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GLENDALE COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2023

GLENDALE COMMUNITY COLLEGE DISTRICT
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JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Glendale Community College District
Glendale, California

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the remaining fund information of Glendale Community College District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Glendale Community College District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the Table of Contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis section and unaudited supplementary information section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California
December 31, 2023

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, 2023, with selected comparative information for the year ended June 30, 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes which follow this section.

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 decreased in 2022-2023. Credit enrollment decreased about 5.18%. Noncredit enrollment increased about 32.98% from 2021-22
- Nonresident enrollment decreased 10.11% in 2022-2023. The effect of nationwide dialog is causing a depressed attendance in this area.
- The District ended the year with an unrestricted General Fund balance of \$13.1 million.
- The District General Fund ending fund balance increased by approximately \$3.1 million.

STATEMENT OF NET POSITION

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

Superintendent/President Dr. Ryan Cornner

Board of Trustees Dr. Sevan Benlian • Yvette Vartanian Davis • Dr. Armine Hacopian • Desirée Portillo Rabinov • Ann H. Ransford

**GLENDALE COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Statement of Net Position – Primary Government

	2023	2022	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 184,819,370	\$ 225,731,795	\$ (40,912,425)
Noncurrent assets	292,145,154	252,980,530	39,164,624
Deferred outflow of resources	44,294,861	33,295,034	10,999,827
Total Assets and Deferred Outflows of Resources	521,259,385	512,007,359	9,252,026
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	71,546,148	71,709,260	(163,112)
Noncurrent liabilities	496,769,367	466,629,748	30,139,619
Deferred inflows of resources	21,711,092	55,889,552	(34,178,460)
Total Liabilities and Deferred Inflows of Resources	590,026,607	594,228,560	(4,201,953)
NET POSITION			
Invested in capital assets, net of related debt	(5,193,841)	(4,358,080)	(835,761)
Restricted	40,298,478	35,619,811	4,678,667
Unrestricted	(103,871,859)	(113,482,932)	9,611,073
Total Net Position	\$ (68,767,222)	\$ (82,221,201)	\$ 13,453,979

- Cash and investments consist of cash in the Los Angeles County Treasurer and associated students' cash and cash equivalents. Cash and investments decreased by approximately \$31.0 million over last year due primarily to increases in capital expenditures related to Measure GC.
- Receivables consist mainly of receivables from State and Federal grants and the apportionment funds due from the State. Receivables decreased by approximately \$10.0 million over the last year due to decreases related to Federal HEERF grants.
- Capital assets are the net historical value (original cost) of land, buildings, construction in progress, and equipment less accumulated depreciation. Capital Assets increased approximately \$39.2 million due to the additions to construction in progress and completion of projects.
- Accounts payable and accrued liabilities consist of payables to vendors and the June payroll. Payables decreased by approximately \$16.1 million primarily due to an increase in vendor payables related to capital construction projects funded under Measure GC.
- Long-term liabilities consist primarily of the general obligation bond issues. The total long-term liabilities increased approximately \$29.9 million from 2021-22 due primarily to increases in the value of the net pension liability.

**GLENDALE COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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

	2023	2022	Change
OPERATING REVENUES			
Tuition and fees	\$ 8,894,796	\$ 8,357,880	\$ 536,916
Grants and contracts, non-capital	25,224,610	49,578,405	(24,353,795)
Total Operating Revenues	34,119,406	57,936,285	(23,816,879)
OPERATING EXPENSES			
Salaries and benefits	111,754,864	106,796,250	4,958,614
Supplies, materials, and other operating expenses	31,255,838	56,979,685	(25,723,847)
Student financial aid	39,027,102	29,181,557	9,845,545
Depreciation	6,679,849	6,762,378	(82,529)
Total Operating Expenses	188,717,653	199,719,870	(11,002,217)
Operating Loss	(154,598,247)	(141,783,585)	(12,814,662)
NON-OPERATING REVENUES (EXPENSES)			
State apportionments, non-capital	74,059,885	77,646,786	(3,586,901)
Local property taxes, non-capital	29,749,438	25,497,652	4,251,786
Local property taxes, capital	15,838,663	14,913,243	925,420
State taxes and other revenues	23,139,824	12,699,388	10,440,436
Federal and State financial aid grants	35,666,222	29,394,480	6,271,742
Investment income, non-capital	(3,850,426)	(1,423,331)	(2,427,095)
Investment income, capital	3,578,873	(4,195,526)	7,774,399
Interest expense on capital asset-related debt	(11,453,379)	(10,722,820)	(730,559)
Other non-operating income	1,323,126	1,362,581	(39,455)
Total Non-Operating Revenues (Expenses)	168,052,226	145,172,453	22,879,773
Change in Net Position	13,453,979	3,388,868	10,065,111
NET POSITION, BEGINNING OF YEAR	(82,221,201)	(85,610,069)	3,388,868
NET POSITION, END OF YEAR	\$ (68,767,222)	\$ (82,221,201)	\$ 13,453,979

- Net tuition and fees are primarily enrollment fees, nonresident tuition, community service fees, and health fees.
- State apportionment decreased by approximately \$3.6 million over last year.
- State taxes and other revenues are our state lottery funds and mandated cost block grant. State taxes and other Revenues increased by approximately \$10.4 million over last year.
- Net interest expense is our interest earnings at the County Treasurer less interest on our bond issues. This category decreased due to decrease of interest payments on the General Obligation Bonds.

**GLENDALE COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

STATEMENT OF 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, 2023:

	Salaries	Employee Benefits	Supplies Material and Other Expenses and Services	Equipment Maintenance and Repairs	Other	Depreciation	Total
Instructional activities	\$ 44,431,090	\$ 11,406,916	\$ 2,003,296	\$ 723,316	\$ -	\$ -	\$ 58,564,618
Academic support	5,374,203	(1,178,287)	462,425	105,826	-	-	4,764,167
Student services	19,234,826	6,278,841	3,059,951	528,979	-	-	29,102,597
Plant operations and maintenance	2,776,423	1,334,483	6,092,594	587,321	-	-	10,790,821
Instructional support services	8,972,375	8,592,345	7,221,851	150,515	-	-	24,937,086
Community services and economic development	219,319	117,585	260,996	-	-	-	597,900
Ancillary services and auxiliary operations	2,716,663	1,109,967	2,437,130	22,246	-	-	6,286,006
Student Aid	43,960	835	12,894	-	39,027,102	-	39,084,791
Physical property and related acquisitions	215,135	108,185	2,187,926	5,398,572	-	-	7,909,818
Depreciation expense	-	-	-	-	-	6,679,849	6,679,849
Total	\$ 83,983,994	\$ 27,770,870	\$ 23,739,063	\$ 7,516,775	\$ 39,027,102	\$ 6,679,849	\$ 188,717,653

STATEMENT OF CASH FLOWS – PRIMARY GOVERNMENT

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.

Cash Provided by (Used by)	2023	2022	Change
Operating activities	\$ (144,168,421)	\$ (127,470,186)	\$ (16,698,235)
Noncapital financing activities	163,938,495	132,905,887	31,032,608
Capital financing activities	(46,891,038)	(54,542,525)	7,651,487
Investing activities	(3,850,426)	(1,423,331)	(2,427,095)
Net Increase (Decrease) in Cash	\$ (30,971,390)	\$ (50,530,155)	\$ 19,558,765

- 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.

**GLENDALE COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had \$292.1 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2022, our net capital assets were \$253.0 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 into the depreciable Buildings and Improvements category.

Capital projects are continuing through the 2023-2024 fiscal year and beyond with primary funding through our general obligation bond.

Note 5 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below.

	2023	2022	Change
Capital Assets not being depreciated	\$ 149,962,431	\$ 111,413,909	\$ 38,548,522
Capital Assets being depreciated	252,088,058	244,792,107	7,295,951
Accumulated depreciation	(109,905,335)	(103,225,486)	(6,679,849)
Total Capital Assets	\$ 292,145,154	\$ 252,980,530	\$ 39,164,624

Long-Term Liabilities

At the end of the 2022-2023 fiscal year, the District had \$362.2 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the District boundaries.

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

Note 6, Note 7 and Note 9 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

	2023	2022	Change
General obligation bonds	\$ 362,239,803	\$ 370,680,723	\$ (8,440,920)
Bond premium	20,139,580	21,181,055	(1,041,475)
Compensated absences	5,254,805	4,829,929	424,876
Load banking	2,958,201	2,646,236	311,965
Supplemental employee retirement plan	1,270,756	1,906,134	(635,378)
Net OPEB liability	8,546,174	6,133,414	2,412,760
Net pension liability	107,952,448	70,730,798	37,221,650
Total	508,361,767	478,108,289	30,253,478
Less: short-term portion	11,592,400	11,478,541	113,859
Total Long-term Liabilities	\$ 496,769,367	\$ 466,629,748	\$ 30,139,619

**GLENDALE COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

The signs of the beginning of a recession, the declining enrollment, and the possibility of the elimination of the hold harmless in 2025-26 may reduce State funding and consequently limit new available funding for community colleges. The college must be aware of these possibilities.

