Financial Statements
June 30, 2019

Glendale Community College District

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GLENDALE COMMUNITY COLLEGE DISTRICT

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Glendale Community College District
Glendale, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Glendale Community College District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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, and the 2018-2019 *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 5 through 12, and other required supplementary information on pages 68 through 73 be presented to supplement the basic financial statements. Such information, 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.

Other 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), and the other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary 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*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, 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.

Eide Bailly LLP

Rancho Cucamonga, California
December 18, 2019

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, which established a new reporting format for annual financial statements of governmental entities. In November 1999, GASB released Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, which applies the new reporting standards to public colleges and universities.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

The following discussion and analysis complies with the GASB standard and provides an overview of Glendale Community College District's (the District) financial position and activities for the year ended June 30, 2019, with selected comparative information for the year ended June 30, 2018. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes which follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

As required by generally accepted accounting principles, the annual report consists of three basic financial statements that provide information on the District as a whole:

- The Statement of Net Position
- The Statement of Revenue, Expenses, and Changes in Net Position
- The Statement of Cash Flows

Each of these statements will be discussed.

FINANCIAL AND ENROLLMENT HIGHLIGHTS

- Reported enrollment at the District increased in 2018-2019. Credit enrollment increased about two percent. Noncredit enrollment decreased about 10 percent from 2017-2018. However, the hold harmless stability funding is used to sustain the District through 2021-2022 as it implements its Guided Pathways and other enrollment strategies.
- Nonresident enrollment decreased almost 16 percent in 2018-2019. The effect of nationwide dialog is causing a depressed attendance in this area.
- The District ended the year with an unrestricted General Fund balance of $8.6 million.
- The District ending fund balance decreased by approximately $3.8 million.

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STATEMENT OF NET POSITION

The Statement of Net Position includes all assets, deferred outflows or resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The biggest change in this statement is that our fixed assets (land, building, and equipment) are capitalized and depreciated, and long-term obligations are now included. As a result, they are now reflected as an asset on this statement. Net Position, the difference between assets, deferred outflows or resources, liabilities, and deferred inflows of resources, is one way to measure the financial health of the District.

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and investments	$ 102,358,473	$ 167,017,777
Receivables	11,595,769	11,322,107
Inventory	12,941	11,893
Total Current Assets	113,967,183	178,351,777
NONCURRENT ASSETS		
Capital assets, net	192,364,714	169,903,124
Total Assets	306,331,897	348,254,901
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to OPEB	1,737,666	5,419,738
Deferred outflows of resources related to pensions	30,987,715	30,745,270
Total Assets and Deferred Outflows of Resources	$ 339,057,278	$ 384,419,909
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 18,627,358	$ 19,599,203
Unearned revenue	13,875,507	11,529,444
Current portion of long-term obligations other than pensions	10,140,000	10,379,268
Total Current Liabilities	42,642,865	41,507,915
NONCURRENT LIABILITIES		
Noncurrent portion of long-term obligations other than pensions	199,358,938	212,696,010
Aggregate net pension obligation	112,968,786	106,836,618
Total Noncurrent Liabilities	312,327,724	319,532,628
Total Liabilities	354,970,589	361,040,543
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows resources related to OPEB	34,686	-
Deferred inflows of resources related to pensions	7,986,378	9,330,395
Total Deferred Inflows of Resources	8,021,064	9,330,395
NET POSITION		
Net investment in capital assets	68,769,793	90,244,658
Restricted	17,690,048	24,598,206
Unrestricted deficit	(110,394,216)	(100,793,893)
Total Net Position	(23,934,375)	14,048,971
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 339,057,278	$ 384,419,909

- Cash and investments consist of cash in the Los Angeles County Treasurer and associate students investments. Cash and investments were decreased by approximately $64.7 million over last year due to the various construction projects funded by Measure GC Bond, Series A.
- Receivables consist mainly of receivables from State and Federal grants and the apportionment funds due from the State. Receivables were increased by approximately $0.3 million over the last year due to the increase in students' receivables.
- Capital assets are the net historical value (original cost) of land, buildings, construction in progress, and equipment less accumulated depreciation. Capital Assets increased approximately $22.5 million due to completion of projects.
- Accounts payable and accrued liabilities consist of payables to vendors and the June payroll. Payables decreased approximately $1.0 million compared to 2017-2018 primarily due to shortening the cutoff dates at the end of 2017-2018 fiscal year.
- Long-term obligations consist primarily of the general obligation bond issues. The total noncurrent liability decreased approximately $13.3 million from 2017-2018 due to debt service payments and accreted interest accruals were made reducing the principal on existing bond issues.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of the District, as well as the nonoperating revenue and expenses. The State general apportionment and property taxes, while budgeted for operations, are considered nonoperating revenues according to the GASB standards. As a result, this statement will show a significant operating loss.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT

	2019	2018
OPERATING REVENUES		
Net tuition and fees	$ 10,026,184	$ 9,991,046
Grants and contracts - noncapital	27,995,514	24,700,944
Internal service sales and charges	253,027	151,547
Total Operating Revenues	38,274,725	34,843,537
Total Operating Expenses	202,839,402	168,806,026
Operating Loss	(164,564,677)	(133,962,489)
NONOPERATING REVENUES (EXPENSES)		
State apportionment	66,113,498	62,347,498
Federal and State financial aid grants	29,897,115	30,194,346
Local property taxes	33,961,239	36,300,262
State taxes and other revenues	1,051,925	6,050,621
Investment expense - net	(5,140,559)	(4,747,713)
Other nonoperating revenues	404,427	344,188
Total Nonoperating Revenues	126,287,645	130,489,202
Loss Before Other Revenues	(38,277,032)	(3,473,287)
OTHER REVENUES AND (LOSSES)		
State and local revenues - capital	293,686	1,063,835
Loss on disposal of capital assets	-	(169,226)
Total Other Revenues and (Losses)	293,686	894,609
Change in Net Position	$ (37,983,346)	$ (2,578,678)

- Net tuition and fees are primarily enrollment fees, nonresident tuition, community service fees, and health fees.
- Auxiliary enterprise revenue consists mainly of miscellaneous revenues in the Self Insurance fund. This category increased by approximately $.1 million due to the increase of income from Auxiliary Enterprise unit.
- State apportionment increased by approximately $3.8 million over last year.
- State taxes and other revenues are our state lottery funds and mandated cost block grant. State taxes and other Revenues decreased by approximately $5.0 million over last year.
- Net investment expense is our interest earnings at the County Treasurer less interest on our bond issues. This category increased due to reduction of interest payment and General Obligation Bond payments.

FUNCTIONAL EXPENSES

In accordance with requirements set forth by the California State Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

Year ended June 30, 2019:

	Salaries	Employee Benefits	Supplies, Materials, and Other Expenses and Services	Equipment, Maintenance, and Repairs	Student Financial Aid	Depreciation	Total
Instructional activities	$ 46,033,927	$ 25,148,567	$ 2,332,826	$ 1,772,243	$ -	$ -	$ 75,287,563
Academic support	4,563,459	(644,425)	70,760	22,171	-	-	4,011,965
Student services	16,488,200	6,732,131	1,494,143	219,244	36,183	-	24,969,901
Plant operations and maintenance	3,012,616	1,397,951	5,432,218	33,894	-	-	9,876,679
Institutional support services	8,711,316	6,134,302	4,445,421	221,942	-	-	19,512,981
Community services and economic development	395,493	190,686	522,474	-	-	-	1,108,653
Ancillary services and auxiliary operations	2,332,320	874,004	2,055,901	53,559	-	-	5,315,784
Student aid	-	-	-	-	29,962,907	-	29,962,907
Physical property and related acquisitions	-	-	18,683,145	7,584,545	-	-	26,267,690
Depreciation expense	-	-	-	-	-	6,525,279	6,525,279
Total	$ 81,537,331	$ 39,833,216	$ 35,036,888	$ 9,907,598	$ 29,999,090	$ 6,525,279	$ 202,839,402

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and the District's need for external funding.

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT

	2019	2018
Cash Provided by (Used in)		
Operating activities	$ (150,008,091)	$ (126,728,280)
Noncapital financing activities	117,529,995	119,859,180
Capital financing activities	(34,542,743)	(13,912,692)
Investing activities	2,361,535	2,190,118
Net Change in Cash	(64,659,304)	(18,591,674)
Cash, Beginning of Year	167,017,777	185,609,451
Cash, End of Year	$ 102,358,473	$ 167,017,777

- Cash Provided by Operating Activities are student fees less our operating expenses (salaries, benefits, supplies, and services).
- Noncapital Financing Activities are our State apportionment and property taxes. Although these revenues are earned from student enrollment, they are non-operating since it comes from the State and not from the primary users (students) of college programs.
- Capital and Related Financing Activities are the proceeds received from the general obligation bond (increase) less the purchase of capital assets (land, buildings, and equipment).
- Investing Activities are earning off investments and the general obligation bond proceeds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, the District had $192.4 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2018, our net capital assets were $169.9 million. The District is currently in the middle of a major capital improvement program with construction ongoing throughout the college campus. These projects are primarily funded through our general obligation bonds. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought in to the depreciable Buildings and Improvements category.

