2022-23 BUDGET BOOK

"Students are our focus and we are known by their success"

COMMUNITY
COLLEGE
DISTRICT

OBJECTIVE AND PURPOSE

California community college districts are required by regulations (*CCR §*58300 et seq.) to prepare financial reports and annual budgets that report all their actual and projected revenues and expenditures on forms as provided by the Chancellor's Office.

The objective of this document is to provide an overview of the District's fund structure, and revenue and expenditure classifications that feeds into the District's annual budget. The annual budget is an important element in communicating to the District's constituents and one of the most significant responsibilities and requirements for a community college district.

The community college district budget is a plan of proposed expenditures for operations and estimated revenue for a given period of time (fiscal year). The budget represents the operational plans of the district in terms of economic decisions. Budget requirements and processes are described in the California Code of Regulations, beginning with Section 58300.

Once the budget is adopted, the total amount designated as proposed expenditures for each major object of expenditure classification is the maximum allowed without additional governing board authorization for transfers between major classifications or from the reserve for contingencies, in accordance with California Code of Regulations Section 58307.

REVENUE AND EXPENDITURE CLASSIFICATIONS

For the purpose of reporting revenues and expenditures, uniform major account classifications are required of California community college districts. Revenue classification is primarily by source and purpose. Expenditure classification is by object and by activity.

The following is a summation of the revenue and expenditure reporting classifications:

Revenue Classifications
A. Federal (8100)
B. State (8600)
C. Local (8800)
D. Other Financing Sources (8900)

Expenditure Classifications
A. Academic Salaries (1000)
B. Classified Salaries (2000)
C. Employee Benefits (3000)
D. Supplies and Materials (4000)
E. Other Operating Expenses (5000)
F. Capital Outlay (6000)
G. Other Outgo (7000)

UNRESTRICTED REVENUE SUMMARY

A. Federal Revenues

Unrestricted federal revenue represents a small percentage of the total General Fund revenue. The District's General Fund Federal revenues are for PELL administrative costs.

B. State Revenues

Unrestricted State revenues account for the major part of the total General Fund budget. These revenues include general state apportionment, accounted for in the Student Centered Funding Formula (SCFF). The SCFF is used to calculate the District's primary operational revenue, also referred to as "Total Computational Revenue" (TCR). TCR is comprised of the following sources: state general apportionment, state Educational Protection Account (EPA), local property taxes (including revenues from Redevelopment Agencies (RDAs), and student enrollment fees. Other major revenues from the State in this classification are unrestricted lottery funds and mandated cost reimbursements.

C. Local Revenues

Local revenues account for a quarter of the total General Fund budget. Primary sources of local revenue include property taxes, enrollment fees, non-resident and international student tuition, interest income, community services fees, facility rentals, and student fees and fines. These sources also include other miscellaneous local revenue accounts.

D. Other Financing Sources

Other financing sources represent a small percent of total General Fund revenue and includes sale of assets and transfers into the General Fund from other District funding sources.

APPROPRIATIONS SUMMARY

A. Academic Salaries

The 1000 series object codes are used to record salary expenditures for employees in academic positions requiring minimum qualifications pursuant to Education Code §87356. A consideration in the budget process is the “50% Law” requiring at least 50% of the current expense of education be for salaries and benefits of classroom instructors.

B. Classified Salaries

Classified Salaries reflect appropriations for salaries of employees in positions that do not require minimum qualifications established by the Board of Governors. The 2000 series object codes are used to record classified salaries.

C. Employee Benefits

Employee benefits, object code series 3000, represent all expenditures for the employer’s share of contributions to retirement plans, as well as other benefit costs such as worker’s compensations, FICA, Health and Welfare, and State Unemployment Insurance.

D. Supplies and Materials

The Supplies and Materials classification 4000 is used to record all expenditures for instructional and non-instructional supplies and materials, including costs of freight, sales/use tax and handling charges. Supplies and materials are items that are expendable and quickly consumed or easily broken, damaged, or lost.

E. Other Operating Expenses

Object classification 5000 is used for expenditures for services, leases, rents, travel, and other operating expenses.

F. Capital Outlay

Capital Outlay classification 6000 is used to record amounts paid for the acquisition of fixed assets or additions to fixed assets including land and site improvements, building purchase, construction or improvement, and equipment.

G. Other Outgo

The Other Outgo classification 7000 is used to record other expenses and non-expenditure disbursements, including inter-fund transfers.

SUMMARY OF DISTRICT FUNDS

FUND ACCOUNTING

California's community colleges utilize governmental accounting and operate on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. Funds are segregated for the purpose of carrying on specific activities or obtaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund accounting, therefore, is used as a control device to separate financial resources and ensure that they are used for their intended purposes with the fund as the basic recording entity for reporting specified assets and liabilities and related transactional movements of its resources. Generally, funds are established to account for revenues and expenditures with common purposes and activities.

The District's financial statement reporting is on a full accrual basis. The District will utilize the following funds to account for its various programs, revenues and expenditures:

SUMMARY OF DISTRICT FUNDS

GENERAL FUND (UNRESTRICTED SUB FUNDS) 10:

The primary operating fund of the District. It is used to account for the basic educational programs and ordinary operations of the District including instruction, student services, administration, maintenance, operations and unrestricted resources to be used for a specific purpose, as stipulated by the Board.

GENERAL FUND (110)	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	8,905,824	11,680,523	13,456,348
Prior Year Adjustment		(904,851)	
Adjusted Beginning Balance	8,905,824	10,775,672	13,456,348
481 - Federal	21,569	18,400	18,500
486 - State	54,662,229	56,960,270	65,512,706
488 - Local	20,234,709	20,220,669	20,343,704
489 - Other	572,608	1,233,391	651,903
Total Revenue	**75,491,115**	**78,432,730**	**86,526,813**
1000 - Academic Salaries	24,859,771	24,827,214	27,844,358
2000 - Classified Salaries	12,654,744	13,616,328	15,645,038
3000 - Employee Benefits	21,857,342	22,693,419	25,990,716
4000 - Supplies and Materials	403,506	617,657	736,698
5000 - Other Operating	6,125,990	6,589,828	10,338,717
6000 - Capital Outlay	320,756	714,000	465,629
7000 - Other Outgo	6,494,307	6,693,609	2,725,046
Total Expenses	**72,716,416**	**75,752,055**	**83,746,203**
Net Income (Loss)	2,774,699	2,680,675	2,780,610
Ending Balance	11,680,523	13,456,348	16,236,958

