OPEB and pensions	(4,891,523)
Accounts payable and accrued liabilities	(5,933,609)
Unearned revenue	(18,000,245)
Compensated absences	37,168
Net pension liability	5,151,634
Net OPEB liability	(1,999,779)
Deferred inflows related to OPEB and pensions	(4,875,766)
Total Adjustments	(20,766,468)
Net Cash Flows From Operating Activities	\$ (88,703,994)

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Reporting Entity

The Imperial Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the state. The District is classified as a state instrumentality under *Internal Revenue Code* Section 115, and is therefore exempt from federal taxes. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities (BTA). Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. All material intra-agency transactions have been eliminated.

The District records revenues when earned and expenses when a liability is incurred regardless of the timing of the related cash flow. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's Budget and Accounting Manual.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, cash in bank and short-term investments with original maturity of three months or less from date of acquisition. Funds invested in the county treasurer's investment pool are considered cash equivalents and are recorded at amortized cost, which approximates fair value.

Restricted Investments

Restricted investments are those amounts externally restricted as to use pursuant to the requirements of the District's grants and contractual obligations such as debt service payments, sinking or reserve funds, or to purchase or construct capital or other non-current assets.

In accordance with GASB Statement 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are reported at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, many residing in the State of California. Accounts receivable also include amounts due from the federal government, state, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District does not record an allowance for uncollectible accounts. When receivables are determined to be uncollectible, a direct write-off is recorded.

Prepaid Expenses

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 expenses when consumed rather than when purchased.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Capitalized equipment includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged as operating expense in the year in which the expense was incurred.

Depreciated of capitalized assets is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 15 years for portable buildings, 10 years for land improvements, 8 years for most equipment and vehicles, and 3 years for technology equipment such as computers.

Right-to-Use Assets

The District has recorded right-of-use assets as a result of implementing GASB No. 87 and 96. The right-of-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-of-use assets are amortized on a straight-line basis over the life of the related lease.

Accounts Payable, Accrued Liabilities and Long-term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported in the District's financial statements. In general, accounts payable and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the District.

However, general obligation bonds, bond premium, compensated absences and lease liability. The portion of the long term debt that is due within a year is reported as current liabilities, while portion of long-term debt that is scheduled to mature or is payable beyond one year is reported as non-current liabilities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Unearned Revenue

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year buy related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences

Compensated absence costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year-end as liabilities of the District.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for eligible employees when they retire.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement (STR) and Public Employers Retirement (PER) Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plans' investments are reported at fair value.

On-Behalf Payments

GASB Statement 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all Community Colleges in California. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. This amount has been reflected in the basic financial statements as a component of other state revenue and employee benefit expense.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has reported deferred loss on bond refundings in its statement of net position. This is deferred loss on bond refundings are deferred losses resulting from the difference in the carrying value of refunded bond and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding bond. During the year ended June 30, 2024, the District recognized \$14,640 in amortization of the deferred loss on bond refunding. Additionally, the District has recognized deferred outflows of resources related to the payments made subsequent to the measurement date for the pensions and OPEB.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized deferred inflows of resources related to the recognition of the pension and OPEB liabilities, which reported in its statement of net position.

Other Postemployment Benefits (OPEB)

For purpose of measuring the net OPEB liability/(asset), information about the fiduciary net position of the Other Postemployment Benefit Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and interest-earning investment contracts that are reported at cost.

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represents the difference between assets and liabilities. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following categories:

- Net investment in capital assets This represents the District's total investment in capital assets, net of
 associated outstanding debt obligations related to those capital assets. To the extent debt has been
 incurred but not yet expended for capital assets, such amounts are not included as a component of
 invested in capital assets, net of related debt.
- Restricted Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position, continued

• **Unrestricted** - Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed.

State Apportionments

Certain current year apportionments from the state are based on various financial and statistical information of the previous year. Any prior year corrections due to the recalculation in February of the subsequent year and are recorded in the District's financial records when received.

Classification of Revenues

The District has classified its revenues as either operating or non-operating. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 61, including state appropriations, local property taxes and investment income. Revenues are classified per the following criteria:

- **Operating Revenues** Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state and local contracts and federal appropriations, and (4) interest on institutional student loans.
- **Non-operating Revenues** Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, most federal, state and local grants, and other revenue sources described in GASB Statement No. 61, such as state appropriations and investment income.

Classification of Expenses

Nearly all of the District's expenses are from exchange transactions and are classified as either operating or non-operating according to the following criteria:

- **Operating Expenses** Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student aid.
- **Non-operating Expenses** Non-operating expenses include interest expense and other expenses not directly related to the services of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Scholarship Discounts and Allowances

Student tuition and fee revenue are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as operating revenues in the district's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Federal Financial Assistance Programs

The District participates in Federally funded Pell Grants, SEOG Grants, and Federal Work-Study, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. These programs are audited in accordance with the Uniform Guidance. These amounts have not been included as revenues or expenses within the accompanying financial statements as the amounts were passed directly to qualifying students.; however, the amounts are included on the Schedule of Expenditures of Federal Awards.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1, and are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the District. Tax revenues are recognized by the District when received.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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. Accordingly, actual results may differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ended June 30, 2024:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023.

Management has determined that the adoption of the new accounting standard did not have any material impact on the financial statements of the District.

Upcoming GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023.

GASB Statement No. 102 - In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

NOTE 3 – CASH, CASH EQUIVALENTS AND RESTRICTED INVESTMENTS

Summary of Cash, Cash Equivalents and Restricted Investments

Cash, cash equivalents and restricted investments as of June 30, 2024, consisted of the following:

	Primary		
	Government		
Cash in county treasury	\$	213,953,076	
Cash on hand and in banks		4,715,516	
Restricted investments		9,452,639	
Total cash, cash equivalents and restricted investments	\$	228,121,231	

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 instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Cash in County Treasury

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasurer's Investment Fund. 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 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.

Restricted Investments

Restricted investments of \$9,452,639 represents amounts held in the District's name with third party custodians to fund the District's pension obligation.

NOTE 3 - CASH AND CASH EQUIVALENTS AND RESTRICTED INVESTMENTS, continued

General Authorizations

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

	Maximum	Maximum	Maximum
Authorized	Remaining	Percentage	Investment in
Investment Type	Maturity	of Portfolio	One Issuer
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	40%	30%
Banker's Acceptance	180 days	25%	10%
Commercial Paper	270 days	30%	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	20% of base	None
Reverse Repurchase Agreements	92 days	30%	None
Medium-Term Corporate Notes	5 years	20%	10%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	None	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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. The District manages its exposure to interest rate risk by primarily investing in the County Investment Pool and in other investment agreements.

Specific Identification

Information about the sensitivity of the fair market values of the District's investments to market interest rate fluctuations is indicated by the following schedule that shows the distribution of the District's investment by maturity:

Investment or Deposit Type	Fai	r Market Value	Maturity			
Imperial County Investment Pool	\$	213,953,076	521 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 investments in the County Treasury are not required to be rated.

NOTE 3 - CASH AND CASH EQUIVALENTS AND RESTRICTED INVESTMENTS, continued

Custodial Credit Risk

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits and collateral is considered to be held in the name of the District. All cash held by financial institutions is entirely insured or collateralized.

NOTE 4- ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30, 2024:

		Primary
	G	overnment
Federal categorical aid	\$	1,488,905
State categorical aid		985,628
General apportionment		6,029,938
Local sources		6,033,419
Total	\$	14,537,890

NOTE 5 – RIGHT-TO-USE ASSETS

The amount of right-of-use assets by major class of underlying leased assets as of June 30, 2024, was as follows:

		Balance						Balance
	July 1, 2023 Additions							ne 30, 2024
Right-to-Use Assets								
Leased software	\$	1,774,910	\$	457,673	\$	-	\$	2,232,583
Total Right-to-Use Assets		1,774,910		457,673		-		2,232,583
Less: Accumulated Amortization								
Leased software		478,170		675,733		-		1,153,903
Total Accumulated Amortization		478,170		675,733		-		1,153,903
Right-to-Use Assets, net	\$	1,296,740	\$	(218,060)	\$	-	\$	1,078,680

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024, is summarized below:

	Balance					Balance
	 July 1, 2023	Additions	- 1	Deductions	Jι	une 30, 2024
Capital Assets Not Being Depreciated						
Land	\$ 160,000	\$ -	\$	-	\$	160,000
Construction in progress	 19,620,065	11,742,700		28,585,294		2,777,471
Total Capital Assets Not Being Depreciated	19,780,065	11,742,700		28,585,294		2,937,471
Capital Assets Being Depreciated						
Land improvements	16,270,552	1,854,411		-		18,124,963
Buildings and improvements	98,689,685	26,951,273		4,666		125,636,292
Furniture and equipment	 12,017,798	2,421,537		173,241		14,266,094
Total Capital Assets Being Depreciated	126,978,035	31,227,221		177,907		158,027,349
Total Capital Assets	146,758,100	42,969,921		28,763,201		160,964,820
Less: Accumulated Depreciation						
Land improvements	8,446,233	748,435		-		9,194,668
Buildings and improvements	31,129,126	2,105,424		2,398		33,232,152
Furniture and equipment	 6,658,779	976,186		162,952		7,472,013
Total Accumulated Depreciation	46,234,138	3,830,045		165,350		49,898,833
Capital Assets, Net	\$ 100,523,962	\$ 39,139,876	\$	28,597,851	\$	111,065,987

