LONG BEACH COMMUNITY COLLEGE DISTRICT

LOS ANGELES COUNTY

REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
INCLUDING REPORTS ON COMPLIANCE
June 30, 2015

LONG BEACH
CITY COLLEGE

LONG BEACH COMMUNITY COLLEGE DISTRICT

AUDIT REPORT
June 30, 2015

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LONG BEACH COMMUNITY COLLEGE DISTRICT

AUDIT REPORT
June 30, 2015

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VICENTI ♦ LLOYD ♦ STUTZMAN LLP
BUSINESS CONSULTANTS AND CPAs

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Long Beach Community College District
4901 E. Carson Street
Long Beach, California 90808

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Long Beach Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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The Board of Trustees
Long Beach Community College District

Opinion

In our opinion, the financial statements listed in the aforementioned table of contents present fairly, in all material respects, the financial position of the Long Beach Community College District as of June 30, 2015, and the results of its operations, changes in net position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 15 to the basic financial statements, in 2015 the Long Beach Community College District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment to GASB Statement No. 68.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of the District's proportionate share of the net pension liability (STRP, CalPERS-Schools Pool Plan and CalPERS-Miscellaneous Employer Plan), and schedules of District pension contributions (STRP, CalPERS-Schools Pool Plan and CalPERS-Miscellaneous Employer Plan), schedule of postemployment healthcare benefits funding progress, and schedule of postemployment healthcare benefits employer contributions 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.

The Board of Trustees
Long Beach Community College District

Other Information

Our audit was conducted for the purpose of forming an opinion on the Long Beach Community College District's financial statements as a whole. The supplementary schedules and the continuing disclosure information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of the Long Beach Community College District.

The supplementary section, including the schedule of expenditures of federal awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The continuing disclosure information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015 on our consideration of the Long Beach Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Long Beach Community College District's internal control over financial reporting and compliance.

Vicenti, Lloyd + Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 30, 2015

LONG BEACH COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the Long Beach Community College District (the "District") for the year ended June 30, 2015. This discussion is prepared by management and should be read in conjunction with the financial statements and notes, which follow this section.

The District is a comprehensive California college located in the southern part of Los Angeles County covering an urban area of approximately 128 square miles, serving approximately 25,000 students at two campuses, the Liberal Arts Campus and the Pacific Coast Campus. To serve its community, the District offers a comprehensive set of education programs and support services in response to student and community needs and plays a key role in transfer preparation, workforce development, basic skills, associate degrees, and economic development.

Accounting Standards

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, "Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments," which changed the reporting format for annual financial statements. In November 1999, GASB released Statement No. 35, "Basic Financial Statement and Management's Discussion and Analysis for Public Colleges and Universities," which applies these reporting standards to public colleges and universities. The Fiscal Accountability and Standards Committee of the California Community Colleges Chancellor's Office recommended that all California community colleges follow these standards under the Business Type Activity (BTA) model. Nearly all public colleges and universities nationwide have selected the BTA reporting model, which makes it easier to display comparable data. As such, the District uses the BTA model for reporting its financial statements. Under the BTA model state and local taxes and investment income are classified as non-operating revenues.

Selected Highlights

This section provides an overview of the District's financial activities. A comparative analysis is included in this Management's Discussion and Analysis using prior year information.

- Cash balance (cash and cash equivalents) current and restricted decreased $10.3 million (6.5%) from $158.1 million to $147.8 million mainly due to payments for construction and financing activities. (More details in subsequent pages.)

- Total operating, non-operating and other revenues increased $26.9 million (13.9%) from $192.7 million to $219.6 million mainly due to increases in operating and other revenues. (More details in subsequent pages.)

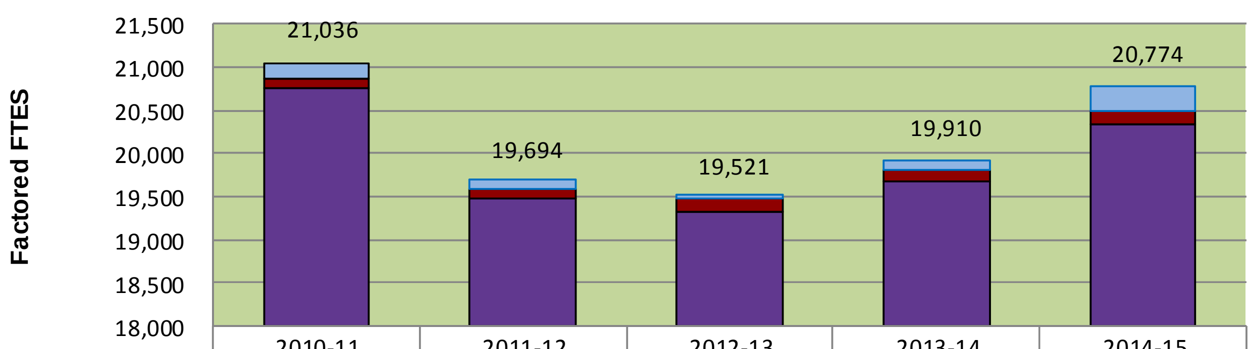
- The District's primary funding source is "State Apportionment Funding" received from the State of California through the State Chancellor's Office. This funding is one component of the overall funding based formula for community colleges. The other two components are local property taxes and student enrollment fees, which were $46 per unit in the year ended June 30, 2015. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). Our total apportionment eligible FTES reported was 20,407 for the 2014-15 fiscal year. In November 2015, a revised CCFS-320 attendance report was submitted to the Chancellor's Office which reported FTES at 20,774.

- Total ending fund balances (modified accrual basis of accounting) decreased $31.9 million (-20.2%) from $158.3 million to $126.4 million due mainly to the $46.6 million decrease in the Revenue Bond Construction Fund caused by program construction expenditures. This decrease is netted against increases in most other funds.

- Net position (full accrual basis of accounting) decreased $95.6 million (-412.3%) from $23.2 million to -$72.4 million, which is due mainly to 2014-15 being the first year of the implementation of GASB Statements No. 68 and No. 71, which require all governmental agencies to report their proportional shares of net pension liabilities. The cumulative effect of this change in accounting principle is -$99.4 million for the District as of June 30,2015.

Annual Enrollment

Full-Time Equivlent Students (FTES)



	2010-11	2011-12	2012-13	2013-14	2014-15
CDCP Noncredit	158	96	53	97	272
Noncredit	129	114	142	137	155
Credit	20,749	19,484	19,326	19,676	20,347

- The primary expenditure of the District is for the salaries and benefits for academic, classified, and administrative personnel. These costs increased from the previous fiscal year by $12.8 million to $110.4 million. This (13.1%) net increase is primarily due to the increases in the number of faculty, classified and management positions; and salary increases provided to all employee groups.

- The District continues to make significant progress with the construction of new facilities and the renovation of existing facilities including:

Location	% Complete
Liberal Arts Campus	
Math Tech & Culinary Arts Center – Building V	95%
Nursing/Health Tech – Building C Modernization	75%
Pacific Coast Campus	
Buildings AA & BB - Phase II	100%
Alternate Fuels – Building JJ Retrofit	90%
Student Services Center – Building GG Retrofit	75%
Both Campuses	
Master Landscape Implementation	95%

Projects in the planning and design stages are:

- Building D, First Floor – Liberal Arts Campus
- Language Arts Department (Building P) – Liberal Arts Campus
- Auditorium (Building J) – Liberal Arts Campus
- New Classroom Building QQ/Building RR Renovation – Pacific Coast Campus
- Campus-wide Security Monitoring System – Both Campuses
- Cafeteria (Building E) – Liberal Arts Campus

These projects were funded through the District's $440 million general obligation bond programs (Election 2008).