BOARD DESIGNATED (112)	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	2,233,441	1,303,519	1,834,897
Prior Year Adjustment			
Adjusted Beginning Balance	2,233,441	1,303,519	1,834,897
481 - Federal	-	-	-
486 - State	-	-	-
488 - Local	2,313	8,000	-
489 - Other	33,995	729,942	30,000
Total Revenue	**36,308**	**737,942**	**30,000**
1000 - Academic Salaries	-	-	-
2000 - Classified Salaries	-	-	-
3000 - Employee Benefits	-	-	-
4000 - Supplies and Materials	-	-	-
5000 - Other Operating	173,768	5,833	1,424,249
6000 - Capital Outlay	62,723	28,723	235,895
7000 - Other Outgo	729,740	172,008	92,575
Total Expenses	**966,230**	**206,564**	**1,752,719**
Net Income (Loss)	(929,922)	531,378	(1,722,719)
Ending Balance	1,303,519	1,834,897	112,178

SUMMARY OF DISTRICT FUNDS

GENERAL FUND (RESTRICTED SUB FUNDS) 12:

The Restricted sub fund is used to account for resources available for the operation and support of the educational programs that are specifically restricted by laws, regulations, donors, or other outside agencies as to their expenditure. Restricted general funds accounts for grants and categorical program, as well as activity related to work study students.

	WORKSTUDY (122)			CATEGORICAL 1 (123)			CATEGORICAL 2 (124)		
	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	-	-	-	487,327	385,898	254,802	1,691,073	2,108,290	2,297,814
Prior Year Adjustment									
Adjusted Beginning Balance	-	-	-	487,327	385,898	254,802	1,691,073	2,108,290	2,297,814
481 - Federal	424,699	447,115	464,548	136,115	128,545	557,006	5,693,075	15,254,708	8,950,048
486 - State	-	-	-	7,545,102	8,847,349	12,046,491	5,142,905	7,324,232	18,045,593
488 - Local	-	-	-	155,991	163,693	218,644	857,282	1,064,230	829,556
489 - Other	21,759	39,473	285,000	541,064	505,259	446,541	3,981,108	4,028,764	4,264,347
Total Revenue	**446,458**	**486,588**	**749,548**	**8,378,273**	**9,644,846**	**13,268,682**	**15,674,370**	**27,671,934**	**32,089,544**
1000 - Academic Salaries	-	-	-	2,575,376	2,786,081	3,107,141	1,822,927	1,675,663	1,721,438
2000 - Classified Salaries	130,066	328,804	685,262	1,525,680	1,806,476	2,279,895	1,771,374	1,823,573	2,720,195
3000 - Employee Benefits	3,123	6,394	17,832	1,974,055	2,100,771	2,770,851	1,591,625	1,679,905	2,548,228
4000 - Supplies and Materials	-	-	-	74,766	167,781	300,367	1,286,719	965,249	2,260,316
5000 - Other Operating				844,251	1,182,681	2,086,089	1,537,079	5,472,591	7,341,879
6000 - Capital Outlay				118,304	251,764	819,675	2,924,143	9,052,164	5,105,874
7000 - Other Outgo	313,269	151,390	46,454	1,367,269	1,480,387	2,156,697	4,323,286	6,813,264	7,231,520
Total Expenses	**446,458**	**486,588**	**749,548**	**8,479,702**	**9,775,941**	**13,520,715**	**15,257,153**	**27,482,410**	**28,929,450**
Net Income (Loss)	-	-	-	(101,429)	(131,095)	(252,033)	417,217	189,524	3,160,094
Ending Balance	-	-	-	385,898	254,802	2,769	2,108,290	2,297,814	5,457,908

SUMMARY OF DISTRICT FUNDS

BOND INTEREST AND REDEMPTION FUND (21):

This fund is to be used only to record transactions related to the receipt and expenditure of local revenues derived from the property tax levied for the payment of the principal and interest on outstanding bonds of the district. The fund is typically maintained by the County Treasury as the county assessor's office accounts for property tax receipts and the related principal and interest payment to the bond holders.

	BOND DEBT REDEMPTION SFID 1 210 (MERCED)			BOND DEBT REDEMPTION SFID 2 211 (LOS BANOS)		
	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	1,944,425	2,122,560	3,344,087	1,084,300	1,212,885	1,354,820
Prior Year Adjustment						
Adjusted Beginning Balance	1,944,425	2,122,560	3,344,087	1,084,300	1,212,885	1,354,820
481 - Federal				-	-	-
486 - State				-	-	-
488 - Local	2,740,092	3,058,115	3,039,229	1,225,077	1,313,356	1,235,628
489 - Other	-	1,056,077	-	-	-	-
Total Revenue	**2,740,092**	**4,114,192**	**3,039,229**	**1,225,077**	**1,313,356**	**1,235,628**
1000 - Academic Salaries	-	-	-	-	-	-
2000 - Classified Salaries	-	-	-	-	-	-
3000 - Employee Benefits	-	-	-	-	-	-
4000 - Supplies and Materia	-	-	-	-	-	-
5000 - Other Operating	-	-	-	-	-	-
6000 - Capital Outlay	-	-	-	-	-	-
7000 - Other Outgo	2,561,958	2,892,665	3,024,229	1,096,491	1,171,420	1,230,128
Total Expenses	**2,561,958**	**2,892,665**	**3,024,229**	**1,096,491**	**1,171,420**	**1,230,128**
Net Income (Loss)	178,134	1,221,527	15,000	128,585	141,935	5,500
Ending Balance	2,122,560	3,344,087	3,359,087	1,212,885	1,354,820	1,360,320

SUMMARY OF DISTRICT FUNDS

CHILD DEVELOPMENT FUND (33):

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

CHILD DEVELOPMENT (330)	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	-	-	-
Prior Year Adjustment			
Adjusted Beginning Balance	-	-	-
481 - Federal	576,609	834,915	1,209,110
486 - State	903,116	930,545	1,499,756
488 - Local	11,434	7,777	6,300
489 - Other	535	-	-
Total Revenue	**1,491,693**	**1,773,237**	**2,715,166**
1000 - Academic Salaries	-	-	-
2000 - Classified Salaries	756,108	841,075	1,179,464
3000 - Employee Benefits	627,174	677,838	918,717
4000 - Supplies and Materials	52,488	76,728	221,121
5000 - Other Operating	9,948	39,632	244,472
6000 - Capital Outlay	6,905	93,988	112,941
7000 - Other Outgo	39,070	43,976	38,451
Total Expenses	**1,491,693**	**1,773,236**	**2,715,166**
Net Income (Loss)	-	-	-
Ending Balance	-	-	-

SUMMARY OF DISTRICT FUNDS

FARM FUND (34):

The Farm Operation Fund is the fund designated to receive all moneys from the sale of produce, livestock, and other products of any farm operation of the district.

