GLENDALE COMMUNITY COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2015

GLENDALE COMMUNITY COLLEGE DISTRICT

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FINANCIAL SECTION

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

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 the Glendale Community College District (the District) as of and for the year ended June 30, 2015, 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 an opinion 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. 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 opinion.

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Opinion

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, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principles

As discussed in Notes 2 and 18 to the financial statements, in 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

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, the Schedule of Other Postemployment Benefits (OPEB) Funding Progress on page 62, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 63, and the Schedule of District Contributions on page 64 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 U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, 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 21, 2015, 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 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 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.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 21, 2015

Dr. David Viar
Superintendent/President

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, 2015, with selected comparative information for the year ended June 30, 2014. 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 2014-2015. Credit enrollment at the District was flat while noncredit enrollment increased about 4.9 percent from 2013-2014. These levels were achieved by the reporting of 772 full-time equivalent students (FTES) from Summer 2015.
- Nonresident enrollment increased almost 12.6 percent in 2014-2015.
- Due to the District's fiscal actions, the District ended the year with an unrestricted General Fund balance of $4.9 million. This was a decrease of approximately $150 thousand from the prior year.
- The District was able to maintain a 5.63 percent ending fund balance.

STATEMENT OF NET POSITION

The Statement of Net Position includes all assets and liabilities 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 and liabilities, are one way to measure the financial health of the District.

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT

(Amounts in thousands)

	2015	2014 as restated
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 32,310	$ 29,358
Receivables	11,158	19,972
Inventory and other assets	492	598
Total Current Assets	43,960	49,928
NONCURRENT ASSETS		
Capital assets, net	150,124	136,371
Total Assets	194,084	186,299
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	1,688	2,955
Current year pension contribution	5,647	5,510
Total Assets and Deferred Outflows	$ 201,419	$ 194,764
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 11,058	$ 9,827
Due to fiduciary funds	-	52
Unearned revenue	3,596	2,699
Current loan	-	5,000
Current portion of long-term obligations other than pensions	5,779	6,563
Total Current Liabilities	20,433	24,141
NONCURRENT LIABILITIES		
Noncurrent portion of long-term obligations other than pensions	85,592	87,879
Aggregate net pension obligation	70,112	86,595
Total Noncurrent Liabilities	155,704	174,474
Total Liabilities	176,137	198,615
DEFERRED INFLOWS OF RESOURCES		
Net change in proportionate share of net pension liability	446	-
Difference between projected and actual earnings on pension plan investments	19,331	-
Total Deferred Inflows of Resources	19,777	-
NET POSITION		
Net investment in capital assets	86,284	69,197
Restricted	10,112	10,156
Unrestricted	(90,891)	(83,204)
Total Net Position	5,505	(3,851)
Total Liabilities, Deferred Inflows and Net Position	$ 201,419	$ 194,764

- Cash and cash equivalents consist of cash in the Los Angeles County Treasurer and associate students investments. Cash and cash equivalents were increased by approximately $3.0 million over last year due to the reduction in State deferrals.
- Receivables consist mainly of receivables from State and Federal grants and the apportionment funds due from the State. Receivables were decreased by approximately $8.8 million over the last year due to the reduction of State deferrals.
- Capital Assets are the net historical value (original cost) of land, buildings, construction in progress, and equipment less accumulated depreciation. Capital Assets increased approximately $13.8 million due to ongoing construction for the Lab/College services projects.
- Accounts Payable and Accrued Liabilities consist of payables to vendors and the June payroll. Payables increased approximately $1.2 million compared to 2013-2014 primarily due to construction payables.
- The $5.0 million TRANS that was issued in March 2014 to supplement cash flow was paid off. No additional TRANS were issued.
- Long-term obligations consist primarily of the general obligation bond issues and our COPS issues: 1997 and 2007. The total noncurrent liability decreased approximately $2.3 million from 2013-2014. 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

(Amounts in thousands)

	2015	2014
REVENUES		
OPERATING REVENUES		
Net tuition and fees	$ 10,929	$ 10,164
Auxiliary enterprise	791	2,003
Total Operating Revenues	11,720	12,167
Total Operating Expenses	146,750	136,397
Operating Loss	(135,030)	(124,230)
NONOPERATING REVENUES (EXPENSES)		
State apportionment	58,436	58,367
Grants and contracts - noncapital	46,326	42,341
Local property taxes	17,466	16,510
State taxes and other revenues	2,762	2,809
Investment income (expenses) - net	(3,228)	(2,566)
Other nonoperating revenues	3,884	4,874
Total Nonoperating Revenues	125,646	122,335
Loss Before Other Revenues	(9,384)	(1,895)
OTHER REVENUES AND LOSSES		
State and local revenues - capital	18,740	9,293
Loss on disposal of capital assets	-	(172)
Total Other Revenues and Losses	18,740	9,121
Change in Net Position	$ 9,356	$ 7,226

- Net Tuition and Fees are primarily enrollment fees, nonresident tuition, community service fees, and health fees. Fees increased approximately $765 thousand primarily due to the additional class offerings.
- Auxiliary Enterprise revenue consists mainly of Cafeteria sales and the Self Insurance fund. This category decreased by approximately $1.2 million due to the reduction in the timing of recording the Blue Shield Rebate.
- State Apportionment was relatively stable increasing by only approximately $69 thousand over last year.
- State Taxes and Other Revenues are our State lottery funds and mandated cost block grant. State Taxes and Other Revenues were relatively stable decreasing by only approximately $47 thousand over last year.
- Investment Income is our interest earnings at the County Treasurer less interest on our bond issues. This category decreased due to reduction of TRANS Interest and General Obligation Bond payments.

GLENDALE COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

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, 2015:

(Amounts in thousands)

	Salaries	Employee Benefits	Supplies, Materials, and Other Expenses and Services	Equipment, Maintenance, and Repairs	Student Financial Aid	Depreciation	Total
Instructional activities	$ 36,453	$ 12,765	$ 1,401	$ 1,494	$ -	$ -	$ 52,113
Academic support	3,279	(598)	67	32	-	-	2,780
Student services	13,725	4,601	1,232	511	-	-	20,069
Plant operations and maintenance	2,875	1,164	5,374	75	-	-	9,488
Institutional support services	6,748	5,447	8,132	533	-	-	20,860
Community services and economic development	292	114	544	-	-	-	950
Ancillary services and auxiliary operations	2,206	695	1,775	35	-	-	4,711
Student aid	-	-	-	-	29,572	-	29,572
Physical property and related acquisitions	-	-	2,188	(1,057)	-	-	1,131
Depreciation expense	-	-	-	-	-	5,076	5,076
Total	$ 65,578	$ 24,188	$ 20,713	$ 1,623	$ 29,572	$ 5,076	$ 146,750

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

(Amounts in thousands)

	2015	2014
Cash Provided by (Used in)		
Operating activities	$ (123,914)	$ (120,762)
Noncapital financing activities	127,052	99,797
Capital financing activities	(405)	3,006
Investing activities	219	285
Net Change in Cash	2,952	(17,674)
Cash, Beginning of Year	29,358	47,032
Cash, End of Year	$ 32,310	$ 29,358

- 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, 2015, the District had $150.1 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2014, our net capital assets were $136.4 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 2015-2016 fiscal year and beyond with primary funding through our general obligation bond.