The college apportionment is no longer being allocated using a base of FTES alone. Therefore, the college will need to restructure its growth projections to include all there new SCFF funding formula metrics to maintain its funding level and to increase. The college anticipates continual modifications to the new formula by the California Community Colleges Chancellor's Office. The fiscal planning process continues to focus on long-term sustainability as we restructure our projection model to include enrollment, student poverty, and student success over the next three years projections to assure a stable fiscal position.

There are several major items that should be considered and addressed:

- Health plans: Escalations in health care costs are significantly impacting the budget and we expect this to be an ongoing issue that will need to be considered.
- Expense Reduction: The college has to align its operational expenditures to its ongoing revenues.
- Every year, the college is faced with additional inflationary costs from:
 - CalPERS and CalSTRS retirement cost increases.
 - Salary increases automatically provided due to step and column and retirement costs.

With COLA, no growth, traditionally being the only new unrestricted ongoing revenue for the college, it is critical that the college allocates its COLA appropriately to capture all of its inflationary 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
JUNE 30, 2023

ASSETS	
Current Assets:	
Cash and investments	\$ 176,146,438
Accounts receivable, net	8,637,584
Due from fiduciary funds, net	35,348
Total Current Assets	<u>184,819,370</u>
Noncurrent Assets:	
Capital assets, net	292,145,154
Total Noncurrent Assets	<u>292,145,154</u>
TOTAL ASSETS	<u>476,964,524</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to bond refundings	9,893,103
Deferred outflows related to OPEB	2,215,693
Deferred outflows related to pensions	32,186,065
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>44,294,861</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 521,259,385</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 29,445,699
Unearned revenue	26,613,107
Accrued interest payable	3,894,942
Long-term debt, current portion	11,592,400
Total Current Liabilities	<u>71,546,148</u>
Noncurrent Liabilities:	
Net OPEB liability	8,546,174
Net pension liability	107,952,448
Long-term debt, non-current portion	380,270,745
Total Noncurrent Liabilities	<u>496,769,367</u>
TOTAL LIABILITIES	<u>568,315,515</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	5,931,284
Deferred inflows related to pensions	15,779,808
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>21,711,092</u>
NET POSITION	
Net investment in capital assets	(5,193,841)
Restricted for:	
Debt service	15,458,855
Capital projects	15,586,769
Educational programs	3,953,491
Other special purposes	5,299,363
Unrestricted	<u>(103,871,859)</u>
TOTAL NET POSITION	<u>(68,767,222)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 521,259,385</u>

**GLENDALE COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

OPERATING REVENUES

Tuition and fees	\$ 15,355,461
Less: Scholarship discounts and allowances	(6,460,665)
Net tuition and fees	<u>8,894,796</u>
Grants and contracts, non-capital	
Federal	3,382,212
State	21,517,145
Local	<u>325,253</u>
TOTAL OPERATING REVENUES	<u><u>34,119,406</u></u>

OPERATING EXPENSES

Salaries and benefits	111,754,864
Supplies, materials, and other operating expenses and services	31,255,838
Student aid	39,027,102
Depreciation	<u>6,679,849</u>
TOTAL OPERATING EXPENSES	<u>188,717,653</u>

OPERATING (LOSS)

(154,598,247)

NON-OPERATING REVENUES (EXPENSES)

State apportionments, non-capital	74,059,885
Local property taxes, non-capital	29,749,438
Local property taxes, capital	15,838,663
State taxes and other revenues	23,139,824
Federal and state financial aid grants	35,666,222
Investment income (loss), non-capital	(3,850,426)
Investment income (loss), capital	3,578,873
Interest expense on capital asset-related debt	(11,453,379)
Other non-operating income	<u>1,323,126</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>168,052,226</u>

CHANGE IN NET POSITION

13,453,979

NET POSITION, BEGINNING OF YEAR

(82,221,201)

NET POSITION, END OF YEAR

\$ (68,767,222)

**GLENDALE COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 8,894,796
Grants and contracts	51,178,199
Payments to students	(39,062,450)
Payments to vendors	(47,261,763)
Payments to employees	(117,917,203)
Net Cash Used by Operating Activities	(144,168,421)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State apportionments	74,059,885
Federal and State financial aid grants	35,666,222
Local property taxes	29,749,438
State taxes and other apportionments	23,139,824
Other receipts	1,323,126
Net Cash Provided by Non-capital Financing Activities	163,938,495

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchase of capital assets	(45,844,473)
Local property taxes for capital purposes	15,838,663
Principal paid on capital debt	(11,201,611)
Interest received on capital debt	3,578,873
Interest paid on capital debt	(9,262,490)
Net Cash Used by Capital Financing Activities	(46,891,038)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received from investments	(3,850,426)
Net Cash Used by Investing Activities	(3,850,426)

NET DECREASE IN CASH & CASH EQUIVALENTS (30,971,390)

CASH & CASH EQUIVALENTS, BEGINNING OF YEAR 207,117,828

CASH & CASH EQUIVALENTS, END OF YEAR \$ 176,146,438

**GLENDALE COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

RECONCILIATION OF OPERATING LOSS TO NET CASH

USED BY OPERATING ACTIVITIES

Operating loss	\$ (154,598,247)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation expense	6,679,849
Changes in Assets and Liabilities:	
Accounts receivables, net	9,976,383
Due from other funds	(35,348)
Deferred outflows of resources	(11,719,752)
Accounts payable and accrued liabilities	(16,005,925)
Unearned revenue	15,977,206
Compensated absences	424,876
Load banking	311,965
Supplemental employee retirement plan	(635,378)
Net OPEB liability	2,412,760
Net pension liability	37,221,650
Deferred inflows of resources	(34,178,460)
Total Adjustments	<u>10,429,826</u>
Net Cash Flows From Operating Activities	<u>\$ (144,168,421)</u>

SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS

Amortization of premiums on debt	\$ 1,041,475
Amortization of accreted interest	\$ 2,760,691
Changes in deferred outflows related to debt refunding	\$ (719,925)

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – ORGANIZATION

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted accounting policies 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, as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The District identified no component units that met this requirement.

The District has analyzed the financial and accountability relationship with the Glendale College Foundation (the Foundation) in conjunction with the GASB Statement No. 61 criteria. The Foundation is a separate, not for profit organization, and the District does provide and receive direct benefits to and from the Foundation. However, it has been determined that all criteria under GASB Statement No. 61 have not been met to require inclusion of the Foundation's financial statements in the District's annual report. Information on the Foundation may be requested through the Glendale College Foundation.

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities are excluded from the primary government financial statements. 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 promulgated 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 a liability has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting, continued

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. 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.

Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value, including money market investments and participating interest-earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost.

The District's investment in the County treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool is not required to be categorized within the fair value hierarchy.

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

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure.

Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets and Depreciation, continued

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.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2023.

Compensated Absences and Load Banking

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

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive 0.004 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.

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. All other bond issuance costs are expensed when incurred.

Deferred Outflows of Resources and Deferred 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 until then. The District reports deferred outflows of resources related to debt refunding, for OPEB related items, and for pension related items. The deferred outflows of resources related to debt refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to OPEB and pension related items are associated with differences between expected and actual earnings on plan investments, changes of assumptions, and other OPEB and pension related changes. In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for OPEB and pension related items.

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District OPEB Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District OPEB Plan and MPP. For this purpose, the District OPEB Plan and MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The aggregate net OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Pensions

For purposes of measuring the net pension liability, 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 (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. The aggregate net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Unearned revenue is primarily composed of (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. Tax and Revenue Anticipation

Noncurrent Liabilities

Noncurrent liabilities include bonds payable, compensated absences, load banking, supplemental employee retirement plan, aggregate net OPEB liability, and aggregate net pension liability with maturities greater than one year.

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the 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 net position is available. The government-wide financial statements report \$40,298,478 of restricted net position.

Operating and Nonoperating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB.

Classifications are as follows:

- Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts.
- Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB.

Classification of Expenses - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating according to the following criteria:

- Operating expenses - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.
- Nonoperating expenses - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

State Apportionments

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

Property Taxes

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

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property Taxes, continued

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

Scholarship Discounts and Allowances

Tuition and fee revenue is reported net of scholarship discounts and allowances. Fee waivers approved by the California Community College Board of Governors are included within the scholarships discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Financial Assistance Programs

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government and State of California. Financial aid provided to the student in the form of cash is reported as an operating expense in the Statement of Revenues, Expenses and Changes in Net Position. Federal financial assistance programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Estimates

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

Interfund Activity

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 primary government 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. 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 primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements

Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The statement is effective for fiscal year 2022-23. The District has implemented GASB Statement No. 96 for the year ending June 30, 2023.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

**GLENDAL COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements, continued

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has not yet determined the impact on the financial statements.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.