FARM (340)	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	40,693	57,165	79,353
Prior Year Adjustment			
Adjusted Beginning Balance	40,693	57,165	79,353
481 - Federal	-	-	-
486 - State	-	-	-
488 - Local	60,752	55,419	72,473
489 - Other	-	-	-
Total Revenue	**60,752**	**55,419**	**72,473**
1000 - Academic Salaries	-	-	-
2000 - Classified Salaries	-	-	-
3000 - Employee Benefits	-	-	-
4000 - Supplies and Materials	19,500	16,175	72,405
5000 - Other Operating	24,780	17,056	40,761
6000 - Capital Outlay	-	-	-
7000 - Other Outgo	-	-	-
Total Expenses	**44,280**	**33,231**	**113,166**
Net Income (Loss)	16,472	22,188	(40,693)
Ending Balance	57,165	79,353	38,660

SUMMARY OF DISTRICT FUNDS

CAPITAL PROJECTS (41):

The Capital Outlay Projects Fund is used to account for the accumulation and expenditure of moneys for the acquisition or construction of significant capital outlay items, and Scheduled Maintenance.

CAPITAL PROJECTS (410)	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	2,622,117	6,802,292	9,050,868
Prior Year Adjustment			
Adjusted Beginning Balance	2,622,117	6,802,292	9,050,868
481 - Federal	-	-	3,000,000
486 - State	18,701	12,735,147	11,389,942
488 - Local	60,752	55,419	167,251
489 - Other	5,871,937	7,244,014	4,397,735
Total Revenue	**5,951,390**	**20,034,580**	**18,954,928**
1000 - Academic Salaries	-	-	-
2000 - Classified Salaries	-	-	-
3000 - Employee Benefits	-	-	-
4000 - Supplies and Materials	-	-	-
5000 - Other Operating	74,045	38,007	810,063
6000 - Capital Outlay	1,820,244	17,861,107	21,474,541
7000 - Other Outgo	11,920	53,226	-
Total Expenses	**1,906,209**	**17,952,340**	**22,284,604**
Net Income (Loss)	4,045,181	2,082,240	(3,329,676)
Ending Balance	6,667,298	8,884,532	5,721,192

SUMMARY OF DISTRICT FUNDS

BOND CONSTRUCTION FUND (42):

Bond Construction Fund is the fund designated in *EC §*81961 for the deposit of proceeds from the sale of all community college revenue bonds authorized under the provisions of *EC §*81901. Such deposits are used to meet the costs of acquisition or construction and all expenses of authorized projects.

BOND CONSTRUCTION SFID#1 MERCED (420)	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	7,435,753	6,113,012	13,065,818
Prior Year Adjustment			
Adjusted Beginning Balance	7,435,753	6,113,012	13,065,818
481 - Federal	-	-	-
486 - State	-	-	-
488 - Local	15,330	70,630	70,000
489 - Other	-	10,616,733	-
Total Revenue	**15,330**	**10,687,364**	**70,000**
1000 - Academic Salaries	-	-	-
2000 - Classified Salaries	-	-	-
3000 - Employee Benefits	-	-	-
4000 - Supplies and Materials	-	-	-
5000 - Other Operating	500	500	500
6000 - Capital Outlay	1,337,571	2,617,324	11,390,188
7000 - Other Outgo	11,920	1,116,733	-
Total Expenses	**1,349,992**	**3,734,557**	**11,390,688**
Net Income (Loss)	(1,334,662)	6,952,806	(11,320,688)
Ending Balance	6,101,092	13,065,818	1,745,130

BOND CONSTRUCTION SFID#2 LOS BANOS (421)	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	315,408	83,021	81,598
Prior Year Adjustment			
Adjusted Beginning Balance	315,408	83,021	81,598
481 - Federal	-	-	-
486 - State	-	-	-
488 - Local	2,514	557	600
489 - Other	-	-	-
Total Revenue	**2,514**	**557**	**600**
1000 - Academic Salaries	-	-	-
2000 - Classified Salaries	-	-	-
3000 - Employee Benefits	-	-	-
4000 - Supplies and Materials	-	-	-
5000 - Other Operating	1,980	1,980	1,980
6000 - Capital Outlay	232,920	-	80,218
7000 - Other Outgo	-	-	-
Total Expenses	**234,900**	**1,980**	**82,198**
Net Income (Loss)	(232,386)	(1,423)	(81,598)
Ending Balance	83,021	81,598	0

SUMMARY OF DISTRICT FUNDS

ENTERPRISE FUND (51):

Enterprise fund is used for the District's Bookstore operation. The Bookstore Fund is the fund designated to receive the proceeds derived from the operation of a community college bookstore pursuant to *EC §*81676 when it is the intent of the governing board to recover, in whole or in part, the costs of providing the services.

BOOKSTORE (510)	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	(1,156,798)	(977,586)	(797,436)
Prior Year Adjustment			
Adjusted Beginning Balance	(1,156,798)	(977,586)	(797,436)
481 - Federal	-	-	-
486 - State	-	-	-
488 - Local	183,583	384,817	358,898
489 - Other	190,166	-	-
Total Revenue	**373,749**	**384,817**	**358,898**
1000 - Academic Salaries	-	-	-
2000 - Classified Salaries	109,762	115,020	115,620
3000 - Employee Benefits	83,474	88,822	93,820
4000 - Supplies and Materials	-	-	-
5000 - Other Operating	1,301	826	-
6000 - Capital Outlay	-	-	-
7000 - Other Outgo	-	-	-
Total Expenses	**194,537**	**204,668**	**209,440**
Net Income (Loss)	179,212	180,149	149,458
Ending Balance	(977,586)	(797,436)	(647,978)

SUMMARY OF DISTRICT FUNDS

SELF INSURANCE FUND (61):

Designated to account for the accumulation of moneys set aside to offset the total cost of retiree health benefits.

RETIREE HEALTH BENEFITS (610)	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	3,684,208	4,152,352	4,025,749
Prior Year Adjustment			
Adjusted Beginning Balance	3,684,208	4,152,352	4,025,749
481 - Federal	-	-	-
486 - State	-	-	-
488 - Local	18,143	23,397	30,000
489 - Other	450,000	250,000	-
Total Revenue	**468,143**	**273,397**	**30,000**
1000 - Academic Salaries	-	-	-
2000 - Classified Salaries	-	-	-
3000 - Employee Benefits	-	400,000	-
4000 - Supplies and Materials	-	-	-
5000 - Other Operating	-	-	-
6000 - Capital Outlay	-	-	-
7000 - Other Outgo	-	-	-
Total Expenses	**-**	**400,000**	**-**
Net Income (Loss)	468,143	(126,603)	30,000
Ending Balance	4,152,352	4,025,749	4,055,749