(Amounts in thousands)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land and construction in progress	$ 31,247	$ 17,903	$ -	$ 49,150
Building and improvements	137,180	-	-	137,180
Furniture and equipment	19,090	926	-	20,016
Subtotal	187,517	18,829	-	206,346
Accumulated depreciation	51,146	5,076	-	56,222
	$ 136,371	$ 13,753	$ -	$ 150,124

We present more detailed information regarding our Capital Assets in Note 6 of the financial statements.

Obligations

At the end of the 2014-2015 fiscal year, the District had $75.5 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 Glendale Community College District boundaries. Other obligations for the District include two certificates of participation and capital lease obligations.

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

(Amounts in thousands)

	Balance Beginning of Year (as restated)	Additions	Deletions	Balance End of Year
General obligation bonds	$ 78,751	$ 3,332	$ 6,597	$ 75,486
Certificates of participation	3,580	-	575	3,005
Capital leases	140	-	95	45
Compensated absences	3,427	6	-	3,433
Early retirement	849	-	425	424
Load banking	2,537	-	381	2,156
Net OPEB obligation	5,158	2,343	679	6,822
Aggregate net pension obligation	86,595	-	16,483	70,112
Total Long-Term Obligations	$ 181,037	$ 5,681	$ 25,235	$ 161,483
Amount due within one year				$ 5,779

We present more detailed information regarding our long-term obligations in Note 11 of the financial statements.

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

The one-quarter of percent sales tax increase which was initiated by the Governor's tax initiative (Proposition 30) will sunset at the end of 2016. Even with the improved State economy, there are still concerns with the loss of $4.0 - $5.0 billion when tax rates revert back to the pre-Proposition 30 level.

The State's economy continues to improve with tax receipts far exceeding initial estimates. As a result, the State Budget provides significant increases for access, student success, and student equity. The Governor has appropriated the new funding as "ONE-TIME". The District must be prudent in the allocation of its one-time funds to avoid any financial problems in the future years.

Enrollment is the biggest concern with the college's budget. Enrollment was flat in 2014-2015 and 772 FTES from Summer 2015 were shifted to the 2014-2015 fiscal year to maximize revenue. The college continues to look into ways to become more efficient in its enrollment management.

CalSTRS and CalPERS retirement costs will be increasing significantly over the next five years. These increases will impact the operating budget and plans should be made to address these increased costs.

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, 2015

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	144,523
Investments - unrestricted		6,635,202
Investments - restricted		25,530,336
Accounts receivable		8,624,385
Student loans receivable		2,533,736
Prepaid expenses		474,855
Inventories		17,120
Total Current Assets		43,960,157
NONCURRENT ASSETS		
Nondepreciable capital assets		49,149,978
Depreciable capital assets, net of depreciation		100,973,787
Total Noncurrent Assets		150,123,765
TOTAL ASSETS		194,083,922
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		1,688,266
Current year pension contribution		5,646,741
Total Deferred Outflows of Resources		7,335,007
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		10,521,743
Accrued interest payable		536,222
Unearned revenue		3,596,248
Current portion of long-term obligations other than pensions		5,779,046
Total Current Liabilities		20,433,259
NONCURRENT LIABILITIES		
Noncurrent portion of long-term obligations other than pensions		85,591,826
Aggregate net pension obligation		70,111,751
Total Noncurrent Liabilities		155,703,577
TOTAL LIABILITIES		176,136,836
DEFERRED INFLOWS OF RESOURCES		
Net change in proportionate share of net pension liability		445,968
Difference between projected and actual earnings on pension plan investments		19,331,102
Total Deferred Inflows of Resources		19,777,070
NET POSITION		
Net investment in capital assets		86,283,541
Restricted for:		
Debt service		6,217,854
Capital projects		250,837
Educational programs		3,643,529
Unrestricted		(90,890,738)
TOTAL NET POSITION	$	5,505,023

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, 2015

OPERATING REVENUES	
Tuition and Fees	$ 21,152,606
Less: Scholarship discount and allowance	(10,223,260)
Net tuition and fees	10,929,346
Internal Service Sales and Charges	790,682
TOTAL OPERATING REVENUES	11,720,028
OPERATING EXPENSES	
Salaries	65,577,968
Employee benefits	24,188,339
Supplies, materials, and other operating expenses and services	20,712,505
Financial aid	29,572,053
Equipment, maintenance, and repairs	1,622,946
Depreciation	5,075,958
TOTAL OPERATING EXPENSES	146,749,769
OPERATING LOSS	(135,029,741)
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	58,436,201
Grants and Contracts, noncapital:	
Federal	30,765,661
State and local	15,560,408
Local property taxes levied for general purposes	11,412,657
Local property taxes levied for capital debt	6,053,495
State taxes and other revenues	2,761,884
Investment income, noncapital	82,231
Investment income, capital	101,806
Interest expense on capital related debt	(3,471,964)
Interest income on capital asset-related debt	59,417
Other nonoperating revenue	3,883,724
TOTAL NONOPERATING REVENUES (EXPENSES)	125,645,520
LOSS BEFORE OTHER REVENUES	
OTHER REVENUES	(9,384,221)
State revenues, capital	18,372,853
Local revenues, capital	367,282
TOTAL OTHER REVENUES	18,740,135
CHANGE IN NET POSITION	9,355,914
NET POSITION, BEGINNING OF YEAR, AS RESTATED (See Note 18)	(3,850,891)
NET POSITION, END OF YEAR	$ 5,505,023

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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 11,337,126
Loans issued to students	(535,906)
Payments to vendors for supplies and services	(20,010,052)
Payments to or on behalf of employees	(85,923,425)
Payments to students for scholarships and grants	(29,572,053)
Auxiliary enterprise sales	790,682
Net Cash Flows From Operating Activities	(123,913,628)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State apportionments	68,502,258
Grants and contracts	46,243,889
Property taxes - nondebt related	11,412,657
State taxes and other apportionments	2,230,583
Tax revenue anticipation note	(5,000,000)
Other nonoperating	3,662,908
Net Cash Flows From Noncapital Financing Activities	127,052,295
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from capital debt	3,331,783
State revenue for capital purposes	18,372,853
Property taxes - related to capital debt	6,053,495
Purchase of capital assets	(19,284,342)
Principal paid on capital debt	(7,267,707)
Interest costs on capital debt-net	(2,038,314)
Interest received on capital investments	59,417
Local revenue for capital purposes	367,282
Net Cash Flows From Capital Financing Activities	(405,533)
CASH FLOWS FROM INVESTING ACTIVITIES	
Change on investment income	218,733
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,951,867
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	29,358,194
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 32,310,061

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

GLENDALE COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015

RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	$ (135,029,741)
Adjustments to Reconcile Net Operating Loss to Net Cash Flows From Operating Activities:	
Depreciation expense	5,075,958
Changes in Operating Assets, Deferred Outflows, Liabilities and Deferred Inflows:	
Receivables	(535,906)
Stores inventories	(646)
Accounts payable and other obligations	1,467,462
Prepaid expense	106,684
Unearned revenue	980,932
Change in deferred inflows	19,777,070
Change in deferred outflows	(136,856)
Pension obligation	(16,483,314)
Compensated absences, load banking and early retirement	(798,969)
OPEB obligation	1,663,698
Net Cash Flows From Operating Activities	$ (123,913,628)
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:	
Cash in banks	$ 144,523
Investments	32,165,538
	$ 32,310,061
NONCASH TRANSACTIONS	
On behalf payments for benefits	$ 1,608,218

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

GLENDALE COMMUNITY COLLEGE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

ASSETS	
Cash and cash equivalents	$ 2,300,143
Investments	3,851,758
Accounts receivable	42,301
Student loan receivable	4,055
Total Assets	6,198,257
LIABILITIES	
Due to student groups	1,129,687
NET POSITION	
Unreserved	$ 5,068,570

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

GLENDALE COMMUNITY COLLEGE DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

ADDITIONS	
Local revenues	$ 698,286
DEDUCTIONS	
Services and operating expenditures	591,815
Change in Net Position	106,471
Net Position - Beginning	4,962,099
Net Position - Ending	$ 5,068,570

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.