Capital projects are continuing through the 2019-2020 fiscal year and beyond with primary funding through our general obligation bond.

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below.

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Land and construction in progress	$ 25,724,361	$ 27,129,538	$ 11,289,332	$ 41,564,567
Building and improvements	190,523,546	11,289,332	-	201,812,878
Furniture and equipment	26,776,115	1,857,331	-	28,633,446
Subtotal	243,024,022	40,276,201	11,289,332	272,010,891
Accumulated depreciation	73,120,898	6,525,279	-	79,646,177
	$ 169,903,124	$ 33,750,922	$ 11,289,332	$ 192,364,714

Obligations

At the end of the 2018-2019 fiscal year, the District had $185.4 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the District boundaries. Other obligations for the District include capital lease obligations.

In addition to the above obligations, the District is obligated to employees of the District for compensated absences, load banking, other postemployment benefits, and pension obligations.

Note 10 in the financial statements provides additional information on long-term obligations. A summary of long-term obligations is presented below.

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
General obligation bonds	$ 195,365,393	$ 764,005	$ 10,689,373	$ 185,440,025
Capital leases	484,268	-	484,268	-
Compensated absences	3,205,600	-	8,308	3,197,292
Load banking	2,378,817	271,086	-	2,649,903
Aggregate net OPEB liability	21,641,200	2,370,887	5,800,369	18,211,718
Aggregate net pension obligation	106,836,618	6,174,837	42,669	112,968,786
Total Long-Term Obligations	$ 329,911,896	$ 9,580,815	$ 17,024,987	$ 322,467,724
Amount due within one year				$ 10,140,000

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

The District's enrollment has been relatively flat for the last several years. However, the language within the new Student Centered Funding Formula (SCFF) regulations allows the District to be held harmless at 2017-2018 revenue plus annual compounded cost of living adjustments (COLA) until 2021-2022. This strategic financial decision implemented by the California Chancellor's Office allows the College to continue its current operations through the hold harmless funding cycle for next three years. Early discussions include the possibility of extending the hold harmless period for an additional year to 2022-2023. The College continues to focus on enrollment growth as it develops its plans for 2019-2020 and beyond.

The District's new fiscal planning structure includes a focus on maximizing its apportionment by striving to ensure students are aware of the financial resources available to them and the awards they have achieved. The SCFF has three components: 70 percent percent for base FTES funding, 20 percent for supplemental funding, and 10 percent for student success. Various constituency groups support the continuance of the same allocation rates for at least another academic year, specifically 2019-2020. These groups are aggressively lobbying the Chancellor's Office as they question the viability of these components. This affects GCC, as well as approximately 52 of the 72 districts, significantly because of the FTES enrollment trend. However, GCC's research data over the past academic semester indicates significant opportunities to generate new apportionment through Guided Pathway enrollment, financial aid distributions to underserved students, and awarding of achieved degrees and certificates. This effort will be maintained throughout the hold harmless period. The District's growth projections include all three new funding formula metrics to maintain its base funding level and to increase it. In preparing the development of the 2019-2020 budget, the College anticipates accepting hold harmless stability funding distributed by the California Community Colleges Chancellor's Office. The College is planning to use COLA funds and base augmentation funds as new discretionary ongoing revenues. The fiscal planning process continues to focus on long-term sustainability using a five-year projection model as the District will restructure its apportionment projections to include enrollment, student financial resources, and student success metrics over the next three years to help ensure a stable fiscal position.

The District is faced with the rising costs of benefits and salaries. In order to secure quality personnel the District is operational efficiency and sustainability as it optimistically focuses on its future as it develops Guided Pathway plans to support the retention and success of its students and continues its outreach to expand the number of students served by the District. The District will continually use the Measure GC Bond to enhance the facilities at all of the campuses to ensure the learning environment accommodates the needs of its students, faculty, staff, and administration. These efforts are an investment in the commitment to the long-term and sustainable success of the District as shown by the reaffirmation and seven year accreditation by the Accrediting Commission for Community and Junior Colleges (ACCJC).

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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 demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District at: Glendale Community College District, 1500 North Verdugo Road, Glendale, CA 91208.

GLENDALE COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2019

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 144,023
Investments	102,214,450
Accounts receivable	5,580,773
Student receivables, net	6,014,996
Inventories	12,941
Total Current Assets	113,967,183
NONCURRENT ASSETS	
Nondepreciable capital assets	41,564,567
Depreciable capital assets, net of depreciation	150,800,147
Total Noncurrent Assets	192,364,714
TOTAL ASSETS	306,331,897
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to OPEB	1,737,666
Deferred outflows of resources related to pensions	30,987,715
Total Deferred Outflows of Resources	32,725,381
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	15,926,289
Accrued interest payable	2,661,259
Due to fiduciary funds	39,810
Unearned revenue	13,875,507
Current portion of long-term obligations other than pensions	10,140,000
Total Current Liabilities	42,642,865
NONCURRENT LIABILITIES	
Noncurrent portion of long-term obligations other than pensions	199,358,938
Aggregate net pension obligation	112,968,786
Total Noncurrent Liabilities	312,327,724
TOTAL LIABILITIES	354,970,589
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to OPEB	34,686
Deferred inflows of resources related to pensions	7,986,378
Total Deferred Inflows of Resources	8,021,064
NET POSITION	
Net investment in capital assets	68,769,793
Restricted for:	
Debt service	11,678,621
Capital projects	1,137,076
Educational programs	4,874,351
Unrestricted deficit	(110,394,216)
TOTAL NET POSITION	$ (23,934,375)

The accompanying notes are an integral part of these financial statements.

GLENDALE COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2019

OPERATING REVENUES	
Tuition and Fees	$ 18,701,786
Less: Scholarship discount and allowance	(8,675,602)
Net tuition and fees	10,026,184
Grants and Contracts, Noncapital	
Federal	2,829,816
State	21,282,205
Local	3,883,493
Total grants and contracts, noncapital	27,995,514
Internal Service Sales and Charges	253,027
TOTAL OPERATING REVENUES	38,274,725
OPERATING EXPENSES	
Salaries	81,537,331
Employee benefits	39,833,216
Supplies, materials, and other operating expenses and services	35,036,888
Financial aid	29,999,090
Equipment, maintenance, and repairs	9,907,598
Depreciation	6,525,279
TOTAL OPERATING EXPENSES	202,839,402
OPERATING LOSS	(164,564,677)
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	66,113,498
Local property taxes levied for general purposes	21,958,473
Local property taxes levied for capital debt	12,002,766
Federal financial aid grants, noncapital	24,948,987
State financial aid grants, noncapital	4,948,128
State taxes and other revenues	1,051,925
Investment income	2,207,421
Interest expense on capital related debt	(7,607,783)
Interest income on capital asset-related debt	259,803
Other nonoperating revenue	404,427
TOTAL NONOPERATING REVENUES (EXPENSES)	126,287,645
LOSS BEFORE OTHER REVENUES	(38,277,032)
OTHER REVENUES	
State revenues, capital	212,127
Local revenues, capital	81,559
TOTAL OTHER REVENUES	293,686
CHANGE IN NET POSITION	(37,983,346)
NET POSITION, BEGINNING OF YEAR	14,048,971
NET POSITION, END OF YEAR	$ (23,934,375)

The accompanying notes are an integral part of these financial statements.

GLENDALE COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 9,451,711
Federal and State grants and contracts	30,564,800
Payments to vendors for supplies and services	(44,903,406)
Payments to or on behalf of employees	(115,375,133)
Payments to students for scholarships and grants	(29,999,090)
Internal service sales and charges	253,027
Net Cash Flows From Operating Activities	(150,008,091)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State apportionments	66,113,498
Federal and State financial aid grants	29,897,115
Property taxes	21,958,473
State taxes and other apportionments	1,350,813
Other nonoperating revenues (expenses)	(1,789,904)
Net Cash Flows From Noncapital Financing Activities	117,529,995
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from capital debt	764,005
State revenue for capital projects	212,127
Property taxes - related to capital debt	12,002,766
Purchase of capital assets	(28,950,328)
Principal paid on capital debt	(11,173,641)
Interest paid on capital debt	(7,739,034)
Interest received on capital investments	259,803
Local revenue for capital projects	81,559
Net Cash Flows From Capital Financing Activities	(34,542,743)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	2,361,535
NET CHANGE IN CASH AND CASH EQUIVALENTS	(64,659,304)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	167,017,777
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 102,358,473

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	$ (164,564,677)
Adjustments to Reconcile Net Operating Loss to Net Cash Flows From Operating Activities:	
Depreciation	6,525,279
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:	
Accounts receivable	(198,522)
Student receivables, net	(152,728)
Inventories	(1,048)
Deferred outflows of resources related to OPEB	3,682,072
Deferred outflows of resources related to pensions	(242,445)
Accounts payable	941,782
Unearned revenue	2,346,063
Deferred inflows of resources related to OPEB	34,686
Deferred inflows of resources related to pensions	(1,344,017)
Compensated absences	(8,308)
Load banking	271,086
Aggregate net OPEB liability	(3,429,482)
Aggregate net pension obligation	6,132,168
Total Adjustments	14,556,586
Net Cash Flows From Operating Activities	$ (150,008,091)
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:	
Cash in banks	$ 144,023
Cash in county treasury	102,214,450
	$ 102,358,473
NONCASH TRANSACTIONS	
On behalf payments for benefits	$ 7,440,516

The accompanying notes are an integral part of these financial statements.