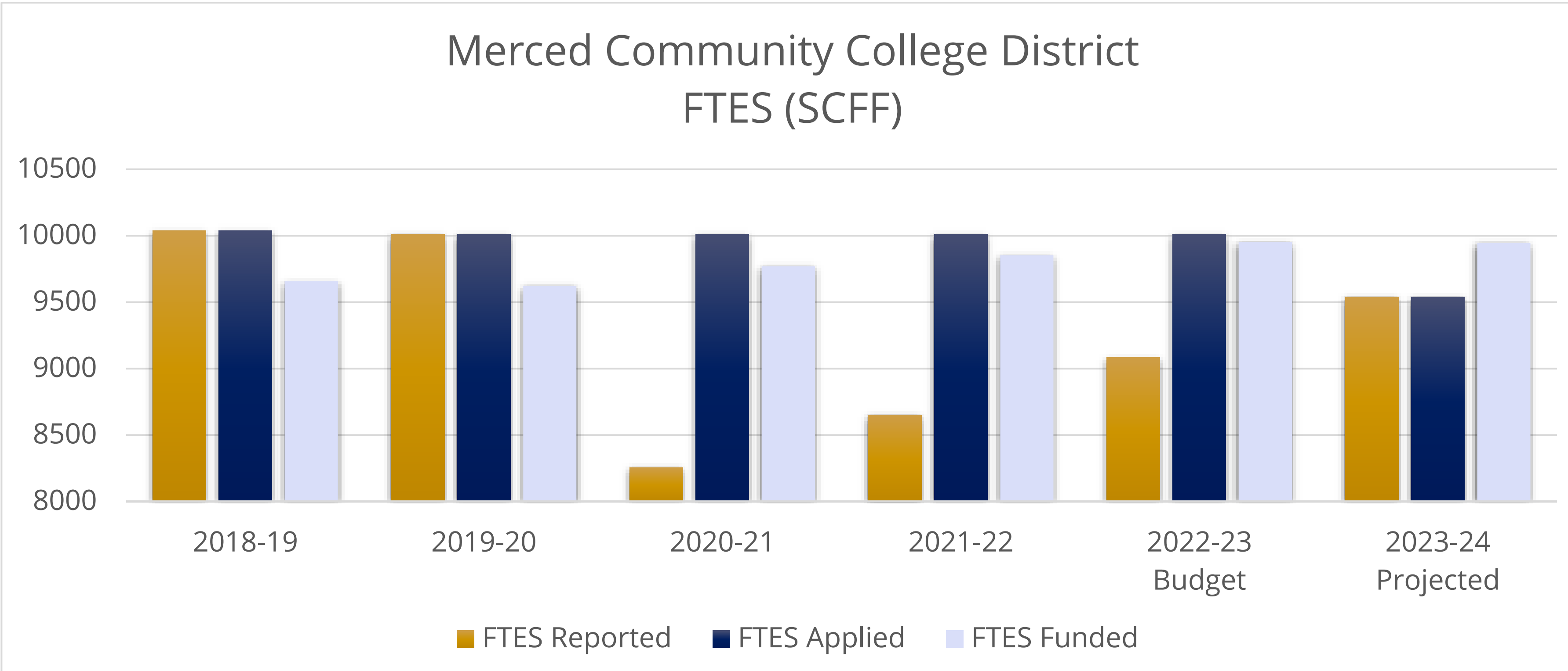
SUMMARY OF DISTRICT FUNDS

TRUST FUNDS (70):

The District uses sub fund 710 for the Associated Students Trust Fund which is used to account for moneys held in trust by the district for organized student body associations. In addition, sub fund 720, the Student Representation Fee Trust Fund, is used to account for moneys collected pursuant to *EC* §76060.5 that provides for a student representation fee of two dollars per semester if approved by two-thirds of the students voting in the election. Last, is the Student Financial Aid Trust Fund which is used to account for the deposit and direct payment of government-funded student financial aid, including grants and loans or other moneys intended for similar purposes and the required district matching share of payments to students.

	ASMC (710)			STUDENT REPRESENTATION FEE (720)			STUDENT FINANCIAL AID (740)		
	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET
Beginning Balance	270,859	228,778	305,453	2,231	58,808	70,511	-	-	-
Prior Year Adjustment	(39,616)			39,616			-		
Adjusted Beginning Balance	231,243	228,778	305,453	41,847	58,808	70,511	-	-	-
481 - Federal	-	-	-	-	-	-	18,046,241	26,423,185	21,222,082
486 - State	-	-	-	-	-	-	4,636,774	4,066,215	10,527,377
488 - Local	95,775	157,815	89,700	36,013	31,258	17,000	-	(2,000)	-
489 - Other	-	4,374	-	-	-	-	883,689	789,407	458,831
Total Revenue	**95,775**	**162,189**	**89,700**	**36,013**	**31,258**	**17,000**	**23,566,703**	**31,276,808**	**32,208,290**
1000 - Academic Salaries	-	-	-	-	-	-	-	-	-
2000 - Classified Salaries	34,038	23,824	35,088	-	-	-	-	-	-
3000 - Employee Benefits	22,871	16,318	25,638	-	-	-	-	-	-
4000 - Supplies and Materials	12,560	24,650	82,296		316	6,500	-	-	-
5000 - Other Operating	3,905	14,051	45,605	16,532	14,355	22,750	-	-	-
6000 - Capital Outlay	5,400	6,671	10,000		2,724	5,000	-	-	-
7000 - Other Outgo	19,466	-	3,000	2,520	2,160	1,190	23,566,703	31,276,808	32,208,290
Total Expenses	**98,240**	**85,515**	**201,627**	**19,052**	**19,554**	**35,440**	**23,566,703**	**31,276,808**	**32,208,290**
Net Income (Loss)	(2,465)	76,674	(111,927)	16,961	11,703	(18,440)	-	-	-
Ending Balance	268,394	305,453	193,525	19,192	70,511	52,071	-	-	-