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. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, the District, and the following component unit:

- **The Los Angeles County Schools Regionalized Business Service Corporation**

  The Los Angeles County Schools Regionalized Business Service Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to issue debt specifically for the acquisition and construction of capital assets for the District. The financial activity has been "blended" or consolidated within the financial statements of the District as if the activity was the District's. The activity is included as the Other Debt Service Fund. Certificates of participation issued by the Corporation are included as long-term obligations of the District. Individually-prepared financial statements are not prepared for the Los Angeles County Schools Regionalized Business Service Corporation.

Blended Component

Condensed component unit information for the Corporation, the District's blended component unit, for the year ended June 30, 2015, is as follows:

Condensed Statement of Net Position

ASSETS		
Investments	$	441,288
NET POSITION		
Restricted for:		
Capital projects	$	441,288

Condensed Statement of Revenues, Expenses, and Changes in Net Position

EXPENDITURES	$	(726,754)
TRANSFER IN		735,992
CHANGE IN NET POSITION		9,238
NET POSITION, BEGINNING OF YEAR		432,050
NET POSITION, END OF YEAR	$	441,288

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 entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. 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 fees and auxiliary activities through the bookstore and cafeteria.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain Federal and State 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 grants and entitlements 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 District reports are based on all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date.

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, and No. 39. 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. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2015, 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.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets are classified on the Statement of Net Position because their use is limited by enabling legislation, applicable bond covenants, and other laws of other governments. Also, resources have been set aside to satisfy certain requirements of the bonded debt issuance and to fund certain capital asset projects.

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. Management has analyzed these accounts and believes all amounts are fully collectable.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30, 2015.

Inventories

Inventories consist primarily of bookstore merchandise and 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 estimated fair market 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 entity-wide financial statements.

Debt Issuance Costs, Premiums, and Discounts

Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, 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 the deferred charges on the refunding of general obligation bonds and current year pension contributions.

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 the difference between projected and actual earnings on pension plan investments specific to the net pension liability and for the unamortized amount on net change in proportionate share of net pension liability.

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.

Compensated Absences

Accumulated unpaid 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. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated 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.

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 and notes payable, compensated absences, capital lease obligations, early retirement, load banking, OPEB obligations, and 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 entity-wide financial statements report $10,112,220 of restricted net position.

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 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.

Board of Governors Grants (BOGG) and Fee Waivers

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through BOGG fee waivers 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. To the extent that fee waivers have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, and Federal Work-Study 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 the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the related *Compliance Supplement*.

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 June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for pensions. It also improves information provided by State and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers,* as well as the requirements of Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of State and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.

- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).

- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes, but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.

- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled, and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan.

The District has implemented the Provisions of this Statement for the year ended June 30, 2015.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a State or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement No. 68 requires a State or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a State or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement No. 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a State or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement No. 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement No. 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The District has implemented the Provisions of this Statement for the year ended June 30, 2015.

As the result of implementing GASB Statement No. 68, the District has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2014, by $81,085,180. The decrease results from recognizing the net pension liability, net of related deferred outflows of resources. The restatement does not include deferred inflows as this information was not available.

New Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of State and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement extend the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

This Statement also clarifies the application of certain provisions of Statements No. 67 and No. 68 with regard to the following issues:

- Information that is required to be presented as notes to the ten-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.

- Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions.

- Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The scope of this Statement includes OPEB plans—defined benefit and defined contribution—administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by State and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of State and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of State and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier implementation is permitted.

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 - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section (ECS) 41001). 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, 2015, consisted of the following:

Primary Government

Cash on hand and in banks	$ 113,523
Cash in revolving	31,000
Investments	32,165,538
Total Deposits and Investments	$ 32,310,061

Fiduciary Funds

Cash on hand and in banks	$ 2,292,643
Cash in revolving	7,500
Investments	3,851,758
Total Deposits and Investments	$ 6,151,901

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 U.S. Treasury cash reserves, certificates of deposits, 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	Fair Value	Weighted Average Days to Maturity
Federated U.S. Treasury Cash Reserves	$ 441,288	55
Los Angeles County Investment Pool	31,691,169	595
Certificates of Deposit - various	3,851,758	90-365
Total	$ 35,984,215	

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 is not required to be rated, nor has it been rated, as of June 30, 2015. The Federated U.S. Treasury Cash Reserves is rated by Standard and Poor's. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of June 30, 2015
Federated U.S. Treasury Cash Reserves	$ 441,288	Not Required	AAA/m
Los Angeles County Investment Pool	31,691,169	Not Required	Not Rated
Certificates of Deposit - various	3,851,758	Not Required	Not Rated
Total	$ 35,984,215		

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, 2015, the District's book balance of $144,523 and the fiduciary funds of $2,300,143, totaling $2,444,666, of which $13,693,427 was 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 - ACCOUNTS RECEIVABLE

Accounts receivable for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectable in full.

	Primary Government
Federal Government	
Categorical aid	$ 1,055,524
State Government	
Apportionment	537,987
Categorical aid	4,532,630
Lottery	1,421,496
Other State sources	404,163
Local Sources	
Other local sources	672,585
Total	$ 8,624,385
Student Loans Receivable	$ 2,533,736

	Fiduciary Funds
Other Local Sources	$ 42,301
Student Loans Receivable	$ 4,055

NOTE 5 - PREPAID EXPENSES

Payments made to vendors for goods or services benefit periods beyond June 30, 2015 amounted to $474,855. These payments consisted of health and welfare and debt service expenses.

GLENDALE COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2015, was as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	$ 18,262,747	$ -	$ -	$ 18,262,747
Construction in progress	12,984,146	17,903,085	-	30,887,231
Total Capital Assets Not Being Depreciated	31,246,893	17,903,085	-	49,149,978
Capital Assets Being Depreciated				
Buildings and improvements	99,041,714	-	-	99,041,714
Site improvements	38,138,534	-	-	38,138,534
Vehicles, machinery and equipment	19,090,326	925,477	-	20,015,803
Total Capital Assets Being Depreciated	156,270,574	925,477	-	157,196,051
Total Capital Assets	187,517,467	18,828,562	-	206,346,029
Less Accumulated Depreciation				
Site improvements	25,429,511	1,920,290	-	27,349,801
Buildings and improvements	13,835,506	1,791,897	-	15,627,403
Vehicles, machinery and equipment	11,881,289	1,363,771	-	13,245,060
Total Accumulated Depreciation	51,146,306	5,075,958	-	56,222,264
	$ 136,371,161	$ 13,752,604	$ -	$ 150,123,765

Depreciation expense for the year was $5,075,958.

Interest expense on capital related debt for the year ended June 30, 2015, was $4,135,737. Of this amount, $663,773 was capitalized.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	Primary Government
Accrued payroll and benefits	$ 6,216,278
Construction	1,025,065
JPA parking fees	567,028
Student aid disbursements	670,842
Other	2,042,530
Total	$ 10,521,743

NOTE 8 - UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

	Primary Government
Federal financial assistance	$ 98,098
State categorical aid	930,897
Student fees	1,404,388
Scheduled Maintenance	999,713
Other local	163,152
Total	$ 3,596,248

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, 2015, there were no amounts owed between the primary government and the fiduciary funds.