GLENDALE COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2019

	Retiree OPEB Trust	Other Trust Funds
ASSETS		
Cash and cash equivalents	$ -	$ 5,225,582
Investments	8,972,019	421,315
Accounts receivable	-	49,774
Due from primary government	-	39,810
Total Assets	8,972,019	5,736,481
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	-	429,253
LIABILITIES		
Current Liabilities		
Due to student groups	-	936,578
Noncurrent Liabilities		
Aggregate net pension obligation	-	629,915
TOTAL LIABILITIES	-	1,566,493
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	-	25,824
NET POSITION		
Restricted for postemployment benefits other than pensions	8,972,019	-
Unrestricted	-	4,573,417
Total Net Position	$ 8,972,019	$ 4,573,417

The accompanying notes are an integral part of these financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Retiree OPEB Trust	Other Trust Funds
ADDITIONS		
Interest and investment income	$ 576,823	$ -
District contributions	1,737,666	-
Local revenues	-	642,049
Total Additions	2,314,489	642,049
DEDUCTIONS		
Classified salaries	-	76,859
Employee benefits	652,765	(215,152)
Services and operating expenditures	-	343,733
Administrative expenses	7,042	-
Total Deductions	659,807	205,440
Change in Net Position	1,654,682	436,609
Net Position - Beginning of Year	7,317,337	4,136,808
Net Position - End of Year	$ 8,972,019	$ 4,573,417

The accompanying notes are an integral part of these financial statements.

NOTE 1 - ORGANIZATION

The Glendale Community College District (the District) was established in 1983 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one community college and one center located in Glendale, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted GASB Statement No. 61, *Determining Whether Certain Organizations are Component Units*. This statement amends Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. The District identified no component units that met this requirement.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, and No. 39. This presentation provides a comprehensive government-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fee, noncapital grants and contracts.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State financial aid grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State financial aid grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
  - Statements of Net Position - Primary Government
  - Statements of Revenues, Expenses, and Changes in Net Position - Primary Government
  - Statements of Cash Flows - Primary Government
  - Financial Statements for the Fiduciary Funds including:
    - Statements of Fiduciary Net Position
    - Statements of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2019, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State, and/or local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $2,826,449 for the year ended June 30, 2019.

Inventories

Inventories consist primarily of cafeteria food and supplies held for resale to the students and faculty of the colleges. Inventories are stated at cost, utilizing the weighted average method. The cost is recorded as an expense as the inventory is consumed.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 20 years; equipment, 5 to 15 years; vehicles, 5 to 10 years.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for OPEB and pension related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for OPEB and pension related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. Payments for the aggregate net pension obligation will be paid by the fund for which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense, information about the fiduciary net position of the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District's Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District's Plan and the MPP. For this purpose, MPP 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 participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Payments for the aggregate net OPEB liability will be paid by the General Fund.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the government-wide financial statements.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds payable, compensated absences, capital lease obligations, load banking, aggregate net OPEB liability, and aggregate net pension obligation with maturities greater than one year.

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent 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 net asset categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component of net investment in capital assets.

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.

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. The government-wide financial statements report $17,690,048 of restricted net position.

Operating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB Statements No. 34 and No. 35. Classifications are as follows:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and internal service sales and charges.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources defined in GASB Statements No. 34 and No. 35.

Classification of Expenses - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating 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 financial aid.

Nonoperating expenses - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Los Angeles bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed a General Obligation Bond in March 2002 and November 2016 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the Board of Governors are included within the scholarships, 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 enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, Federal Supplemental Education Opportunity Grants (FSEOG) Grants, and Federal Work-Study programs, 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. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Interfund Activity

Interfund transfers and interfund receivables and payables for governmental activities are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Change in Accounting Principles

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The District has implemented the provisions of this Statement as of June 30, 2019.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The District has implemented the provisions of this Statement as of June 30, 2019.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018. Early implementation is encouraged.

In June 2017, the GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020. Early implementation is encouraged.

NOTE 3 - DEPOSITS AND INVESTMENTS

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; and collateralized mortgage obligations.

Investment in County Treasury

In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the County Treasury as part of the common investment pool. 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 accompanying 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.

General Authorizations

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

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

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

Summary of Deposits and Investments

Deposits and investments as of June 30, 2019, consisted of the following:

Primary government	$ 102,358,473
Fiduciary funds	14,618,916
Total Deposits and Investments	$ 116,977,389

Cash on hand and in banks	$ 5,338,605
Cash in revolving	31,000
Investments	111,607,784
Total Deposits and Investments	$ 116,977,389

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in Certificates of Deposits, Mutual Funds, and the Los Angeles County Investment Pool.

Specific Identification

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

Investment Type	Book Value	Fair Value	Weighted Average Days to Maturity
Certificates of Deposits	$ 421,315	$ 421,315	220
Mutual Funds	8,972,019	8,972,019	N/A
Los Angeles County Investment Pool	102,214,450	102,116,405	547
Total	$ 111,607,784	$ 111,509,739	

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 District's investment in the Los Angeles County Investment Pool, Certificates of Deposits, and Mutual Funds are not required to be rated, nor have been rated as of June 30, 2019.

Custodial Credit Risk - Deposits

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 (unless so waived by the governmental unit). 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. As of June 30, 2019, the District had $6,008,155 exposed to custodial credit risk because it was uninsured but collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 4 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Los Angeles County Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2019:

Investment Type	Fair Value	Level 1 Inputs	Uncategorized
Certificates of Deposits	$ 421,315	$ 421,315	$ -
Mutual Funds	8,972,019	8,972,019	-
Los Angeles County Investment Pool	102,116,405	-	102,116,405
Total	$ 111,509,739	$ 9,393,334	$ 102,116,405

All assets have been valued using a market approach, with quoted market prices.

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2019, consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

	Primary Government
Federal Government	
Categorical aid	$ 1,712,579
State Government	
Categorical aid	997,448
Lottery	805,234
Other State sources	579,309
Local Sources	
Interest	300,039
Other local sources	1,186,164
Total	$ 5,580,773
Student Receivables	$ 8,841,445
Allowance for Doubtful Accounts	(2,826,449)
Student Receivables, net	$ 6,014,996

	Fiduciary Funds
Other Local Sources	$ 49,774

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Capital Assets Not Being Depreciated				
Land	$ 18,262,747	$ 19,985,531	$ -	$ 38,248,278
Construction in progress	7,461,614	7,144,007	11,289,332	3,316,289
Total Capital Assets Not Being Depreciated	25,724,361	27,129,538	11,289,332	41,564,567
Capital Assets Being Depreciated				
Buildings and improvements	152,860,857	11,289,332	-	164,150,189
Site improvements	37,662,689	-	-	37,662,689
Vehicles, machinery and equipment	26,776,115	1,857,331	-	28,633,446
Total Capital Assets Being Depreciated	217,299,661	13,146,663	-	230,446,324
Total Capital Assets	243,024,022	40,276,201	11,289,332	272,010,891
Less Accumulated Depreciation				
Buildings and improvements	34,056,086	3,123,495	-	37,179,581
Site Improvement	21,489,382	1,846,769	-	23,336,151
Vehicles, machinery and equipment	17,575,430	1,555,015	-	19,130,445
Total Accumulated Depreciation	73,120,898	6,525,279	-	79,646,177
	$ 169,903,124	$ 33,750,922	$ 11,289,332	$ 192,364,714

Depreciation expense for the year was $6,525,279.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2019, consisted of the following:

	Primary Government
Accrued payroll and benefits	$ 9,393,150
JPA parking fees	1,358,535
Construction	2,145,296
Student aid disbursements	633,893
Apportionment	593,255
Other	1,802,160
Total	$ 15,926,289

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2019, consisted of the following:

	Primary Government
Federal financial assistance	$ 1,041
State categorical aid	9,293,578
Student fees	4,575,152
Other local	5,736
Total	$ 13,875,507

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2019, the amount owed from the primary government to the fiduciary funds was $39,810.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2018-2019 fiscal year, there were no transfers between the primary government and the fiduciary funds.