HISTORY DATA



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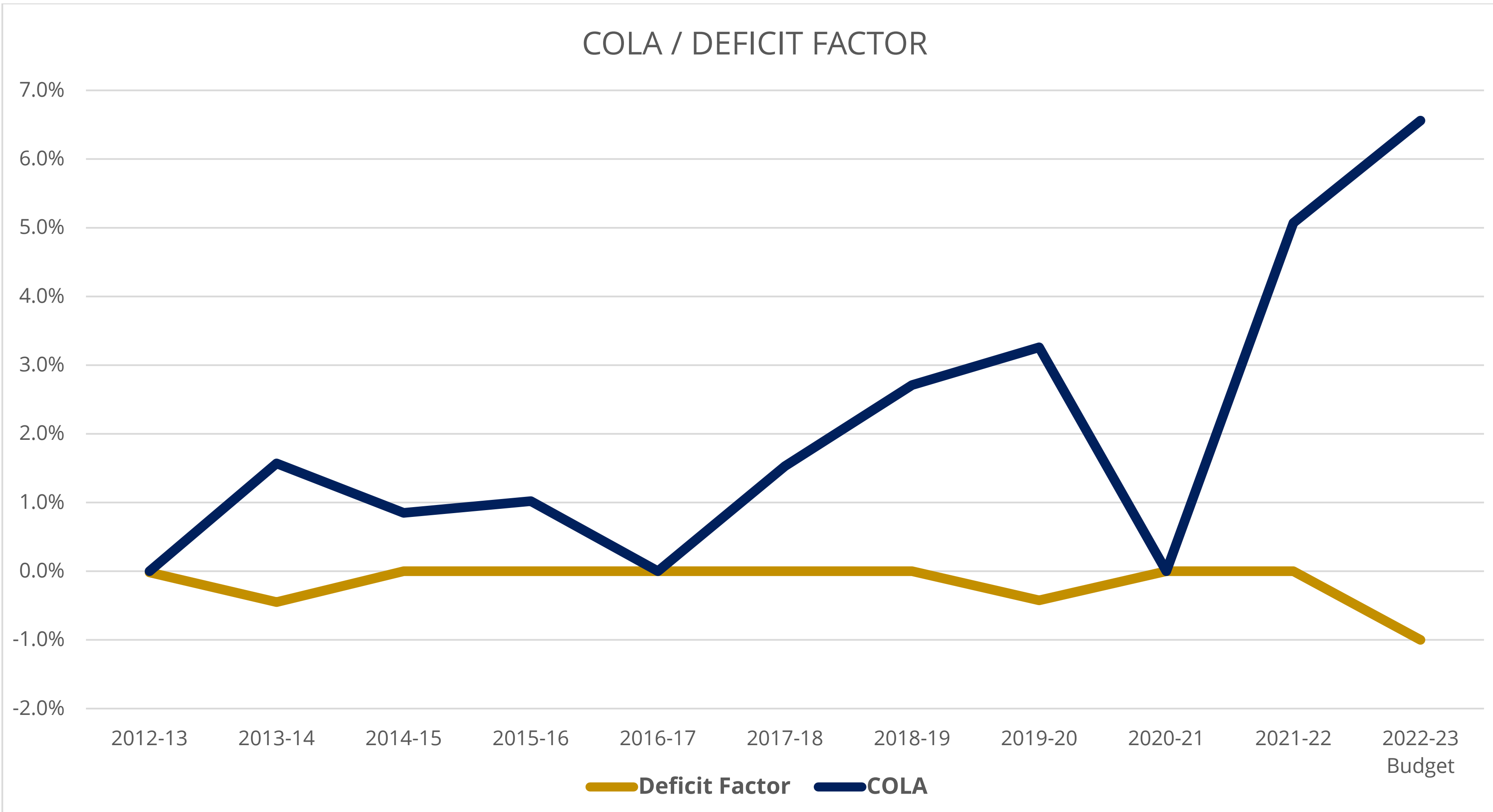

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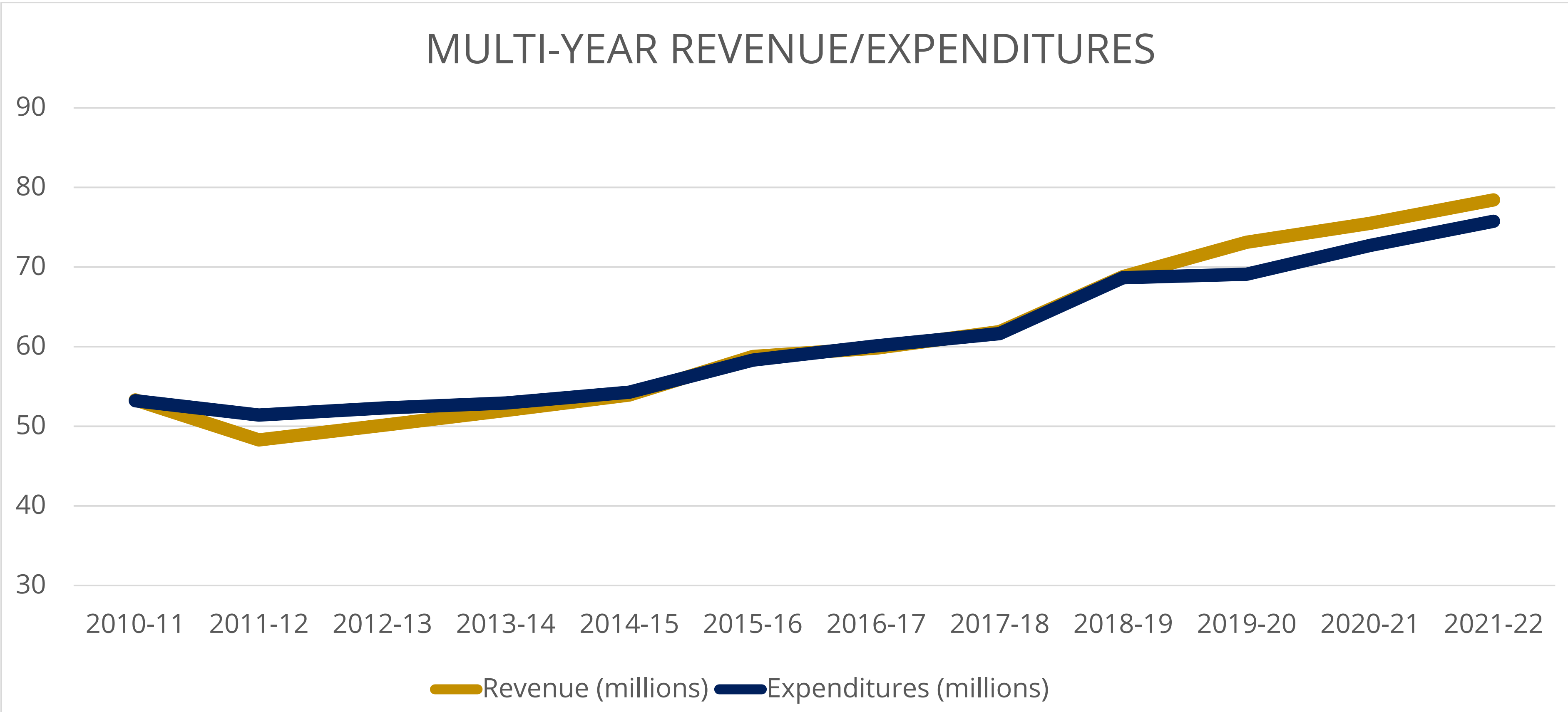