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 2015 fiscal year, there were no transfers between the primary government and the fiduciary funds.

NOTE 10 - TAX AND REVENUE ANTICIPATION NOTES (TRAN)

In March 2014, the District issued $5,000,000 of Tax and Revenue Anticipation Notes bearing an interest rate yield at .13 percent. The notes were issued to supplement cash flows. Interest and principal are due and payable on December 31, 2014. As of June 30, 2015, the balance was paid in full.

Changes in the outstanding liabilities for the Tax and Revenue Anticipation Notes are as follows:

Issue Date	Rate	Maturity Date	Outstanding Beginning of Year	Additions	Deletions	Outstanding End of Year
March 19, 2014	2%	December 13, 2014	$ 5,000,000	$ -	$ 5,000,000	$ -

NOTE 11 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2015 fiscal year consisted of the following:

	Balance Beginning of Year (as restated)	Adjustments Additions	Adjustments Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds, 2003 Series B and C	$ 15,801,633	$ 825,078	$ 1,085,000	$ 15,541,711	$ 1,135,000
General obligation refunding bonds, 2005 Series A	6,741,551	2,441,474	2,340,000	6,843,025	2,435,000
Unamortized premium	838,387	-	209,596	628,791	-
General obligation bonds, 2006 Series D	2,720,000	-	745,000	1,975,000	960,000
Unamortized premium	1,319,174	-	527,670	791,504	-
General obligation bonds, 2011 Series E	4,816,835	65,231	640,000	4,242,066	185,000
Unamortized premium	189,612	-	21,465	168,147	-
General obligation bonds, 2013, Series F	13,995,000	-	-	13,995,000	-
Unamortized premium	1,223,229	-	73,763	1,149,466	-
2014 General obligation Refunding Bond	26,660,000	-	680,000	25,980,000	-
Unamortized premium	4,445,850	-	275,001	4,170,849	-
Certificates of participation - 1997	840,000	-	410,000	430,000	430,000
Certificates of participation - 2007	2,740,000	-	165,000	2,575,000	170,000
Total Bonds and Notes Payable	82,331,271	3,331,783	7,172,495	78,490,559	5,315,000
Other Liabilities					
Capital Lease	139,983	-	95,212	44,771	39,534
Compensated absences	3,426,941	6,213	-	3,433,154	-
Early retirement	849,024	-	424,512	424,512	424,512
Load banking	2,536,632	-	380,670	2,155,962	-
Other postemployment benefits (OPEB)	5,158,216	2,343,135	679,437	6,821,914	-
Aggregate net pension obligation	86,595,065	-	16,483,314	70,111,751	-
Total Other Liabilities	98,705,861	2,349,348	18,063,145	82,992,064	464,046
Total Long-Term Obligations	$ 181,037,132	$ 5,681,131	$ 25,235,640	$ 161,482,623	$ 5,779,046

Description of Debt

Payments on the general obligation bonds are to be made by the bond interest and redemption fund with local property tax collections. Payments for the certificates of participation are made by the other debt service fund. The compensated absences, early retirement and 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 postemployment benefits.

Bonded Debt

2002 General Obligation Bonds, 2013 Series F

During January 2013, the District issued the sixth and final series of general obligation bonds authorized by a local election in March 2002. At June 30, 2015, $13,995,000 had been issued, the outstanding principal balance was $13,995,000, and the unamortized premium balance was $1,149,466. The bonds mature beginning on August 1, 2018 through August 1, 2031, with an interest rate ranging from 3.0 percent to 5.0 percent.

2003 General Obligation Bonds, Series B and C

During July 2003, the District issued the 2003 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 four percent. At June 30, 2015, the principal balance outstanding (including accreted interest to date) was $15,541,711.

2005 General Obligation Refunding Bonds

During October 2005, the District issued the 2005 General Obligation Refunding Bonds in the amount of $16,951,097. The bonds issued included $14,575,000 of current interest bonds and $2,376,097 of Capital Appreciation bonds. The capital appreciation bonds have a maturing principal balance of $7,310,000. The bonds mature beginning on October 1, 2008 through October 1, 2017, with interest rates ranging from 3.50 percent to 4.0 percent. At June 30, 2015, the principal balance outstanding (including accreted interest to date) was $6,843,025 and unamortized premium of $628,791. The premium is amortized over the life of the bonds as a component of interest expense on the bonds.

2006 General Obligation Bonds, Series D

During October 2006, the District issued the 2006 General Obligation Bonds, Series D in the amount of $34,500,000. The bonds mature beginning on November 1, 2007 through November 1, 2016, with interest rates ranging from 4.0 percent to 5.0 percent. As a result of the issuance of the 2014 General Obligation Refunding bonds, a partial refunding of $27,800,000 was advanced refunded for these bonds. As of June 30, 2015, the principal balance outstanding was $1,975,000 and the unamortized premium was $791,504.

2011 General Obligation Bonds, Series E

During April 2011, the District issued the 2011 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, 2015, the principal balance outstanding was $4,242,066 and unamortized premium of $168,147.

2014 General Obligation Refunding Bonds

On June 26, 2014, the District issued the 2014 General Refunding Bonds in the amount of $26,660,000. The bonds mature beginning on August 1, 2014 through August 1, 2031, with interest rates ranging from 1.0 percent to 5.0 percent.

Proceeds from the bonds were used to advance refund a portion of the District's 2006 General Obligation Bonds, Series D. The refunding of debt resulted in an economic gain (difference between the present value of the debt service on the old and the new certificates) of approximately $1,640,000. The advance refunding met the requirements of an in-substance defeasance and the associated liability of $27,800,000 was removed from the District's financial statements. An Escrow Fund was established to fund the continued payment of the principal and interest as it becomes due. As of June 30, 2015, the balance in the escrow account amounted to $29,662,774. The refunding resulted in a deferred charge on refunding which amounted to $1,688,266 at June 30, 2015.

At June 30, 2015, the principal outstanding on the 2014 General Obligation Refunding Bonds, was $25,980,000 and unamortized premium of $4,170,849.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2014	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2015
2003	08/1/28	4.0%	$ 17,499,930	$ 15,801,633	$ -	$ 825,078	$ 1,085,000	$ 15,541,711
2005	10/1/17	3.50% - 4.0%	16,951,097	6,741,551	-	2,441,474	2,340,000	6,843,025
2006	11/1/31	4.0% - 5.0%	34,500,000	2,720,000	-	-	745,000	1,975,000
2011	8/1/30	2.12% - 4.2%	5,001,453	4,816,835	-	65,231	640,000	4,242,066
2013	8/1/31	3.0% - 5.0%	13,995,000	13,995,000	-	-	-	13,995,000
2014	8/1/31	1% - 5.0%	26,660,000	26,660,000	-	-	680,000	25,980,000
				$ 70,735,019	$ -	$ 3,331,783	$ 5,490,000	$ 68,576,802

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
2016	$ 1,108,399	$ 26,601	$ 1,135,000
2017	1,120,271	84,729	1,205,000
2018	1,113,111	146,889	1,260,000
2019	1,089,172	210,828	1,300,000
2020	1,094,385	285,615	1,380,000
2021-2025	5,496,671	2,529,718	8,026,389
2026-2029	4,519,702	3,839,326	8,359,028
Total	$ 15,541,711	$ 7,123,706	$ 22,665,417

