

QUARTERLY FINANCIAL STATUS REPORT
(Financial Report for Fiscal Year 2023-2024, Quarter: 1)

District: LONG BEACH

District Code: 840

I, the District Chief Business Officer, hereby certify that the information in the Quarterly Financial State Report (CCFS-311Q) is prepared in accordance to Title 5, Section 58310 and is accurate and complete to the best of my knowledge.

Chief Business Officer: John Thompson

Electronic Certification Date: Friday, November 03, 2023

Contact: John Thompson Director of Fiscal Services

(562) 938-4102 Ext: jthompson@lbcc.edu

The Chancellor's Office no longer requires a report to be submitted electronically (PDF) or by mail, as districts certify through the application. No further action is required by the district.

Fiscal Year: 2023

Quarter Ended: 1

As of June 30 for the fiscal year specified

Line	Description	Actual 2020-2021	Actual 2021-2022	Actual 2022-2023	Projected 2023-2024
Unrestricted General Fund Revenue, Expenditure and Fund Balance:					
A.	Revenues:				
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	144,884,682	154,669,437	175,554,561	191,572,228
A.2	Other Financing Sources (Object 8900)	1,036	6,968	54,382	30,000
A.3	Total Unrestricted Revenue (A.1 + A.2)	144,885,718	154,676,405	175,608,943	191,602,228
B.	Expenditures:				
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	135,761,480	138,378,272	159,473,058	186,070,099
B.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	1,339,189	1,487,303	5,831,000	7,061,000
B.3	Total Unrestricted Expenditures (B.1 + B.2)	137,100,669	139,865,575	165,304,058	193,131,099
C.	Revenues Over(Under) Expenditures (A.3 - B.3)	7,785,049	14,810,830	10,304,885	(1,528,871)
D.	Fund Balance, Beginning	39,184,203	46,969,252	61,780,082	72,084,967
D.1	Prior Year Adjustments + (-)	0	0	0	0
D.2	Adjusted Fund Balance, Beginning (D + D.1)	39,184,203	46,969,252	61,780,082	72,084,967
E.	Fund Balance, Ending (C. + D.2)	46,969,252	61,780,082	72,084,967	70,556,096
F.1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	34.3%	44.2%	43.6%	36.53%

As of the specified quarter ended for each fiscal year

Line	Description	2020-2021	2021-2022	2022-2023	2023-2024
Total General Fund Cash Balance (Unrestricted and Restricted)					
H.1	Cash, excluding borrowed funds	52,751,077	64,953,854	93,310,125	129,584,473
H.2	Cash, borrowed funds only	0	0	0	0
H.3	Total Cash (H.1+ H.2)	52,751,077	64,953,854	93,310,125	129,584,473

Line	Description	Adopted Budget (Col. 1)	Annual Current Budget (Col. 2)	Year-to-Date Actuals (Col. 3)	Projected Actuals as of June 30 (Col. 4)
Unrestricted General Fund Revenue, Expenditure and Fund Balance:					
I.	Revenues:				
I.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	189,914,956	189,914,956	36,101,364	191,572,228
I.2	Other Financing Sources (Object 8900)	30,000	30,000	2,087	30,000
I.3	Total Unrestricted Revenue (I.1 + I.2)	189,944,956	189,944,956	36,103,451	191,602,228
J.	Expenditures:				
J.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	189,695,995	188,969,839	41,500,060	186,070,099
J.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	2,061,000	7,061,000	1,823,500	7,061,000
J.3	Total Unrestricted Expenditures (J.1 + J.2)	191,756,995	196,030,839	43,323,560	193,131,099
K.	Revenues Over(Under) Expenditures (I.3 - J.3)	(1,812,039)	(6,085,883)	(7,220,109)	(1,528,871)
L.	Fund Balance, Beginning	72,084,967	72,084,967	72,084,967	72,084,967
L.1	Prior Year Adjustments + (-)	0	0	0	0
L.2	Adjusted Fund Balance, Beginning (L + L.1)	72,084,967	72,084,967	72,084,967	72,084,967
M.	Fund Balance, Ending (K. + L.2)	70,272,928	65,999,084	64,864,858	70,556,096
N.	Percentage of GF Fund Balance to GF Expenditures (M. / J.3)	36.6%	33.7%	149.7%	36.53%

Has the district settled any employee contracts during this quarter?