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 deposits substantially all receipts and collections of monies with their County Treasurer. 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.

GLENDAL COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

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	40%	30%
Banker's Acceptance	180 days	25%	10%
Commercial Paper	270 days	30%	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	20% of base	None
Reverse Repurchase Agreements	92 days	30%	None
Medium-Term Corporate Notes	5 years	20%	10%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	None	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, 2023, consisted of the following:

Cash on hand and in banks	\$ 5,592,636
Cash in revolving	31,000
Investments	170,522,802
Total Deposits and Investments	\$ 176,146,438

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 Mutual Funds and the Los Angeles County Investment Pool.

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

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 and Mutual Funds are not required to be rated, nor have been rated as of June 30, 2023.

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

Investment Type	Fair Value	Weighted Average Days to Maturity	Credit Rating
Los Angeles County investment pool	\$ 165,549,702	753 days	Not rated
Mutual funds	4,973,100	No maturity	Not rated
Total	<u>\$ 170,522,802</u>		

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% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2023, the District's bank balance of approximately \$5.6 million was exposed to custodial credit risk because it was uninsured and 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 as of June 30, 2023 consisted of the following:

Federal Government	
Categorical aid	\$ 1,650,355
State Government	
Apportionment	449,429
Categorical aid	845,762
Lottery	411,587
Local Sources	
Interest	1,365,746
Other local sources	3,914,705
Total	<u>\$ 8,637,584</u>

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2023, was as follows:

	Balance		Balance	
	July 1, 2022	Additions	Deductions	June 30, 2023
Capital Assets not being Depreciated				
Land	\$ 43,276,250	\$ -	\$ -	\$ 43,276,250
Construction in progress	68,137,659	45,132,382	6,583,860	106,686,181
Total Capital Assets Not Being Depreciated	111,413,909	45,132,382	6,583,860	149,962,431
Capital Assets Being Depreciated				
Buildings and improvements	175,674,653	6,569,227	-	182,243,880
Land improvements	37,662,689	-	-	37,662,689
Equipment and vehicles	31,454,765	726,724	-	32,181,489
Total Capital Assets Being Depreciated	244,792,107	7,295,951	-	252,088,058
Total Capital Assets	356,206,016	52,428,333	6,583,860	402,050,489
Less Accumulated Depreciation				
Buildings and improvements	50,004,929	3,849,326	-	53,854,255
Land improvements	28,876,460	1,846,769	-	30,723,229
Equipment and vehicles	24,344,097	983,754	-	25,327,851
Total Accumulated Depreciation	103,225,486	6,679,849	-	109,905,335
Net Capital Assets	\$ 252,980,530	\$ 45,748,484	\$ 6,583,860	\$ 292,145,154

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2023 consisted of the following:

	Balance			Balance		Due in
	July 1, 2022	Additions	Deductions	June 30, 2023	One Year	
General obligation bonds	\$ 370,680,723	\$ 2,760,691	\$ 11,201,611	\$ 362,239,803	\$ 9,989,310	
Bond premium	21,181,055	-	1,041,475	20,139,580	967,712	
Compensated absences	4,829,929	424,876	-	5,254,805	-	
Load banking	2,646,236	311,965	-	2,958,201	-	
Supplemental employee retirement plan	1,906,134	-	635,378	1,270,756	635,378	
Total	\$ 401,244,077	\$ 3,497,532	\$ 12,878,464	\$ 391,863,145	\$ 11,592,400	

Description of Long-Term Liabilities

Payments on the general obligation bonds are to be made by the bond interest and redemption fund with local property tax revenues. The compensated absences will be paid by the fund for which the employee worked. The District's general fund makes payments for load banking liability. The supplemental employee retirement plan will be paid by the General Fund.

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

General Obligation Bonds

2003 General Obligation Bonds, Series B and C

During July 2003, the District issued the 2002 General Obligation Bonds in the amount of \$17,499,930. The bonds included \$5,000,000 of current interest bonds and \$12,499,930 of capital appreciation bonds. The capital appreciation bonds have a maturing principal balance of \$15,670,000. The bonds mature beginning on August 1, 2006 through August 1, 2028, with an interest rate at 4.00%. At June 30, 2023, the principal balance outstanding (including accreted interest to date) was \$10,100,195.

2013 General Obligation Bonds, Series F

During January 2013, the District issued the 2002 General Obligation Bonds, Series F in the amount of \$13,995,000. The bonds mature beginning on August 1, 2018 through August 1, 2031, with interest ranging from 3.00% to 5.00%. The bonds issued included \$8,140,000 of current interest serial bonds and \$5,855,000 of current interest term bonds. A portion of these bonds was refunded by the issuance of the District's 2020 General Obligation Refunding Bonds. Interest rates on the remaining bonds is 4.00% payable semiannually on August 1 and February 1. The remaining bonds mature through August 1, 2022. The final payment of \$900,000 was made during fiscal year 2022-23.

2014 General Obligation Refunding Bonds

During June 2014, the District issued the 2014 General Obligation Refunding Bonds in the amount of \$26,660,000. The bonds were issued as current interest serial bonds and mature beginning on August 1, 2014 through August 1, 2031, with interest ranging from 1.00% to 5.00%. A portion of these bonds was refunded by the issuance of the District's 2020 General Obligation Refunding Bonds. Interest rates on the remaining bonds range from 3.00% to 5.00% payable semiannually on August 1 and February 1. The remaining bonds mature through August 1, 2026. At June 30, 2023, the principal balance outstanding was \$3,505,000 and unamortized premium of \$1,100,004.

2016 General Obligation Bonds, Series A

During March 2017, the District issued the 2016 General Obligation Bonds, Series A in the amount of \$122,000,000. The bonds mature beginning on August 1, 2018 through August 1, 2046, with interest ranging from 4.00% to 5.25%. The bonds issued included \$45,000,000 of current interest serial bonds and \$77,000,000 of current interest term bonds. At June 30, 2023, the principal outstanding was \$56,055,000 and unamortized premium on issuance of \$5,406,967.

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

2016 General Obligation Bonds, Series B

During July 2020, the District issued the 2016 General Obligation Bonds, Series B in the amount of \$202,999,763. The District issued \$136,990,000 in current interest bonds and \$66,009,763 in capital appreciation bonds. The bonds mature beginning on August 1, 2021 through August 1, 2050, with interest ranging from 1.16% to 4.00%. The bonds issued included \$48,790,000 of current interest serial bonds and \$88,200,000 of current interest term bonds. At June 30, 2023, the principal outstanding (including accreted interest to date) was \$199,189,608 and unamortized premium on issuance of \$13,632,609.

2020 General Obligation Refunding Bonds

During July 2020, the District authorized the sale and issuance of the 2020 General Obligation Refunding Bonds in the amounts of \$31,625,000. Proceeds from the sale of the bonds were used to advance refund portions of the District's 2011 General Obligation Bonds, Series E, 2013 General Obligation Bonds, Series F, and the 2014 General Obligation Refunding Bonds and to pay costs of issuing the bonds. Interest is payable February 1 and August 1 at interest rates ranging from 0.55% to 2.11%. The bonds mature through August 1, 2031. The refunding resulted in an economic gain of \$1,347,322 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.54%. At June 30, 2023, the principal outstanding was \$29,475,000.

2021 General Obligation Refunding Bonds

On October 26, 2021, the District issued the 2021 General Obligation Refunding Bonds in the amount of \$65,495,000. Proceeds from the bonds will be used to advance refund certain portions of prior bond issuances and to pay for the cost of issuing the bonds. The bonds interest payments are due semiannually on February 1 and August 1 of each year, commencing August 1, 2022. The bonds are federally taxable, with interest rates ranging from 0.380% to 2.893%. At June 30, 2023, the principal outstanding was \$63,915,000.

Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds		Current Portion
				Outstanding July 1, 2022	Additions	Deductions	Outstanding June 30, 2023		
2003	8/1/2028	4.00%	\$ 17,499,930	\$ 11,489,830	\$ 576,976	\$ 1,966,611	\$ 10,100,195	\$ 1,684,310	
2013	8/1/2022	4.00%	13,995,000	900,000	-	900,000	-	-	
2014	8/1/2026	3.00-5.00%	26,660,000	4,970,000	-	1,465,000	3,505,000	1,560,000	
2017	8/1/2046	4.00-5.25%	122,000,000	56,055,000	-	-	56,055,000	-	
2020	8/1/2050	1.16-4.00%	202,999,763	201,405,893	2,183,715	4,400,000	199,189,608	3,850,000	
2020	8/1/2031	0.55-2.11%	31,625,000	30,365,000	-	890,000	29,475,000	1,790,000	
2021	8/1/2040	0.38-2.87%	65,495,000	65,495,000	-	1,580,000	63,915,000	1,105,000	
				<u>\$ 370,680,723</u>	<u>\$ 2,760,691</u>	<u>\$ 11,201,611</u>	<u>\$ 362,239,803</u>	<u>\$ 9,989,310</u>	

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

Debt Service Requirement to Maturity

The current interest bonds mature through August 1, 2050 as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 8,305,000	\$ 9,221,429	\$ 17,526,429
2025	4,830,000	9,032,430	13,862,430
2026	5,145,000	8,927,740	14,072,740
2027	5,750,000	8,821,399	14,571,399
2028	5,835,000	8,691,015	14,526,015
2029-2033	30,755,000	41,136,973	71,891,973
2034-2038	24,990,000	37,879,798	62,869,798
2039-2043	29,155,000	33,769,683	62,924,683
2044-2048	78,475,000	25,617,588	104,092,588
2049-2051	88,200,000	9,355,850	97,555,850
Total	\$ 281,440,000	\$ 192,453,905	\$ 473,893,905

The capital appreciation bonds mature through August 1, 2045 as follows:

Fiscal Year	Principal	Accreted Interest	Total
2024	\$ 589,079	\$ -	\$ 589,079
2025	1,413,631	4,581,825	5,995,456
2026	1,615,750	4,581,825	6,197,575
2027	1,613,284	4,581,825	6,195,109
2028	2,087,773	4,581,825	6,669,598
2029-2033	11,856,438	22,909,125	34,765,563
2034-2038	15,839,328	22,909,125	38,748,453
2039-2043	20,287,758	22,909,125	43,196,883
2044-2046	14,274,367	9,163,650	23,438,017
Accretion	11,222,395	(11,222,395)	-
Total	\$ 80,799,803	\$ 84,995,930	\$ 165,795,733

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

Supplemental Employee Retirement Plan (SERP)

The District has entered into an agreement to provide a Supplementary Employee Retirement Plan (SERP) to provide certain benefits to qualifying employees. The District will pay \$1,270,756 on behalf of the retirees through 2025 in accordance with the following schedule:

Fiscal Year	Amount
2024	\$ 635,378
2025	635,378
Total	<u>\$ 1,270,756</u>

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY

For the year ended June 30, 2023, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 8,230,430	\$ 2,215,693	\$ 5,931,284	\$ (1,863,595)
Medicare Premium Payment (MPP) Program	315,744	-	-	(79,730)
Total	<u>\$ 8,546,174</u>	<u>\$ 2,215,693</u>	<u>\$ 5,931,284</u>	<u>\$ (1,943,325)</u>

District Plan

Plan Administration

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

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

Plan Membership

At June 30, 2022, the measurement date, the Plan membership consisted of the following:

	Number of Participants
Inactive Employees Receiving Benefits	251
Active Employees	530
	<u>781</u>

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY, continued

California Employers' Retiree Benefit Trust (CERBT)

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

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. Voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amounts to prefund benefits as determined annually by management and the District's governing board. For the year ending June 30, 2023, the District contributed \$265,348 to the Plan, of which \$265,348 was used to fund the OPEB Trust.

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of the June 30, 2022 measurement date:

Asset Class	Percentage of Portfolio	Rate of Return
All Equities	40%	7.55%
All Fixed Income	43%	4.25%
Real Estate Investment Trusts	8%	7.25%
All Commodities	4%	7.55%
Treasury Inflation Protected Securities (TIPS)	5%	3.00%

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was (12.60%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**GLENDAL COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY, continued

Net OPEB Liability of the District

The District's net OPEB liability of \$8,230,430 was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The components of the net OPEB liability of the District at June 30, 2023, were as follows:

Total OPEB liability	\$ 19,578,793
Plan fiduciary net position	<u>(11,348,363)</u>
Net OPEB liability	<u>\$ 8,230,430</u>

Plan fiduciary net position as a percentage of the total OPEB liability	57.96%
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Actuarial Assumptions

The total OPEB liability as of June 30, 2022 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total OPEB liability to June 30, 2022. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost methods	Entry-age actuarial cost method
Inflation rate	2.50%
Investment rate of return	6.25%
Health care cost trend rate	4.00%
Payroll increase	2.75%

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

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2017 CalPERS Active Mortality for Miscellaneous and School Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actual experience study as of June 2020.

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY, continued

Actuarial Assumptions, continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of the June 30, 2022 measurement date, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Percentage of Portfolio	Rate of Return
All Equities	40%	7.55%
All Fixed Income	43%	4.25%
Real Estate Investment Trusts	8%	7.25%
All Commodities	4%	7.55%
Treasury Inflation Protected Securities (TIPS)	5%	3.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance July 1, 2021	\$ 18,418,627	\$ 12,680,687	\$ 5,737,940
Changes for the year:			
Service cost	925,672	-	925,672
Interest on TOL	1,151,437	-	1,151,437
Employer contributions	-	1,182,291	(1,182,291)
Expected investment income	-	800,735	(800,735)
Investment (gains)/losses	-	(2,395,202)	2,395,202
Administrative expense	-	(3,205)	3,205
Benefit payments	(916,943)	(916,943)	-
Net change	1,160,166	(1,332,324)	2,492,490
Balance June 30, 2022	\$ 19,578,793	\$ 11,348,363	\$ 8,230,430

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY, continued

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

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

	Discount Rate 1% Lower (5.25%)	Discount Rate (6.25%)	Discount Rate 1% Higher (7.25%)
Net OPEB liability	\$ 9,645,075	\$ 8,230,430	\$ 6,933,878

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

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

	Trend Rate 1% Lower (3.0%)	Healthcare Cost Trend Rate (4.0%)	Trend Rate 1% Higher (5.0%)
Net OPEB liability	\$ 6,639,747	\$ 8,230,430	\$ 10,081,345

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 1,950,345	\$ 840,713
Differences between expected and actual experience	-	4,585,734
Change in assumptions	-	504,837
District contributions subsequent to the measurement date	265,348	-
	<u>\$ 2,215,693</u>	<u>\$ 5,931,284</u>

**GLENDAL COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY, continued

Deferred Outflows/Inflows of Resources Related to OPEB

The deferred outflows of resources related to OPEB resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (1,482,009)
2025	(1,469,570)
2026	(760,325)
2027	243,976
2028	(233,191)
Thereafter	(279,820)
	\$ (3,980,939)

Medicare Premium Payment (MPP) Program

Plan Description The Medicare Premium Payment (MPP)

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

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

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY, continued

Net OPEB Liability and OPEB Expense

At June 30, 2023, the District reported a liability of \$315,744 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.096% and 0.099%, respectively, resulting in a net decrease in the proportionate share of 0.003%.

For the year ended June 30, 2023, the District recognized OPEB expense of (\$79,730).

Actuarial Methods and Assumptions

The June 30, 2022 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total OPEB liability to June 30, 2022, using the assumptions listed in the following table:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.54%
Investment Rate of Return	3.54%
Medicare Part A Premium	
Cost Trend Rate*	4.50%
Medicare Part B Premium	
Cost Trend Rate*	5.40%
Mortality Rate Table*	Derived Using CalSTRS' Membership Data

*The assumed increase in the Medicare Part A and Part B Cost Trend Rates vary by year; however, the increases are approximately equivalent to a 4.5% and 5.4% increase each year for Medicare Part A and Part B, respectively.

For the valuation as of June 30, 2021, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 294 or an average of 0.18% of the potentially eligible population (159,339).

**GLENDAL COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY, continued

Actuarial Methods and Assumptions, continued

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2022, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2022, is 3.54%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.54%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2021, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 1.38% from 2.16% as of the June 30, 2021 measurement date.

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

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

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Districts MPP's net OPEB liability	\$ 344,222	\$ 315,744	\$ 291,087

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

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

	1% Decrease (3.50% Part A and 4.40% Part B)	Medicare Cost Trend Rate (4.50% Part A and 5.40% Part B)	1% Increase (5.50% Part A and 6.40% Part B)
Districts MPP's net OPEB liability	\$ 289,707	\$ 315,744	\$ 345,259

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RISK MANAGEMENT

Property and Liability Insurance Coverages

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

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2023, 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 2023, 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 9 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). For the fiscal year ended June 30, 2023, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 44,378,568	\$ 10,696,637	\$ 11,957,288	\$ 2,171,591
CalPERS - Schools Pool Plan	60,219,522	19,632,180	3,020,380	7,576,519
CalPERS - Safety Pool Plan	2,734,300	1,137,883	112,033	406,729
CalPERS - Misc. Risk Plan (Associated Students)	620,058	719,365	690,107	(182,374)
Total	\$ 107,952,448	\$ 32,186,065	\$ 15,779,808	\$ 9,972,465

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% 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 non-employer 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 Defined Benefit Program provisions and benefits in effect at June 30, 2023, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Benefits Provided, continued

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are 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 California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the District's total contributions were \$7,600,614.