The general obligation refunding bonds 2005 Series A mature through 2018 as follows:

Fiscal Year	Principal (Including Accreted Interest to Date)	Accreted Interest	Total
2016	$ 2,383,164	$ 51,836	$ 2,435,000
2017	2,279,438	155,562	2,435,000
2018	2,180,423	259,577	2,440,000
Total	$ 6,843,025	$ 466,975	$ 7,310,000

The general obligation bonds 2006 Series D mature through 2017 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2016	$ 960,000	$ 71,150	$ 1,031,150
2017	1,015,000	25,375	1,040,375
Total	$ 1,975,000	$ 96,525	$ 2,071,525

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

Fiscal Year	Principal	Accreted Interest	Interest to Maturity	Total
2016	$ 177,884	$ 7,116	$ 175,600	$ 360,600
2017	168,908	21,092	175,600	365,600
2018	160,274	34,726	175,600	370,600
2019	200,000	-	171,600	371,600
2020	210,000	-	163,400	373,400
2021-2025	1,245,000	-	672,000	1,917,000
2026-2030	1,675,000	-	320,625	1,995,625
2031	405,000	-	10,125	415,125
Total	$ 4,242,066	$ 62,934	$ 1,864,550	$ 6,169,550

The general obligation bonds 2002 Series F mature through 2032 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2016	$ -	$ 515,775	$ 515,775
2017	-	515,775	515,775
2018	-	515,775	515,775
2019	770,000	500,375	1,270,375
2020	800,000	468,975	1,268,975
2021-2025	4,500,000	1,824,025	6,324,025
2026-2030	5,475,000	843,069	6,318,069
2031-2032	2,450,000	77,187	2,527,187
Total	$ 13,995,000	$ 5,260,956	$ 19,255,956

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

Fiscal Year	Principal	Interest to Maturity	Total
2016	$ -	$ 1,245,750	$ 1,245,750
2017	120,000	1,244,550	1,364,550
2018	1,145,000	1,220,450	2,365,450
2019	1,200,000	1,173,550	2,373,550
2020	1,250,000	1,124,550	2,374,550
2021-2025	7,340,000	4,627,250	11,967,250
2026-2030	10,010,000	2,518,700	12,528,700
2031-2032	4,915,000	249,375	5,164,375
Total	$ 25,980,000	$ 13,404,175	$ 39,384,175

Certificates of Participation

In July 1997, the Los Angeles County Schools Regionalized Business Services Corporation issued certificates of participation in the amount of $4,905,000 to fund various capital improvement projects throughout the District. At June 30, 2015, the balance outstanding was $430,000. The certificates mature through 2016 with interest rates ranging from 3.80 percent to 5.25 percent.

In June 2007, the Los Angeles County Schools Regionalized Business Services Corporation issued certificates of participation in the amount of $3,730,000 to finance additional improvements to a parking facility that serves the administrators, faculty, and students of Glendale Community College. The certificates mature through 2027 with interest rates ranging from 3.800 percent to 4.375 percent. At June 30, 2015, the principal balance outstanding was $2,575,000.

1997 Certificates of Participation

The certificates mature through 2016 as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 430,000	$ 11,287	$ 441,287

2007 Certificates of Participation

The certificates mature through 2027 as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 170,000	$ 111,815	$ 281,815
2017	175,000	105,015	280,015
2018	185,000	98,015	283,015
2019	190,000	90,430	280,430
2020	200,000	82,450	282,450
2021-2025	1,125,000	274,832	1,399,832
2026-2027	530,000	36,000	566,000
Total	$ 2,575,000	$ 798,557	$ 3,373,557

Capital Leases

The District has utilized capital lease purchase agreements to primarily purchase equipment. The liability on lease agreements with options to purchase is summarized below:

	Total
Balance, Beginning of Year	$ 143,467
Payments	98,380
Balance, End of Year	$ 45,087

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2016	$ 39,831
2017	5,256
Total	45,087
Less: Amount Representing Interest	316
Present Value of Minimum Lease Payments	$ 44,771

Compensated Absences

At June 30, 2015, the liability for compensated absences was $3,433,154.

Early Retirement Incentive

The District has entered into various agreements including a Supplementary Retirement Plan (SRP) to provide certain benefits to employees participating in the early retirement incentive program. The District will pay $849,024 on behalf of the retirees through 2016 in accordance with the following schedule:

Year Ending June 30,	
2016	$ 424,512

Load Banking

At June 30, 2015, the liability for load banking was $2,155,962.

Other Postemployment Benefits (OPEB) Obligation

The District's annual required contribution for the year ended June 30, 2015, was $2,479,490, and contributions made by the District during the year were $679,437. Interest on the net OPEB obligation and adjustments to the annual required contribution were $273,385 and $(409,740), respectively, which resulted in an increase to the net OPEB obligation of $1,663,698. As of June 30, 2015, the net OPEB obligation was $6,821,914. See Note 12 for additional information regarding the OPEB obligation and the postemployment benefits plan.

Net Pension Obligation

At June 30, 2015, the liability for the aggregate net pension obligation amounted to $70,111,751. Set Note 14 for additional information regarding the net pension obligation.

NOTE 12 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

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

Plan Description

The Glendale Community College District Health Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 53 retirees and beneficiaries currently receiving benefits and 606 active Plan members.

Contribution Information

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 through agreements between the District and the bargaining units. For fiscal year 2014-2015, the District contributed $679,437 to the Plan, all of which was used for current premiums.

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the payments of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding costs) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation to the Plan:

Annual required contribution	$ 2,479,490
Interest on net OPEB obligation	273,385
Adjustment to annual required contribution	(409,740)
Annual OPEB cost (expense)	2,343,135
Contributions made	(679,437)
Increase in net OPEB obligation	1,663,698
Net OPEB obligation, beginning of year	5,158,216
Net OPEB obligation, end of year	$ 6,821,914

Trend Information

Trend information for the annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the past three years is as follows:

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2013	$ 1,342,686	$ 1,357,514	101.1%	$ 4,470,861
2014	1,342,601	655,246	48.8%	5,158,216
2015	2,343,135	679,437	29.0%	6,821,914

The District has set aside an additional $1,946,692 in the General Fund to provide for future OPEB expenses. The additional funds create a reserve for future expense, but do not reduce the OPEB obligation because the funds do not qualify as an irrevocable trust as stipulated in GASB Statement No. 45.

Funding Status and Funding Progress

A schedule of funding progress as of the most recent actuarial valuation is as follows:

Actuarial Accrued Liability (AAL)	$ 16,663,213
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 16,663,213
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll	$ 53,700,584
UAAL as Percentage of Covered Payroll	31%

The above noted actuarial accrued liability was based on the August 29, 2015, actuarial valuation. Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Other Postemployment Benefits Funding Progress, presented as required supplementary information, follows the notes to the financial statements and presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial values of assets, consistent with the long-term perspective of the calculations.

In the August 29, 2015, actuarial valuation, the "entry age normal" actuarial cost method was used. The actuarial assumptions included a 5.3 percent investment rate of return based on the Plan being funded in an irrevocable employee benefit trust fund invested in a long-term fixed income portfolio. Healthcare cost trend assumptions were based on a four percent increase each year. The UAAL is being amortized at a level percentage of payroll method. This amortization payment would increase each year based on covered payroll. The remaining amortization period at June 30, 2015, was 23 years.