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2019 fiscal year consisted of the following:

Primary Government

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due in One Year
Bonds Payable					
General obligation bonds, 2002 Series B and C	$ 14,348,484	$ 764,005	$ 1,300,000	$ 13,812,489	$ 1,380,000
General obligation bonds, 2002 Series E	3,735,000	-	200,000	3,535,000	210,000
Unamortized premium	103,750	-	21,465	82,285	-
General obligation bonds, 2002 Series F	13,995,000	-	770,000	13,225,000	800,000
Unamortized premium	928,179	-	73,763	854,416	-
2014 General obligation refunding bonds	24,715,000	-	1,200,000	23,515,000	1,250,000
Unamortized premium	3,345,846	-	275,001	3,070,845	-
General obligation bonds, 2016 Series A	122,000,000	-	6,425,000	115,575,000	6,500,000
Unamortized premium	12,194,134	-	424,144	11,769,990	-
Total Bonds Payable	195,365,393	764,005	10,689,373	185,440,025	10,140,000
Other Liabilities					
Capital Lease	484,268	-	484,268	-	-
Compensated absences	3,205,600	-	8,308	3,197,292	-
Load banking	2,378,817	271,086	-	2,649,903	-
Aggregate net OPEB liability	21,641,200	2,370,887	5,800,369	18,211,718	-
Aggregate net pension obligation	106,836,618	6,174,837	42,669	112,968,786	-
Total Other Liabilities	134,546,503	8,816,810	6,335,614	137,027,699	-
Total Long-Term Obligations	$ 329,911,896	$ 9,580,815	$ 17,024,987	$ 322,467,724	$ 10,140,000

Fiduciary Funds

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due in One Year
Aggregate net pension obligation	$ 641,930	$ -	$ 12,015	$ 629,915	$ -

Description of Long-Term Obligations

Payments on the general obligation bonds are to be made by the bond interest and redemption fund with local property tax collections. The compensated absences and aggregate net pension obligation will be paid by the fund for which the employee worked. The District's general fund makes payments for the capital leases, load banking, and the aggregate net OPEB liability.

Bonded Debt

2003 General Obligation Bonds, Series B and C

During July 2003, the District issued the 2002 General Obligation Bonds in the amount of $17,499,930. The bonds included $5,000,000 of current interest bonds and $12,499,930 of capital appreciation bonds. The capital appreciation bonds have a maturing principal balance of $15,670,000. The bonds mature beginning on August 1, 2006 through August 1, 2028, with an interest rate at 4.00 percent. At June 30, 2019, the principal balance outstanding (including accreted interest to date) was $13,812,489.

2011 General Obligation Bonds, Series E

During April 2011, the District issued the 2002 General Obligation Bonds, Series E in the amount of $5,001,453. The bonds mature beginning on August 1, 2013 through August 1, 2030, with interest yields ranging from 2.12 percent to 4.20 percent. The bonds issued included $3,735,000 of current interest bonds and $1,266,453 of capital appreciation bonds with the value of the capital appreciation bonds maturing to a principal balance of $1,705,000. At June 30, 2019, the principal balance outstanding was $3,535,000 and unamortized premium of $82,285.

2013 General Obligation Bonds, Series F

During January 2013, the District issued the 2002 General Obligation Bonds, Series F in the amount of $13,995,000. The bonds mature beginning on August 1, 2018 through August 1, 2031, with interest yields ranging from 3.00 percent to 5.00 percent. The bonds issued included $8,140,000 of current interest serial bonds and $5,855,000 of current interest term bonds. At June 30, 2019, the principal balance outstanding was $13,225,000 and unamortized premium of $854,416.

2014 General Obligation Refunding Bonds

During June 2014, the District issued the 2014 General Obligation Refunding Bonds in the amount of $26,660,000. The bonds were issued as current interest serial bonds and mature beginning on August 1, 2014 through August 1, 2031, with interest yields ranging from 1.00 percent to 5.00 percent. At June 30, 2019, the principal balance outstanding was $23,515,000 and unamortized premium of $3,070,845.

2016 General Obligation Bonds, Series A

During March 2017, the District issued the 2016 General Obligation Bonds, Series A in the amount of $122,000,000. The bonds mature beginning on August 1, 2018 through August 1, 2046, with interest yields ranging from 4.0 percent to 5.25 percent. The bonds issued included $45,000,000 of current interest serial bonds and $77,000,000 of current interest term bonds. At June 30, 2019, the principal outstanding was $115,575,000, and unamortized premium on issuance of $11,769,990.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2018	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2019
2003	8/1/28	4.00%	$ 17,499,930	$ 14,348,484	$ 764,005	$ 1,300,000	$ 13,812,489
2011	8/1/30	2.12% - 4.20%	5,001,453	3,735,000	-	200,000	3,535,000
2013	8/1/31	3.00% - 5.00%	13,995,000	13,995,000	-	770,000	13,225,000
2014	8/1/31	1.00% - 5.00%	26,660,000	24,715,000	-	1,200,000	23,515,000
2017	8/1/46	4.00% - 5.25%	122,000,000	122,000,000	-	6,425,000	115,575,000
				$ 178,793,484	$ 764,005	$ 9,895,000	$ 169,662,489

The general obligation bonds 2003 Series B and C mature through 2029 as follows:

Fiscal Year	Principal (Including Accreted Interest to Date)	Accreted Interest	Total
2020	$ 1,344,899	$ 35,101	$ 1,380,000
2021	1,340,181	109,819	1,450,000
2022	1,330,428	189,302	1,519,730
2023	1,399,123	209,042	1,608,165
2024	1,386,631	297,678	1,684,309
2025-2029	7,011,227	3,111,716	10,122,943
Total	$ 13,812,489	$ 3,952,658	$ 17,765,147

The general obligation bonds 2011 Series E mature through 2031 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ 210,000	$ 163,400	$ 373,400
2021	220,000	154,800	374,800
2022	235,000	145,700	380,700
2023	250,000	136,000	386,000
2024	260,000	124,500	384,500
2025-2029	1,580,000	402,000	1,982,000
2030-2031	780,000	39,750	819,750
Total	$ 3,535,000	$ 1,166,150	$ 4,701,150

The general obligation bonds 2013 Series F mature through 2032 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ 800,000	$ 468,975	$ 1,268,975
2021	830,000	436,375	1,266,375
2022	865,000	402,475	1,267,475
2023	900,000	367,175	1,267,175
2024	935,000	330,475	1,265,475
2025-2029	5,275,000	1,035,750	6,310,750
2030-2032	3,620,000	172,031	3,792,031
Total	$ 13,225,000	$ 3,213,256	$ 16,438,256

The general obligation bonds 2014 refunding bond mature through 2032 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ 1,250,000	$ 1,124,550	$ 2,374,550
2021	1,285,000	1,067,425	2,352,425
2022	1,370,000	1,001,050	2,371,050
2023	1,465,000	930,175	2,395,175
2024	1,560,000	854,550	2,414,550
2025-2029	9,425,000	2,990,875	12,415,875
2030-2032	7,160,000	551,250	7,711,250
Total	$ 23,515,000	$ 8,519,875	$ 32,034,875

The general obligation bonds 2016 Series A mature through 2047 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ 6,500,000	$ 5,144,625	$ 11,644,625
2021	-	5,014,625	5,014,625
2022	-	5,014,625	5,014,625
2023	-	5,014,625	5,014,625
2024	-	5,014,625	5,014,625
2025-2029	3,985,000	24,698,500	28,683,500
2030-2034	11,245,000	22,855,750	34,100,750
2035-2039	22,440,000	18,720,381	41,160,381
2040-2044	38,625,000	11,130,969	49,755,969
2045-2047	32,780,000	2,037,200	34,817,200
Total	$ 115,575,000	$ 104,645,925	$ 220,220,925

Capital Leases

The District has utilized capital lease purchase agreements to primarily purchase equipment. At June 30, 2019, the principal balance was paid in full.

Compensated Absences

At June 30, 2019, the liability for compensated absences was $3,197,292.

Load Banking

At June 30, 2019, the liability for load banking was $2,649,903.

Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2019, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 17,771,088	$ 1,737,666	$ 34,686	$ 323,592
Medicare Premium Payment (MPP) Program	440,630	-	-	(36,316)
Total	$ 18,211,718	$ 1,737,666	$ 34,686	$ 287,276

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the plan is vested in the District management. Management of the trustee assets is vested with the California Employers' Retiree Benefit Trust.

Plan Membership

At June 30, 2018, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	150
Active employees	553
	703

California Employers' Retiree Benefit Trust (CERBT)

The CERBT OPEB Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the California Public Employees' Retirement System (CalPERS) as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by management and the District's governing board. For fiscal year 2017-2018, the District contributed $5,419,738 to the Plan, of which $669,131 was used for current premiums and $4,750,607 was used to fund the OPEB Trust.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2018:

Asset Class	Target Allocation
Global equity	40%
Global debt securities	39%
Inflation assets	10%
Real estate investment trusts	8%
Commodities	3%

Rate of Return

For the year ended June 30, 2018, the annual money-weighed rate of return on investments, net of investment expense, was 5.39 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $17,771,088 was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The components of the net OPEB liability of the District at June 30, 2018, were as follows:

Total OPEB liability	$ 25,088,425
Plan fiduciary net position	7,317,337
District's net OPEB liability	$ 17,771,088
Plan fiduciary net position as a percentage of the total OPEB liability	29%

Actuarial Assumptions

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent
Investment rate of return	6.50 percent
Healthcare cost trend rates	4.00 percent

The discount rate was based on the long-term expected return on plan assets assuming 100 percent funding through the Trust, using the building block method.