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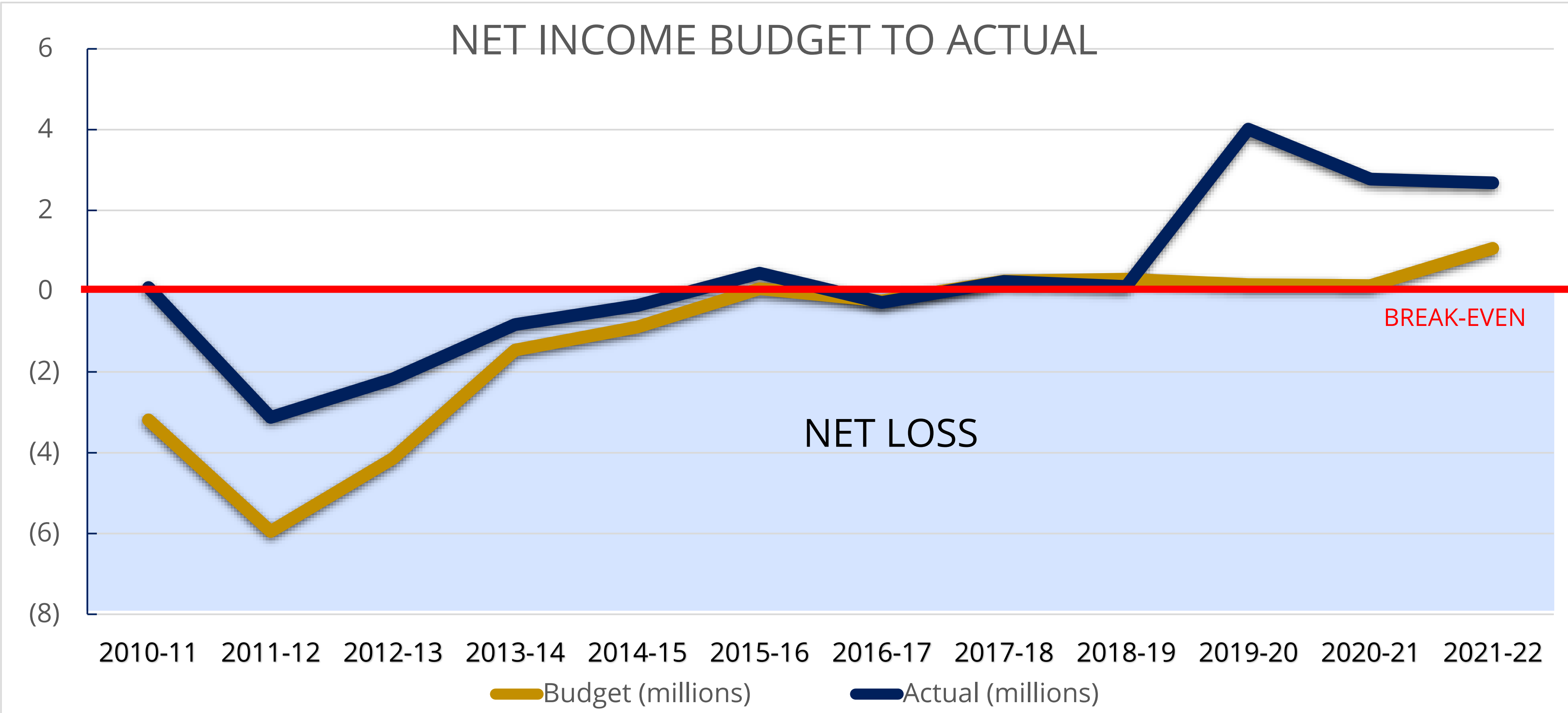

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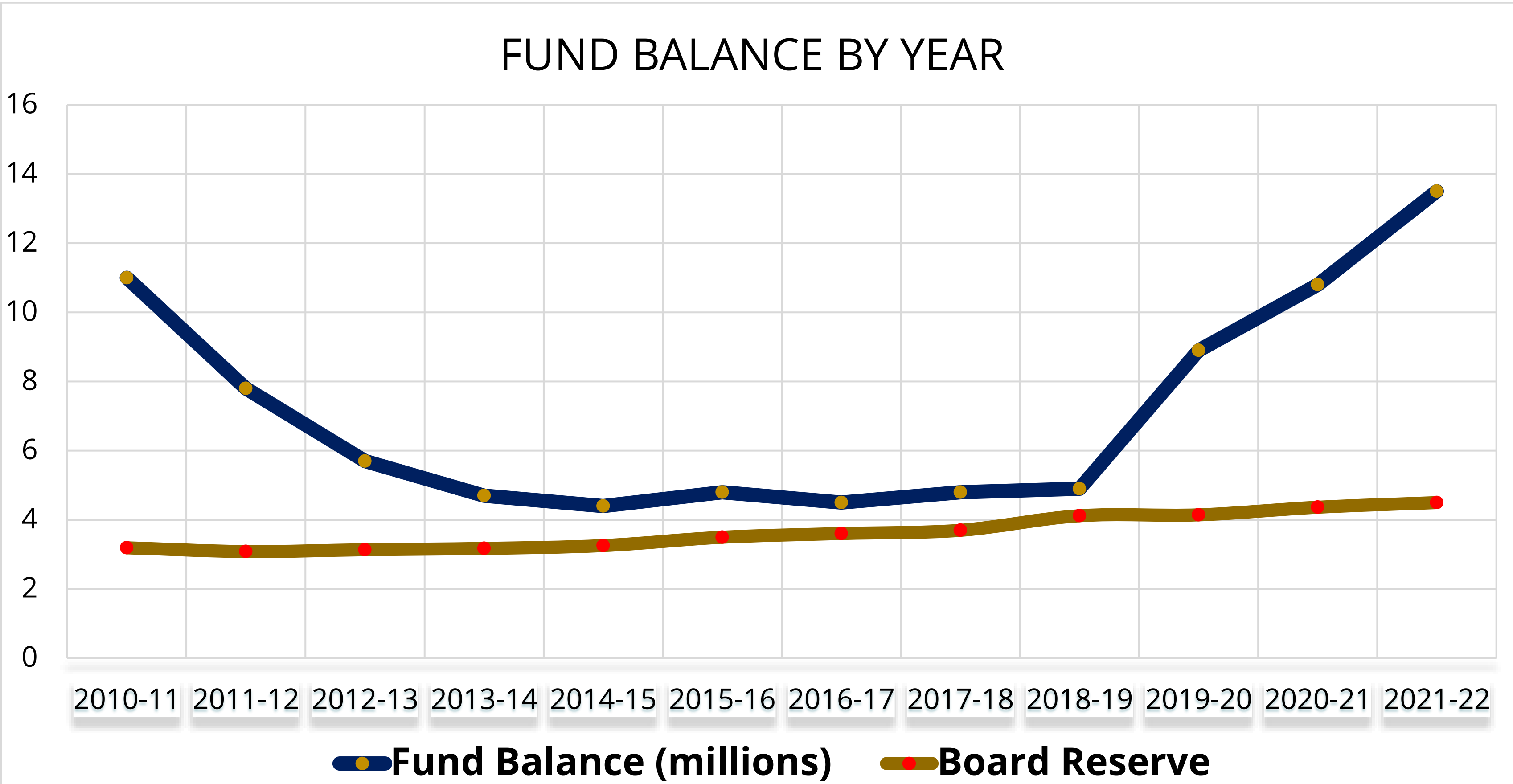