NOTE 13 - RISK MANAGEMENT

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. Employee health coverage benefits are covered by a commercial insurance policy purchased by the District. The District provides health insurance benefits to District employees, their families, and retired employees of the District.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2015, 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 2015, 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 14 - 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 CalSTRS and classified employees are members of CalPERS.

The District implemented GASB Statements No. 68 and No. 71 for the fiscal year ended June 30, 2015. As a result, the District reported its proportionate share of the net pension liabilities, pension expense, and deferred inflow of resources for each of the above plans and a deferred outflow of resources for each of the above plans as follows:

Pension Plan	Proportionate Share of Net Pension Liability	Deferred Outflows of Resources	Proportionate Share of Deferred Inflows of Resources	Proportionate Share of Pension Expense
CalSTRS	$ 43,786,963	$ 2,782,210	$ 10,782,456	$ 3,780,229
CalPERS	24,878,835	2,638,966	8,657,151	2,211,220
CalPERS - Safety Risk Pool	1,445,953	225,565	337,463	157,576
Total	$ 70,111,751	$ 5,646,741	$ 19,777,070	$ 6,149,025

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, 2013, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publically 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, 2015, 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	8.15%	8.15%
Required employer contribution rate	8.88%	8.88%
Required State contribution rate	5.95%	5.95%

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, 2015, are presented above, and the District's total contributions were $2,782,210.

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

At June 30, 2015, 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	$ 43,786,963
State's proportionate share of net pension liability associated with the District	26,440,459
Total	$ 70,227,422

The net pension liability was measured as of June 30, 2014. 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. At June 30, 2015, the District's proportion was 0.0749 percent.

For the year ended June 30, 2015, the District recognized pension expense of $3,780,229. In addition, the District recognized revenue and pension expense of $2,282,665 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,782,210	$ -
Difference between projected and actual earnings on pension plan investments	-	10,782,456
Total	$ 2,782,210	$ 10,782,456

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 year ended June 30, 2016.

The deferred 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,	Amortization
2016	$ 2,695,614
2017	2,695,614
2018	2,695,614
2019	2,695,614
Total	$ 10,782,456

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Experience study	July 1, 2006 through June 30, 2010
Actuarial cost method	Entry age normal
Discount rate	7.60%
Investment rate of return	7.60%
Consumer price inflation	3.00%
Wage growth	3.75%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

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. Based on the model for CalSTRS consulting actuary investment practice, a best estimate range was determined assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentile for the long-term distribution of annualized returns. The assumed asset allocation is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.50%
Private equity	12%	6.20%
Real estate	15%	4.35%
Inflation sensitive	5%	3.20%
Fixed income	20%	0.20%
Cash/liquidity	1%	0.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.60 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 (7.60 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 (6.60%)	$ 68,252,424
Current discount rate (7.60%)	43,786,963
1% increase (8.60%)	23,387,215

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 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, 2013, annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety, 2013. These reports and CalPERS audited financial information are publically 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 provisions and benefits in effect at June 30, 2015, 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	7.000%	6.000%
Required employer contribution rate	11.771%	11.771%

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, 2015, are presented above, and the total District contributions, for CalPERS and CalPERS Safety Risk Pool were $2,638,966 and $225,565, respectively.

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

As of June 30, 2015, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $24,878,835 and $1,445,953 for CalPERS Safety Risk Pool. The net pension liability was measured as of June 30, 2014. 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 period June 30, 2014 and June 30, 2013, respectively, was 0.2017 percent and 0.2027 percent, resulting in a net decrease in the proportionate share of 0.0010 percent. The CalPERS Safety Risk Pool's proportionate share for the measurement period June 30, 2014, was 0.02324 percent.

For the year ended June 30, 2015, the District recognized pension expense of $2,211,220 for CalPERS and $157,576 for CalPERS Safety Risk Pool. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,864,531	$ -
Net change in proportionate share of net pension liability	-	445,968
Difference between projected and actual earnings on pension plan investments	-	8,548,646
Total	$ 2,864,531	$ 8,994,614

The deferred outflow 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 year ended June 30, 2016.

The deferred inflows of resources related to the net change in proportionate share of net pension liability will be amortized over the Expected Average Remaining Service Lives (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the 2013-2014 measurement period is 3.9 years and the pension expense will be recognized as follows:

Year Ended June 30,	CalPERS Amortization
2016	$ 36,168
2017	36,168
2018	36,169
Total	$ 108,505

Year Ended June 30,	CalPERS Safety Risk Pool Amortization
2016	$ 84,366
2017	84,366
2018	84,366
2019	84,365
Total	$ 337,463

The deferred 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,	Amortization
2016	$ 2,137,162
2017	2,137,162
2018	2,137,162
2019	2,137,160
Total	$ 8,548,646

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.50%
Investment rate of return	7.50%
Consumer price inflation	2.75%
Wage growth	3.00%

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	47%	5.25%
Global fixed income	19%	0.99%
Private equity	12%	6.83%
Real estate	11%	4.50%
Inflation sensitive	6%	0.45%
Infrastructure and Forestland	3%	4.50%
Liquidity	2%	-0.55%

Discount Rate

The discount rate used to measure the total pension liability was 7.50 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 Net Pension Liability
1% decrease (6.50%)	$ 43,643,156
Current discount rate (7.50%)	24,878,835
1% increase (8.50%)	9,199,353

Discount Rate	CalPERS Safety Risk Pool Net Pension Liability
1% decrease (6.50%)	$ 2,227,530
Current discount rate (7.50%)	1,445,953
1% increase (8.50%)	801,967

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, 2015, which amounted to $1,608,218, (5.679 percent for 2015) 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, 2015. 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 nonoperating revenue and employee benefit expense.

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 15 - PUBLIC AGENCY RETIREMENT SYSTEM (PARS) SUPPLEMENTARY RETIREMENT PLAN (SRP)

The District has adopted the Public Agency Retirement System (PARS) 403(b) Supplementary Retirement Plan (SRP). This SRP is designed to meet the requirements of Section 403(b) of the Internal Revenue Code of 1986, as amended, and, to the extent applicable, the Employee Retirement Income Security Act of 1974, as amended. Employees eligible to receive retirement benefits under the SRP must be a Faculty, Academic, Classified Management, Classified Non-Management, or Confidential Employee, is at least age fifty-five (55) with ten (10) or more years of full-time equivalent District service from the date of the formal action taken by the District (retire during the window period in the formal action taken by the District's Governing Board of Trustees). In order for the District to reach fiscal goals, a minimum number of participants were required to enroll in the SRP. The benefits provided under the SRP are funded in five (5) annual contributions. (See Note 11 - Early Retirement Incentive.)

NOTE 16 - 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, 2015, the District made payments of $1,015,043 and $528,207 to SLIM and ASCIP, respectively.

NOTE 17 - 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, 2015.

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, 2015.