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actual experience study as of June 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Global equity	7.795%
Global debt securities	4.500-5.295%
Inflation assets	7.795%
Real estate investment trusts	7.795%
Commodities	7.795%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2017	$ 23,392,180	$ 2,227,926	$ 21,164,254
Service cost	839,352	-	839,352
Interest	1,526,024	-	1,526,024
Contributions - employer	-	5,419,738	(5,419,738)
Expected investment income	-	300,957	(300,957)
Differences between projected and actual earnings on OPEB plan investments	-	43,358	(43,358)
Benefit payments	(669,131)	(669,131)	-
Administrative expense	-	(5,511)	5,511
Net change in total OPEB liability	1,696,245	5,089,411	(3,393,166)
Balance at June 30, 2018	$ 25,088,425	$ 7,317,337	$ 17,771,088

There were no changes in benefit terms since the previous valuation. There were no changes in assumptions and other inputs since the previous valuation.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability
1% decrease (5.50%)	$ 20,366,450
Current discount rate (6.50%)	17,771,088
1% increase (7.50%)	15,550,551

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3.00%)	$ 15,537,264
Current healthcare cost trend rate (4.00%)	17,771,088
1% increase (5.00%)	20,349,007

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the District reported deferred outflows of resources for OPEB contributions subsequent to measurement date of $1,737,666. At June 30, 2019, the District reported deferred inflows of resources for the net difference between projected and actual earnings on OPEB plan investments of $34,686.

Amounts reported as deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the subsequent year.

Amounts reported as deferred inflows of resources for the differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Inflows of Resources
2020	$ (8,672)
2021	(8,672)
2022	(8,672)
2023	(8,670)
	$ (34,686)

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017 annual actuarial valuation report, Medicare Premium Payment 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.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

Contributions

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District contributions. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2019, the District reported a liability of $440,630 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2018 and June 30, 2017, was 0.1151 percent and 0.1134, respectively, resulting in a net increase in the proportionate share of 0.0017 percent.

For the year ended June 30, 2019, the District recognized OPEB expense of $(36,316).

Actuarial Methods and Assumptions

The June 30, 2018 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total OPEB liability to June 30, 2018, using the assumptions listed in the following table:

Measurement Date	June 30, 2018	June 30, 2017
Valuation Date	June 30, 2017	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.87%	3.58%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2017, 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 our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 459 or an average of 0.27 percent of the potentially eligible population (171,593).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2018, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2018, is 3.87 percent. The MPP Program is funded on a pay-as-you-go basis as described in Note 2, and under the pay-as-you-go method, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.87 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2018, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 0.29 percent from 3.58 percent as of June 30, 2017.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability
1% decrease (2.87%)	$ 487,360
Current discount rate (3.87%)	440,630
1% increase (4.87%)	398,438

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using the Medicare costs trend rates that are one percent lower or higher than the current rate:

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 401,811
Current Medicare costs trend rates (3.7% Part A and 4.1% Part B)	440,630
1% increase (4.7% Part A and 5.1% Part B)	482,381

Aggregate Net Pension Obligation

At June 30, 2019, the liability for the aggregate net pension obligation amounted to $112,968,786. Set Note 12 for additional information.

NOTE 11 - RISK MANAGEMENT

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District contracted with the Alliance for Schools for Cooperative Insurance Program (ASCIP) Joint Powers Authority for property and liability insurance with coverages of $1 million combined single limit per occurrence for general and automobile liability and replacement costs subject to policy limits, terms, and conditions for property liability.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2019, the District contracted with the ASCIP Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2019, the District participated in the Schools Linked for Insurance Management (SLIM) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

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, 2019, the District reported the net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Primary Government

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 64,129,414	$ 17,922,359	$ 6,929,556	$ 6,842,743
CalPERS	46,800,641	12,460,484	1,003,016	8,315,049
CalPERS - Safety Risk Pool	2,038,731	604,872	53,806	35,219
Total	$ 112,968,786	$ 30,987,715	$ 7,986,378	$ 15,193,011

Fiduciary Funds

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalPERS - Misc. Plan (Associated Students)	$ 629,915	$ 429,253	$ 25,824	$ (293,565)

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 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, 2017, 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.

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 nonemployer 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, 2019, are summarized as follows:

	STRP Defined Benefit Program	
	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	16.28%	16.28%
Required State contribution rate	9.828%	9.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution 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, 2019, are presented above, and the District's total contributions were $6,311,606.

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

At June 30, 2019, 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:

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 64,129,414
State's proportionate share of net pension liability associated with the District	36,717,089
Total	$ 100,846,503

The net pension liability was measured as of June 30, 2018. 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 college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2018 and June 30, 2017, was 0.0698 percent and 0.0680 percent, respectively, resulting in a net increase in the proportionate share of 0.0018 percent.

For the year ended June 30, 2019, the District recognized pension expense of $6,842,743. In addition, the District recognized pension expense and revenue of $4,313,430 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 6,311,606	$ -
Net change in proportionate share of net pension liability	1,449,213	3,528,653
Differences between projected and actual earnings on the pension plan investments	-	2,469,388
Differences between expected and actual experience in the measurement of the total pension liability	198,863	931,515
Change of assumptions	9,962,677	-
Total	$ 17,922,359	$ 6,929,556

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 the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 536,173
2021	(389,063)
2022	(2,071,720)
2023	(544,778)
Total	$ (2,469,388)

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 1,230,894
2021	1,230,894
2022	1,230,894
2023	1,290,819
2024	1,970,596
Thereafter	196,488
Total	$ 7,150,585

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, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
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-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments 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 general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2018, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

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:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 93,942,087
Current discount rate (7.10%)	64,129,414
1% increase (8.10%)	39,411,815

California Public Employees' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) and the Safety Risk Pool 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 plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017 annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Safety Risk Pool Actuarial Valuation Report. These reports 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.

The CalPERS provisions and benefits in effect at June 30, 2019, 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	18.062%	18.062%

The CalPERS Safety Risk Pool provisions and benefits in effect at June 30, 2019, are summarized as follows:

	CalPERS - Safety Risk Pool	
Benefit formula	3.0% at 55	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	57
Monthly benefits as a percentage of eligible compensation	2.4% - 3.0%	2.4% - 3.0%
Required employee contribution rate	9.000%	N/A
Required employer contribution rate	22.346%	N/A
Required unfunded liability payment to CalPERS	$176,322	N/A

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, 2019, are presented above and the total District contributions for CalPERS and CalPERS Safety Risk Pool were $4,335,699 and $328,276, respectively.

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the CalPERS and CalPERS Safety Risk Pool net pension liability totaling $46,800,641 and $2,038,731, respectively. The net pension liability was measured as of June 30, 2018. 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 college districts, actuarially determined. The District's CalPERS' proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively, was 0.1755 percent and 0.1756 percent, resulting in a net decrease in the proportionate share of 0.0001 percent. The District's CalPERS Safety Risk Pool's proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively, was 0.0347 percent and 0.0348 percent, resulting in a net decrease in the proportionate share of 0.0001 percent.

For the year ended June 30, 2019, the District recognized pension expense of $8,315,049 for CalPERS and $35,219 for CalPERS Safety Risk Pool. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,335,699	$ -
Net change in proportionate share of net pension liability	-	1,003,016
Differences between projected and actual earnings on the pension plan investments	383,870	-
Differences between expected and actual experience in the measurement of the total pension liability	3,068,078	-
Changes of assumptions	4,672,837	-
Total	$ 12,460,484	$ 1,003,016

	CalPERS Safety Risk Pool	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 328,276	$ -
Net change in proportionate share of net pension liability	18,953	26,652
Differences between projected and actual earnings on the pension plan investments	13,803	-
Differences between expected and actual experience in the measurement of the total pension liability	43,805	166
Changes of assumptions	200,035	26,988
Total	$ 604,872	$ 53,806

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 the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	CalPERS Deferred Outflows/(Inflows) of Resources
2020	$ 1,396,220
2021	333,894
2022	(1,070,008)
2023	(276,236)
Total	$ 383,870

Year Ended June 30,	CalPERS Safety Risk Pool Deferred Outflows/(Inflows) of Resources
2020	$ 66,865
2021	14,881
2022	(53,821)
2023	(14,122)
Total	$ 13,803

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, the differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The CalPERS' and CalPERS' Safety Risk Pool's EARSL for the measurement period is 4.0 years and will be recognized in pension expense as follows:

Year Ended June 30,	CalPERS Deferred Outflows/(Inflows) of Resources
2020	$ 2,829,852
2021	2,899,259
2022	1,008,788
Total	$ 6,737,899

Year Ended June 30,		CalPERS Safety Risk Pool Deferred Outflows/(Inflows) of Resources
2020	$	111,498
2021		99,866
2022		(2,377)
Total	$	208,987

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, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of Scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class for CalPERS are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class for the CalPERS Safety Risk Pool are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	49%	5.98%
Fixed income	22%	2.62%
Inflation assets	6%	1.81%
Private equity	8%	7.23%
Real assets	12%	4.93%
Liquidity	3%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 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:

	CalPERS
Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 68,139,495
Current discount rate (7.15%)	46,800,641
1% increase (8.15%)	29,097,006

	CalPERS Safety Risk Pool
Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 3,095,090
Current discount rate (7.15%)	2,038,731
1% increase (8.15%)	1,173,234

California Public Employees' Retirement System (CalPERS) - Misc. Plan (Associated Students)

Plan Description

Qualified employees are eligible to participate in the Associated Students Miscellaneous Plan under 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 plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017, annual actuarial valuation report, the Miscellaneous Risk Pool Actuarial Valuation. The 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 age 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. The CalPERS Miscellaneous Risk Pool is closed to new entrants and no current employees are covered by the plan.

The CalPERS provisions and benefits in effect at June 30, 2019, are summarized as follows:

	School Employer Pool (CalPERS) - Miscellaneous Risk Pool	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 60
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	60
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	N/A
Required employer contribution rate	7.634%	N/A
Required unfunded liability payment to CalPERS	$33,050	N/A

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 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 contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2019, are presented above, and the total District contributions for CalPERS was $38,904.

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the CalPERS Miscellaneous Risk Pool net pension liability $629,915. The net pension liability was measured as of June 30, 2018. 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 college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2018 and June 30, 2017, was 0.0167 percent and 0.0163 percent, respectively, resulting in a net increase in the proportionate share of 0.0004 percent.

For the year ended June 30, 2019, the District recognized pension expense of $(293,565) for CalPERS Miscellaneous Risk Pool. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 38,904	$ -
Net change in proportionate share of net pension liability	291,254	-
Differences between projected and actual earnings on the pension plan investments	3,114	-
Differences between expected and actual experience in the measurement of the total pension liability	24,169	8,224
Changes of assumptions	71,812	17,600
Total	$ 429,253	$ 25,824

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 the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 24,274
2021	5,170
2022	(20,665)
2023	(5,665)
Total	$ 3,114

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.0 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 243,918
2021	109,604
2022	7,889
Total	$ 361,411

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, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and services

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	49%	5.98%
Fixed income	22%	2.62%
Inflation assets	6%	1.81%
Private equity	8%	7.23%
Real assets	12%	4.93%
Liquidity	3%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 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:

Discount Rate	CalPERS Miscellaneous Risk Pool Net Pension Liability
1% decrease (6.15%)	$ 1,011,819
Current discount rate (7.15%)	629,915
1% increase (8.15%)	314,660

Plan Fiduciary Net Position

Detailed information about CalPERS School Employer plan fiduciary net position is available in a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2019, which amounted to $2,820,615, (7.275 percent for 2019) of salaries subject to CalSTRS. 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. No contributions were made for CalPERS for the year ended June 30, 2019. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of operating revenue and employee benefit expense.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated for an additional 2018-2019 contribution on behalf of school employers of $2.246 billion for CalSTRS and $904 million for CalPERS. A proportionate share of these contributions has been recorded in these financial statements.

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the District until paid or made available to the employee or other beneficiary, subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant.

The funds are currently on deposit in the Glendale Federal Credit Union and CalPERS with separate accounts established for each participating employee.

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security as its plan for its classified staff. Contributions for employees and employer are 6.2 percent.

NOTE 13 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Schools Linked for Insurance Management (SLIM) and the Alliance for Schools for Cooperative Insurance Programs (ASCIP) public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District and the pools, are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements; however, transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

During the year ended June 30, 2019, the District made payments of $1,213,508 and $649,672 to SLIM and ASCIP, respectively.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2019.

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 at June 30, 2019.

Construction Commitments

The District had several commitments with respect to the unfinished capital projects, these projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office. As of June 30, 2019, the total amount committed was approximately $25.5 million.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Total OPEB Liability		
Service cost	$ 839,352	$ 909,636
Interest	1,526,024	1,421,594
Benefit payments	(669,131)	(734,969)
Net changes in total OPEB liability	1,696,245	1,596,261
Total OPEB Liability - beginning	23,392,180	21,795,919
Total OPEB Liability - ending (a)	$ 25,088,425	$ 23,392,180
Plan fiduciary net position		
Contributions - employer	5,419,738	1,283,351
Expected investment income	300,957	135,980
Differences between projected and actual earnings on OPEB plan investments	43,358	
Benefit payments	(669,131)	(734,969)
Administrative expense	(5,511)	(1,742)
Net change in plan fiduciary net position	5,089,411	682,620
Plan fiduciary net position - beginning	2,227,926	1,545,306
Plan fiduciary net position - ending (b)	$ 7,317,337	$ 2,227,926
District's net OPEB liability - ending (a) - (b)	$ 17,771,088	$ 21,164,254
Plan fiduciary net position as a percentage of the total OPEB liability	29.17%	9.52%
Covered-employee payroll	$ 63,530,301	$ 59,959,806
District's net OPEB liability as a percentage of covered-employee payroll	27.97%	35.30%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OPEB INVESTMENT RETURNS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Annual money-weighted rate of return, net of investment expense	5.39%	12.36%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - MPP PROGRAM FOR THE YEAR ENDED JUNE 30, 2019

Year ended June 30,	2019	2018
District's proportion of the net OPEB liability	0.1151%	0.1134%
District's proportionate share of the net OPEB liability	$ 440,630	$ 476,946
District's covered-employee payroll	N/A[1]	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.40%	0.01%

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CalSTRS		
District's proportion of the net pension liability	0.0698%	0.0680%
District's proportionate share of the net pension liability	$ 64,129,414	$ 62,843,656
State's proportionate share of the net pension liability associated with the District	36,717,089	37,177,776
Total	$ 100,846,503	$ 100,021,432
District's covered-employee payroll	$ 35,996,577	$ 34,462,981
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	178.15%	182.35%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%
CalPERS		
District's proportion of the net pension liability	0.1755%	0.1756%
District's proportionate share of the net pension liability	$ 46,800,641	$ 41,911,562
District's covered-employee payroll	$ 23,217,616	$ 22,433,093
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	201.57%	186.83%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%
CalPERS - Safety Risk Pool		
District's proportion of the net pension liability	0.0347%	0.0348%
District's proportionate share of the net pension liability	$ 2,038,731	$ 2,081,400
District's covered-employee payroll	$ 671,522	$ 666,763
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	303.60%	312.16%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%

See accompanying note to required supplementary information.

2017	2016	2015
0.0703%	0.0756%	0.0749%
$ 56,874,602	$ 50,907,097	$ 43,786,963
32,377,696	26,924,243	26,440,459
$ 89,252,298	$ 77,831,340	$ 70,227,422
$ 32,732,293	$ 31,331,194	$ 33,374,121
173.76%	162.48%	131.20%
70%	74%	77%
0.1850%	0.1915%	0.2191%
$ 36,531,807	$ 28,230,684	$ 24,878,835
$ 22,221,871	$ 22,419,217	$ 23,005,261
164.40%	125.92%	108.14%
74%	79%	83%
0.0361%	0.0381%	0.0232%
$ 1,868,917	$ 1,568,619	$ 1,445,953
$ 550,865	$ 555,209	$ 576,913
339.27%	282.53%	250.64%
74%	79%	83%

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CalPERS - Miscellaneous Risk Pool (Associated Students)		
District's proportion of the net pension liability	0.0167%	0.0163%
District's proportionate share of the net pension liability	$ 629,915	$ 641,930
District's covered-employee payroll	$ 74,091	$ 71,950
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	850.19%	892.19%
Plan fiduciary net position as a percentage of the total pension liability	71%	75%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

2017	2016	2015
0.0157%	0.0140%	0.0074%
$ 546,540	$ 380,645	$ 462,861
$ 68,275	$ 68,275	$ 70,323
800.50%	557.52%	658.19%
74%	79%	83%