- The District provided student financial aid to qualifying students of the District in the amount of $46.8 million. This represents a $0.4 million increase from the 2013-14 fiscal year. This aid is provided through grants and loans from the Federal and State programs. Federal Pell Grant maximums increased 1.5% to $5,730 per student in 2014-15. As the economy continues to improve, the number of financial aid eligible students has leveled off.

LONG BEACH COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Financial Statement Presentation and Basis of Accounting Governmental Funds

The District's financial report includes three primary financial statements: The Statement of Net Position, the Statement of Revenues, Expenses and Change in Net Position, and the Statement of Cash Flows. Additional information regarding these financial statements is provided on the following pages.

The financial statements noted above are prepared in accordance with Governmental Accounting Standards Board Statements No. 34 and No. 35, which provides an entity wide perspective. Therefore, the financial data presented in these financial statements is a combined total of all District governmental funds including Student Financial Aid Programs, Proprietary Funds and a portion of the Retiree Benefits Fund deemed to be governmental in nature.

Also, in accordance with Governmental Accounting Standards Board Statements No. 34 and No. 35, the financial statements have been prepared under the full accrual basis of accounting, which requires that revenues are recognized when earned and expenses are recorded when an obligation has been incurred. A reconciliation between the fund balances reported on the June 30, 2015 Annual Financial and Budget Report (CCFS-311) based upon governmental accounting principles and the modified accrual basis of accounting and the total net position recorded on the full accrual basis of accounting is as follows:

Unrestricted Fund Balance	$ 25,606,796
Restricted Fund Balance	3,347,541
Bond Interest and Redemption Fund Balance	12,425,431
Revenue Bond Construction Fund Balance (2008 Election)	40,628,886
Capital Outlay Projects Fund Balance	15,812,852
Child Development Fund Balance	641,671
Other Special Revenue Funds Balance (Veteran's Stadium Operation and Contract/Community Education)	2,238,594
Other Trust Fund Balance (Retiree Benefits)	20,148,199
Student Financial Aid and Trust Fund Balance	121,523
Self Insurance Fund Balance	2,916,654
Total Fund Balances as reported on the Annual Financial and Budget Report (CCFS-311)	123,888,147
Auxiliary (not reported on CCFS-311)	2,529,884
Total Ending Fund Balances	$ 126,418,031

Amounts reported for governmental activities in the statement of net position are different because of the following GASB 34/35 full accrual requirements:

Total Ending Fund Balances	$	126,418,031
Capital assets used for governmental activities are not financial resources and therefore are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net position. Net capital assets of $26,771, are already reported in the Auxiliary Fund.		375,943,152
Deferred outflows associated with the advanced refunding of debt increases total net position reported.		13,815,986
Deferred outflows - pension contributions made during the fiscal year are removed from expenses and are recorded as a deferred outflows of resources. This amount will be recognized as a reduction of the net pension liability in the subsequent year.		7,320,740
Compensated absences and load banking are not generally due and payable in the current period, and therefore are not reported in the governmental funds. However, compensated absences of $182,922 are reported in the Unrestricted General Fund.		(5,176,841)
Interest expense related to bonds incurred through June 30, 2015 are recorded under the full accrual basis of accounting. This liability is added to the statement of net position, which reduces the total net position reported.		(3,828,140)
Estimated claims liability for self-insured risk of loss is not accrued in governmental funds.		(719,530)
Amounts for 2014-15 property taxes levied for debt service but not received as of June 30, 2015 increase the total net position reported.		1,767,098
The liability of employers and nonemployers contributing to employees for benefits provided through a defined benefit pension plan is recorded as net pension		(83,252,635)
Short-term and long-term liabilities for bonds are not due and payable in the current period, and therefore are not reported as liabilities in the governmental funds. Short-term and long-term liabilities are added to the statement of net position which reduces the total net position reported.		(473,780,294)
Deferred inflows - pension costs represent an acquisition of net assets by the District that is applicable to a future reporting period. The deferred inflows of resources – pensions, results from the difference between the estimated and actual return on pension plan investments. This amount is deferred and amortized over 5 years.		(23,473,097)
The liability associated with other postemployment retirement benefits, is recognized as a liability, which reduces the total net portion reported.		(5,512,334)
Reduction for postemployment retirement benefits (OPEB) for amounts held in an irrevocable trust and reported in the fiduciary statements.		(1,926,197)
Total Net position	$	(72,404,061)

Statement of Net Position

The Statement of Net Position presents the assets, liabilities and net position of the District as of the end of the fiscal year. It is prepared using the full accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a "point-in-time" financial statement. The purpose of this statement is to present the readers with a fiscal snapshot of the District on June 30, 2015. The Statement of Net Position presents end-of-year data concerning assets (current and non-current), liabilities (current and non-current) and net position (assets minus liabilities).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the District. Readers are also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the net position and their availability for expenditure by the District.

The difference between total assets and total liabilities (net position) is one indicator of the current financial condition of the District. The changes in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allocation for depreciation expense.

Cash balance (cash and cash equivalents) current and restricted decreased $10.3 million (-6.5%) from $158.1 million to $147.8 million mainly due to $46.6 million paid for bond projects offset by increases to most other funds, especially a $17 million increase to the Unrestricted General Fund and a $13 million increase to the Restricted General Fund due mainly to no apportionment deferrals in 2014-15 and new grant funding, respectively.

Receivables decreased $11.5 million (-50.6%) from $22.8 million to $11.3 million mainly due to the State eliminating apportionment deferrals, which were $11.9 million in 2013-14.

Capital assets increased 8.8% from $345.6 million to $375.9 million. This is the result of the District's continuing investment in constructing and renovating buildings at both of the District's two campuses.

The deferred charge on refunding increased $6.4 million (86.5%) from $7.4 million to $13.8 million due to the partial refunding of 2002 Election Series B and E and 2008 Election Series A. This amount represents the difference between the amount of refunded debt and the amount paid to the escrow agent to defease that debt on bond refundings and is amortized over the life of the loan.

Statement of Net Position (continued)

Deferred outflows – pension contributions and deferred inflows – pension costs are new items due to the implementation of GASB Statements No. 68 and No. 71. These items are explained in the footnotes of these financial statements.

Unearned revenue increased $11.7 million (317.0%) from $3.7 million to $15.4 million due mainly to significant advance funding for grants in 2014-15 specifically the CCPT AMETLL grant, innovation in higher education award, student equity grant, and SSSP grant.

Long-term liabilities less current portion increased $83.8 million (17.8%) from $470.0 million to $553.8 million due to the new $83.3 million net pension liability recorded for the first time in 2014-15 as a result of GASB Statements No. 68 and No. 71.

The components of net position are investment in capital assets, restricted assets and unrestricted assets. The negative $43.4 million in net position invested in capital assets, net of related debt consists of $376.0 million in capital assets, net of accumulated depreciation and Revenue Bond Construction Fund balance of $40.6 million, less $460.0 million in bond debt, net of deferred charge on refunding. It is common for this balance to be negative during the early stages of a construction program since districts need to issue debt to fund the construction activities. As time progresses and the construction program diminishes and related debt is paid off, this balance should begin to increase.

$37.4 million of restricted net position are assets that must be used to meet the goals and purposes of the Federal, State, local, or private agencies providing the assets, including capital projects, student financial aid, restricted parking and student health fees, or amounts designated for debt services.

The value of unrestricted net position was negative $66.4 million. The negative balance is due to the new $83.3 million net pension liability due to the first year of the implementation of GASB Statements No. 68 and No. 71. Without this accounting change, the unrestricted net position would be a positive balance more in line with the prior year balance. Much of the positive portion of unrestricted net position has been designated by the Board for such purposes as Federal and State grant, outstanding commitments on contracts, child development, community education and retiree health benefits and general reserves for the ongoing financial health of the District.