Construction Commitments

As of June 30, 2015, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Lab/College Services Project	$ 14,320,308	April 16, 2016

The projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

NOTE 18 - RESTATEMENT OF PRIOR YEAR NET POSITION

The District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. As a result, the effect on the current fiscal year is as follows:

Primary Government	
Net Position - Beginning	$ 77,234,289
Inclusion of net pension liability from the adoption of GASB Statement No. 68	(86,595,065)
Inclusion of deferred outflows of resources from the adoption of GASB Statement No. 68	5,509,885
Net Position - Beginning, as restated	$ (3,850,891)

REQUIRED SUPPLEMENTARY INFORMATION

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
May 1, 2009	$ -	$ 17,534,021	$ 17,534,021	0%	$ 51,869,000	34%
April 1, 2013	-	12,665,791	12,665,791	0%	48,383,000	26%
August 29, 2015	-	16,663,213	16,663,213	0%	53,700,587	31%

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2015

CalSTRS

District's proportion of the net pension liability	0.0749%
District's proportionate share of the net pension liability	$ 43,786,963
State's proportionate share of the net pension liability associated with the District	26,440,459
Total	$ 70,227,422
District's covered - employee payroll	$ 33,374,121
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	131.20%
Plan fiduciary net position as a percentage of the total pension liability	77%

CalPERS

District's proportion of the net pension liability	0.2191%
District's proportionate share of the net pension liability	$ 24,878,835
District's covered - employee payroll	$ 23,005,261
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	108.14%
Plan fiduciary net position as a percentage of the total pension liability	83%

CalPERS -SAFETY RISK POOL

District's proportion of the net pension liability	0.02324%
District's proportionate share of the net pension liability	$ 1,445,953
District's covered - employee payroll	$ 1,877,661
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	77.01%
Plan fiduciary net position as a percentage of the total pension liability	83%

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

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2015

CalSTRS

Contractually required contribution	$ 2,782,210
Contributions in relation to the contractually required contribution	2,782,210
Contribution deficiency (excess)	$ -
District's covered - employee payroll	$ 31,331,194
Contributions as a percentage of covered - employee payroll	8.88%

CalPERS

Contractually required contribution	$ 2,638,966
Contributions in relation to the contractually required contribution	2,638,966
Contribution deficiency (excess)	$ -
District's covered - employee payroll	$ 22,419,217
Contributions as a percentage of covered - employee payroll	11.77%

CalPERS - SAFETY RISK POOL

Contractually required contribution	$ 225,565
Contributions in relation to the contractually required contribution	225,565
Contribution deficiency (excess)	$ -
District's covered - employee payroll	$ 1,916,277
Contributions as a percentage of covered - employee payroll	11.77%

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

SUPPLEMENTARY INFORMATION

GLENDALE COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION
JUNE 30, 2015

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 21,000 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 2014-2015 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
Mr. Anthony P. Tartaglia	President	2019
Mrs. Anita Quinonez Gabrielian	Vice President	2017
Dr. Armine Hacopian	Clerk	2017
Dr. Vahé Peroomian	Member	2019
Ms. Ann H. Ransford	Member	2017

ADMINISTRATION

Dr. David Viar	Superintendent/President
Mr. Ronald Nakasone	Executive Vice President, Administrative Services
Dr. Mary Mirch	Vice President, Instructional Services *Retirement date: September 30, 2015*
Dr. Ricardo Perez	Vice President, Student Services

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Federal Expenditures
NATIONAL SCIENCE FOUNDATION			
Pass-through from North Carolina Agriculture and Technology State University			
National Science Foundation - Just In Time **	47.076	260229-B	$ 23,083
U.S. DEPARTMENT OF VETERAN AFFAIRS			
Veterans Education	64.000		17
U.S. DEPARTMENT OF EDUCATION			
HIGHER EDUCATION ACT			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		213,400
FSEOG - Administration	84.007		44,121
Federal Work Study (FWS)	84.033		379,344
Federal Pell Grant (PELL)	84.063		24,526,400
Federal Pell Grant (PELL) Administration	84.063		105,451
Federal Student Direct Loans	84.268		2,359,255
Subtotal Student Financial Assistance Cluster			27,627,971
Higher Education Institutional Aid, Title V	84.031C		1,200,206
Pass-through from California State University - Northridge			
Hispanic Serving Institutions: STEM	84.031C		210,341
ADULT EDUCATION AND FAMILY LITERACY ACT			
Pass-through from California Department of Education			
Adult Basic Education	84.002	14508/13978	650,368
English Literacy and Civics Education Grant (EL Civics)	84.002	14109	266,319
CAREER AND TECHNICAL EDUCATION ACT			
Pass-through from California Community Colleges Chancellor's Office			
Career and Technical Education (CTE), Title I, Part C	84.048	14-C01-019	474,090
CTE Transitions	84.048A	14-112-730	43,269
Total U.S. Department of Education			30,472,564
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-through from California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	*	206,584
Pass-through from Pacific Clinics			
Head Start/Early Head Start	93.600	*	63,413
Total U.S. Department of Health and Human Services			269,997
Total Expenditures of Federal Awards			$ 30,765,661

* Pass-Through Identifying Number not available.
** Research and Development Grants.

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

	Program Entitlements		
Program	Current Year	Prior Year	Total Entitlement
Board Financial Assistance Program	$ 601,055	$ -	$ 601,055
Calworks	1,251,595	-	1,251,595
CARE-Financial Aide	36,142	-	36,142
State Construction	33,599,912	-	33,599,912
Scheduled Maintenance	1,694,864	-	1,694,864
California Clean Energy Jobs Act	-	-	-
Disabled Students Program and Services	1,324,263	-	1,324,263
Employment Training Panel	1,253,528	-	1,253,528
Extended Opportunity Program	627,248	-	627,248
Extended Opportunity Program and Services	815,086	-	815,086
Lottery-Prop 20	397,624	-	397,624
Instructional Equipment	427,478	-	427,478
Student Success	2,072,692	-	2,072,692
Student Equity	869,295	-	869,295
Staff Development	-	4,505	4,505
Staff Diversity	7,334	63,044	70,378
State Preschool	50,214	-	50,214
Child and Adult Care Food Program	-	908	908
Child Care Resource Center	-	-	-
TANF CDC	-	3,814	3,814
California State Preschool	39,761	-	39,761
Nursing Program Enrollment	268,037	-	268,037
Nursing Tutor/Mentor	90,000	-	90,000
Cal Grants - Financial Aid	2,000,000	-	2,000,000
Trade Act	-	10,678	10,678
Clean Energy Workforce Grant	31,662	-	31,662
California Career Pathway Trust	612,900	-	612,900
Career Tech Ed - Nursing	50,000	-	50,000
Consortium Planning	211,712	105,856	317,568
CTE - Comm. Coll. Collaborative	130,000	-	130,000
Career Tech Ed	284,804	-	284,804
State Rehab	86,815	-	86,815
Basic Skills Grants	381,469	469,783	851,252
Total State Categorical Programs			

See accompanying note to supplementary information.