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CalSTRS		
Contractually required contribution	$ 6,311,606	$ 5,194,306
Contributions in relation to the contractually required contribution	6,311,606	5,194,306
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 38,769,079	$ 35,996,577
Contributions as a percentage of covered-employee payroll	16.28%	14.43%
CalPERS		
Contractually required contribution	$ 4,335,699	$ 3,605,928
Contributions in relation to the contractually required contribution	4,335,699	3,605,928
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 24,004,534	$ 23,217,616
Contributions as a percentage of covered-employee payroll	18.062%	15.531%
CalPERS - Safety Risk Pool		
Contractually required contribution	$ 328,276	$ 290,835
Contributions in relation to the contractually required contribution	328,276	290,835
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 680,003	$ 671,522
Contributions as a percentage of covered-employee payroll	22.346%	21.418%
CalPERS - Miscellaneous Risk Pool		
Contractually required contribution	$ 38,904	$ 29,578
Contributions in relation to the contractually required contribution	38,904	29,578
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 76,685	$ 74,091
Contributions as a percentage of covered-employee payroll	7.634%	7.200%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

2017	2016	2015
$ 4,335,443	$ 3,512,175	$ 2,782,210
4,335,443	3,512,175	2,782,210
$ -	$ -	$ -
$ 34,462,981	$ 32,732,293	$ 31,331,194
12.58%	10.73%	8.88%
$ 3,115,508	$ 2,632,625	$ 2,638,966
3,115,508	2,632,625	2,638,966
$ -	$ -	$ -
$ 22,433,093	$ 22,221,871	$ 22,419,217
13.888%	11.847%	11.771%
$ 289,027	$ 234,704	$ 225,565
289,027	234,704	225,565
$ -	$ -	$ -
$ 666,763	$ 550,865	$ 555,209
43.348%	20.230%	18.260%
$ 23,405	$ 18,777	$ 5,465
23,405	18,777	5,465
$ -	$ -	$ -
$ 71,950	$ 68,275	$ 68,275
7.159%	7.200%	7.200%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the Plan's fiduciary net position, and the net OPEB liability. 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 of Assumptions **-** There were no changes in assumptions and other inputs since the previous valuation.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB liability - MPP program and the Plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions - The plan rate of investment return assumption was changed from 3.58 percent to 3.87 percent since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District. 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 valuations for both CalSTRS and CalPERS.

Changes of Assumptions **-** There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

SUPPLEMENTARY INFORMATION

DISTRICT ORGANIZATION
JUNE 30, 2019

The Glendale Community College District was formed in 1983, by an act of law, which required the college to separate from the Glendale Unified School District. The District boundaries include the city of Glendale and the unincorporated area of Los Angeles known as La Crescenta. The College serves approximately 15,000 students at the main campus, as well as the Garfield Campus and the Professional Development Center. There were no changes in the District's boundaries during the 2018-2019 fiscal year. The District's College is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges.

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Dr. Vahé Peroomian	President	2020
Mr. Anthony P. Tartaglia	Vice President	2020
Ms. Yvette Vartanian Davis	Clerk	2022
Dr. Armine Hacopian	Member	2022
Ms. Ann H. Ransford	Member	2022

ADMINISTRATION

Dr. David Viar	Superintendent/President
Dr. Anthony Culpepper	Executive Vice President, Administrative Services
Dr. Michael Ritterbrown	Vice President, Instructional Services
Dr. Paul Schlossman	Vice President, Student Services
Dr. Victoria Simmons	Vice President, Human Resources

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
NATIONAL SCIENCE FOUNDATION			
Research and Development Cluster			
Passed through Pacific University			
Promoting Adoption of Team-Based Learning Pedagogy in College Economics Classes	47.076	PU-GCC-01-2017	20,249
Total Research and Development Cluster			20,249
U.S. DEPARTMENT OF VETERAN AFFAIRS			
Veterans Education	64.117		1,050
U.S. DEPARTMENT OF EDUCATION			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		493,997
Federal Work-Study Program (FWS)	84.033		436,378
Federal Pell Grant Program	84.063		22,635,878
Federal Pell Grant Program Administration Allowance	84.063		31,375
Federal Direct Student Loans	84.268		1,819,112
Total Student Financial Assistance Cluster			25,416,740
Title V: Building a Completion Pathway for Hispanic and Other High Need Students	84.031S		589,832
Passed through California State University - Northridge			
Title III - Bridging the Gap: Enhancing AIMS2 for Student Success	84.031C	A-17-0013-S002	104,237
Passed through California Department of Education			
Adult Basic Education and ELA (Section 231)	84.002A	14508	657,769
Adult Secondary Education (Section 231)	84.002	13978	17,050
English Literacy and Civics Education - Local Grant	84.002A	14109	157,738
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act, Perkins Title I, Part C	84.048A	18-C01-019	481,018
CTE Transitions	84.048A	18-C01-019	41,377
Total U.S. Department of Education			27,465,761
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Temporary Assistance for Needy Families (TANF) Cluster			
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	*	229,075
Total TANF Cluster			229,075
Passed through Pacific Clinics			
Head Start/Early Head Start	93.600	*	62,668
Total U.S. Department of Health and Human Services			291,743
Total Expenditures of Federal Awards			$ 27,778,803

* Pass-Through Entity Identifying Number not available.

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues				
PROGRAM	Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
Board Financial Assistance Program	$ 797,245	$ -	$150,274	$ 646,971	$646,971
CalWORKS	1,663,599	-	-	1,663,599	1,663,599
CARE	36,183	-	-	36,183	36,183
CARE-Financial Aid	46,420	-	-	46,420	46,420
Scheduled Maintenance	212,127	-	-	212,127	52,654
Disabled Students Program and Services	2,204,199	-	-	2,204,199	2,204,199
Adult Education Block Grant	4,550,872	-	1,899,814	2,651,058	970,464
Energy Conservation	387,343	-	387,343	-	-
Employment Training Panel	878,386	-	-	878,386	572,759
Extended Opportunity Program and Services - Financial Aid	1,063,682	-	-	1,063,682	1,063,682
Extended Opportunity Program and Services	1,210,501	-	-	1,210,501	1,210,501
Lottery-Prop 20	971,209	416,385	-	1,387,594	992,544
Mental Health	138,214	-	137,614	600	600
Instructional Equipment	141,418	-	-	141,418	90,424
Student Success	3,049,423	-	-	3,049,423	3,049,423
Student Equity	2,762,099	-	1,209,644	1,552,455	1,552,455
Staff Development	530	-	230	300	300
Veteran Resource Center	25,799	-	-	25,799	25,799
Staff Diversity	224,091	-	161,765	62,326	62,326
Classified Professional Development	59,273	-	59,273	-	-
State Preschool	59,175	-	-	59,175	59,175
California State Preschool Program	52,094	-	-	52,094	52,094
Nursing Program Enrollment	203,546	-	-	203,546	203,546
Nursing Tutor/Mentor	90,000	-	-	90,000	90,000
Cal Grants - Financial Aid	1,995,515	18,040	-	2,013,555	2,013,555
Full-time Student Success Grant	2,183,430	-	510,849	1,672,581	1,672,581
Community College Completion	665,566	-	513,676	151,890	151,890
Guided Pathways	904,076	-	781,134	122,942	122,942
Food Pantry	161,638	-	133,941	27,697	27,697
Data On Demand Training	48,222	-	2,053	46,169	46,169
CNC Cohort Training	12,913	-	-	12,913	12,913
Trade Act	24,307	-	24,307	-	-
Clean Energy Workforce Grant	-	161,433	-	161,433	161,433
Clean Energy-Job Creation	-	80,812	-	80,812	80,812
Strong Workforce Regional	2,438,608	-	1,476,761	961,847	961,847
Strong Workforce Program	522,706	72,005	-	594,711	594,711
Regional-Career Pathway	86,094	60,423	-	146,517	146,517
Regional ICAP	9,388	2,578	-	11,966	11,966
Deputy Sector Navigator	80,000	-	15,306	64,694	64,694
Career Tech Education - Nursing	6,594	-	-	6,594	6,594
Higher Education Innovation	1,900,000	-	1,718,080	181,920	181,920
CCC Maker Project	369,840	-	-	369,840	369,840
Basic Skills Grants	846,220	-	111,514	734,706	734,706
Basic Skills Transformation	524,767	-	-	524,767	524,767
Basic Skills Partnership	-	602,157	-	602,157	602,157
Total State Programs	$ 33,607,312	$ 1,413,833	$9,293,578	$ 25,727,567	$23,135,829

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2019

CATEGORIES	Revised* Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2018 only)			
1. Noncredit**	439.44	-	439.44
2. Credit	957.34	-	957.34
B. Summer Intersession (Summer 2019 - Prior to July 1, 2019)			
1. Noncredit**	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	7,720.68	-	7,720.68
(b) Daily Census Contact Hours	890.53	-	890.53
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit**	2,207.22	-	2,207.22
(b) Credit	116.43	-	116.43
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	982.36	-	982.36
(b) Daily Census Procedure Courses	534.59	-	534.59
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	13,848.59	-	13,848.59
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
1. Noncredit**	2,493.00	-	2,493.00
2. Credit	708.50	-	708.50
CCFS-320 Addendum			
CDCP Noncredit FTES	2,422.83	-	2,422.83
Centers FTES			
1. Noncredit**	2,646.66	-	2,646.66

* Annual Report revised as of October 31, 2019.
** Including Career Development and College Preparation (CDCP) FTES.