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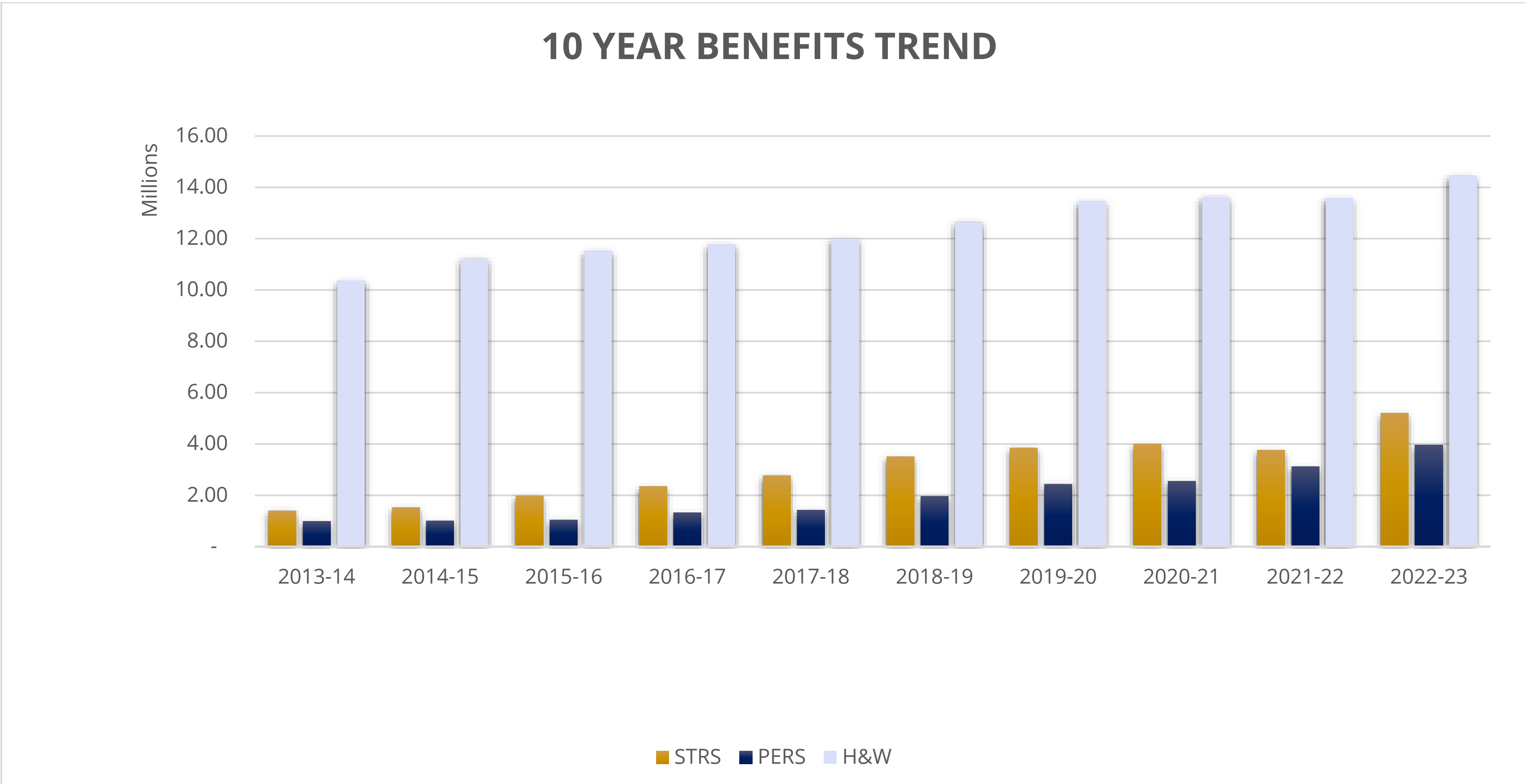

GLOSSARY OF TERMS

Use of terms was compiled from the following sources: Understanding Funding, Finance and Budgeting" from the Chancellor's Office of the California Community Colleges, "Trustee Handbook" from Community College League of California and "California Postsecondary Education Commission -Glossary of Terms".

Accounting - The process of identifying, measuring and communicating financial information to permit informed judgments and decisions by users.

Accounts Payable - Accounts due and owing to persons, business firms, governmental units or others for goods and services not yet paid.

Accounts Receivable - Amounts due and owing from persons, business firms, governmental units or others for goods and services provided, but not yet collected.

Allocation - Division or distribution of resources according to a predetermined plan.

Apportionment - A state allocation to each district based on a funding formula. The three types of revenues that comprise the allocation amount are enrollment fees, local property taxes and state funds.

Apportionment Attendance Report (CCFS 320) - A report submitted three times a year for summer, fall and spring terms to report full-time equivalent student (FTES) attendance at Period 1 (P1), Period 2 (P2) and Annual. It is the primary basis of District's funding by the state.

Audit - An examination of documents, records and accounts for the purpose of determining; 1) that all present fairly the financial position of the district; 2) that they are in conformity with prescribed accounting procedures; and 3) that they are consistent with the preceding year.

Auxiliary Foundation - A separate entity created by a district as an auxiliary organization to receive, raise and manage funds from private sources.

Auxiliary Operations - Service activities indirectly related to teaching and learning. Food service and bookstore are considered auxiliary operations.

Backfill - Funds allocated by the Legislature to make up for revenues (e.g. student fee, property taxes) that were projected but not received.

Beginning Fund Balance - The funds that the district begins the year with, that include cash, accounts receivable, less accounts payable.

Block Grant -A fixed sum of money, not linked to enrollment measures, provided to a college district by the state.

Bonds - Investment securities or notes sold by a district through a financial firm for the purpose of raising funds for various capital expenditures. Prop 39 general obligation bonds are the most significant and require at least 55% vote of the electorate.

GLOSSARY OF TERMS

Board of Governors - The statewide governing board of the community colleges. The members are appointed by the Governor. The Board hires the Chancellor of the California Community Colleges System and makes policy decisions that affect all districts. The Board may be directed by the Legislature to regulate certain matters and it may choose to regulate others.