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

At June 30, 2023, 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 the net pension liability	\$ 44,378,568
State's proportionate share of the net pension liability associated with the District	22,224,916
Total	\$ 66,603,484

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.0639% and 0.0698%, respectively, resulting in a net decrease in the proportionate share of 0.0059%.

For the year ended June 30, 2023, the District recognized pension expense of \$2,171,591. In addition, the District recognized pension expense and revenue of (\$1,662,247) for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 2,171,604
Differences between expected and actual experience	36,404	3,326,919
Changes in assumptions	2,199,211	-
Net changes in proportionate share of net pension liability	860,408	6,458,765
District contributions subsequent to the measurement date	7,600,614	-
Total	\$ 10,696,637	\$ 11,957,288

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

The net difference between projected and actual earnings on plan investments is amortized over a five-year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2022 measurement date is seven years.

The remaining amount will be recognized to pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (1,953,173)
2025	(3,945,584)
2026	(4,555,241)
2027	2,205,399
2028	(460,024)
Thereafter	(152,642)
	<u>\$ (8,861,265)</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	42%	4.8%
Real Estate	15%	3.6%
Private Equity	13%	6.3%
Fixed Income	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	-0.4%
	100%	

*20-year average

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) 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 the 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:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 75,371,268	\$ 44,378,568	\$ 18,645,308

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS) – Schools Pool Plan

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. 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, 2021, annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These reports and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <http://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS School Employer Pool provisions and benefits in effect at June 30, 2023, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
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%	7.000%
Required employer contribution rate	25.370%	25.370%

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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 determined 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 percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were \$6,906,522.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$60,219,522. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.1750% and 0.1815%, respectively, resulting in a net decrease in the proportionate share of 0.0065%.

For the year ended June 30, 2023, the District recognized pension expense of \$7,576,519. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 7,110,287	\$ -
Differences between expected and actual experience	272,157	1,498,338
Changes in assumptions	4,454,698	-
Net changes in proportionate share of net pension liability	888,516	1,522,042
District contributions subsequent to the measurement date	6,906,522	-
Total	\$ 19,632,180	\$ 3,020,380

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

The net difference between projected and actual earnings on plan investments is amortized over a five-year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2022 measurement date is 4.1 years.

The remaining amount will be recognized to pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 2,266,260
2025	1,898,658
2026	1,486,498
2027	4,053,862
	\$ 9,705,278

Actuarial Methods and Assumptions

Total pension liability for the School Employer Pool was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class for CalPERS are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 one percent lower or higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 86,990,149	\$ 60,219,522	\$ 38,094,582

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS) – Safety Pool Plan

Plan Description

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. The District sponsors one Safety Pool Plan (the Plan) for employees of the District Police Department. The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be sworn police officers and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for employment-related disability benefits regardless of length of service and non-duty disability benefits after five years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The Special Death Benefit is provided to an employee's eligible survivors if the member dies while actively employed and the death is job-related. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Benefits Provided, continued

The CalPERS provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>CalPERS - Safety Risk Pool</u>
Benefit formula	3.0% at 55
Benefit vesting schedule	5 Years of Service
Benefit payments	Monthly for Life
Retirement age	55
Required employee contribution rates	8.99%
Required employer contribution rates:	25.64%
Required unfunded liability payments to CalPERS	\$157,897

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are 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 determined annually 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 percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were \$188,822.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the Safety Risk Pool net pension liability totaling \$2,734,300. The net pension liability was measured as of June 30, 2022. 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 employers, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.040% and 0.035%, respectively, resulting in a net increase in the proportionate share of 0.005%.

For the year ended June 30, 2023, the District recognized pension expense of \$406,729. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual earnings on plan investments	\$ 431,784	\$ -
Differences between expected and actual experience	209,249	29,692
Changes in assumptions	275,700	-
Net changes in proportionate share of net pension liability	32,328	82,341
Auxiliary contributions subsequent to the measurement date	188,822	-
Total	<u>\$ 1,137,883</u>	<u>\$ 112,033</u>

GLENDAL COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The remaining amount will be recognized to pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 167,627
2025	307,249
2026	98,758
2027	263,394
	\$ 837,028

Actuarial Methods and Assumptions

Total pension liability for the Plan was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Measurement period	July 1, 2021 to June 30, 2022
Actuarial cost method	Entry-Age Normal
Actuarial assumptions:	
Discount rate	6.90%
Investment Rate of Return	6.90%
Inflation	2.30%
Wage Growth	Varies by Entry Age and Service

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

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	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 Plan'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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 2,800,373	\$ 2,734,300	\$ 243,347

GLENDAL COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS) - Miscellaneous Risk Plan (Associated Students)
Plan Description

Qualified employees are eligible to participate in the Associated Students Miscellaneous Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, the Miscellaneous Risk Pool Actuarial Valuation. The report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

The Miscellaneous Risk Pool plan 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 employment-related disability benefits regardless of length of service and non-duty disability benefits after 5 years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 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, 2023, are summarized as follows:

	Miscellaneous Public Agency Cost-Sharing
Benefit formula	2.0% at 60
Benefit vesting schedule	5 Years of Service
Benefit payments	Monthly for Life
Retirement age	60
Required employee contribution rates	7.00%
Required employer contribution rates:	8.65%
Required unfunded liability payments to CalPERS	\$ 67,186.00

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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, 2023, are presented above, and the total District contributions for CalPERS was \$67,186.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS Miscellaneous Risk Pool net pension liability \$620,058. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.005% and 0.015%, respectively, resulting in a net decrease in the proportionate share of 0.010%.

For the year ended June 30, 2023, the District recognized pension expense of (\$182,374) for CalPERS Miscellaneous Risk Pool. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 113,578	\$ -
Differences between expected and actual experience	12,452	8,340
Changes in assumptions	63,539	-
Net changes in proportionate share of net pension liability	462,610	681,767
Auxiliary contributions subsequent to the measurement date	67,186	-
Total	\$ 719,365	\$ 690,107

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The remaining amount will be recognized to pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (29,866)
2025	(35,717)
2026	(41,813)
2027	69,468
	\$ (37,928)

GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions

Total pension liability for the Miscellaneous Risk Pool plan was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Measurement period	July 1, 2021 to June 30, 2022
Actuarial cost method	Entry-Age Normal
Actuarial assumptions:	
Discount rate	6.90%
Investment Rate of Return	6.90%
Inflation	2.30%
Wage Growth	Varies by Entry Age and Service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of Scale MP-2020.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class for CalPERS are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10* **
Global equity - cap-weighted	30%	4.45%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

* An expected inflation of 2.30% used for this period

** Figures are based on the 2021-22 Asset Liability Management study.

**GLENDALE COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 Miscellaneous Risk Pool plan 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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 1,007,527	\$ 620,058	\$ 301,267

Plan Fiduciary Net Position

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

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2023, which amounted to \$3,565,290. 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, 2023. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Deferred Compensation

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

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

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

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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%.

NOTE 10 – 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, 2023, the District made payments of \$1,387,658 and \$679,997 to SLIM and ASCIP, respectively.

NOTE 11 – 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, 2023.

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, 2023.

Construction Commitments

The District had several commitments with respect to the unfinished capital projects, these projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office. As of June 30, 2023, the total amount committed was approximately \$75.1 million.