LONG BEACH COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

A summarized comparison of statement of net position is presented below:

	(in thousands) 2015	(in thousands) 2014*	Change
ASSETS			
Current assets			
Cash and cash equivalents	$ 71,413	$ 40,653	75.7%
Receivables	11,278	22,840	-50.6%
Prepaid expenses	1,724	778	121.6%
Total current assets	84,415	64,271	31.3%
Non-current assets			
Restricted cash and cash equivalents	76,337	117,421	-35.0%
Capital assets, net of depreciation	375,970	345,650	8.8%
Total non-current assets	452,307	463,071	-2.3%
Total assets	536,722	527,342	1.8%
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	13,816	7,408	86.5%
Deferred outflows - pension contributions	7,321	-	100.0%
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	557,859	534,750	4.3%
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	22,544	22,925	-1.7%
Due to fiduciary fund	43	1,043	-95.9%
Due to OPEB Trust	43	59	-27.1%
Unearned revenue	15,437	3,702	317.0%
Amounts held in trust for others	98	111	-11.7%
Estimated claims liability	720	720	0.0%
Long-term liabilities - current portion	14,055	12,986	8.2%
Total current liabilities	52,940	41,546	27.4%
Non-current liabilities			
Long-term liabilities less current portion	553,850	470,021	17.8%
Total non-current liabilities	553,850	470,021	17.8%
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension costs	23,473	-	100.0%
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	630,263	511,567	23.2%
NET POSITION			
Invested in capital assets, net of related debt	(43,366)	(32,702)	-32.6%
Restricted	37,419	23,234	61.1%
Unrestricted	(66,457)	32,651	-303.5%
TOTAL NET POSITION	$ (72,404)	$ 23,183	-412.3%

* Prior year amounts have not been restated for GASB Statements No. 68 and 71.

This schedule has been prepared from the Statement of Net Position presented on page 1.

Statement of Revenues, Expenses and Change in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Change in Net Position. The purpose of this statement is to present the operating and non-operating revenues earned, whether received or not, by the District, the operating and non-operating expenses incurred, whether paid or not, by the District, and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this Statement presents the District's results of operations.

Generally, operating revenues are earned for providing educational and programmatic services to students, customers and constituencies of the District. Operating expenses are those expenses incurred to provide services provided in return for the operating revenues used to fulfill the mission of the District. Non-operating revenues are those received or pledged for which goods and services are not provided to the entity providing the revenues. For example, state apportionments are non-operating revenues because they are provided by the legislature to the District without the legislature directly receiving services for those revenues.

LONG BEACH COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

A summarized comparison of the Statement of Revenues, Expenses and Change in Net Position is presented below:

	(in thousands) 2015	(in thousands) 2014*	Change
Operating Revenues			
Net tuition and fees	$ 10,194	$ 8,936	14.1%
Grants and contracts, non-capital	75,743	67,884	11.6%
Auxiliary commissions and stadium concessions	937	1,070	-12.4%
Total operating revenues	86,874	77,890	11.5%
Operating Expenses			
Salaries and benefits	110,368	97,598	13.1%
Supplies, materials and other operating expenses and services	32,545	31,755	2.5%
Financial aid	46,780	46,408	0.8%
Depreciation	9,301	8,614	8.0%
Total operating expenses	198,994	184,375	7.9%
Operating loss	(112,120)	(106,485)	5.3%
Non-operating revenues			
State apportionments, non-capital	81,223	79,940	1.6%
Local property taxes	16,831	15,489	8.7%
State taxes and other revenues	4,889	3,960	23.5%
Investment income, net	550	767	-28.3%
Total non-operating revenues	103,493	100,156	3.3%
Other revenues, (expenses), gains or (losses)			
State apportionments, capital	3,190	957	233.3%
Local property taxes and other revenues, capital	25,434	12,952	96.4%
Investment income, capital	573	779	-26.4%
Interest expense	(14,543)	(18,519)	-21.5%
Net loss on disposal of capital assets	(2,100)	(2,215)	-5.2%
Total other revenues, (expenses), gains or (losses)	12,554	(6,046)	-307.6%
Changes in net position	3,927	(12,375)	-131.7%
Net position, beginning of year as previously reported	23,183	35,558	-34.8%
Cumulative effect of change in accounting principle	(99,514)	-	100.0%
Net position, beginning of year after cumulative effect	(76,331)	35,558	-314.7%
Net position, end of year	$ (72,404)	$ 23,183	-412.3%

* Prior year amounts have not been restated for GASB Statements No. 68 and 71.

This schedule has been prepared from the Statement of Revenues, Expenses and Change in Net Position on page 2.

While the distinction between operating and non-operating revenues is useful to managers for profit business enterprises, this distinction is not as important for managers of public sector community colleges. Therefore, to simplify the discussion, operating revenue, non-operating revenue and other revenues were combined in the following table:

	(in thousands) 2015	(in thousands) 2014	Change
Revenues			
Operating Revenues	$ 86,874	$ 77,890	11.5%
Non Operating Revenues	103,493	100,156	3.3%
Other Revenues	29,197	14,688	98.8%
	219,564	192,734	13.9%
Expense			
Operating Expenses	(198,994)	(184,375)	7.9%
Other Expenses	(16,643)	(20,734)	-19.7%
Total Expenses	(215,637)	(205,109)	5.1%
Change in Net Position	3,927	(12,375)	-131.7%
Net position, beginning of year as previously reportec	23,183	35,558	-34.8%
Cumulative effect of change in accounting principle	(99,514)	-	-100.0%
Net position, beginning of year after cumulative effect	(76,331)	35,558	-314.7%
Net Position End of Year	$ (72,404)	$ 23,183	-412.3%

This schedule has been prepared from the Statement of Revenues, Expenses, and Change in Net Position presented on page 2.

Operating revenues increased $9.0 million due mainly to a $7.9 million increase in grant and contract revenue.

Other revenues increased $14.6 million due mainly to the increase in property tax revenue through the Bond Interest and Redemption Fund.

Operating expenses increased by $14.6 million due mainly to the $12.8 million increase in salaries and benefits.

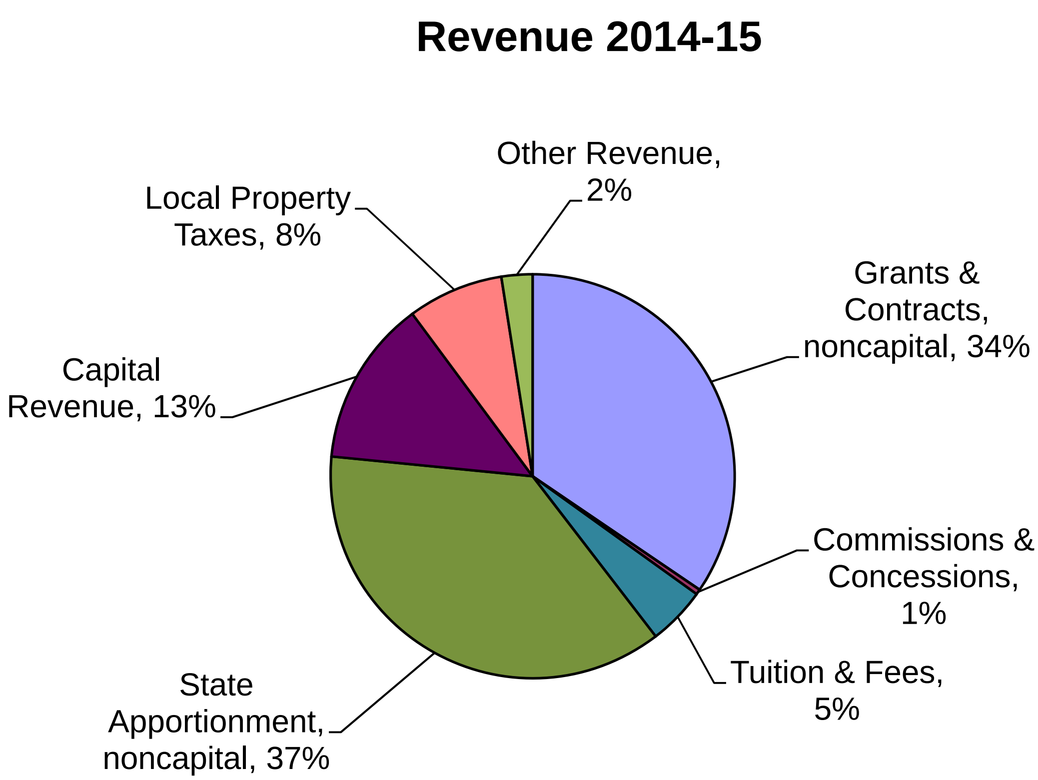
Other expenses decreased $4.1 million due mainly to the decrease in interest expense.