NOTE 7 – LONG-TERM LIABILITIES

Long-term liabilities for the year ended June 30, 2024, are summarized as follows:

	Balance				Balance	Due Within
	July 1, 2023	Additions	Deductions	J	une 30, 2024	One Year
General obligation bonds	\$ 114,052,179	\$ 105,000,000	\$ 4,320,325	\$	214,731,854	\$ 7,928,030
Accreted interest	31,685,427	3,920,614	1,589,675		34,016,366	1,646,970
Bond premium	1,782,369	7,789,341	270,799		9,300,911	368,739
Bond discount	(389,377)		(20,494)		(368,883)	(20,494)
Software leases	1,309,823	457,673	668,595		1,098,901	517,078
Compensated absences	1,228,591	37,168	-		1,265,759	-
Net OPEB liability	57,295,528	-	1,999,779		55,295,749	-
Net pension liability	 55,745,102	5,151,634	-		60,896,736	
Totals	\$ 262,709,642	\$ 122,356,430	\$ 8,828,679	\$	376,237,393	\$ 10,440,323

Description on Debt

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax collections. The general fund makes payments for software leases, and the supplemental employee retirement plans. An accrued vacation will be paid by the fund for which the employee worked.

Original issuance premiums and issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

NOTE 7 – LONG-TERM LIABILITIES, continued

General Obligation Bonds

In November 2006, the District issued \$13,285,473 of the 2004 Election, Series 2006B General Obligation Bonds. The issue consisted of \$4,475,000 of Current Interest Bonds with interest rates ranging from 4.00% to 4.25% and maturing August 1, 2037, and \$8,810,473 of Capital Appreciation Bonds with interest rates ranging from 4.55% to 11.00% maturing August 1, 2031. The current interest bonds have been paid in full.

In November 2007, the District issued \$11,915,816 of the 2004 Election, Series 2007C General Obligation Bonds. Proceeds from the sale of the bonds will be used to finance the addition and modernization of college facilities for the District. Interest is payable February and August 1, commencing August 1, 2009 and through the maturity date August 1, 2032.

In May 2009, the District issued \$3,031,779 of the 2004 Election, Series 2009D General Obligation Bonds. Proceeds from the sale of the bonds will be used to provide funding for college facilities projects as stated in the ballot measure for the District. Interest is payable semi-annually on February 1 and August 1 of each year at an interest rates ranging from 3.6%-6.9% commencing August 1, 2009. Principal is payable on August 1 of each year commencing August 1, 2009 and the maturity date August 1, 2033.

In May 2009, the District issued \$5,866,919 of the 2004 Election, Series 2009E General Obligation Bonds. Proceeds from the sale of the bonds will be used to provide funding for college facilities projects as stated in the ballot measure for the District. Interest is payable semi-annually on February 1 and August 1 of each year at an interest rate of 6.9% commencing August 1, 2009. Principal is payable on August 1 of each year commencing August 1, 2033 and through the maturity date August 1, 2037.

In January 2011, the District issued \$9,405,512 of the 2010 Election, Series 2010A General Obligations Bonds. Proceeds from the sale of the bonds will be used to provide funding for college facilities projects as stated in the ballot measure for the District. Interest is payable semi-annually on February 1 and August 1 of each year at an interest rate of 6.8% commencing August 1, 2015. Principal is payable on August 1 of each year commencing August 1, 2015 and through the maturity date August 1, 2027.

In March 2014, the District issued \$16,642,939 of the 2010 Election, Series 2014A, General Obligation Bonds. Proceeds from the sale of the bonds will be used to finance certain college facilities. The issue consisted of (a) \$3,610,000 Current Interest Bonds with an interest rate of 5.00% due August 1, 2041, (b) \$7,980,000 of Current Interest Bonds with an interest rate of 4.625% due August 1, 2041, (c) \$1,965,733 of Capital Appreciation Bonds with interest rates ranging from 3.95% to 7.99% due August 1, 2016 through August 2034, and (d) \$3,087,206 of Convertible Capital Appreciation Bonds with interest rates ranging from 4.5% to 5.1% due August 2029 through August 2037. As of June 30, 2024, \$16,642,939 of the Series 2014A, General Obligation Bonds issued were fully redeemed.

In November 2017, the District issued \$16,200,000 of the 2010 Election, Series 2017 Refunding Bonds to refund the General Obligation Bonds of Election 2004, Series 2007C and the 2010 General Obligation Bonds, Series 2010A. Interest rates range from 3.00% to 5.00% maturing August 1, 2040.

NOTE 7 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

In August 2018, the District issued \$32,208,655 of the 2010 Election, Series 2018C General Obligation Bonds. The issue consisted of \$9,775,000 of Current Interest Bonds with interest rates ranging from 3.00% to 5.00% and maturing August 1, 2037, and \$22,433,655 of Capital Appreciation Bonds with interest rates ranging from 2.19% to 4.31% maturing August 1, 2043.

In October 2019, the District issued \$36,385,000 of the 2019 General Obligation Refunding Bonds. The bonds are issued to refund all or a portion of the District's Series 2010A, Series 2012 Refunding, and Series 2014A bonds. Interest rates range from 1.85% to 2.56% maturing August 1, 2041.

In August 2020, the District issued \$18,926,001 of the 2010 Election, Series 2020D General Obligation Bonds. The issue consisted of \$7,440,000 of Current Interest Bonds with interest rates ranging from 2.50% to 4.00% and maturing August 1, 2046, and \$11,486,001 of Capital Appreciation Bonds with interest rates ranging from 2.15% to 2.94% maturing August 1, 2045.

In July 2023, the District issued \$50,000,000 of the 2022 Election, 2023 Series A General Obligation Bonds to finance the acquisition, construction, furnishing and equipping of District facilities, and to pay certain costs of issuance associated therewith, as more fully described herein under the caption "THE PROJECTS." Interest rates range from 4.125% to 5.25% maturing August 1, 2055.

In March 2024, the District issued \$55,000,000 of the 2022 Election, 2024 Series B General Obligation Bonds to finance the acquisition, construction, furnishing and equipping of District facilities, and to pay certain costs of issuance associated therewith, as more fully described herein under the caption "THE PROJECTS." Interest rates range from 4.00% to 5.25% maturing August 1, 2054.

The summary of outstanding general obligation bonds as of June 30, 2024 is shown below.

	Original	Balance				Balance	Due Within
	Issue	July 1, 2023	Additions	Redeemed	Jı	une 30, 2024	One Year
Series 2006B	\$ 13,285,473	\$ 6,078,431	\$ -	\$ 537,746	\$	5,540,685	\$ 536,197
Series 2007C	11,915,816	5,510,982	-	427,944		5,083,038	404,486
Series 2009D	3,031,779	2,138,261	-	184,165		1,954,096	198,119
Series 2009E	5,866,919	5,866,919	-	-		5,866,919	-
Series 2010A	9,405,512	105,682	-	12,798		92,884	17,603
Series 2014A	16,642,939	170,421	-	170,421		-	-
Series 2017 Refunding	16,200,000	12,670,000	-	100,000		12,570,000	105,000
Series 2018C	32,208,655	27,830,482	-	877,251		26,953,231	1,176,625
Series 2019 Refunding	36,385,000	35,220,000	-	1,690,000		33,530,000	1,905,000
Series 2020D	18,926,001	18,461,001	-	320,000		18,141,001	285,000
Series 2023A	50,000,000	-	50,000,000	-		50,000,000	3,300,000
Series 2024B	 55,000,000	-	55,000,000	-		55,000,000	-
	\$ 288,288,094	\$ 114,052,179	\$ 105,000,000	\$ 4,320,325	\$	214,731,854	\$ 7,928,030

General Obligation Bonds, continued

The annual requirements to amortize these general obligation bonds outstanding at June 30, 2024 are summarized below, in order:

2006B General Obligation Bonds

		Accreted							
Fiscal Year	Principal		Interest			Interest		Total	
2025	\$ 536,197	\$		-	\$	618,803	\$	1,155,000	
2026	537,091			-		677,909		1,215,000	
2027	539,482			-		740,518		1,280,000	
2028	544,304			-		810,696		1,355,000	
2029	545,360			-		879,640		1,425,000	
2030-2032	2,838,251			-		5,436,749		8,275,000	
Total	\$ 5,540,685	\$		-	\$	9,164,315	\$	14,705,000	

2007C General Obligation Bonds

				Accreted	
Fiscal Year	Principal	Interest		Interest	Total
2025	\$ 404,486	\$	-	\$ 470,514	\$ 875,000
2026	377,686		-	482,314	860,000
2027	354,425		-	495,575	850,000
2028	328,406		-	501,594	830,000
2029	305,821		-	509,179	815,000
2030-2033	3,312,214		-	7,122,786	10,435,000
Total	\$ 5,083,038	\$	-	\$ 9,581,962	\$ 14,665,000