NOTE 12 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2023 through December 31, 2023, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)					
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability						
Service cost	\$ 925,672	\$ 1,094,537	\$ 1,009,657	\$ 732,677	\$ 839,352	\$ 909,636
Interest	1,151,437	1,235,740	1,146,547	1,633,345	1,526,024	1,421,594
Assumption changes	-	(667,689)	-	-	-	-
Experience gains/losses	-	(1,244,468)	(24,395)	(9,304,500)	-	-
Benefit payments	(916,943)	(927,215)	(701,269)	(652,765)	(669,131)	(734,969)
Net change in total OPEB liability	1,160,166	(509,095)	1,430,540	(7,591,243)	1,696,245	1,596,261
Total OPEB liability, beginning of year	18,418,627	18,927,722	17,497,182	25,088,425	23,392,180	21,795,919
Total OPEB liability, end of year (a)	\$ 19,578,793	\$ 18,418,627	\$ 18,927,722	\$ 17,497,182	\$ 25,088,425	\$ 23,392,180
Plan fiduciary net position						
Employer contributions	\$ 1,182,291	\$ 1,381,329	\$ 1,387,629	\$ 1,737,666	\$ 5,419,738	\$ 1,283,351
Expected investment income	800,735	675,944	605,312	510,665	300,957	135,980
Investment gains/losses	(2,395,202)	1,380,454	(85,463)	62,213	43,358	-
Administrative expense	(3,205)	(3,817)	(3,052)	(4,281)	(5,511)	(1,742)
Expected benefit payments	(916,943)	(927,215)	(701,269)	(652,765)	(669,131)	(734,969)
Change in plan fiduciary net position	(1,332,324)	2,506,695	1,203,157	1,653,498	5,089,411	682,620
Fiduciary trust net position, beginning of year	12,680,687	10,173,992	8,970,835	7,317,337	2,227,926	1,545,306
Fiduciary trust net position, end of year (b)	\$ 11,348,363	\$ 12,680,687	\$ 10,173,992	\$ 8,970,835	\$ 7,317,337	\$ 2,227,926
Net OPEB liability (asset), ending (a) - (b)	\$ 8,230,430	\$ 5,737,940	\$ 8,753,730	\$ 8,526,347	\$ 17,771,088	\$ 21,164,254
Covered payroll	\$ 59,281,920	\$ 57,989,970	\$ 65,043,143	\$ 65,824,910	\$ 63,530,301	\$ 59,959,806
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	58%	69%	54%	51%	29%	10%
Net OPEB asset as a percentage of covered payroll	14%	10%	13%	13%	28%	35%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF OPEB INVESTMENT RETURNS
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)					
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Annual money-weighted rate of return, net of investment expense	-12.60%	20.17%	5.39%	6.91%	5.39%	12.36%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – MPP
PROGRAM
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)					
	2022 (2021)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
District's proportion of the net OPEB liability	0.096%	0.099%	0.122%	0.126%	0.152%	0.113%
District's Proportionate Share of the Net OPEB Liability	\$ 315,744	\$ 395,484	\$ 517,391	\$ 468,193	\$ 440,630	\$ 476,946
District's Covered-Employee Payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Plan's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total OPEB Liability	-0.94%	-0.80%	-0.71%	-0.81%	-0.40%	0.01%

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

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

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalSTRS					
Proportion of the net pension liability	0.0639%	0.0698%	0.0701%	0.0711%	0.0698%
Proportionate share of the net pension liability	\$ 44,378,568	\$ 31,764,231	\$ 67,900,835	\$ 64,187,821	\$ 64,129,414
State's proportionate share of the net pension liability associated with the District	22,224,916	15,982,861	35,002,889	35,018,742	36,717,089
Total	\$ 66,603,484	\$ 47,747,092	\$ 102,903,724	\$ 99,206,563	\$ 100,846,503
Covered payroll	\$ 37,717,453	\$ 37,977,604	\$ 39,472,573	\$ 38,769,079	\$ 35,996,577
Proportionate Share of the net pension liability as percentage of covered-employee payroll	118%	84%	172%	166%	178%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalPERS					
Proportion of the net pension liability	0.1750%	0.1815%	0.1765%	0.1729%	0.1755%
Proportionate share of the net pension liability	\$ 60,219,522	\$ 36,910,581	\$ 54,141,781	\$ 50,389,087	\$ 46,800,641
Covered payroll	\$ 28,507,669	\$ 26,247,493	\$ 25,497,972	\$ 24,004,534	\$ 23,217,616
Proportionate Share of the net pension liability as percentage of covered-employee payroll	211%	141%	212%	210%	202%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

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

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS				
Proportion of the net pension liability	0.0680%	0.0703%	0.0756%	0.0749%
Proportionate share of the net pension liability	\$ 62,843,656	\$ 56,874,602	\$ 50,907,097	\$ 43,786,963
State's proportionate share of the net pension liability associated with the District	37,177,776	32,377,696	26,924,243	26,440,459
Total	\$ 100,021,432	\$ 89,252,298	\$ 77,831,340	\$ 70,227,422
Covered payroll	\$ 34,462,981	\$ 32,732,293	\$ 31,331,194	\$ 33,374,121
Proportionate Share of the net pension liability as percentage of covered-employee payroll	182%	174%	162%	131%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%
	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS				
Proportion of the net pension liability	0.1756%	0.1850%	0.1915%	0.2191%
Proportionate share of the net pension liability	\$ 41,911,562	\$ 36,531,807	\$ 28,230,684	\$ 24,878,835
Covered payroll	\$ 22,433,093	\$ 22,221,871	\$ 22,419,217	\$ 23,005,261
Proportionate Share of the net pension liability as percentage of covered-employee payroll	187%	164%	126%	108%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

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

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalPERS - Safety Pool Plan					
Proportion of the net pension liability	0.040%	0.035%	0.034%	0.034%	0.035%
Proportionate share of the net pension liability	\$ 2,734,300	\$ 1,222,585	\$ 2,277,964	\$ 2,139,477	\$ 2,038,731
Covered payroll	\$ 804,163	\$ 739,445	\$ 775,763	\$ 680,003	\$ 671,522
Proportionate Share of the net pension liability as percentage of covered-employee payroll	340%	165%	294%	315%	304%
Plan fiduciary net position as a percentage of the total pension liability	76%	90%	73%	73%	71%

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalPERS - Miscellaneous Risk Pool (Associated Students)					
Proportion of the net pension liability	0.005%	0.015%	0.018%	0.017%	0.017%
Proportionate share of the net pension liability	\$ 620,058	\$ 833,401	\$ 757,020	\$ 695,510	\$ 629,915
Covered payroll	\$ 82,014	\$ 78,602	\$ 78,602	\$ 76,685	\$ 74,091
Proportionate Share of the net pension liability as percentage of covered-employee payroll	756%	1060%	963%	907%	850%
Plan fiduciary net position as a percentage of the total pension liability	90%	90%	78%	78%	78%

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

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS - Safety Pool Plan				
Proportion of the net pension liability	0.035%	0.036%	0.038%	0.023%
Proportionate share of the net pension liability	\$ 2,081,400	\$ 1,868,917	\$ 1,568,619	\$ 1,445,953
Covered payroll	\$ 666,763	\$ 550,865	\$ 555,209	\$ 576,913
Proportionate Share of the net pension liability as percentage of covered-employee payroll	312%	339%	283%	251%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	77%	81%
	(Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS - Miscellaneous Risk Pool (Associated Students)				
Proportion of the net pension liability	0.016%	0.016%	0.014%	0.007%
Proportionate share of the net pension liability	\$ 641,930	\$ 546,540	\$ 380,645	\$ 462,861
Covered payroll	\$ 71,950	\$ 68,275	\$ 68,275	\$ 70,323
Proportionate Share of the net pension liability as percentage of covered-employee payroll	892%	801%	558%	658%
Plan fiduciary net position as a percentage of the total pension liability	75%	76%	80%	81%

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

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
CalSTRS					
Statutorily required contribution	\$ 7,600,614	\$ 6,381,793	\$ 6,133,383	\$ 6,749,810	\$ 6,311,606
Contributions in relation to the statutorily required contribution	7,600,614	6,381,793	6,133,383	6,749,810	6,311,606
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 39,793,791	\$ 37,717,453	\$ 37,977,604	\$ 39,472,573	\$ 38,769,079
Contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.15%	17.10%	16.28%
CalPERS					
Statutorily required contribution	\$ 6,906,522	\$ 6,531,107	\$ 5,433,231	\$ 5,028,455	\$ 4,335,669
Contributions in relation to the statutorily required contribution	6,906,522	6,531,107	5,433,231	5,028,455	4,335,669
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 27,223,185	\$ 28,507,669	\$ 26,247,493	\$ 25,497,972	\$ 24,004,534
Contributions as a percentage of covered-employee payroll	25.37%	22.91%	20.70%	19.72%	18.06%
CalPERS - Safety Pool Plan					
Statutorily required contribution	\$ 188,822	\$ 369,115	\$ 331,325	\$ 385,654	\$ 328,276
Contributions in relation to the statutorily required contribution	188,822	369,115	331,325	385,654	328,276
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 736,435	\$ 804,163	\$ 739,445	\$ 775,763	\$ 680,003
Contributions as a percentage of covered-employee payroll	25.64%	25.59%	23.54%	23.65%	22.35%
CalPERS - Miscellaneous Risk Pool (Associated Students)					
Statutorily required contribution	\$ 67,186	\$ 58,190	\$ 55,663	\$ 48,676	\$ 38,904
Auxiliary's contributions in relation to the statutorily required contribution	67,186	58,190	55,663	48,676	38,904
Auxiliary's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Auxiliary's covered-employee payroll**	\$ 86,658	\$ 82,014	\$ 78,602	\$ 78,602	\$ 76,685
Auxiliary's contributions as a percentage of covered-employee payroll	77.53%	70.95%	70.82%	61.93%	50.73%