Total revenues were $219.6 million while total expenditures were $215.6 million. This yields an increase in net position of $3.9 million before the change in accounting principle.

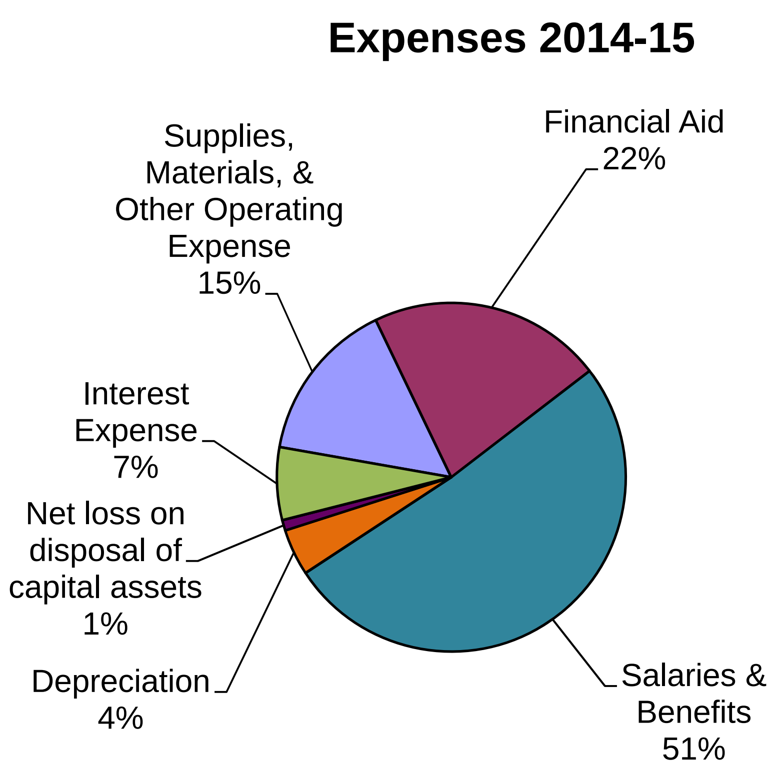
The cumulative effect of the GASB Statements No. 68 and No. 71 change in accounting principles resulted in a $99.4 million decrease to the District's net position as of June 30, 2015.

These new GASB statements require that the District reflect its proportionate share of pension liabilities in the financial statements. Previously, these pension liabilities were only reflected in the State of California's financial statements. As a result, most K-14 districts will show a negative net position on their financial statements.

The following chart shows the sources of revenue to the District. The largest sources are State apportionment, non-capital (37%) which is derived from the State's funding formula for Community Colleges; and Grants & Contracts, non-capital (34%).



The following chart shows where the District's money is spent. The largest category of expenses (51%) is for salaries and benefits. This reflects the college's reliance on faculty members and support staff to carry out its educational mission.



Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This Statement helps users assess the District's ability to generate positive cash flows, meet obligations as they come due, and the need for external financing.

The Statement of Cash Flows is divided into four parts: Cash Flows from Operating Activities, Cash Flows from Non-Capital Financing Activities, Cash Flows from Capital and Related Financing Activities, and Cash Flows from Investing Activities. The first part reflects operating cash flows and shows the net cash used for the operating activities of the District. The second part details cash received for non-operating, non-investing and non-capital financial purposes. The third part shows net cash flows for capital projects and related financing activities. This part deals with the cash used for the construction and improvement of capital facilities and related items. The fourth part provides information from investing activities and the amount of interest received.

Operating activities – Cash receipts from operating activities are derived from a variety of sources, including from student fees, enterprise activities, and from Federal, State, local, and private grants. Uses of cash are salaries and benefits for employees, payments to vendors, and financial aid to students. Cash receipts and payments vary based on timing of the District receiving and disbursing cash; however, throughout the year, the District always maintained a positive cash position.

Non-capital financing activities – These cash sources include State apportionment, and local property taxes.

Capital and related financing – The cash used in this section includes purchases of capital assets and debt repayments related to the general obligation bond program.

The net change in cash, considering all sources and uses, was a decrease of $10.3 million. This results in an end of year cash balance of $147.7 million. As a matter of prudent financial management, the District maintains a positive cash position at all times.

A summarized comparison of the Statement of Cash Flows is presented below:

	(in thousands) 2015	(in thousands) 2014	Change
Cash Provided By (Used in)			
Operating activities	$ (90,083)	$ (89,421)	-0.7%
Non-capital financing activities	112,994	75,584	49.5%
Capital and related financing activities	(33,787)	(40,011)	-15.6%
Investing activities	552	409	35.0%
Net increase/(decrease) in cash and cash equivalents	(10,324)	(53,439)	-80.7%
Cash balance, beginning of year	158,074	211,513	-25.3%
Cash balance, end of year	$ 147,750	$ 158,074	-6.5%

This schedule has been prepared from the Statement of Cash Flow presented on page 3.

Cash provided by non-capital financing activities increased $37.4 million due mainly to the fact that there was no TRAN repayment in 2014-15. The 2013-14 TRAN repayment was $22.4 million. The other major factor was the increase of $13.3 million in state apportionment, which includes $11.9 million in 2013-14 apportionment deferrals.

Cash flows from capital and related financing activities increased $6.2 million. The major items contributing to this decrease are the $14.4 million increase in property tax inflow for capital purposes, the $11.1 million increase in outflows for purchases of capital assets, and the $5.7 million net increase in bond proceeds over bond principal payments.

Capital Assets and Debt Administration

Capital Assets

In accordance with GASB requirements, all assets, including land, is recorded at historical cost. Actual fair-market value of land is substantially higher than historical cost. This is due to the fact that land for the Liberal Arts Campus and the Pacific Coast Campus was acquired approximately eighty years ago and land values in Southern California have increased over this time. On June 30, 2014, the District had $345.7 million, net of depreciation, in a broad range of capital assets including land, buildings, equipment and construction in progress. During the 2014-15 fiscal year, the District continued to modernize various facilities throughout the District at a cost of $39.5 million. At the end of the year capital assets, net of depreciation, were valued at $376.0 million which is an 8.8% increase.

Note 5 to the financial statements provides additional information on capital assets. A comparison of capital assets net of depreciation is summarized below:

	(in thousands) Balance June 30, 2015	(in thousands) Balance June 30, 2014	Change
Land	$ 25,976	$ 25,976	0.0%
Construction in progress	87,508	52,751	65.9%
Site and site improvements	328,068	324,072	1.2%
Equipment	12,090	11,380	6.2%
Totals at historical cost	453,642	414,179	9.5%
Less accumulated depreciation for:			
Site and site improvements	67,217	58,879	14.2%
Equipment	10,455	9,650	8.3%
Total accumulated depreciation	77,672	68,529	13.3%
Capital assets, net	$ 375,970	$ 345,650	8.8%

Capital Assets and Debt Administration (continued)

Long-Term Debt

As of June 30, 2015, the District had $567.9 million in long-term debt. During the 2014-15 fiscal year, long-term debt increased by $84.9 million. This is mainly due to the new $83.3 million net pension liability resulting from the implementation of GASB Statements No. 68 and No. 71. The District's bond rating is AA - (S&P) and Aa2 (Moody's).