2009D General Obligation Bonds

				Accreted	
Fiscal Year	Principal	Interest		Interest	Total
2025	\$ 198,119	\$	-	\$ 296,881	\$ 495,000
2026	210,657		-	364,343	575,000
2027	220,362		-	434,638	655,000
2028	231,174		-	513,826	745,000
2029	240,918		-	604,082	845,000
2030-2034	 852,866		-	3,512,134	4,365,000
Total	\$ 1,954,096	\$	-	\$ 5,725,904	\$ 7,680,000

General Obligation Bonds, continued

2009E General Obligation Bonds

				Accreted	
Fiscal Year	Principal	Interest		Interest	Total
2025	\$ -	\$	-	\$ -	\$ -
2026	-		-	-	-
2027	-		-	-	-
2028	-		-	-	-
2029	-		-	-	-
2030-2034	1,391,999		-	5,883,002	7,275,001
2035-2038	4,474,920		-	25,910,079	30,384,999
Total	\$ 5,866,919	\$	-	\$ 31,793,081	\$ 37,660,000

2010A General Obligation Bonds

				Accreted	
Fiscal Year	Principal	Interest		Interest	Total
2025	\$ 17,603	\$	-	\$ 67,397	\$ 85,000
2026	22,117		-	97,883	120,000
2027	25,426		-	129,574	155,000
2028	 27,738		-	162,262	190,000
Total	\$ 92,884	\$	-	\$ 457,116	\$ 550,000

2017 Refunding Bonds

Fiscal Year	Principal		Interest	Total		
2025	\$ 105,000	\$	494,006	\$	599,006	
2026	110,000		490,781		600,781	
2027	110,000		487,481		597,481	
2028	115,000	482,956			597,956	
2029	120,000		477,081		597,081	
2030-2034	690,000		2,300,162		2,990,162	
2035-2039	4,680,000		2,099,391		6,779,391	
2040-2041	6,640,000		229,600		6,869,600	
Total	\$ 12,570,000	\$	7,061,458	\$	19,631,458	

General Obligation Bonds, continued

2018C General Obligation Bonds

		Accreted						
Fiscal Year	Principal		Interest		Interest		Total	
2025	\$ 1,176,625	\$	259,200	\$	193,375	\$	1,629,200	
2026	1,182,555		259,200		252,445		1,694,200	
2027	1,186,527		259,200		318,473		1,764,200	
2028	1,196,250		259,200		383,750		1,839,200	
2029	1,367,360		259,200		517,640		2,144,200	
2030-2034	6,970,208		1,296,000		4,299,792		12,566,000	
2035-2039	9,083,333		758,700		2,646,667		12,488,700	
2040-2044	4,790,373		-		8,789,627		13,580,000	
Total	\$ 26,953,231	\$	3,350,700	\$	17,401,769	\$	47,705,700	

2019 Refunding Bonds

Fiscal Year	Principal			Interest	Total		
2025	\$	1,905,000	\$	955,047	\$	2,860,047	
2026		2,090,000		915,537		3,005,537	
2027		2,290,000		869,265		3,159,265	
2028		2,505,000		815,587		3,320,587	
2029		2,730,000	754,991			3,484,991	
2030-2034		5,045,000		3,046,085		8,091,085	
2035-2039		4,425,000		2,516,394		6,941,394	
2040-2042		12,540,000		988,000		13,528,000	
Total	\$	33,530,000	\$	10,860,906	\$	44,390,906	

2020D General Obligation Bonds

20209 General Obligation Bonds									
						Accreted			
Fiscal Year		Principal		Interest		Interest		Total	
2025	\$	285,000	\$	213,038	\$	-	\$	498,038	
2026		320,000		201,638		-		521,638	
2027		345,000		188,838		-		533,838	
2028		375,000		175,038		-		550,038	
2029		415,000		160,038		-		575,038	
2030-2034		2,601,628		530,588		313,372		3,445,588	
2035-2039		2,351,417		379,931		658,583		3,389,931	
2040-2044		1,091,358		286,613		793,642		2,171,613	
2045-2047		10,356,598		167,625		8,393,402		18,917,625	
Total	\$	18,141,001	\$	2,303,347	\$	10,158,999	\$	30,603,347	

General Obligation Bonds, continued

2023A General Obligation Bonds

=======================================									
						Accreted			
Fiscal Year		Principal		Interest		Interest			Total
2025	\$	3,300,000	\$	2,494,078	\$		-	\$	5,794,078
2026		1,685,000		2,294,913			-		3,979,913
2027		-		2,210,663			-		2,210,663
2028		-		2,210,663			-		2,210,663
2029		-		2,210,663			-		2,210,663
2030-2034		100,000		11,053,315			-		11,153,315
2035-2039		2,010,000		10,883,565			-		12,893,565
2040-2044		5,440,000		10,064,065			-		15,504,065
2045-2049		10,390,000		8,244,315			-		18,634,315
2050-2054		17,495,000		4,909,051			-		22,404,051
2055-2056		9,580,000		600,600			-		10,180,600
Total	\$	50,000,000	\$	57,175,891	\$		-	\$	107,175,891

2024B General Obligation Bonds

			Accreted		
Fiscal Year	Principal	Interest	Interest		Total
2025	\$ -	\$ 938,889	\$	-	\$ 938,889
2026	715,000	2,600,000		-	3,315,000
2027	-	2,564,250		-	2,564,250
2028	-	2,564,250		-	2,564,250
2029	-	2,564,250		-	2,564,250
2030-2034	-	12,821,250		-	12,821,250
2035-2039	-	12,821,250		-	12,821,250
2040-2044	6,510,000	12,309,500		-	18,819,500
2045-2049	13,730,000	10,107,750		-	23,837,750
2050-2054	26,505,000	6,216,250		-	32,721,250
2055	7,540,000	377,000		-	7,917,000
Total	\$ 55,000,000	\$ 65,884,639	\$	-	\$ 120,884,639

NOTE 7 – LONG-TERM LIABILITIES, continued

Software Leases

The District has entered into agreements to lease certain assets. The lease agreements qualify as other than short-term leases under GASB 96, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The general terms are as follows:

				Anr	nual Lease
Lease Type	Number of Contracts	Average Rate	Lease Terms	P	ayment
Software	17	2.45%	7/1/2021 - 12/31/2027	\$	702,014

Future minimum lease payments for software leases at June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total		
2025	\$ 517,078	\$ 19,682	\$	536,760	
2026	336,538	9,535		346,073	
2027	166,904	3,599		170,503	
2028	78,381	392		78,773	
Total	\$ 1,098,901	\$ 33,208	\$	1,132,109	

Compensated Absences

At June 30, 2024, the liability for compensated absences was \$1,265,759.

Net OPEB and Pension Liabilities

The District's beginning net OPEB liability was \$57,295,528, and decreased to \$55,295,749 during the fiscal year ended June 30, 2024. See Note 8 for additional information regarding the net OPEB liability.

The District's beginning net pension liability was \$55,745,102, and increased to \$60,896,736 during the fiscal year ended June 30, 2024. See Note 9 for additional information regarding the net pension liability.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

For the fiscal year ended June 30, 2024 the District reported net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

		Net OPEB	D	eferred Outflows	D	eferred Inflows		OPEB
OPEB Plan	Lia	bility/(Asset)		of Resources		of Resources	Exp	ense/(Benefit)
District Plan	\$	55.295.749	\$	9,352,031	\$	9.125.829	\$	(647,566)

Plan Description

The District provides postemployment health care benefits in accordance with District employment contracts to all employees and their eligible dependents who retire from the District until attaining age 65 with at least nine years in service. When the retiree attains age 65, all postemployment benefits cease. The District contributes 100 percent of the amount of the benefit premium costs incurred by retirees and their dependents.

Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below. (Some grandfathered certificated retirees receive additional benefits under a recent retirement incentive.)

_	Faculty	Classified**
Benefit types provided	Medical, Dental and Vision	Medical, Dental and Vision
Duration of Benefits	Lifetime*	Lifetime
Required Service	Hired before July 1, 2012:	12 years and Age+Service
	Age 55 to 60: 14 years	at least 70
	Age 61 to 64: Age+Service at least 74	
	Age 65+: 9 years	
	Hired after June 30, 2012:	
	18 years	
Minimum Age	55	50
Dependent Coverage	Yes	Yes
District Contribution %	100%	100%
District Cap	None	None

^{*}Faculty hired after June 30, 2016 are only eligible for benefits until Medicare Age

^{**}Classified employees hired after June 30, 2010 are not eligible for retiree health benefits

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

OPEB Plan Investments

The plan discount rate of 4.75% was determined using the following asset allocation and assumed rate of return:

	Percentage	Assumed
Asset Class	of Portfolio	Gross Return
All Equities	15%	7.545%
All Fixed Income	80%	4.250%
Short-Term Gov't Fixed	5%	3.000%
Total	100%	_

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average.