Board of Trustees -The local governing board of each community college district. Its members are elected by the voters in the District. The board hires the chief administrator of the district and directs the operations of the district. It makes policy decisions that are permitted or mandated at the local level.

Budget - A plan of financial operation for a given period for a specified purpose consisting of an estimate of revenue and expenditures.

Budget and Accounting Manual - Education Code Section 70901 enumerates the responsibilities of the Board of Governors, which includes the establishing, maintaining, revising, and updating the uniform budgeting and accounting structures and procedures for the California Community Colleges. This responsibility is embodied in the California Community Colleges Budget and Accounting Manual (BAM).

Capital Projects - Capital Projects Funds are used for the acquisition or construction of capital outlay items, e.g. buildings, major equipment.

Categorical Funds - Also called restricted funds, these are monies that can only be spent for the designated purpose. Examples: funding to serve students with disabilities (DSPS) or the economically disadvantaged, low-income (EOPS), scheduled maintenance, instructional equipment, and student success (formerly matriculation).

Chart of Accounts - A systematic list of funds and accounts developed according to the California Community Colleges Budget and Accounting Manual (BAM) to uniformly capture revenues, expenditures and balance sheet activity.

Cost of Living Adjustment (COLA) - An increase in funding for revenue limits or categorical programs. Current law ties COLA to indices of inflation, although different amounts are appropriated in some years. There is no mandate that requires the state to provide COLA funding.

Deficit - In the context of a budget, a deficit is when revenues for the year are less than planned expenditures.

Deficit Factor - The percentage by which an expected allocation of funds to a school district or county office of education is reduced.

GLOSSARY OF TERMS

Disabled Student Programs & Services (DSPS) - Categorical funds designated to support and assist disabled students into the general college program.

Encumbered Funds - Obligations in the form of purchase orders, contracts, salaries, and other commitments for which budget are reserved.

Ending Balance - The funds remaining once the fiscal year end is closed and available for the new fiscal year.

Enrollment Cap - The state limits how many full-time equivalent students (FTES) that it will fund for the Community College System, and in turn, individual districts.

Estimated Income - Expected receipt or accruals of monies from revenue or nonrevenue sources (abatements, loan receipts) during a given period.

Expenditures - Amounts disbursed for all purposes.

Extended Opportunity Programs and Services (EOPS) - Categorical funds designated for supplemental services for disadvantaged students.

Fifty-Percent Law - State compliance requirement that mandates fifty percent of district expenditures in certain categories be spent for classroom instruction salaries and benefits.

Final Budget - The district budget that must approved by the board by September 15th, generally after the state allocation is determined. The Final Budget is also referred to as the Adopted Budget.

Fiscal Year - In California, it is defined as the period beginning July 1 and ending June 30. Some federal grants use a fiscal year beginning October 1 and ending September 30.

FON (Full-Time Faculty Obligation Number) - State compliance requirement that a district's full-time faculty meet a mandated figure based on various measurements, including FTES growth. The goal established by AB1725 for the ration for full-time faculty to part-time faculty is also known at 75/25.

GLOSSARY OF TERMS

Full Time Equivalent Students (FTES) - A standardized measure used to indicate enrollment and workload. The State General Apportionment is primarily based on FTES.

Fund -A self-balanced set of accounts for recording cash and other financial resources, together with all related liabilities as permitted by the Budget and Accounting Manual (BAM).

Fund Balance - The difference between assets and liabilities.

Gann Limitation - A ceiling on each year's appropriations supported by tax dollars. The limit applies to all governmental entities, including school districts. The base year was 1978-79. The amount is adjusted each year, based on a price index and the growth of the student population.

Governor's Budget - The Governor proposes a budget for the state each January for the fiscal year beginning the next July. It is the starting point for the budget development at the state level.

Growth - Enrollment growth is expressed in terms of FTES. Growth in FTES and growth in revenue both refer to an increase in excess of the prior year's funded enrollment level. When referring to the growth rate, the reference is to the rate at which the State will provide funding for FTES in excess of the prior year's funded enrollment.

Headcount - An unduplicated count of enrolled students.

Interfund Transfer -An interfund transfer is a transfer of monies from one fund to another fund. As an example, a transfer from the unrestricted general fund to the child development fund is an interfund transfer.

Lottery Funds -The minimum of 34 percent of lottery revenues distributed to public schools and colleges must be used for "education of pupils". Lottery income has added about 1-3 percent to community college funding. The funding has two components unrestricted (Non-Prop 20) and restricted (Prop 20).

Mandated Costs - College district expenditures that occur as a result of federal or state law, court decisions, administrative regulations, or initiative measures.

GLOSSARY OF TERMS

May Revise -The Governor revised budget proposal in May for the next fiscal year in accordance with up-to-date projections in revenues and expenses.

State Deferrals - When apportionment revenue payments due to the district from the state for the fiscal year are delayed and paid later.

Student Centered Funding Formula (SCFF) The SCFF is the formula that is used by the State of California to determine the allocation of funding for California Community Colleges. The formula is a weighted measurement of Full Time Equivalent Students (FTES); Supplemental data such as Pell and Promise grant recipients; and Student Success metrics such as associated degrees awarded, career technical education credits, transfer degrees awarded, and living wage earners.

STRS - State Teacher's Retirement System. State law requires that school district employees, school districts and the State contribute to the fund for full-time certificated employees.

Student Financial Aid Funds - Funds designated for grants and loans to students. Includes federal Pell grants, College Work-Study, and the state funds EOPS grants and fee waiver programs.

Sub fund - A fund may have multiple accounts that are also established as funds. Sub funds are combined for reporting purposes under the primary fund category.

Title 5 - The Section of the State Administrative Code that governs community colleges. The Board of Governors may change or add regulations to Title 5.

TOP Code - Taxonomy of Programs. Numbers assigned to programs to use in budgeting and reporting expenditures. The program code details the area of operations and specifies if a program is instructional or non-instructional.

TRANS - Districts finance short-term cash flow needs by issuing Tax Revenue Anticipation Notes (TRANS) through bond underwriters. The notes are paid off as cash is received by the district from enrollment fees, property taxes and state apportionment.

Transfers - Monies that are transferred from one object level account to another or fund one fund to another. Example: Transfer from supplies to equipment or transfer from the general fund to the capital projects fund.

GLOSSARY OF TERMS

Unfunded FTES - FTES that are generated in excess of the enrollment/FTES cap.

Warrants - A written order drawn to pay a specified amount to a designated payee, also referred to as checks.

Workload Reduction - Reduced level of FTES for which districts are funded.

Workload Restoration - Increased level of FTES for which districts are funded for previous workload reduction.

WSCH - Weekly Student Contact Hours is part of the formula used to calculate FTES.