Notes 7 through 9, as well as Notes 11 and 12, to the financial statements provide additional information on long-term liabilities. The impact of GASB Statements No. 68 and No. 71 is explained in Note 11 and in statements in the Required Supplementary Information section of this report. A comparison of long-term debt is summarized below:

	(in thousands) Balance June 30, 2015	(in thousands) Balance June 30, 2014*	Change
Compensated absences	$ 5,360	$ 4,987	7.5%
General obligation bonds, net	473,780	472,972	0.2%
Net pension liability	83,253	-	100.0%
Other postemployment benefits other than pensions (OPEB)	5,512	5,048	9.2%
Total long term debt	567,905	483,007	17.6%
Total short term portion	(14,055)	(12,986)	8.2%
Total long term portion	$ 553,850	$ 470,021	17.8%

* Prior year amounts have not been adjusted due to the implementation of GASB Statements No. 68 and 71. See note 17.

District's Fiduciary Responsibility

The Futuris Public Entity Investment Trust (the Retiree Benefit Trust) was established in May 2006. The Retiree Benefit Trust is an irrevocable government trust for the purpose of funding postemployment health benefits. The District acts as the fiduciary of the Retiree Benefit Trust and the financial activity of the Retiree Benefit Trust has been discretely presented in the financial statements.

The District has the responsibility of accounting for the Associated Student Body Fund. These fiduciary activities are reported in a separate Statement of Fiduciary Net Position.

Economic Factors Affecting the Future of Long Beach Community College District

State Economy

The economic position of Long Beach Community College District is closely tied to the economic health of the State of California. State apportionment, non-capital, tuition and fees, and local property taxes of $108.2 million support 57% of total operating expenses, excluding depreciation.

The state economy and consequently the State Budget for 2015-16 continue to provide California public education with positive signs. K-14 education fared well in this year's State Budget. The State Budget includes $68.4 billion in Proposition 98 (K-14) funding, which is an increase of $7.6 billion or 2.5% from the prior year. There is an additional $6.1 billion in Proposition 98 funding due to higher than expected state revenues and the mechanics of the Proposition 98 guarantee. The increased funding is much needed after the cuts of the recession years, but still does not bring us back to pre-recession levels. Looking forward, the State Chancellor's Office warns that this will be a short lived system-wide budget increase. In addition, though the timing of economic downturns may be unpredictable, it is certain that they will happen again at some point. This budget also reflects Governor Brown's years of experience with California budgets and his view of the future. He continues his priorities of protecting against boom and bust cycles, retiring debt and focusing new money on education. He does not want to overextend programs at a level that is unsustainable. The State Budget includes a $3.4 billion reserve and is based on the Governor's conservative revenue forecasts.

Challenges

The challenges that California community colleges continue to face years into the future are the pending sunset of Proposition 30 - Education Protection Account (EPA) revenue and increasing pension obligations. Sales tax provides approximately 21% and income taxes provide approximately 79% of EPA funding. The sales tax increases will end after 2016; and the income tax increases will end after 2018. So, this funding, which is budgeted at $17 million for the District in 2015-16, is projected to phase out over approximately four fiscal years. It is uncertain how the education funding will fare after the loss of these sources.

The Governor began addressing the severely underfunded status of the STRS pension in 2013-14. Beginning in that year, the Governor increased contribution rates after years without change to these rates that are set by statute. STRS employer contribution rates will increase from 8.25% to 19.10% by 2020-21 according to the Governor's plan. PERS also has plans to increase employer's contributions. The employer's share is expected to be 20.40% by 2020-21. These steep increases pose a significant challenge to districts going forward.

Economic Factors Affecting the Future of Long Beach Community College District (continued)

Challenges (continued)

State-wide enrollment typically declines after recessions end. So, it is not a surprise that as the state is in recovery, enrollment for Northern California and many Southern California colleges is down. The District is relatively flat with only a slight increase in enrollment.

Other Updates

The improved state economy allowed the District to offer salary increases in 2014-15 for the first time in five years. Agreements with the bargaining units that were achieved throughout the 2014-15 fiscal year resulted in average 2015-16 salary schedules increased by over 5% compared to 2013-14 for part-time faculty, full-time faculty, classified staff and management.

Cash flow continues to improve for 2015-16 and for the near future. The District did not need to issue a TRAN (Tax Revenue and Anticipation Note) for short-term financing in 2014-15 for the second year in a row. The 2015-16 Budget does not include apportionment deferrals, consequently the District has no plans for a TRAN issuance in 2015-16.

The District continues to fund the Retiree Health Fund with contributions of at least the actuarial determined Annual Required Contribution (ARC) amount. The Retiree Health Fund, ended the year with a $20.1 million fund balance. Of that balance, $1.9 million represents the ending fund balance of the irrevocable Retiree Benefit Trust reported in a separate statement of net position and statement of changes in net position for Other Postemployment Benefits Plan in accordance with GASB Statements No. 43 and No. 45. The first draft of the District's OPEB Valuation Report applicable for the 2015-16 fiscal resulted in an ARC of $5.3 million.

Ongoing construction projects will continue for the next several years; which will result in additions to the District's capital assets less deletions for demolished and remodeled buildings. There will be some additional costs for the operation and maintenance of those new facilities.

On August 5, 2014, $43,200,000 in 2002 Election, 2012 Series E refunding bonds were issued. These bonds were used for an advance refunding of a portion of the outstanding 2002 Election, 2007 Series E bonds. This refunding saves District taxpayers approximately $2.3 million in future property taxes.

Economic Factors Affecting the Future of Long Beach Community College District (continued)

Other Updates (continued)

On June 9, 2015, $32,545,000 in 2015 Series F refunding bonds were issued. The bonds were used to effect the current refunding of a portion of the 2005 Series B bonds and the advanced refunding of a portion of the 2008 Series A bonds. This refunding saves District taxpayers approximately $3.7 million in future property taxes.

To continue funding the bond construction program, the District plans to issue bonds in 2015-16.

Contacting the District

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact John Thompson, Director of Fiscal Services, at: Long Beach Community College District, 4901 E. Carson Street – Y14, Long Beach, CA 90808, (562) 938-4102, or via email at jthompson@lbcc.edu.

BASIC FINANCIAL STATEMENTS

LONG BEACH COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION
June 30, 2015

ASSETS		
Current assets:		
Cash and cash equivalents	$	71,413,300
Accounts receivable, net		11,278,426
Prepaid expenses		1,723,869
Total current assets		84,415,595
Non-current assets:		
Restricted cash and cash equivalents		76,336,525
Capital assets, net		375,969,923
Total non-current assets		452,306,448
TOTAL ASSETS		536,722,043
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		13,815,986
Deferred outflows - pension contributions		7,320,740
TOTAL DEFERRED OUTFLOWS OF RESOURCES		21,136,726
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	557,858,769
LIABILITIES		
Current liabilities:		
Accounts payable	$	15,693,168
Accrued interest payable		3,828,140
Accrued liabilities		3,023,461
Due to fiduciary fund		42,505
Due to OPEB Trust		42,576
Unearned revenue		15,437,283
Amounts held in trust for others		98,044
Estimated claims liability		719,530
Compensated absences - current portion		2,984,712
General obligation bonds payable - current portion		11,070,000
Total current liabilities		52,939,419
Non-current liabilities:		
Compensated absences		2,375,051
General obligation bonds payable		462,710,294
Net pension liability		83,252,635
Other postemployment benefits other than pensions (OPEB)		5,512,334
Total non-current liabilities		553,850,314
TOTAL LIABILITIES		606,789,733
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension costs		23,473,097
TOTAL DEFERRED INFLOWS OF RESOURCES		23,473,097
NET POSITION		
Invested in capital assets, net of related debt		(43,365,499)
Restricted for:		
Capital projects		15,812,852
Debt service payments		18,137,193
Scholarships and loans		121,524
Other special services		3,347,541
Unrestricted		(66,457,672)
TOTAL NET POSITION		(72,404,061)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$	557,858,769

See the accompanying notes to the financial statements.