Plan Membership

Membership of the Plan consisted of the following:

	Number of
	Participants
Inactive Employees Receiving Benefits	186
Participating Active Employees	211
Total	397

Total OPEB Liability

The District's total OPEB liability of \$61,386,565 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation date June 30, 2023 Measurement date June 30, 2023 Fiscal year July 1st to June 30th Actuarial cost methods Entry age normal cost method Inflation rate 2.50% Discount rate 4.75% Salary Increase 2.75% Healthcare cost trend rate 4.00% **Mortality Rates** For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS active mortality for miscellaneous and school employees were used.

Changes in Net OPEB Liability/(Asset)

	Increase/(Decrease)					
	Total OPEB		Total Fiduciary		Net OPEB	
	Liability		Net Position		Liability/(Asset)	
	(a)		(b)		(a) - (b)	
Balance July 1, 2022	\$	61,806,160	\$	4,510,632	\$	57,295,528
Changes for the year:						
Service cost		1,321,709		-		1,321,709
Interest		2,906,900		-		2,906,900
Employer contributions		-		3,838,258		(3,838,258)
Experience (gains)/losses		(2,429,762)		-		(2,429,762)
Changes of assumptions		319,816		-		319,816
Expected investment income		-		244,771		(244,771)
Investment gains/(losses)		-		50,539		(50,539)
Administrative expense		-		(15,126)		15,126
Expected benefit payments		(2,538,258)		(2,538,258)		
Net change		(419,595)		1,580,184		(1,999,779)
Balance June 30, 2023	\$	61,386,565	\$	6,090,816	\$	55,295,749

The District has invoked Paragraph 244 of GASB Statement 75 for the transition due to cost constraints. Consequently, in order to determine the beginning total OPEB liability, a "roll-back" technique has been used.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (3.75 percent) or one percentage point higher (5.75 percent) than the current discount rate:

	Current						
		1% Decrease		Discount Rate		1% Increase	
		(3.75%)		(4.75%)		(5.75%)	
Net OPEB liability/(asset)	\$	63,444,254	\$	55,295,749	\$	48,542,172	

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (3.00 percent) or one percentage point higher (5.00 percent) than the current healthcare cost trend rate:

		Current	
	1% Decrease	Trend Rate	1% Increase
	 (3.00%)	(4.00%)	(5.00%)
Net OPEB liability/(asset)	\$ 47,714,555	\$ 55,295,749	\$ 64,587,241

OPEB Expense/(Benefit) and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the Imperial Community College District recognized OPEB expense/(benefit) of \$(647,566). At June 30, 2024, the District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	Defe	Deferred Outflows		ferred Inflows
	of	of Resources		of Resources
Differences between projected and				
actual earnings on plan investments	\$	395,582	\$	-
Differences between expected and				
actual experience		1,047,007		8,200,125
Change in assumptions		983,720		925,704
District contributions subsequent				
to the measurement date		6,925,722		
Total	\$	9,352,031	\$	9,125,829

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

OPEB Expense/(Benefit) and Deferred Outflows and Deferred Inflows of Resources Related to OPEB, continued

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

	Deferred				
	Outflows/(Inflows)				
Year Ending June 30,		of Resources			
2025	\$	(2,024,018)			
2026		(2,148,439)			
2027		(1,914,118)			
2028		(386,884)			
2029		(226,061)			
Total	\$	(6,699,520)			

Fiduciary Net Position

In November 2018, the District established an OPEB Trust with Public Agency Retirement Services (PARS). The trust is an irrevocable trust that is used to off-set the District's total OPEB liability. Contributions to the Trust will be recognized in subsequent years as a reduction to the total OPEB liability. As of June 30, 2024, the District's ending balance in the OPEB Trust was \$11,232,712.

Detailed information about the Plan's fiduciary net position is available in the separately-issued Plan Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by contacting the District.

NOTE 9 – PENSION PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

				Collective	(Collective				
	Co	ollective Net	Defe	rred Outflows	Def	erred Inflows	(Collective		
Pension Plan	Per	nsion Liability	of Resources		of Resources		of	Resources	Pen	sion Expense
CalSTRS	\$	31,239,227	\$	9,421,571	\$	2,768,543	\$	4,660,279		
CalPERS		29,657,509		11,068,331		752,608		5,610,473		
Total	\$	60,896,736	\$	20,489,902	\$	3,521,151	\$	10,270,752		

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

NOTE 9 – PENSION PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

_	STRP Defined Benefit Plan			
	On or before	On or after		
Hire date	December 31, 2012	January 1, 2013		
Benefit formula	2% at 60	2% at 62		
Benefit vesting schedule	5 years of service	5 years of service		
Benefit payments	Monthly for life	Monthly for life		
Retirement age	60	62		
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%		
Required employee contribution rate	10.25%	10.205%		
Required employer contribution rate	19.10%	19.10%		
Required state contribution rate	10.828%	10.828%		

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were \$5,007,273.

NOTE 9 – PENSION PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 31,239,227
State's proportionate share of the net pension liability	
associated with the District	 14,967,863
Total	\$ 46,207,090

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.041 percent and 0.039 percent, resulting in an increase of 0.002 percent in the proportionate share.

For the year ended June 30, 2024, the District recognized pension expense of \$4,660,279. In addition, the District recognized pension expense and revenue of (\$217,361) for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows Deferred Inflows of

	of Resources			Resources	
Difference between projected and actual earnings on	·				
plan investments	\$	132,157	\$	-	
Differences between expected and actual experience		2,455,062		1,671,047	
Changes in assumptions		180,888		-	
Net changes in proportionate share of net pension liability		1,646,191		1,097,496	
District contributions subsequent to the measurement date		5,007,273		-	
Total	\$	9,421,571	\$	2,768,543	
	_				

NOTE 9 – PENSION PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		Deferred			
	Outf	lows/(Inflows)			
Year Ending June 30,	of	Resources			
2025	\$	(857,422)			
2026		(1,712,434)			
2027		2,920,348			
2028		574,940			
2029		311,146			
Thereafter		409,177			
Total	\$	1,645,755			

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

NOTE 9 – PENSION PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2023, are summarized in the following table:

		Long-term
	Assumed Asset	Expected Real
Asset Class	Allocation	Rate of Return*
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
Total	100%	_

^{*20-}year average. Real rates of return of net of assumed 2.75% inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1%		Current		1%
	Decrease	D	iscount Rate		Increase
	(6.10%)		(7.10%)		(8.10%)
Plan's net pension liability	\$ 52,401,311	\$	31,239,227	\$	13,661,650

NOTE 9 – PENSION PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

California Public Employees' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 9 – PENSION PLANS, continued

California Public Employees' Retirement System (CalPERS), continued

Benefits Provided, continued

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

_	School Employer	Pool (CalPERS)
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	26.68%	26.68%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$4,305,625.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$29,657,509. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.082 percent and 0.083 percent, resulting in a net decrease in the proportionate share of 0.001 percent.

NOTE 9 – PENSION PLANS, continued

California Public Employees' Retirement System (CalPERS), continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

For the year ended June 30, 2024, the District recognized pension expense of \$5,610,473. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Defer	red Outflows	Def	ferred Inflows of
	of Resources			Resources
Difference between projected and actual earnings on				
plan investments	\$	3,167,846	\$	-
Differences between expected and actual experience		1,082,286		455,496
Changes in assumptions		1,366,309		-
Net changes in proportionate share of net pension liability		1,146,265		297,112
District contributions subsequent to the measurement date		4,305,625		
Total	\$	11,068,331	\$	752,608

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		Deferred
	Outfl	ows/(Inflows)
Year Ending June 30,	of	Resources
2025	\$	2,042,756
2026		1,453,582
2027		2,489,452
2028		24,308
Total	\$	6,010,098

NOTE 9 – PENSION PLANS, continued

California Public Employees' Retirement System (CalPERS), continued

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date June 30, 2022 Measurement date June 30, 2023

Experience study July 1, 1997, through June 30, 2015

Actuarial cost method Entry Age Normal

Investment rate of return 6.90% Consumer price inflation 2.30%

Wage growth Varies by entry age and service

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Assumed Asset	Real Return
Asset Class*	Allocation	Years 1 - 10**
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	_

^{*}An expected inflation of 2.30% used for this period.

^{**}Figures are based on the 2021-22 Asset Liability Management study.

NOTE 9 – PENSION PLANS, continued

California Public Employees' Retirement System (CalPERS), continued

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1%	Current	1%
	Decrease	Discount Rate	Increase
	 (5.90%)	(6.90%)	(7.90%)
Plan's net pension liability	\$ 42,877,092	\$ 29,657,509	\$ 18,731,825

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,394,089. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Pension Rate Stabilization Trust

In November 2018, the District established a pension rate stabilization trust with Public Agency Retirement Services (PARS). The District contribution \$1,000,000 to the trust during 2023-24. As of June 30, 2024, the balance of the trust was \$9,452,639.

NOTE 10 – JOINT POWERS AGREEMENTS

Description

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has one self-insurance fund (Internal Service Fund) which represents the required reserves for the District's self-funded Dental and Vision programs.