Program Revenues				
Cash Received	Accounts Receivable/(Payable)	Unearned Revenue	Total Revenue	Program Expenditures
601,055	$ -	$ -	$ 601,055	$ 601,055
1,158,327	14,599	-	1,172,926	1,172,926
36,142	-	-	36,142	36,142
13,312,302	3,600,238	-	16,912,540	16,912,540
722,066	-	26,915	695,151	695,151
765,162	-	-	765,162	765,162
1,359,711	-	-	1,359,711	1,359,711
453,773	464,068	-	917,841	666,234
627,248	-	-	627,248	627,248
815,086	-	-	815,086	815,086
12,573	553,114	-	565,687	328,451
427,478	-	-	427,478	499,830
2,072,692	-	-	2,072,692	2,072,692
869,735	-	294,821	574,914	574,914
4,505	-	3,580	925	925
70,378	-	56,281	14,097	25,993
57,114	-	-	57,114	57,114
908	-	908	-	-
24,406		69,062	(44,656)	-
3,814	-	3,814	-	-
42,840	(2,149)	-	40,691	40,691
209,478	40,526	13,652	236,352	205,311
90,000	-	-	90,000	90,000
1,801,566	5,562	-	1,807,128	1,807,128
14,678	-	14,678	-	-
6,830	6,954	-	13,784	13,784
255,902	264,321	-	520,223	520,223
7,814	12,634	-	20,448	20,448
190,540	-	69,423	121,117	121,117
130,096	-	-	130,096	130,000
113,922	83,859	-	197,781	197,781
96,666	36,653	-	133,319	133,319
851,252	-	377,763	473,489	473,489
$ 27,206,059	$ 5,080,379	$ 930,897	$ 31,355,541	$ 30,964,465

GLENDALE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2015

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2014 only)			
1. Noncredit*	249	-	249
2. Credit	475	-	475
B. Summer Intersession (Summer 2015 - Prior to July 1, 2015)			
1. Noncredit**	-	-	-
2. Credit	772	-	772
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	9,234	-	9,234
(b) Daily Census Contact Hours	877	-	877
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	2,671	-	2,671
(b) Credit	199	-	199
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Contact Hours	794	-	794
(b) Daily Census Contact Hours	191	-	191
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	15,462	-	15,462
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-		-
H. Basic Skills Courses and Immigrant Education			
1. Noncredit*	2,748	-	2,748
2. Credit	686	-	686
CCFS-320 Addendum			
CDCP Noncredit FTES	2,649	-	2,649
Centers FTES			
1. Noncredit*	2,846	-	2,846

* 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, 2015

		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	$ 14,532,297	$ -	$ 14,532,297	$ 15,457,217	$ -	$ 15,457,217
Other	1300	16,095,876	-	16,095,876	16,218,208	-	16,218,208
Total Instructional Salaries		30,628,173	-	30,628,173	31,675,425	-	31,675,425
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	5,358,307	-	5,358,307
Other	1400	-	-	-	678,191	-	678,191
Total Noninstructional Salaries		-	-	-	6,036,498	-	6,036,498
Total Academic Salaries		30,628,173	-	30,628,173	37,711,923	-	37,711,923
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	14,158,117	-	14,158,117
Other	2300	-	-	-	1,286,539	-	1,286,539
Total Noninstructional Salaries		-	-	-	15,444,656	-	15,444,656
Instructional Aides							
Regular Status	2200	1,709,155	-	1,709,155	2,134,086	-	2,134,086
Other	2400	99,735	-	99,735	147,068	-	147,068
Total Instructional Aides		1,808,890	-	1,808,890	2,281,154	-	2,281,154
Total Classified Salaries		1,808,890	-	1,808,890	17,725,810	-	17,725,810
Employee Benefits	3000	7,210,060	-	7,210,060	15,406,223	-	15,406,223
Supplies and Material	4000	-	-	-	717,017	-	717,017
Other Operating Expenses	5000	-	-	-	6,687,069	-	6,687,069
Total Expenditures Prior to Exclusions		39,647,123	-	39,647,123	78,248,042	-	78,248,042

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, 2015

		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							
Student Transportation	6491	$ -	$ -	$ -	$ 13,437	$ -	$ 13,437
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	712,071	-	712,071
Objects to Exclude							
Rents and Leases	5060	-	-	-	18,237	-	18,237
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 2,130,165	$ -	$ 2,130,165
Total Exclusions		-	-	-	2,873,910	-	2,873,910
Total for ECS 84362, 50 Percent Law		$ 39,647,123	$ -	$ 39,647,123	$ 75,374,132	$ -	$ 75,374,132
Percent of CEE (Instructional Salary Cost/Total CEE)		52.60%		52.60%	100.00%		100.00%
50% of Current Expense of Education					$ 37,687,066		$ 37,687,066

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2015.

See accompanying note to supplementary information.

GLENDALE COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACT (EPA) EXPENDITURE REPORT FOR THE YEAR ENDED JUNE 30, 2015

Activity Classification	**Object Code**				**Unrestricted**
EPA Proceeds:	8630				$ 13,430,980
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	1000-5900	$ 13,430,980			$ 13,430,980
Total Expenditures for EPA		$ 13,430,980	-	-	$ 13,430,980
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, 2015

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Fund Balances and Retained Earnings:		
General Funds	$ 8,331,922	
Special Revenue Funds	1,006,863	
Capital Project Funds	13,257,677	
Debt Service Funds	6,754,076	
Internal Service Funds	491,628	
Total Fund Balance - All District Funds		**$ 29,842,166**
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:	206,346,029	
Accumulated depreciation is:	(56,222,264)	150,123,765
The District has refunded its general obligation bonds. The difference between the amounts that were sent to escrow agents for the payment of the old debt and the actual remaining debt obligations will be amortized as an adjustment to interest expense.		1,688,266
Expenditures relating to contributions made to pension plans were recognized on the modified accrual basis, but are not recognized on the accrual basis.		5,646,741
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.		(536,222)
The net change in proportionate share of net pension liability as of the measurement date is not recognized as an expenditure under the modified accrual basis, but is recognized on the accrual basis over the expected remaining service life of members receiving pension benefits		(445,968)
Difference between projected and actual earnings on pension plan investments are not recognized on the modified accrual basis, but are recognized on the accrual basis as an adjustment to pension expense.		(19,331,102)
Long-term obligations at year end consist of:		
Bonds and notes payable (including unamortized premium)	78,490,559	
Capital leases payable	44,771	
Compensated absences	3,433,154	
Early retirement	424,512	
Load banking	2,155,962	
Other postemployment benefits	6,821,914	
Aggregate net pension obligation	70,111,751	(161,482,623)
Total Net Position		**$ 5,505,023**

See accompanying note to supplementary information.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

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

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 the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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 the 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 internal fund financial statements.

Proposition 30 Education Protection Act (EPA) Expenditure Report

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

GLENDALE COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2015

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

INDEPENDENT AUDITOR'S REPORTS

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

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 basic 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, 2015, 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 21, 2015.

Emphasis of Matter - Change in Accounting Principles

As discussed in Notes 2 and 18 to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

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 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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*.

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.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 21, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 *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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 consider 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, 2015.

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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 OMB Circular A-133, 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 a 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 21, 2015

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 California Community Colleges Chancellor's Office *District Audit Manual* issued in August 2014 that could have a direct and material effect on each of the District's programs as noted below for the year ended June 30, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in August 2014.

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 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 opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion for Each of the Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2015.

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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 Instructional Service Agreements/Contracts
Section 424	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Concurrent Enrollment of K-12 Students in Community College Credit Courses
Section 430	Schedule Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 438	Student Fees – Health Fees and Use of Health Fee Funds
Section 439	Proposition 39 Clean Energy
Section 440	Intersession Extension Programs
Section 474	Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged (TBA) Hours
Section 490	Proposition 1D State Bond Funded Projects
Section 491	Proposition 30 Education Protection Account Funds

The District reports no Instructional Service Agreements/Contracts for Apportionment Funding; therefore, the compliance tests within this section were not applicable.

The District reports no attendance within Intersession Extension Programs; therefore, the compliance tests within this section were not applicable.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 21, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GLENDALE COMMUNITY COLLEGE DISTRICT

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2015

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
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 .510(a) of OMB Circular A-133?	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:	$ 300,000
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, 2015

None reported.

GLENDALE COMMUNITY COLLEGE DISTRICT

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

None reported.

GLENDALE COMMUNITY COLLEGE DISTRICT

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

None reported.

GLENDALE COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

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.