

CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE

Quarterly Financial Status Report, CCFS-311Q

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Fiscal Year: 2022-2023

Quarter Ended: (Q3) Mar 31, 2023

District: (840) LONG BEACH

Line	Description	As of June 30 for the fiscal year specified			
		Actual 2019-20	Actual 2020-21	Actual 2021-22	Projected 2022-23
I. Unrestricted General Fund Revenue, Expenditure and Fund Balance:					
A.	Revenues:				
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	140,934,796	144,884,682	154,669,437	177,321,550
A.2	Other Financing Sources (Object 8900)	346,746	1,036	6,968	37,654
A.3	Total Unrestricted Revenue (A.1 + A.2)	141,281,542	144,885,718	154,676,405	177,359,204
B.	Expenditures:				
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	136,969,750	135,761,480	138,378,272	163,260,240
B.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	1,340,235	1,339,189	1,487,303	5,831,000
B.3	Total Unrestricted Expenditures (B.1 + B.2)	138,309,985	137,100,669	139,865,575	169,091,240
C.	Revenues Over(Under) Expenditures (A.3 - B.3)	2,971,557	7,785,049	14,810,830	8,267,964
D.	Fund Balance, Beginning	36,212,646	39,184,203	46,969,252	61,780,082
D.1	Prior Year Adjustments + (-)	0	0	0	0
D.2	Adjusted Fund Balance, Beginning (D + D.1)	36,212,646	39,184,203	46,969,252	61,780,082
E.	Fund Balance, Ending (C. + D.2)	39,184,203	46,969,252	61,780,082	70,048,046
F.1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	28.3%	34.3%	44.2%	41.4%

II. Annualized Attendance FTES:

		Actual 2019-20	Actual 2020-21	Actual 2021-22	Projected 2022-23
G.1	Annualized FTES (excluding apprentice and non-resident)	19,836.00	19,478.05	17,363.31	18,169.65

III. Total General Fund Cash Balance (Unrestricted and Restricted)

		As of the specified quarter ended for each fiscal year			
		2019-20	2020-21	2021-22	2022-23
H.1	Cash, excluding borrowed funds		31,232,558	50,936,647	106,267,991
H.2	Cash, borrowed funds only		0	0	0

H.3	Total Cash (H.1+ H.2)	49,772,475	31,232,558	50,936,647	106,267,991
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IV. Unrestricted General Fund Revenue, Expenditure and Fund Balance:

Line	Description	Adopted Budget (Col. 1)	Annual Current Budget (Col. 2)	Year-to-Date Actuals (Col. 3)	Percentage (Col. 3/Col. 2)
I.	Revenues:				
I.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	174,221,183	174,221,183	119,862,860	68.8%
I.2	Other Financing Sources (Object 8900)	0	0	37,654	
I.3	Total Unrestricted Revenue (I.1 + I.2)	174,221,183	174,221,183	119,900,514	68.8%
J.	Expenditures:				
J.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	166,803,807	170,917,127	113,358,237	66.3%
J.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	1,831,000	5,831,000	5,793,500	99.4%
J.3	Total Unrestricted Expenditures (J.1 + J.2)	168,634,807	176,748,127	119,151,737	67.4%
K.	Revenues Over(Under) Expenditures (I.3 - J.3)	5,586,376	-2,526,944	748,777	
L	Adjusted Fund Balance, Beginning	61,780,082	61,780,082	61,780,082	
L.1	Fund Balance, Ending (C. + L.2)	67,366,458	59,253,138	62,528,859	
M	Percentage of GF Fund Balance to GF Expenditures (L.1 / J.3)	39.9%	33.5%		

V. Has the district settled any employee contracts during this quarter? **NO**

VI. Did the district have significant events for the quarter (include incurrence of long-term debt, settlement of audit findings or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANS), issuance of COPs, etc.)? **NO**

If yes, list events and their financial ramifications. (Enter explanation below, include additional pages if needed.)

VII. Does the district have significant fiscal problems that must be addressed? **This year? NO**
Next year? YES

If yes, what are the problems and what actions will be taken? (Enter explanation below, include additional pages if needed.)

There is positive budget news including the strong 2022-23 budget, the carryover HEERF funds and the 8.22% statutory COLA. However, there are also warning signs that we must prepare for. The state continues to report revenues well short of expectations. Emergency and other allowances have helped our apportionment funding, but they also increase our FON obligation temporarily and result in significant penalties in the past year and projected for this year. It is challenging to manage with the end of emergency allowances after 2022-23. That will reduce our FON obligation with the reduction of funded FTES. Of course, the end of emergency allowances will reduce our apportionment revenue from FTES under the SCFF.

The January budget cuts deferred maintenance allocations from the 2022-23 State Budget by about 25%. Prior year allocations are rarely cut in subsequent years, but this is an example of a strategy used in response to the significant cuts to state revenue. Commentary from the January Budget warns of the likelihood of additional state budget cuts if state revenues do not increase between now and the May Revise. As noted above, state revenue has not increased in recent months. Supply chain and inflation issues continue to be a concern especially in key areas like utilities, technology and construction. We expect to end the fiscal year with a large fund balance, but part of that is due to vacant positions and unspent PO's. Many of those expenses will be pushed into the next fiscal year. Federal HEERF funding has helped districts through the pandemic, but that funding and the related indirect cost benefit to the general fund will end soon. We have been able to use HEERF funding for forgiveness of student debt to help engage and retain students. However, when that funding and the debt forgiveness ends, it may be difficult to begin collecting student fees. Enrollment continues to be a concern. Outreach and efforts to re-engage students continue. Our P-2 FTES is up 4.6%, but that is still down almost 9% from the 2019-20 fiscal year. We expect to feel the impact of reduced FTES on revenue over the next three years.