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Participation in Public Entity Risk Pools and JPAs

The Imperial Community College District participates in one joint power agreement (JPA) with the Statewide Associate of Community Colleges (SWACC). The relationship between the Imperial Community College District and the JPA is such that the JPA is not component unit of the Imperial Community College District for financial reporting purposes. The JPA arranges for and provides workers compensation, health, property and liability insurance for its members. A board consisting of a representative from each member district governs each JPA. The board controls the operations of the JPA including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA. Financial information for the JPA at June 30, 2024 was not included in this report. The information can be obtained by contacting the JPA directly.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

State of Federal Allowances, Awards and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, we believe that any requited reimbursements will not be material.

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 District as of June 30, 2024.

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

Beginning fund balance increased by \$300,285 in fiscal year 2023-24 due to prior year state funds that were recorded in the District's bond funds.

NOTE 13 – SUBSEQUENT EVENTS

The District has evaluated subsequent events for the period from June 30, 2024 through December 26, 2024. Management did not identify any transactions that require disclosure or that would have an impact on the financial statements.



IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023	2022	2021
Total OPEB liability					
Service cost	\$	1,321,709 \$	1,286,335 \$	1,003,295 \$	976,443
Interest		2,906,900	2,827,989	3,438,277	3,364,320
Experience gains/(losses)		(2,429,762)	-	(12,622,441)	-
Changes of assumptions		319,816	-	1,466,892	-
Benefit payments		(2,538,258)	(2,403,221)	(2,909,698)	(2,840,435)
Net change in total OPEB liability		(419,595)	1,711,103	(9,623,675)	1,500,328
Total OPEB liability, beginning of year*		61,806,160	60,095,057	69,718,732	68,218,404
Total OPEB liability, end of year (a)	\$	61,386,565 \$	61,806,160 \$	60,095,057 \$	69,718,732
Plan fiduciary net position					
Employer contributions	\$	3,838,258 \$	4,403,221 \$	3,552,182 \$	4,322,912
Expected investment income	·	244,771	199,074	-	70,735
Investment gains/(losses)		50,539	(872,317)	352,626	(15,602)
Administrative expense		(15,126)	(14,293)	(7,033)	(1,965)
Expected benefit payments		(2,538,258)	(2,403,221)	(2,909,698)	(2,840,435)
Change in plan fiduciary net position		1,580,184	1,312,464	988,077	1,535,645
Fiduciary trust net position, beginning of year		4,510,632	3,198,168	2,210,091	674,446
Fiduciary trust net position, end of year (b)	\$	6,090,816 \$	4,510,632 \$	3,198,168 \$	2,210,091
Net OPEB liability/(asset), ending (a) - (b)	\$	55,295,749 \$	57,295,528 \$	56,896,889 \$	67,508,641
Covered payroll	\$	43,065,243 \$	39,370,429 \$	30,146,087 \$	28,937,200
Plan fiduciary net position as a percentage of the total OPEB liability		10%	7%	5%	3%
Net OPEB liability/(asset) as a percentage of covered payroll		128%	146%	189%	233%

Note: In the future, as data becomes available, ten years of information will be presented. *Amount restated by \$16,216,406 due to error in actuarial study from 2020 to 2021.

IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2024

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 2,654,949	\$ 2,771,759	\$ 2,697,576
Interest	2,435,498	2,425,349	2,131,765
Experience gains/(losses)	13,912,903	-	-
Changes of assumptions	3,719,372	(2,806,601)	-
Benefit payments	(2,105,000)	(2,025,052)	(1,947,165)
Net change in total OPEB liability	20,617,722	365,455	2,882,176
Total OPEB liability, beginning of year*	 63,817,088	63,451,633	60,569,457
Total OPEB liability, end of year (a)	\$ 84,434,810	\$ 63,817,088	\$ 63,451,633
Plan fiduciary net position			
Employer contributions	\$ 2,946,734	\$ 2,025,052	\$ 1,947,165
Expected investment income	-	-	-
Investment gains/(losses)	-	-	-
Administrative expense	-	-	-
Expected benefit payments	 (2,946,734)	(2,025,052)	(1,947,165)
Change in plan fiduciary net position	-	-	-
Fiduciary trust net position, beginning of year	 -	-	
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$
Net OPEB liability/(asset), ending (a) - (b)	\$ 84,434,810	\$ 63,817,088	\$ 63,451,633
Covered payroll	\$ 28,306,907	\$ 25,923,788	\$ 27,503,091
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%
Net OPEB liabilit/(asset) as a percentage of covered payroll	298%	246%	231%

Note: In the future, as data becomes available, ten years of information will be presented. *Amount restated by \$16,216,406 due to error in actuarial study from 2020 to 2021.

IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF CONTRIBUTIONS – OPEB FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021
Actuarially determined contribution	\$ 2,494,147 \$	2,538,258 \$	2,403,221 \$	2,909,698
Contributions in relations to the actuarially determined contribution	6,925,722	3,145,585	4,018,531	642,484
Contribution deficiency/(excess)	\$ (4,431,575) \$	(607,327) \$	(1,615,310) \$	2,267,214
Covered-employee payroll	\$ 43,065,243 \$	39,370,429 \$	30,146,087 \$	28,937,200
Contribution as a percentage of covered-employee payroll	16%	8%	13%	2%
	2020	2019	2018	
Actuarially determined contribution	\$ 2,840,435 \$	2,105,000 \$	2,025,052	
Contributions in relations to the actuarially determined contribution	4,322,912	2,025,052	1,947,165	
Contribution deficiency/(excess)	\$ (1,482,477) \$	79,948 \$	77,887	
Covered-employee payroll	\$ 28,306,907 \$	25,923,788 \$	27,503,091	
Contribution as a percentage of covered-employee payroll	15%	8%	7%	

IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)													
		2024		2023		2022	2021		2020					
CalSTRS		(2023)		(2022)		(2021)	(2020)		(2019)					
District's proportion of the net pension liability		0.041%		0.039%		0.039%	0.040%		0.039%					
District's proportionate share of the net pension liability	\$	31,239,227 \$		27,092,501	\$	17,509,570 \$	39,212,720	\$	34,917,318					
State's proportionate share of the net pension liability														
associated with the District		14,967,863		13,568,003		8,810,320	20,213,998		19,049,882					
Total	\$	46,207,090 \$		40,660,504	\$	26,319,890 \$	59,426,718	\$	53,967,200					
District's covered-employee payroll	\$	25,537,010 \$		21,226,986	\$	21,214,985 \$	22,250,731	\$	21,676,167					
District's proportionate share of the net pension liability as														
percentage of covered-employee payroll		122%		128% 83%		83%	176%	161%						
Plan fiduciary net position as a percentage of the														
total pension liability		81%		87%		87%	72%		73%					
				D	ana	rting Fiscal Year								
					•	surement Date)								
		2024		2023		2022	2021		2020					
CalPERS		(2023)		(2022)		(2021)	(2020)		(2019)					
District's proportion of the net pension liability		0.082%		0.083%		0.081%	0.077%		0.074%					
District's proportionate share of the net pension liability	\$	29,657,509 \$		28,652,601	\$	16,456,055 \$	23,592,012	\$	21,644,029					
District's covered-employee payroll	\$	14,225,790 \$		12,753,361	\$	11,576,169 \$	10,996,177	\$	10,301,495					
District's proportionate share of the net pension liability as percentage of covered-employee payroll		208%		225%		142%	215%		210%					
Plan fiduciary net position as a percentage of the total pension liability		70%		81%		81%	70%		70%					

IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2024

						rting Fiscal Year surement Date)						
		2019		2018		2017	2016			2015		
CalSTRS		(2018)		(2017)		(2016)	(20	15)		(2014)		
District's proportion of the net pension liability		0.037%		0.036%		0.040%	0.037%			0.035%		
District's proportionate share of the net pension liability	\$	34,128,132	\$	32,985,542	\$	32,081,078 \$	25,	216,202	\$	20,452,944		
State's proportionate share of the net pension liability												
associated with the District		19,540,892		19,514,127		18,265,874	13,	336,556		11,147,297		
Total	\$	53,669,024	\$	52,499,669	\$	50,346,952 \$	38,	552,758	\$	31,600,241		
District's covered-employee payroll	\$	18,814,015	\$	19,946,670	\$	19,698,761 \$	18,	330,412	\$	15,433,830		
District's proportionate share of the net pension liability as percentage of covered-employee payroll		181%		165%		163%		138%		133%		
Plan fiduciary net position as a percentage of the total pension liability		71%		70%	70%		70% 74%			77%		
	Reporting Fiscal Year (Measurement Date)											
	-	2019		2018		2017	20	16		2015		
CalPERS		(2018)		(2017)		(2016)	(20	15)		(2014)		
District's proportion of the net pension liability		0.073%		0.072%		0.070%		0.071%		0.072%		
District's proportionate share of the net pension liability	\$	19,565,832	\$	17,217,179	\$	13,847,485 \$	10,	447,985	\$	8,151,048		
District's covered-employee payroll	\$	8,689,076	\$	10,089,137	\$	9,289,375 \$	8,	489,613	\$	7,998,284		
District's proportionate share of the net pension liability as percentage of covered-employee payroll		225%		171%		149%		123%		102%		
Plan fiduciary net position as a percentage of the total pension liability		71%		72%		74%		79%		83%		

IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF CONTRIBUTIONS – PENSIONS FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year									
CalSTRS		2024		2023		2022		2021		2020
Statutorily required contribution	\$	5,007,273	\$	4,877,569	\$	3,591,606	\$	3,426,220	\$	3,804,875
District's contributions in relation to										
the statutorily required contribution		5,007,273		4,877,569		3,591,606		3,426,220		3,804,875
District's contribution deficiency/(excess)	\$	-	\$	-	\$	-	\$	-	\$	-
District's covered-employee payroll District's contributions as a percentage of	\$	26,216,089	\$	25,537,010	\$	21,226,986	\$	21,214,985	\$	22,250,731
covered-employee payroll		19.10%		19.10%		16.92%		16.15%		17.10%
				R	еро	rting Fiscal Ye	ar			
CalPERS	· · · ·	2024		2023		2022		2021		2020
Statutorily required contribution District's contributions in relation to	\$	4,305,625	\$	3,609,083	\$	2,921,795	\$	2,396,267	\$	2,168,556
the statutorily required contribution		4,305,625		3,609,083		2,921,795		2,396,267		2,168,556
District's contribution deficiency/(excess)	\$	-	\$	-	\$	-	\$	-	\$	-
District's covered-employee payroll District's contributions as a percentage of	\$	16,138,025	\$	14,225,790	\$	12,753,361	\$	11,576,169	\$	10,996,177
covered-employee payroll		26.68%		25.37%		22.91%		20.70%		19.72%

IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF CONTRIBUTIONS – PENSIONS FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year												
CalSTRS		2019		2018		2017		2016		2015			
Statutorily required contribution	\$	3,528,880	\$	2,366,836	\$	2,428,790	\$	2,086,304	\$	1,587,523			
District's contributions in relation to													
the statutorily required contribution		3,528,880		2,366,836		2,428,790		2,086,304		1,587,523			
District's contribution deficiency/(excess)	\$	-	\$	-	\$	-	\$	-	\$	-			
District's covered-employee payroll District's contributions as a percentage of	\$	21,676,167	\$	18,814,015	\$	19,946,670	\$	19,698,761	\$	18,330,412			
covered-employee payroll		16.28%		12.58%		12.18%		10.59%		8.66%			
	Reporting Fiscal Year												
CalPERS		2019		2018		2017		2016		2015			
Statutorily required contribution District's contributions in relation to	\$	1,860,656	\$	1,204,306	\$	1,287,525	\$	1,005,716	\$	1,398,158			
the statutorily required contribution		1,860,656		1,204,306		1,287,525		1,005,716		1,398,158			
District's contribution deficiency/(excess)	\$	-	\$	-	\$	-	\$	-	\$	-			
District's covered-employee payroll	\$	10,301,495	\$	8,689,076	\$	9,289,375	\$	8,489,613	\$	7,998,284			
District's contributions as a percentage of covered-employee payroll		18.06%		13.86%		13.86%		11.85%		17.48%			

IMPERIAL COMMUNITY COLLEGE DISTRICT NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2024

NOTE 1 – PURPOSE OF THE SCHEDULE

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the net OPEB liability/(asset), and the components of the net OPEB liability/(asset) and related ratios, including the net OPEB liability/(asset) as a percentage of covered-employee payroll.

Schedule of Contributions - OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation.

Changes in Assumptions

There were no changes in assumptions since the previous valuation.

Schedule of Proportionate Share of Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered-employee payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Schedule of Contributions - Pensions

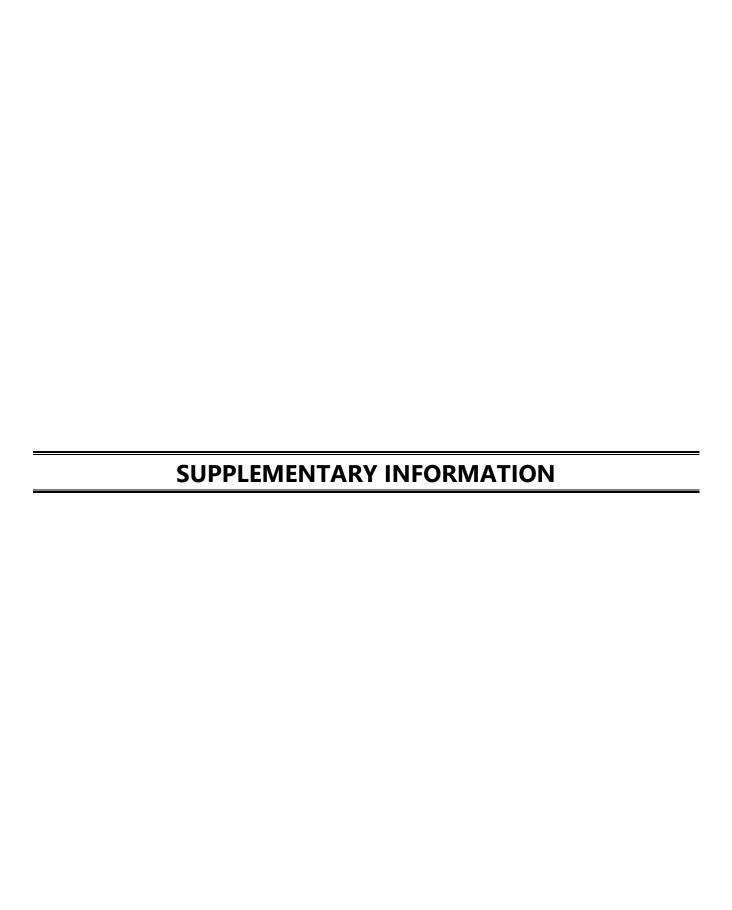
This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contributions recognized by the pension plan in relation to the statutorily or contractually required employer contributions recognized by the pension plan in relation to the statutorily or contractually required employer contributions as a percentage of the District's covered-employer payroll.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation for CalSTRS and CalPERS.

Changes in Assumptions

The consumer price inflation rate decreased from 2.50% to 2.30% since the previous valuation for CalPERS. There were no changes since the previous valuation for CalSTRS.



IMPERIAL COMMUNITY COLLEGE DISTRICT DISTRICT ORGANIZATION JUNE 30, 2024

	IING	

MEMBER	OFFICE	TERM EXPIRES
ls. Isabel Solis	President	November 2024
As. Hortencia Armendariz	Clerk of the Board	November 2024
Mr. Romualdo J. Medina	Member	November 2024
Or. Betsy Lindbergh	Member	November 2026
Ms. Karla Sigmond	Member	November 2026
Mr. Jerry Hart	Member	November 2024
Mr. Erik Ortega	Member	November 2026

Dr. Lennor M. Johnson Superintendent/President

Gail Warner

Interim - Vice President of Academic Services Vice President of Student Services & Equity

Cesar L. Vega Johanna Fisher

Alexis Villa

Vice President for Administrative Services

Associate Vice President, Human Resources

Jeff Enz Celeste Alvarez

Associate Vice President, Information Technology Executive Director of Communications, Marketing and Public Relations

AUXILIARY ORGANIZATIONS IN GOOD STANDING

		ESTABLISHMENT AND MASTER
AUXILIARY NAME	DIRECTOR'S NAME	AGREEMENT DATE
Imperial Valley College	Todd Evangelist, Executive	Organized as an Auxiliary and
Foundation	Director	Master Agreement dated 2010.

IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2024

	Assistance		
Grantor/Pass Through	Listing	Pass-Through Entity	YTD
Grantor/Program or Cluster Title	Number	Identifying Number	Expenditures
U.S. Department of Education			
Direct Programs			
Student Financial Aid Cluster			
Pell Grant	84.063	*	\$ 22,791,313
Pell Administration	84.063	*	22,380
Supplemental Educational Opportunity Grant	84.007	*	311,850
Federal College Work Study	84.033	*	451,122
Total Student Financial Aid Cluster			23,576,665
TRIO Cluster			
Upward Bound	84.047	*	1,456,746
Student Support Services	84.042	*	524,107
Talent Search	84.044	*	445,261
Total TRIO Cluster			2,426,114
Higher Education Emergency Relief Funds Cluster			
COVID-19 HEERF Institutional Portion	84.425F	*	210,545
COVID-19 HEERF Minority Serving Institutions	84.425L	*	1,086,112
Total Higher Education Emergency Relief Funds Cluster			1,296,657
Passed Through California Department of Education			
CTE-Title IC	84.048	14-C01-022	430,303
Total U.S. Department of Education			27,729,739
U.S. Department of Veterans Affairs			
Direct Program			
Veterans Education	64.116	*	1,376
Total U.S. Department of Veterans Affairs			1,376
U.S. Department of Health and Human Services			
Direct Program			
Temporary Assistance For Needy Families	93.558	*	125,605
Passed Through Health and Human Services -			
Foster and Kinship Care Education	93.658	*	18,073
Total U.S. Department of Health and Human Services			143,678
110 0 110 110			
U.S. Department of Treasury			
Passed through California Community Colleges Chancellor's Office	24.027	+	745 112
State Fiscal Recovery Funds	21.027	^	745,113
Total U.S. Department of Treasury			745,113
U.S. Department of Energy			
Direct Program			
Coronavirus Relief Funds	81.117	*	7,925
Total U.S. Department of Energy	01.117		7,925
Total o.s. Department of Energy			1,923
U.S. Department of Agriculture			
Direct Program			
Nutrition Program	10.555	*	38,754
Learning to Lead	10.237	*	121,752
Outreach to HIS	10.223	*	25,000
Total U.S. Department of Agriculture	- ,		185,506
Total Expenditures of Federal Awards			\$ 28,813,337