YES

Contract Period Settled (Specify)		Management		Academic Permanent		Academic Temporary		Classified	
YYYY-YYYY		Total Cost Increase	Percentage Increase	Total Cost Increase	Percentage Increase	Total Cost Increase	Percentage Increase	Total Cost Increase	Percentage Increase
A. Salaries									
Year One:	2023-2024	1,687,678	8.22	0	0.00	0	0.00	2,857,498	8.22
Year Two:	2024-2025	0	0.00	0	0.00	0	0.00	1,106,035	2.94
Year Three:	2025-2026	0	0.00	0	0.00	0	0.00	886,832	2.29
B. Benefits									
Year One:	2023-2024	868,450	8.22	0	0.00	0	0.00	1,529,508	8.22
Year Two:	2024-2025	0	0.00	0	0.00	0	0.00	592,018	2.94
Year Three:	2025-2026	0	0.00	0	0.00	0	0.00	474,687	2.29

Provide an explanation on how the district intends to fund the salary and benefit increases, and also identify the revenue source/object code)

The District intends to fund salary and benefit increases with current apportionment revenue (8611) and one-time funds from fund balance carried over from prior years.

On June 21, 2023, the Board of Trustees approved the Tentative Agreement with LBCCE/AFT (Classified employees). The agreement includes salary schedule increases for the next 3 fiscal years. For 2023-24 salary schedules are increased by the funded COLA, which is 8.22%. For 2024-25 and 2025-26 salary schedules will be increased by the funded COLA minus 1%. The funded COLA increases will be based on the enacted State Budget. Estimates presented here are based on the enacted Budget for 2023-24 and COLA estimates from the School Services Financial Projection Dartboard, 2023-24 Enacted Budget version for the subsequent two years.

On July 12, 2023, the Board of Trustees approved an 8.22% ongoing salary schedule increase for the management team effective July 1, 2023.

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.

Does the district have significant fiscal problems that must be addressed?

This Year?

NO

If yes, what are the problems and what actions will be taken?

Next Year?

YES

The Governor was able to fund the 8.22% statutory COLA in the 2023-24 Budget, but due to declining state revenue, he had to make cuts in other areas like prior year block grants to do it. The state was expecting significant revenue in October due to emergency late income tax filing. However, the early reports show less than expected revenues. The Emergency Conditions Allowance (ECA) helped our apportionment funding, but the allowance ended June 30, 2023. It is challenging to manage and project future apportionment funding. For example, we have to be prepared for future apportionment funding increases that are below the funded COLA rates. State COLA's are applied to funding rates, but total apportionment revenue may be less than those percentages due to lower metrics due to the end of allowances or reduced FTES, completion and low-income students.

Prior year allocations are rarely cut in subsequent years, but this is an example of a strategy used in response to the cuts to state revenue. The governor's 2023-24 Budget does not allow for a recession, but that possibility exists. Inflation is leveling off. The UCLA economic forecast does not expect a recession, but they are modeling for a very weak economy for 2024 and 2025. Our large fund balance would help us weather mild downturns, but not a severe or long-term recession. Federal HEERF funding has helped districts through the pandemic, but that funding and the related indirect cost benefit to the general fund has ended. We have been able to use HEERF funding for forgiveness of student debt to help engage and retain students. Going forward difficult decisions loom on how to return to typical operations and collections of student debt. Enrollment is an ongoing concern. Outreach and efforts to re-engage students have helped increase total FTES. Our annual reported FTES for 2022-23 was up 5.68% from the previous year, but that is still down 7.50% from the pre-pandemic year of 2019-20. Fall 2023 semester enrollment increases are encouraging as we try to work back up to 20,000 FTES for large college base funding.