LONG BEACH COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Fiscal Year Ended June 30, 2015

OPERATING REVENUES	
Tuition and fees (gross)	$ 28,153,683
Less: Scholarship discounts & allowances	(17,959,815)
Net tuition and fees	10,193,868
Grants and contracts, non-capital:	
Federal	51,050,654
State	18,442,572
Local	6,249,825
Auxiliary commissions and stadium concessions	937,331
TOTAL OPERATING REVENUES	86,874,250
OPERATING EXPENSES	
Salaries	80,885,093
Employee benefits	29,483,037
Supplies, materials, and other operating expenses and services	29,926,564
Financial aid	46,779,503
Utilities	2,619,172
Depreciation	9,300,953
TOTAL OPERATING EXPENSES	198,994,322
OPERATING LOSS	(112,120,072)
NON-OPERATING REVENUES (EXPENSES)	
State apportionments, non-capital	81,223,353
Local property taxes	16,831,204
State taxes and other revenue	4,888,457
Interest and investment income	550,491
TOTAL NON-OPERATING REVENUES (EXPENSES)	103,493,505
LOSS BEFORE OTHER REVENUES, (EXPENSES), GAINS AND (LOSSES)	(8,626,567)
OTHER REVENUES, (EXPENSES), GAINS AND (LOSSES)	
State apportionments, capital	3,189,861
Local property taxes and revenue, capital	25,433,737
Interest and investment income, capital	572,657
Interest expense on capital asset-related debt	(14,543,167)
Write-off of construction in progress not capitalized	(2,158,866)
Gain on disposal of capital assets	59,734
TOTAL OTHER REVENUES, (EXPENSES), GAINS AND (LOSSES)	12,553,956
CHANGE IN NET POSITION	3,927,389
NET POSITION, BEGINNING OF YEAR AS PREVIOUSLY REPORTED	23,182,861
Cumulative effect of change in accounting principle (see note 15)	(99,514,311)
NET POSITION, BEGINNING OF YEAR AFTER CUMULATIVE EFFECT	(76,331,450)
NET POSITION, END OF YEAR	$ (72,404,061)

See the accompanying notes to the financial statements.

LONG BEACH COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees (net)	$ 9,435,104
Federal grants and contracts	50,812,005
State grants and contracts	26,874,642
Local grants and contracts	10,466,814
Auxiliary commissions and stadium concessions	937,331
Payments to suppliers	(31,668,824)
Payments to/on behalf of employees	(110,123,332)
Payments to/on behalf of students	(46,803,772)
Amounts received/(paid) in trust	(12,913)
Net cash used by operating activities	(90,082,945)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State apportionments and receipts	92,311,252
Property taxes	16,662,327
State tax and other revenues (payments)	4,021,166
Net cash provided by non-capital financing activities	112,994,745
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State apportionments for capital purposes	3,370,861
Local revenue for capital purposes	25,464,936
Interest on capital investments	746,003
Net purchases of capital assets	(39,847,309)
Proceeds from capital debt issued	87,276,234
Principal paid on capital debt	(86,064,379)
Interest paid on capital debt	(24,733,824)
Net cash used by capital and related financing activities	(33,787,478)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	551,624
Net cash provided by investing activities	551,624
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,324,054)
CASH BALANCE, Beginning of Year	158,073,879
CASH BALANCE, End of Year	$ 147,749,825

See the accompanying notes to the financial statements.

LONG BEACH COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015

RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:

Operating loss	$	(112,120,072)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense		9,300,953
Bad debt write-off		245,354
Changes in assets and liabilities:		
Receivables, net		108,944
Prepaid expenses		(1,073,015)
Deferred outflows - pension contributions		(967,839)
Accounts payable and accrued liabilities		2,022,462
Unearned revenue		11,735,026
Compensated absences		372,343
Due to OPEB Trust		(16,472)
Due to fiduciary		(1,000,385)
Amounts held in trust for others		(12,913)
Other postemployment benefits other than pensions (OPEB)		464,149
Net pension liability		(22,614,577)
Deferred inflows - pension costs		23,473,097
Net cash used by operating activities	$	(90,082,945)
Breakdown of ending cash balance:		
Cash and cash equivalents	$	71,413,300
Restricted cash and cash equivalents		76,336,525
Total	$	147,749,825

See the accompanying notes to the financial statements.

LONG BEACH COMMUNITY COLLEGE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

	Associated Student Body Fund
ASSETS	
Cash and cash equivalents	$ 2,880,150
Accounts receivable	3,412
Due from governmental funds	42,505
TOTAL ASSETS	2,926,067
LIABILITIES	
Accounts payable	33,921
Amounts held for others	469,194
Unearned revenue	110,720
TOTAL LIABILITIES	613,835
NET POSITION	
Unrestricted	2,312,232
TOTAL NET POSITION	$ 2,312,232

See the accompanying notes to the financial statements.

LONG BEACH COMMUNITY COLLEGE DISTRICT

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2015

	Associated Student Body Fund
ADDITIONS	
Student fees	$ 938,487
Other local revenues	51,127
Interest and investment income	9,424
TOTAL ADDITIONS	999,038
DEDUCTIONS	
Salaries	159,881
Employee benefits	64,784
Supplies, materials, and other operating expenses and services	627,795
TOTAL DEDUCTIONS	852,460
CHANGE IN NET POSITION	146,578
NET POSITION, BEGINNING OF YEAR	2,165,654
NET POSITION, END OF YEAR	$ 2,312,232

See the accompanying notes to the financial statements.

LONG BEACH COMMUNITY COLLEGE DISTRICT

STATEMENT OF OTHER POSTEMPLOYMENT BENEFITS PLAN NET POSITION
June 30, 2015

	Retiree Benefit Trust
ASSETS	
Investments	$ 1,883,621
Due from governmental funds	42,576
TOTAL ASSETS	1,926,197
TOTAL NET POSITION - RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	$ 1,926,197

See the accompanying notes to the financial statements.

LONG BEACH COMMUNITY COLLEGE DISTRICT

STATEMENT OF CHANGE IN OTHER POSTEMPLOYMENT BENEFITS PLAN NET POSITION
For the Fiscal Year Ended June 30, 2015

	Retiree Benefit Trust
ADDITIONS	
Investment Income:	
Interest and investment income	$ 52,949
Realized gain on investments	169,407
Unrealized gain on investments	21,064
Investment expense	(17,199)
Net investment income	226,221
Contributions	42,576
TOTAL ADDITIONS	268,797
CHANGE IN NET POSITION	268,797
NET POSITION - RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS, BEGINNING OF YEAR	1,657,400
NET POSITION - RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS, END OF YEAR	$ 1,926,197

See the accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. REPORTING ENTITY:

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Trustees.

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB Statement No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the District's power and includes, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.

2. The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. REPORTING ENTITY: (continued)

3. The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based upon the application of the criteria listed above, the following two potential component units have been included in the District's reporting entity through blended presentation:

Long Beach City College Auxiliary, Inc. (The Auxiliary) – The Auxiliary is a separate not-for-profit corporation formed to promote and assist the educational program of the District. The Board of Directors is elected independent of any District Board of Trustee’s appointments. The Board is responsible for approving their own budget and accounting and finance related activities; however, the District's governing board has fiscal responsibility over the Auxiliary. The activity of the Auxiliary has been blended in the District-wide financial statements. Individually prepared financial statements are not prepared for the Auxiliary.