*Pass-Through number is either not available or not applicable

IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2024

	Program Revenues			Program	Revenues				_	Total	
		Cash	Δ	ccounts	Deferred	i				Program	
Program Name		Received		eceivable	Revenue	<u> </u>		Γotal	E>	penditures	
Cal Grants	\$	4,394,387	\$	236,224	\$	-	\$	4,630,611	\$	4,630,611	
Student Success Completion Grant		8,887,288		-		-		8,887,288		8,887,288	
Emergency Financial Aid SFRF		745,113		-		-		745,113		745,113	
Emergency Financial Aid Supplemental		109,892		-		-		109,892		109,892	
Learning Aligned Employment		3,508,992		-	3,414	973		94,019		94,019	
Upward Bound Summer Food Program		726		-		-		726		726	
Child Development Nutrition		27,790		8,475		472		35,793		35,793	
Board Financial Aid Program (BFAP)		462,202		-	17	216		444,986		444,986	
Financial Aid Technology		46,544		-		56		46,488		46,488	
EOPS Transition Services		2,781,144		-		-		2,781,144		2,781,144	
DSPS - Direct Services		917,298		-		649		818,649		818,649	
CalWorks		1,132,874		-	286	072		846,802		846,802	
SWF Work-based Learning		2,854,734		225,000	1,390	636		1,689,098		1,689,098	
CARE Program		847,588		-		-		847,588		847,588	
EEO Best Practices		128,254		-	113	128		15,126		15,126	
Nursing Grant		124,737		-	83	226		41,511		41,511	
Culturally Competent Faculty PD		48,931		-		-		48,931		48,931	
Veteran Resource Center		69,769		-	34	444		35,325		35,325	
Guided Pathways		605,915		-	422	169		183,746		183,746	
Equal Employment Opportunity		84,087		-	8	246		75,841		75,841	
Mental Health Support		369,285		-	112	831		256,454		256,454	
Professional Development - Classified		5,119		-		-		5,119		5,119	
Incarcerated Students Re-entry		300,101		-	109	402		190,699		190,699	
Homeless & Housing Program		1,713,778		-	877	139		836,639		836,639	
DREAM Resource Center		168,136		-	103	505		64,631		64,631	
Basic Needs One-Time Funding		530,769		-	351	333		179,436		179,436	
Student Transfer Achiev Reform Act		565,217		-	555	131		10,086		10,086	
Student Success & Support Program		5,081,905		-	2,078	036		3,003,869		3,003,869	
Foster Care		35,422		-		989		34,433		34,433	
NextUp		369,137		-		-		369,137		369,137	
CCPT Ca Career Pathway Grant		50,000		-		-		50,000		50,000	
Phys Plant & Instr Support		4,056,282		_	1,350	366		2,705,916		2,705,916	
Ret&Enroll COVID-19 Block Grant		96,278		_		_		96,278		96,278	
Lottery		1,679,766		240,679	675	901		1,244,544		1,244,544	
Correctional Academy & Medical Assistant Program		385,125		-		_		385,125		385,125	
COVID Block Grant - State		2,740,393		_		_		2,740,393		2,740,393	
SB 85 - Retention & Enroll Outreach c/o		791,183		-		_		791,183		791,183	
LGBTQ+ Support		80,344		-	68	461		11,883		11,883	
CCAP Instr Materials(Dual Enroll)		26,009		_		427		2,582		2,582	
Zero Textbook Costs Program		186,079		-		255		49,824		49,824	
System Wide Tech & Data Security		269,144		_		738		202,406		202,406	
MESA		963,356		_	646			317,319		317,319	
Transfer Ed&Articulation Ethnic Stud		48,695		_		647		7,048		7,048	
Equitable Plmt & Completion Grant		616,376		_		280		44,096		44,096	
Basic Needs Centers		541,007		_		024		204,983		204,983	
A2MEND		46,542		_		199		21,343		21,343	
CCTR - General Childcare		866,575		_	23	-		866,575		866,575	
CSPP - CA Sate Preschool		418,369		_		_		418,369		418,369	
CSPP Temp Rate Increase AB110		43,260		-	/12	260		- 10,303		710,30	
•				-				(9,652)		(0.65)	
ARPA Stipend Student Housing State Funds		45,297 4 554 000		-	54	949				(9,652	
Student Housing State Funds		4,554,000		-		-		4,554,000		4,554,000	
GF Unrestricted		127,049		-		-		127,049		127,049	
Prop 30 Education Protection Act Total Expenditures of State Awards	\$	6,054,908 61,603,171	\$	710,378	\$ 14,098	107	\$ 4	6,054,908 8,215,352	.	6,054,908 48,215,352	

IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT FOR THE YEAR ENDED JUNE 30, 2024

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit	9.26	-	9.26
2. Credit	470.45	-	470.45
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit	-	-	-
2. Credit	685.23	-	685.23
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	2,595.88	-	2,595.88
(b) Daily Census Contact Hours	342.84	-	342.84
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	115.52	-	115.52
(b) Credit	311.74	-	311.74
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	2,268.43	-	2,268.43
(b) Daily Census Contact Hours	845.63	-	845.63
(c) Noncredit Independent Study/Distance Education			
Courses		-	
D. Total FTES	7,644.98	-	7,644.98
Supplemental Information (subset of above information)			
E. In-service Training Courses	5.09	-	5.09
F. Basic Skills Courses and Immigrant Education			
1. Credit	224.82	-	224.82
2. Noncredit	135.68		135.68
Total Basic Skills FTES	360.50	-	360.50

IMPERIAL COMMUNITY COLLEGE DISTRICT RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION FOR THE YEAR ENDED JUNE 30, 2024

		Activit	y (ESCA) ECS 8	R4362 Δ			
			-	C 0100-5900 &	Activity (ECSE	B) ECS 84362 E	R Total CEE
		instructional	AC 6100	2 0 100 3300 Q		AC 0100-6799	
	Object/						
	TOP		Audit			Audit	
	Codes	Reported Data	Adjustments	Revised Data	Reported Data	Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	\$ 12,247,308	\$ -	\$ 12,247,308	\$ 12,247,308	\$ -	\$ 12,247,308
Other	1300	8,170,460	-	8,170,460	8,208,169	-	8,208,169
Total Instructional Salaries		20,417,768	-	20,417,768	20,455,477	-	20,455,477
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	5,838,082	-	5,838,082
Other	1400	-	-	-	455,005	-	455,005
Total Non-Instructional Salaries		-	-	-	6,293,087	-	6,293,087
Total Academic Salaries		20,417,768	-	20,417,768	26,748,564	-	26,748,564
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	_	_	_	10,942,167	_	10,942,167
Other	2300	_	_	_	314,257	_	314,257
Total Non-Instructional Salaries	2300				11,256,424	_	11,256,424
Instructional Aides			<u> </u>	_	11,230,424	_	11,230,422
Regular Status	2200	75,033		75,033	388,172		388,172
Other	2400	634,231		634,231	634,231		634,23
Total Instructional Aides	2400	709,264		709,264	1,022,403	_	1,022,403
Total Classified Salaries			-		12,278,827	_	· · · · · · · · · · · · · · · · · · ·
Total Classsified Salaries		709,264	_	709,264	12,210,021	_	12,278,827
Formula and Demo-Site	3000	0.004.703		0.004.703	17 100 600		17 100 600
Employee Benefits		9,084,793	-	9,084,793	17,180,690	_	17,180,690
Supplies and Materials	4000	-	-	-	892,991	-	892,991
Other Operating Expenses	5000	-	-	-	5,639,762	-	5,639,762
Equipment Replacement	6420	-	-	-	628,136	-	628,136
Total Expenditures Prior to Exclusions		30,211,825	-	30,211,825	63,368,970	-	63,368,970
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	654,247	-	654,247	654,247	-	654,247
Std. Health Srvcs. Above Amount Collected	6441	-	-	-	-	-	
Student Transportation	6491	-	-	-	-	-	
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	2,251,709	-	2,251,709
Object to Exclude							
Rents and Leases	5060	-	-	-	138,199	-	138,199
Lottery Expenditures		_	_	_	_	_	
Academic Salaries	1000	_	_	_	486,614	_	486,614
Classified Salaries	2000	_	_	_	_	_	
Employee Benefits	3000	_	_	_	_	_	
Supplies and Materials	4000						
Software	4100	_	_	_	_	_	
Books, Magazines & Periodicals	4200]	_		
Instructional Supplies & Materials	4300	_	_	_	_	_	
Non-inst. Supplies & Materials	4400				_	_	
Total Supplies and Materials	4400	_	 	-	-	 	
Other Operating Expenses and Services	5000	<u> </u>	-	-	1,176,868		1,176,868
. 3 .	6000	1	_	1	1,170,008	1	1,170,000
Capital Outlay Library Books	6300						
		_	_	_	-	_	
Equipment Additional	6400						
Equipment - Additional	6410	_	_	_	_	-	
Equipment - Replacement	6420	-	-	-	-	-	1
Total Equipment		_	-	-	-	-	
Total Capital Outlay	_	-	-	-	-	-	
Other Outgo	7000	-	-	-	-	-	ļ
Total Exclusions		\$ 654,247		\$ 654,247	\$ 4,707,637	\$ -	\$ 4,707,63
Total for ECS 84362, 50% Law		\$ 29,557,578		\$ 29,557,578	\$ 58,661,333		\$ 58,661,33
Percent of CEE (Instructional Salary Cost/Total CEE)		50.39%			100.00%		
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 29,330,667	\$ -	\$ 29,330,66