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2019

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Audited Data	Reported Data	Audit Adjustments	Audited Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 17,372,860	$ -	$ 17,372,860	$ 18,344,274	$ -	$ 18,344,274
Other	1300	19,294,560	-	19,294,560	19,376,901	-	19,376,901
Total Instructional Salaries		36,667,420	-	36,667,420	37,721,175	-	37,721,175
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	6,823,179	-	6,823,179
Other	1400	-	-	-	718,014	-	718,014
Total Noninstructional Salaries		-	-	-	7,541,193	-	7,541,193
Total Academic Salaries		36,667,420	-	36,667,420	45,262,368	-	45,262,368
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	16,709,820	-	16,709,820
Other	2300	-	-	-	2,060,746	-	2,060,746
Total Noninstructional Salaries		-	-	-	18,770,566	-	18,770,566
Instructional Aides							
Regular Status	2200	1,739,255	-	1,739,255	2,378,673	-	2,378,673
Other	2400	250,443	-	250,443	315,304	-	315,304
Total Instructional Aides		1,989,698	-	1,989,698	2,693,977	-	2,693,977
Total Classified Salaries		1,989,698	-	1,989,698	21,464,543	-	21,464,543
Employee Benefits	3000	11,339,260	-	11,339,260	24,478,413	-	24,478,413
Supplies and Material	4000	-	-	-	707,093	-	707,093
Other Operating Expenses	5000	-	-	-	10,916,988	-	10,916,988
Total Expenditures Prior to Exclusions		49,996,378	-	49,996,378	102,829,405	-	102,829,405

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Audited Data	Reported Data	Audit Adjustments	Audited Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ -	$ -	$ -	$ -	$ -	$ -
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	82,967	-	82,967
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	92,623	-	92,623
Objects to Exclude							
Rents and Leases	5060	-	-	-	30,033	-	30,033
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 2,666,459	$ -	$ 2,666,459
Capital Outlay							
Library Books	6000	-	-	-	-	-	-
Equipment	6300	-	-	-	-	-	-
Equipment - Additional	6400	-	-	-	-	-	-
Equipment - Replacement	6410	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		$ -	$ -	$ -	$ 2,872,082	$ -	$ 2,872,082
Total for ECS 84362, 50 Percent Law		$ 49,996,378	$ -	$ 49,996,378	$ 99,957,323	$ -	$ 99,957,323
Percent of CEE (Instructional Salary Cost/Total CEE)		50.02%		50.02%	100.00%		100.00%
50% of Current Expense of Education					$ 49,978,662		$ 49,978,662

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Summarized below is the fund balance reconciliation between the Annual Financial and Budget Report (CCFS-311) and the audited financial statements for the year ended June 30, 2019:

	Unrestricted General Fund	Restricted General Fund	General Obligation Bond Fund
FUND BALANCE			
Balance, June 30, 2019, Annual Financial and Budget Report (CCFS-311)	$ 9,481,656	$ 5,506,127	$ 54,569,538
Decrease in:			
Accounts receivable	(916,119)	(631,776)	-
Increase in:			
Accounts payable	-	-	(609,815)
June 30, 2019, Audited Fund Balance	$ 8,565,537	$ 4,874,351	$ 53,959,723

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT FOR THE YEAR ENDED JUNE 30, 2019

Activity Classification	**Object Code**				**Unrestricted**
EPA Revenue:	8630				$ 13,067,374
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	1000-5900	$ 13,067,374	$ -	$ -	$ 13,067,374
Total Expenditures for EPA		$ 13,067,374	$ -	$ -	$ 13,067,374
Revenues Less Expenditures					$ -

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Fund Balances and Retained Earnings:		
General Funds	$ 13,439,888	
Special Revenue Funds	851,670	
Capital Project Funds	55,096,799	
Debt Service Funds	14,339,880	
Internal Service Funds	397,340	
Total Fund Balance - All District Funds		**$ 84,125,577**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is:	272,010,891	
Accumulated depreciation is:	(79,646,177)	192,364,714
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.		(2,661,259)
Deferred outflows of resources related to OPEB represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to OPEB at year-end consist of OPEB contributions subsequent to measurement date.		1,737,666
Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to pensions at year-end consist of:		
Pension contributions subsequent to measurement date	10,975,581	
Net change in proportionate share of net pension liability	1,468,166	
Differences between projected and actual earnings on pension plan investments	397,673	
Differences between expected and actual experience in the measurement of the total pension liability	3,310,746	
Changes of assumptions	14,835,549	
Total Deferred Outflows of Resources Related to Pensions		30,987,715

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION, CONTINUED
JUNE 30, 2019

Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year-end consist of:		
Net change in proportionate share of net pension liability	$ 4,558,321	
Differences between projected and actual earnings on pension plan investments	2,469,388	
Differences between expected and actual experience in the measurement of the total pension liability	931,681	
Changes of assumptions	26,988	
Total Deferred Inflows of Resources Related to Pensions		$ (7,986,378)
Deferred inflows of resources related to OPEB represent a acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources related to OPEB at year-end consist of differences between projected and actual earnings on OPEB plan investments.		(34,686)
Long-term obligations, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term obligations at year-end consist of:		
Bonds and notes payable (including unamortized premium)	177,554,644	
Compensated absences	3,197,292	
Load banking	2,649,903	
Aggregate net OPEB liability	18,211,718	
Aggregate net pension obligation	112,968,786	
In addition, the District issued 'capital appreciation' general obligation bonds. The accretion of interest on those bonds to date is the following:	7,885,381	(322,467,724)
Total Net Position		**$ (23,934,375)**

See accompanying note to supplementary information.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members as of June 30, 2019.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of 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, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance

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, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

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

ECS 84362 requires the District to expend a 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.

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the District's audited financial statements.

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 the Statement of Net Position

This 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 government-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S 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
Glendale Community College District
Glendale, California

We have audited, in accordance with 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 Glendale Community College District (the District) as of and for the year ended June 30, 2019, 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 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the 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 District'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 preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001, that we consider to be a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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.*

Glendale Community College District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Eide Bailly LLP

Rancho Cucamonga, California
December 18, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Glendale Community College District
Glendale, California

Report on Compliance for Each Major Federal Program

We have audited Glendale 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, 2019. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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, 2019.

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Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Eide Bailly LLP

Rancho Cucamonga, California
December 18, 2019

CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Glendale Community College District
Glendale, California

Report on State Compliance

We have audited Glendale Community College District's (the District) compliance with the types of compliance requirements as identified in the 2018-2019 California Community Colleges Chancellor's Office *District Audit Manual* that could have a direct and material effect on each of the District's State programs as noted below for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with State laws and regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2018-2019 California Community Colleges Chancellor's Office *District Audit Manual*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the applicable programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted below that were audited for the year ended June 30, 2019.

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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 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP and Non-CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 439	Proposition 39 Clean Energy Fund
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds

The District reports no Apprenticeship Related and Supplemental Instruction (RSI) Funds programs for funding; therefore, the compliance requirements within this section were not applicable.

The District reports no Proposition 1D and 51 State Bond Funded Projects for funding; therefore, the compliance requirements within this section were not applicable.

Eide Bailly LLP

Rancho Cucamonga, California
December 18, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENTS	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major Federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major Federal programs:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 833,364
Auditee qualified as low-risk auditee?	Yes
STATE AWARDS	
Type of auditor's report issued on compliance for State programs:	Unmodified

GLENDALE COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2019

The following finding represents a material weakness related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*.

2019-001 YEAR-END CLOSING

Criteria or Specific Requirement

The accounting system used to record the financial affairs of any community college district shall be in accordance with the definitions, instructions, and procedures published in the California Community Colleges *Budget and Accounting Manual* (BAM). Community Colleges are also required to present their financial statements in accordance with generally accepted accounting principles (GAAP).

Condition

Material Weakness - Year-end adjustments were identified during the audit that resulted in changes in certain accounts from the client prepared trial balance.

Questioned Costs

Material adjustments to the financial statements were reviewed, accepted, and recorded by management. No questioned costs were associated with this finding.

Context

Account balances associated with lottery revenue and bond construction expenditures required adjustments in order to be in accordance with the BAM and GAAP.

Effect

Material adjustments to the general ledger in the amount of $2,157,710, were proposed as a result of audit procedures. These adjustments were accepted by management to ensure the financial statements were presented in accordance with generally accepted accounting principles.

Cause

The oversight and monitoring controls over the closing process were not effective in preventing or detection errors.

Recommendation

The District should establish policies and procedures to ensure account balances are fairly stated and reported in accordance with BAM and GAAP.

Corrective Action Plan

As an internal control process at the end of the year, Glendale Community College will verify the accrual rates for lottery with the Los Angeles County Office of Education. In addition, Glendale Community College will review all open purchase orders and contact all related parties to get estimated expenditures for year-end accruals.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

GLENDALE COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

None reported.