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

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2023**

CalSTRS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 5,194,306	\$ 4,335,443	\$ 3,512,175	\$ 2,782,210
District's contributions in relation to the statutorily required contribution	5,194,306	4,335,443	3,512,175	2,782,210
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 35,996,577	\$ 34,462,981	\$ 32,732,293	\$ 31,331,194
District's contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.73%	8.88%
CalPERS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 3,605,928	\$ 3,115,508	\$ 2,632,625	\$ 2,638,966
District's contributions in relation to the statutorily required contribution	3,605,928	3,115,508	2,632,625	2,638,966
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 23,217,616	\$ 22,433,093	\$ 22,221,871	\$ 22,419,217
District's contributions as a percentage of covered-employee payroll	15.53%	13.89%	11.85%	11.77%
CalPERS - Safety Pool Plan	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 290,835	\$ 289,027	\$ 234,704	\$ 225,565
Contributions in relation to the statutorily required contribution	290,835	289,027	234,704	225,565
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 671,522	\$ 71,950	\$ 68,275	\$ 68,275
Contributions as a percentage of covered-employee payroll	21.42%	43.35%	20.23%	18.26%
CalPERS - Miscellaneous Risk Pool (Associated Students)	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 29,578	\$ 23,405	\$ 18,777	\$ 5,465
Contributions in relation to the statutorily required contribution	29,578	23,405	18,777	5,465
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 74,091	\$ 71,950	\$ 68,275	\$ 68,275
Contributions as a percentage of covered-employee payroll	39.92%	32.53%	27.50%	8.00%

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

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Changes in the Net OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the Plan's fiduciary net position, and the net OPEB liability. In the future, as data becomes available, ten years of information will be presented.

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

Schedule of OPEB Investment Returns

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

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

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

- Changes in Benefit Terms - There were no changes in benefit terms since the previous valuations for either CalSTRS or CalPERS.
- Changes in Assumptions - The plans discount rate was changed from 2.16 percent to 3.54 percent since the previous valuation.

Schedule of the Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered-employee payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

- Changes in Benefit Terms - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- Changes of Assumptions - There were no changes in assumptions since the previous valuation for CalSTRS. The plans discount rate was changed from 7.15 percent to 6.90 percent since the previous valuation for CalPERS.

Schedule of Contributions – Pensions

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

SUPPLEMENTARY INFORMATION

**GLENDALE COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATION
JUNE 30, 2023**

The Glendale Community College District was formed in 1983, by an act of law, which required the college to separate from the Glendale Unified School District. The District boundaries include the city of Glendale and the unincorporated area of Los Angeles known as La Crescenta. The College serves approximately 15,000 students at the main campus, as well as the Garfield Campus and the Professional Development Center. There were no changes in the District's boundaries during the 2022-2023 fiscal year. The District's College is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Dr. Sevan Benlian	President	2024
Ms. Desirée Portillo Rabinov	Vice President	2024
Ms. Yvette Vartanian-Davis	Clerk	2026
Dr. Armine Hacopian	Member	2026
Ms. Ann H. Ransford	Member	2026

DISTRICT ADMINISTRATION

Dr. Ryan Cornner
Superintendent/President

Dr. Brittany Grice
Vice President, Human Resources

Mr. Amir Nour
Interim Vice President, Administrative Services

Dr. Michael Ritterbrown
Vice President, Instructional Services

Dr. Paul Schlossman
Vice President, Student Services

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
Glendale College Foundation	Lisa Brooks <i>Executive Director</i>	Master Agreement established March 15, 1983.

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Number	Pass-Through Entity Identifying Number	Total Program Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Direct Programs:</i>			
Student Financial Aid Programs:			
Federal Pell Grants (PELL)	84.063	n/a	\$ 20,312,621
PELL Admin Allowance	84.063	n/a	6,518
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	n/a	481,986
Federal Supplemental Educational Opportunity Grant (FSEOG) Administration	84.007	n/a	32,332
Federal Direct Loans	84.268	n/a	2,524,952
Federal Work Study (FWS)	84.033	n/a	290,788
Subtotal Financial Aid Programs			23,649,197
Title V - Hispanic Serving Institution	84.031S	n/a	674,457
 <i>Passed through the California Department of Education:</i>			
Adult Basic Education	84.002A	73486	870,388
 <i>Passed through the California Community Colleges Chancellor's Office:</i>			
Career and Technical Education Act			
Title I, Part C	84.048A	n/a	570,755
Total U.S. Department of Education			25,764,797
 <u>U.S. DEPARTMENT OF VETERAN AFFAIRS</u>			
<i>Direct Programs:</i>			
Veterans Education	64.000	n/a	1,296
Total U.S. Department of Veteran Affairs			1,296
 <u>NATIONAL SCIENCE FOUNDATION</u>			
<i>Direct Programs:</i>			
Science, Technology, Engineering and Mathematics (STEM) Program	47.076	n/a	628,935
Total National Science Foundation			628,935
 <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the California Community Colleges Chancellor's Office:</i>			
Temporary Assistance for Needy Families (TANF)	93.558	n/a	262,954
<i>Direct Programs:</i>			
Head Start Cluster			
Pacific Clinics Head Start	93.600	n/a	3,978
Total U.S. Department of Health and Human Services			266,932
Total Federal Programs			\$ 26,661,960

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Revenues				Total Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue	Total Revenues	
Board Financial Assistance Program	\$ 741,129	\$ -	\$ 65,924	\$ 675,205	\$ 675,205
CalWORKs	2,996,459	25,436	1,189,527	1,832,368	1,832,368
CARE	173,539	-	72,161	101,378	101,378
CARE-Financial Aide	100,677	-	-	100,677	100,677
Disabled Students Program and Services	4,422,362	-	2,276,545	2,145,817	2,145,817
Adult Education Block Grant	1,809,657	-	-	1,809,657	1,809,657
Re-Entry Pathway Program	148,000	-	90,168	57,832	57,832
Employment Training Panel	-	-	-	-	3,512
Extended Opportunity Program and Services	1,334,168	-	-	1,334,168	1,334,168
NextUp Foster Youth	12,000	-	-	12,000	12,000
Extended Opportunity Program and Services	2,153,900	-	576,792	1,577,108	1,577,108
NextUp Foster Youth	-	-	83,196	45,027	45,027
Lottery-Prop 20	1,599,567	-	-	1,599,567	966,904
Mental Health Support	357,913	-	271,924	85,989	85,989
Instructional Equipment	-	-	-	-	74,187
Student Success	74,765	-	-	74,765	25,408
Student Equity	6,418,382	-	1,137,059	5,281,323	5,330,680
Staff Diversity	313,920	-	238,690	75,230	75,230
Classified Professional Development	59,273	-	55,373	3,900	3,900
Culturally Competent Faculty	-	-	50,435	-	-
State Preschool	19,660	-	-	19,660	19,660
Child Care Resource Center	8,598	-	8,598	-	-
California State Preschool	136,393	-	133,166	3,227	3,227
Nursing Program Enrollment	204,557	-	-	204,557	204,557
Guided Pathways	1,849,170	-	1,624,938	224,232	224,232
Food Pantry	4,090	-	4,090	-	-
Data On demand Training	2,053	-	2,053	-	-
Strong Workforce Regional	2,268,809	-	1,549,557	719,252	719,252
Strong Workforce Program	168,078	29,668	-	197,746	197,746
Regional-Career Pathway	81,869	-	-	81,869	81,869
Regional ICAP	72,558	-	-	72,558	72,558
Deputy Sector Navigator	44,188	-	-	44,188	44,188
Regional Equity and Recovery Partnerships Grt	-	771	771	771	771
Higher Education Innovation	826,554	-	731,892	94,662	94,662
Consortium Planning	-	-	-	-	300
State Universal Learning Design	200,450	-	76,581	123,869	123,869
Learning Lab	56,678	80,331	-	137,009	137,009
SB 85	2,117,725	-	682,134	1,435,591	1,435,591
Undocumented Resource Liaison	156,567	-	40,228	116,339	116,339
College Corps-Dreamer	-	67,080	-	234,741	234,741
College Corps	-	229,988	-	986,271	986,271
LGBTQ	84,879	-	82,074	2,805	2,805
CCAP Inst. Mat. Dual Enroll	7,221	-	-	7,221	7,221
COVID-19 Recovery Block Grant	-	-	6,677,687	1,115,035	1,115,035
John Burton Advocates for Youth Mini Grant	-	-	17,500	2,500	2,500
Systemwide Technology and Date Security	-	-	300,000	-	-
LAEP	-	-	3,703,618	-	-
Retention & Enrolment Outreach	2,521,313	-	1,674,487	846,826	846,826
Basic Needs Center	1,056,275	-	503,254	553,021	553,021
Wellness Vending Machines Pilot	-	-	15,000	-	-
EEO Best Practices	208,333	-	143,310	65,023	65,023
Culturally Responsive Pedagogy and Practices Grant	150,000	-	147,864	2,136	2,136
TITLE V - ADELANTE GCC	-	-	-	674,457	674,457
BIEN in STEM	-	412,488	-	628,935	628,935
ZERO TEXTBOOK COST	-	-	203,832	-	-
	\$ 34,961,729	\$ 845,762	\$ 24,430,428	\$ 25,406,512	\$ 24,851,848