IMPERIAL COMMUNITY COLLEGE DISTRICT PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT FOR THE YEAR ENDED JUNE 30, 2024

EPA Revenue	\$	6,054,908
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	Activity	Salaries and	Operating	Capital	
	Code	Benefits	Expenses	Outlay	
Activity Classification		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	Total
Instructional Activities	0100-5900	\$ 6,054,908	\$ -	\$ -	\$ 6,054,908
Total		\$ 6,054,908	\$ -	\$ -	\$ 6,054,908

IMPERIAL COMMUNITY COLLEGE DISTRICT RECONCILIATION OF GOVERNMENTAL FUNDS TO NET POSITION FOR THE YEAR ENDED JUNE 30, 2024

Total Governmental Funds -	District Funds	Included in th	e Reporting Entity

General Fund Debt Service Fund Child Development Fund Capital Project Funds Bond Funds Internal Service Funds Student Financial Aid Fund Other Funds	\$ 21,858,303 17,138,092 800,436 18,998,715 142,517,856 9,993,787 (10,255) 285,162	\$ 211,582,096
Assets recorded within the statement of net position not included in the		
fund financial statements:		
Capital assets	160,964,820	
Accumulated depreciation	(49,898,833)	
Right-of-use assets	2,232,583	
Accumulated amortization	 (1,153,903)	112,144,667
Pension stabilization trust fund		9,452,639
FMV Cash in County Treasury		(3,505,634)
Unmatured Interest		(2,544,560)
Deferred outflows recorded within the statement of net position		
not included in the District fund financial statements:		
Deferred loss on bond refundings		278,150
Deferred outflows related to OPEB		9,352,031
Deferred outflows related to pensions		20,489,902
Liabilities recorded within the statement of net position not recorded in the		
District fund financial statements:		
General obligation bonds	248,748,220	
Bond Premium	9,300,911	
Bond Discount	(368,883)	
Software leases	1,098,901	
Net OPEB liability	55,295,749	
Net pension liability	60,896,736	
Compensated absences	 1,265,759	(376,237,393)
Deferred inflows recorded within the statement of net position		
not included in the District fund financial statements:		
Deferred outflows related to OPEB		(9,125,829)
Deferred inflows related to pensions		 (3,521,151)
Net Position Reported Within the Statement of Net Position		\$ (31,635,082)

IMPERIAL COMMUNITY COLLEGE DISTRICT NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2024

NOTE 1 – PURPOSE OF THE SCHEDULE

District Organization

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditures of Federal Awards

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the Federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

Summary of Significant Accounting Policies – Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – The District has not elected to use the ten percent de minimis cost rate allowed under the Uniform Guidance.

Schedule of Expenditures of State Awards

The accompanying schedule of expenditures of State Awards includes the state grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of financial statements.

Schedule of Workload Measures for State General Apportionment

Full-Time Equivalent Students (FTES) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to community college districts. This schedule provides information regarding the attendance of students throughout the District.

Reconciliation of Education Code Section 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend and minimum of 50 percent of the unrestricted General fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

Reconciliation of Governmental Funds to Net Position

The schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements prepared on a modified accrual basis, to the entity-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35. business-type activities reporting model.





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

Board of Trustees Imperial Community College District Imperial, California

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Imperial Community College District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weakness 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 have not been identified.

Report on Compliance and Other Matters

(NOL, Certifiel Poblic Accountants

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California December 26, 2024

CWDL



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees Imperial Community College District Imperial, California

Report on Compliance for Each Major Federal Program Opinion on Each Major Federal Program

We have audited Imperial Community College District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit.

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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order
 to design audit procedures that are appropriate in the circumstances and to test and report on internal
 control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an
 opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such
 opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

San Diego, California December 26, 2024

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Board of Trustees Imperial Community College District Imperial, California

Report on State Compliance *Opinion on State Compliance*

We have audited Imperial Community College District's (the "District") compliance with the types of compliance requirements as identified in the 2023-24 California Community Colleges Chancellor's Office Contracted District Audit Manual for the year ended June 30, 2024. The applicable state compliance requirements are identified below.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the State programs noted below that were audited for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the compliance requirements are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on state compliance with the compliance requirements subject to audit in the 2023-24 California Community Colleges Chancellor's Office Contracted District Audit Manual. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's compliance with the requirements described in the 2023-24 California Community Colleges Chancellor's Office Contracted District Audit Manual.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, Government Auditing Standards, and the 2023-24 California Community Colleges Chancellor's Office Contracted District Audit Manual will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2023-24 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance 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 over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance with the requirements listed in the table below that we identified during the audit.



Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with State laws and regulations applicable to the following:

Section 411 – SCFF Data Management Control Environment

Section 412 – SCFF Supplemental Allocation Metrics

Section 413 – SCFF Success Allocation Metrics

Section 421 – Salaries of Classroom Instructors (50 Percent Law)

Section 423 – Apportionment for Activities Funded From Other Sources

Section 424 – Student Centered Funding Formula Base Allocation: FTES

Section 425 – Residency Determination for Credit Courses

Section 426 – Students Actively Enrolled

Section 427 – Dual Enrollment (CCAP)

Section 430 – Scheduled Maintenance Program

Section 431 – Gann Limit Calculation

Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds

Section 475 – Disabled Student Programs and Services (DSPS)

Section 490 – Propositions 1D and 51 State Bond Funded Projects

Section 491 - Education Protection Account Funds

Section 492 – Student Representation Fee

Section 494 - State Fiscal Recovery Fund

Section 499 – COVID-19 Response Block Grant Expenditures

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in 2023-24 California Community Colleges Chancellor's Office Contracted District Audit Manual. Accordingly, this report is not suitable for any other purpose.

San Diego, California December 26, 2024

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IMPERIAL COMMUNITY COLLEGE DISTRICT SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENTS			
Type of auditors' report issued:		Unmodified	
Is a going concern emphasis-of-matter paragraph included in the auditors' report?			No
Internal control over financial reporting:			_
Material weaknesses identified?			No
Significant deficiencies identified not cons	idered		_
to be material weaknesses?		No	ne Noted
Non-compliance material to financial statements noted?			No
FEDERAL AWARDS			
Internal control over major programs:			
Material weaknesses identified?			No
Significant deficiencies identified not cons	idered		
to be material weaknesses?		No	ne Noted
Type of auditors' report issued on compliance for major programs:		Un	modified
Any audit findings disclosed that are required	d to be reported in accordance		
with Title 2 U.S. Code of Federal Regulation	s (CFR) Part 200, Uniform Administrative		
Requirements, Costs Principles, and Audit Requirements for Federal Awards			No
Identification of major programs:			
Assistance Listing Numbers	Name of Federal Program of Cluster		
84.007, 84.033, 84.063	Student Financial Aid Cluster		
21.027	State Fiscal Recovery Funds		
Dollar threshold used to distinguish between Type A and Type B programs:		\$	864,400
Auditee qualified as low-risk auditee?			Yes
STATE AWARDS			
Internal control over State programs:			
Internal control over State programs: Material weaknesses identified?			No
	idered		No
Material weaknesses identified?	idered		No ne Noted
Material weaknesses identified? Significant deficiencies identified not cons			

IMPERIAL COMMUNITY COLLEGE DISTRICT FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED JUNE 30, 2024

This section identifies the 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 2023-24.

IMPERIAL COMMUNITY COLLEGE DISTRICT FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

This section identifies the audit findings required to be reported by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs identified during 2023-24.

IMPERIAL COMMUNITY COLLEGE DISTRICT STATE AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs identified during 2023-24.

IMPERIAL COMMUNITY COLLEGE DISTRICT SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2024

This section identifies the audit findings and questioned related to the basic financial statements, federal awards or state awards for prior year.

There were no findings or questioned costs identified during 2022-23.