Futuris Public Entity Investment Trust (the Retiree Benefit Trust) – The Retiree Benefit Trust is an irrevocable governmental trust pursuant to Section 115 of the Internal Revenue Code for the purpose of funding certain postemployment benefits. The Long Beach City College Retirement Board of Authority (the Board of Authority) retains the responsibility to oversee the management of the Retiree Benefit Trust. The Board of Authority is comprised of the Vice President of Administrative Services, the Executive Vice President of College Advancement and Economic Development and the Director of Fiscal Services. The financial activity of the Retiree Benefit Trust has been discretely presented. Individually prepared financial statements are not prepared for the Retiree Benefit Trust.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. REPORTING ENTITY: (continued)

Based upon the application of the criteria listed above, the following potential component unit has been excluded from the District's reporting entity:

Long Beach City College Foundation – The Foundation is a separate not-for-profit corporation created for the benefit of the District and its students and organized to provide support for the activities and programs of the District. The Foundation is not included as a component unit because the second criterion was not met; the District is not entitled to, nor has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. Separate financial statements for the Foundation can be obtained through the District.

B. FINANCIAL STATEMENT PRESENTATION:

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District's financial activities. The entity-wide perspective replaces the fund-group perspective previously required. Proprietary activities reported in the enterprise and internal service funds are included in the entity-wide perspective. Fiduciary activities, including Retiree Benefit Trust activities, are excluded from the basic financial statements. Student Financial Aid programs and retiree benefit activities not included in the Retiree Benefit Trust are included in the basic financial statements.

C. BASIS OF ACCOUNTING:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING: (continued)

For financial reporting purposes, the District is considered a special-purpose government engaged in business-type activities. Accordingly, the District's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated with exception of those between the District and its fiduciary funds.

The statements of plan net position and changes in plan net position of the Retiree Benefit Trust are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

For internal accounting purposes, the budgetary and financial accounts of the District have been recorded and maintained in accordance with the Chancellor's Office of the California Community College's *Budget and Accounting Manual*.

To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities.

By state law, the District's Governing Board must approve a budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with generally accepted accounting principles (GAAP).

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING: (continued)

1. 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 in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

2. Accounts Receivable

Accounts receivable consists primarily of amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. All material receivables are considered fully collectible. The District recognized for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

Accounts receivable from students for tuition and fees are recorded at gross amounts. Bad debts are accounted for by the direct write-off method for student receivables, which is not materially different from the allowance method.

3. Prepaid Expenses

Payments made to vendors for goods or services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which goods or services are consumed. Prepaid expenses consist primarily of prepaid insurance premiums, maintenance agreements, and professional services.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING: (continued)

4. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are those amounts designated for acquisition or construction of non-current assets or that are segregated for the liquidation of long-term debt.

5. Investments

Investments in the Retiree Benefit’s Trust are reported at fair value, which is determined by the most recent bid and asking price as obtained from dealers that make markets in such securities.

6. Capital Assets

Capital assets are recorded at cost at the date of acquisition. Donated capital assets are recorded at their estimated fair value at the date of donation. For equipment, the District’s capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Buildings valued at $5,000 or more as well as renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized.

Interest costs are capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. In determining the amount to be capitalized, interest costs are offset by interest earned on proceeds of the District’s tax exempt debt restricted to the acquisition of qualifying assets.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is recorded as an operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 25 years for portable buildings, 20 years for building and land improvements, 5 years for equipment and vehicles and 3 years for technology.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING: (continued)

7. Deferred Outflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and thus, will not be recognized as an outflows of resources (expense/expenditure) until then. Deferred outflows include the following:

Deferred charge on refunding: A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows – pension contributions: Deferred outflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans. These amounts will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

8. Accounts Payable and Accrued Liabilities

Accounts payable consists of amounts due to vendors for goods and services received prior to June 30. Accrued liabilities consist of salary and benefits payable.

9. Unearned Revenue

Unearned revenue is recorded to the extent cash received on specific projects and programs exceeds qualified expenditures. Unearned revenue also includes summer enrollment fees received but not earned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING: (continued)

10. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability in the statement of net position when incurred.

The District has accrued a liability for the amounts attributable to load banking hours within accrued liabilities. Load banking hours consist of hours worked by instructors in excess of a full-time load for which they may carryover for future paid time off.

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave; therefore, accumulated employee sick leave benefits are not recognized as a liability of the District. The District's policy is to record sick leave as an operating expense in the period taken; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

11. Net Pension Liability

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING: (continued)

12. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets by the District that is applicable to a future reporting period. The deferred inflows of resources – pensions, results from the difference between the estimated and actual return on pension plan investments. This amount is deferred and amortized over 5 years.

13. Net Position

Invested in capital assets, net of related debt: This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are included as a component of invested in capital assets, net of related debt.

Restricted net position – expendable: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties or by enabling legislation adopted by the District. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Restricted net position – nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The District had no restricted net position – nonexpendable.

Unrestricted net position: Unrestricted net position represents resources available to be used for transactions relating to the general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING: (continued)

14. State Apportionments

Certain current year apportionments from the state are based upon various financial and statistical information of the previous year. Any prior year corrections due to the recalculation in February of 2016 will be recorded in the year computed by the State.

15. Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31.

Real and personal property tax revenues are reported in the same manner in which the County auditor records and reports actual property tax receipts to the Department of Education. This is generally on a cash basis. A receivable has not been recognized in the General Fund for property taxes due to the fact that any receivable is offset by a payable to the State for apportionment purposes. Property taxes for debt service purposes have been accrued in the basic financial statements.

16. Classification of Revenues

The District has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as student fees, net of scholarship discounts and allowances, and Federal and most state and local grants and contracts.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as State apportionments, taxes, and other revenue sources that are defined as nonoperating revenues by GASB.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING: (continued)

17. Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the District, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

18. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

19. Tax Status

The Auxiliary qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code 23701d.

The Auxiliary has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of any audit by taxing authorities at the federal and state levels. The primary tax positions evaluated relate to the Auxiliary's continued qualification as a tax-exempt organization and whether there are unrelated business income activities that would be taxable. Management has determined that all income tax positions will more likely than not be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING: (continued)

19. Tax Status (continued)

The Auxiliary files informational returns in the U.S. federal jurisdiction, and the state of California. With few exceptions, the statute of limitation for U.S. federal and state examinations by tax authorities is generally three and four years, respectively.

20. Minimum Reserve Policy

The District has adopted a minimum reserve balance policy in order to protect against revenue short falls and unexpected one-time expenditures. The policy requires a reserve for contingencies consisting of unassigned amounts of no less than 5.5% of unrestricted general fund expenditures. This policy exceeds the minimum reserve balance recommended by the California Community College Chancellor's Office that districts provide for a minimum prudent reserve balance of 5% of unrestricted expenditures.

NOTE 2 – DEPOSITS AND INVESTMENTS:

A. Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has established a policy for custodial risk. As of June 30, 2015, $2,882,713 of the District's bank balance of $4,259,180 was uninsured but collateralized by securities held by the bank's trust department. Securities are not individually held in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS: (continued)

A. Deposits (continued)

Cash in County Treasury

In accordance with Title 5 and the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. The County pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2015 is measured at 99.8957% of amortized cost of investments with maturities in excess of one year.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized. The County investment pool is not required to be rated.