**GLENDALE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2023**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2022 only)			
1. Noncredit	352.65	-	352.65
2. Credit	957.11	-	957.11
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	3,373.32	-	3,373.32
(b) Daily Census Contact Hours	385.71	-	385.71
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	2,367.80	-	2,367.80
(b) Credit	40.40	-	40.40
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	2,472.81	-	2,472.81
(b) Daily Census Contact Hours	1,552.85	-	1,552.85
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	11,502.65	-	11,502.65
Supplemental Information (subset of above information)			
E. In-service Training Courses	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Credit	87.24	-	87.24
2. Noncredit*	2,680.96	-	2,680.96
Total Basic Skills FTES	2,768.20	-	2,768.20
<u>CCFS 320 Addendum</u>			
CDCP Noncredit FTES	2,022.02	-	2,022.02
Centers FTES			
1. Credit	-	-	-
2. Noncredit*	2,702.67	-	2,702.67
Total Centers FTES	2,702.67	-	2,702.67

*Including Career Development and College Preparation (CDCP) FTES.

**GLENDALE COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2023**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 17,856,458	\$ -	\$ 17,856,458	\$ 19,061,022	\$ -	\$ 19,061,022
Other	1300	19,043,176	-	19,043,176	19,260,144	-	19,260,144
Total Instructional Salaries		36,899,634	-	36,899,634	38,321,166	-	38,321,166
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	7,707,445	-	7,707,445
Other	1400	-	-	-	1,126,734	-	1,126,734
Total Non-Instructional Salaries		-	-	-	8,834,179	-	8,834,179
Total Academic Salaries		36,899,634	-	36,899,634	47,155,345	-	47,155,345
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	18,661,136	-	18,661,136
Other	2300	-	-	-	1,180,134	-	1,180,134
Total Non-Instructional Salaries		-	-	-	19,841,270	-	19,841,270
Instructional Aides							
Regular Status	2200	1,720,825	-	1,720,825	2,245,305	-	2,245,305
Other	2400	132,663	-	132,663	180,573	-	180,573
Total Instructional Aides		1,853,488	-	1,853,488	2,425,878	-	2,425,878
Total Classified Salaries		1,853,488	-	1,853,488	22,267,148	-	22,267,148
Employee Benefits	3000	15,145,630	-	15,145,630	28,015,882	-	28,015,882
Supplies and Materials	4000	-	-	-	402,683	-	402,683
Other Operating Expenses	5000	-	-	-	10,796,942	-	10,796,942
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		53,898,752	-	53,898,752	108,638,000	-	108,638,000
<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	-	-	-	-	-	-
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	219,595	-	219,595
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	3,607,809	-	3,607,809
Object to Exclude							
Rents and Leases	5060	-	-	-	4,022	-	4,022
Lottery Expenditures		-	-	-	-	-	-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	-	-	-
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ -	\$ -	\$ -	\$ 3,831,426	\$ -	\$ 3,831,426
Total for ECS 84362, 50% Law		\$ 53,898,752	\$ -	\$ 53,898,752	\$ 104,806,574	\$ -	\$ 104,806,574
Percent of CEE (Instructional Salary Cost/Total CEE)		51.43%	0.00%	51.43%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 52,403,287	\$ -	\$ 52,403,287

**GLENDAL COMMUNITY COLLEGE DISTRICT
 EDUCATION PROTECTION ACCOUNT EXPENDITURE REPORT
 FOR THE YEAR ENDED JUNE 30, 2023**

EPA Revenue	\$ 15,790,598
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	\$ 15,790,598	\$ -	\$ -	\$ 15,790,598
Total		\$ 15,790,598	\$ -	\$ -	\$ 15,790,598

**GLENDALE COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

Total Fund Equity - District Funds Included in the Reporting Entity

General Fund	\$	17,005,692	
Bond Interest and Redemption Fund		15,458,855	
Special Revenue Funds		742,599	
Capital Project Funds		90,734,054	
Self-Insurance Fund		262,600	
Student Activity Funds		4,746,046	
Student Financial Aid Fund		(189,282)	\$ 128,760,564
Assets recorded within the statements of net position not included in the District fund financial statements:			
Capital assets	\$	402,050,489	
Accumulated depreciation		(109,905,335)	292,145,154
Unmatured Interest			(3,894,942)
Deferred outflows recorded within the statement of net position not included in the District fund financial statements:			
Deferred outflows related to bond refundings			9,893,103
Deferred outflows related to OPEB			2,215,693
Deferred outflows related to pensions			32,186,065
Liabilities recorded within the statements of net position not recorded in the District fund financial statements:			
General obligation bonds	\$	(362,239,803)	
Bond premium		(20,139,580)	
Compensated absences		(5,254,805)	
Load banking		(2,958,201)	
Supplemental employee retirement plan		(1,270,756)	
Net OPEB liability		(8,546,174)	
Net pension liability		(107,952,448)	(508,361,767)
Deferred inflows recorded within the statement of net position not included in the District fund financial statements:			
Deferred inflows related to OPEB			(5,931,284)
Deferred inflows related to pensions			(15,779,808)
Net Assets Reported Within the Statement of Net Position	\$		<u>(68,767,222)</u>

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members, administration members and auxiliary organizations in good standing.

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The Organization has not elected to use the 10% de minimis cost rate.

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 students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis for making apportionments of State funds to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

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

ECS 84362 requires the District to expend a minimum of 50% 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.

**GLENDALE COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Education Protection Account Expenditure Report

This schedule provides information about the District's EPA revenue and summarizes the expenditures of EPA funds.

Reconciliation of Governmental Funds to the Statement of Net Position

This schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements, prepared on a modified accrual basis, to the government-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Glendale Community College District
Glendale, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the remaining fund information of Glendale Community College District (the District) as of and for the year ended June 30, 2023, 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 31, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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 financial statements. 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.

CWDL, Certified Public Accountants

San Diego, California
December 31, 2023



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

Board of Trustees
Glendale Community College District
Glendale, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Glendale Community College District's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 31, 2023



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Glendale Community College District
Glendale, California

Report on State Compliance

Opinion on State Compliance

We have audited Glendale Community College District's (the District) compliance with the types of compliance requirements as identified in the 2022-23 California Community Colleges Chancellor's Office *Contracted District Audit Manual* for the year ended June 30, 2023. The applicable state compliance requirements are identified in the table below.

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, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the 2022-23 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards and the compliance requirements are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance with the compliance requirements subject to audit in the 2022-23 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's compliance with the requirements listed in the table below.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit 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 over compliance. Accordingly, no such opinion is expressed. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance with the requirements listed in the table below that we identified during the audit.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance with the requirements listed in the table below that we identified during the audit.

Compliance Requirements Tested

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 411 – SCFF Data Management Control Environment
- Section 412 – SCFF Supplemental Allocation Metrics
- Section 413 – SCFF Success Allocation Metrics
- Section 421 – Salaries of Classroom Instructors (50 Percent Law)
- Section 423 – Apportionment for Activities Funded From Other Sources
- Section 424 – Student Centered Funding Formula Base Allocation: FTES
- Section 425 – Residency Determination for Credit Courses
- Section 426 – Students Actively Enrolled
- Section 427 – Dual Enrollment (CCAP)
- Section 430 – Scheduled Maintenance Program
- Section 431 – Gann Limit Calculation
- Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
- Section 475 – Disabled Student Programs and Services (DSPS)
- Section 490 – Propositions 1D and 51 State Bond Funded Projects
- Section 491 – Education Protection Account Funds
- Section 492 – Student Representation Fee
- Section 494 – State Fiscal Recovery Fund
- Section 499 – COVID-19 Response Block Grant Expenditures

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in 2022-23 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 31, 2023

FINDINGS AND QUESTIONED COSTS SECTION

**GLENDALE COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2023**

Section I – Schedule of Audit Findings and Questioned Costs

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the auditors report?	No
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards	No
Identification of major programs:	

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program of Cluster</u>
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster
84.425E, 84.425F, 84.425L	CARES Act
84.002	Adult Education

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 799,859
Auditee qualified as low-risk auditee?	No

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Noted
Type of auditors' report issued on compliance for State programs:	Unmodified

**GLENDAL COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings or recommendations identified during 2022-23.

**GLENDAL COMMUNITY COLLEGE DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs identified during 2022-23.

**GLENDAL COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section IV – State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs identified during 2022-23.

**GLENDALE COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

There were no findings or questioned costs identified in 2021-22.