The District operates a warrant pass-through fund as a holding account for amounts collected from employees for federal taxes, state taxes and other contributions. The District had Cash in the County Treasury amounting to $1,185,350 and Cash with Fiscal Agent amounting to $30,000 on June 30, 2015, which represents withholdings payable and amounts due to the General Fund for payments made on the warrant pass-through fund's behalf.

NOTE 2 - DEPOSITS AND INVESTMENTS: (continued)

B. Investments

Investments held by the Futuris Public Entity Investment Trust (the Retiree Benefit Trust) are limited to those within the terms of the trust agreement, any applicable plan documents and in accordance with California Government Code Section 53620 through 53622. The Retiree Benefit Trust did not violate any provisions of the investment policy during the fiscal year ended June 30, 2015.

Investments held by the Retiree Benefit Trust at June 30, 2015 are presented below:

Investment	Fair Value
Common Stock Mutual Funds	$ 834,594
Fixed Income Mutual Funds	1,049,027
Total	$ 1,883,621

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Retiree Benefit Trust investment policy follows California Government Code Section 53601 and limits investment maturities to 5 years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Retiree Benefit Trust authorizes the use of a broad range of investment choices that have distinctly different risk and return characteristics, with the provision that all investments must continue to adhere to the underlying requirements of California Government Code Section 53600.5 and, in particular, its emphasis on preservation of capital. As of June 30, 2015, the Retiree Benefit Trust's investments are in mutual funds which are not rated.

NOTE 2 – DEPOSITS AND INVESTMENTS: (continued)

B. Investments (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. In accordance with Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*, the Retiree Benefit Trust is exposed to concentration of credit risk whenever investments in any one issuer exceed 5%. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

The Retiree Benefit Trust's investment policy limits investments in any single equity security to be not more than 5%. In addition, the Retiree Benefit Trust's investment policy prohibits investments in any mutual fund that holds more than 5% of its portfolio in any single issue or issuer. This limitation is not intended to apply to the percentage of the Retiree Benefit Trust assets invested in a single diversified mutual fund. Nor does the limitation apply to obligations of the U.S. Government and its agencies, U.S. agency mortgage-backed pass-through securities or to a mutual fund that invests in such obligations or securities. At June 30, 2015 the Retiree Benefit Trust had not invested more than 5% of its portfolio in one issuer.

NOTE 3 – ACCOUNTS RECEIVABLE:

The accounts receivable balance as of June 30, 2015 consists of the following:

Federal and State	$ 4,585,710
Debt related property taxes	1,767,098
Tuition and Fees	1,850,899
Miscellaneous	3,074,719
	$11,278,426

NOTE 4 – INTERFUND TRANSACTIONS:

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund receivables and payables result when an interfund transfer is transacted after the close of the fiscal year. Interfund activity within the governmental funds has been eliminated in the basic financial statements.

NOTE 5 - CAPITAL ASSETS:

The following provides a summary of changes in capital assets for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Non-depreciable assets:				
Land	$ 25,976,471	$	$	$ 25,976,471
Construction in progress	52,751,200	39,575,250	(4,819,026)	87,507,424
Total non-depreciable assets:	78,727,671	39,575,250	(4,819,026)	113,483,895
Depreciable assets:				
Site and site improvements	324,071,507	3,996,518		328,068,025
Equipment	11,379,607	873,251	(162,419)	12,090,439
Total depreciable assets:	335,451,114	4,869,769	(162,419)	340,158,464
Less accumulated depreciation for:				
Site and site improvements	58,879,521	8,495,546	(157,774)	67,217,293
Equipment	9,649,736	805,407		10,455,143
Total accumulated depreciation	68,529,257	9,300,953	(157,774)	77,672,436
Total depreciable assets, net	266,921,857	(4,431,184)	(4,645)	262,486,028
Capital assets, net	$ 345,649,528	$ 35,144,066	$ (4,823,671)	$ 375,969,923

Total interest cost incurred for the year ending June 30, 2015 were $17,241,471. Interest cost capitalized were $2,698,304 and interest revenue used to offset interest cost, in determining the amount to be capitalized was $484,504.

NOTE 6 – OPERATING LEASES:

The District has entered into various operating leases for equipment with lease terms in excess of one year. None of these agreements contain purchase options. Future minimum lease payments under these agreements are as follows:

Fiscal Year	Lease Payment
2016	$ 166,679
2017	137,329
2018	18,286
2019	7,619
Total	$ 329,913

Current year expenditures for operating leases are approximately $228,000. The District will receive no sublease rental revenues nor pay any contingent rentals for these properties.

NOTE 7 - GENERAL OBLIGATION BONDS – MEASURE E (2002):

On March 5, 2002, $176 million in general obligation bonds were authorized by an election held within Long Beach Community College District under Proposition 39/Measure E. Proceeds from the sale of the bonds were used to finance the construction, acquisition, furnishing and equipping of District facilities.

On May 15, 2003, the District issued, through the County of Los Angeles, General Obligation 2002 Election Series A (2003) Bonds totaling $40,000,000 under a bond authorization approved in a general election held in March 2002. The bonds were issued as current interest bonds and contained an interest provision ranging from 2.5 percent to 5 percent, depending on the maturity date of the bond. The proceeds of such bonds were used for acquisition, construction, furnishing, and equipping of District facilities.

On November 29, 2005 the District offered for sale $65,000,000 in General Obligation 2002 Election Series B (2005) Bonds. The bonds were issued as current interest bonds and contained an interest provision ranging from 3.75 percent to 5 percent, depending on maturity date of the bond. The proceeds of these bonds were used for acquisition, construction, furnishing and equipping of District facilities.

NOTE 7 - GENERAL OBLIGATION BONDS – MEASURE E (2002): (continued)

On November 29, 2005, the District offered for sale $28,224,898 in General Obligation 2002 Election Series C (2005) Bonds. The bonds were issued as current interest bonds in the aggregate principal amount of $21,485,000 and capital appreciation bonds in the aggregate principal amount of $6,739,898. These bonds contained an interest provision ranging from 3.75 percent to 4.73 percent depending on maturity date of the bond. These bonds were issued to refund certain outstanding general obligation bonds (Series A) of the District and to pay for certain capital improvements. The refunded bonds have been fully defeased and are not recorded on the financial statements.

The capital appreciation bonds were issued with maturity dates of May 1, 2014 through May 1, 2017. Prior to the applicable maturity date, each bond will accrete interest on the principal component. At June 30, 2015, $6,065,795 in accreted interest has been accrued and included in long-term debt.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by $1,048,716. The remaining unamortized balance of $638,352 was recognized during the 2014-15 year as a result of the refunding.

On October 24, 2007, the District offered for sale $70,999,987 in General Obligation 2002 Election Series D (2007) Bonds. The bonds were issued as current interest bonds in the aggregate principal amount of $43,550,000 and capital appreciation bonds in the aggregate principal amount of $27,449,987. These bonds contained an interest provision ranging from 3.63 percent to 6.01 percent depending on the maturity date of the bond. These bonds were issued to be used for acquisition, construction, furnishing and equipping of District facilities.

The capital appreciation bonds were issued with maturity dates of May 1, 2013 through May 1, 2025. Prior to the applicable maturity date, each bond will accrete interest on the principal component. At June 30, 2015, $9,953,793 in accreted interest has been accrued and included in long-term debt.

On August 15, 2012 the District offered for sale $40,960,000 in General Obligation 2002 Election, 2012 Refunding Bonds Series A of current interest bonds. The bond was issued to effect an advance refunding of a portion of the District’s outstanding general obligation bonds (Series B). The bonds contained an interest provision ranging from 3 percent to 5 percent depending on the maturity date of the bond.

NOTE 7 - GENERAL OBLIGATION BONDS – MEASURE E (2002): (continued)

The proceeds associated with the refunding were deposited into an irrevocable escrow account for future repayment. The outstanding balance of the defeased debt was redeemed by the escrow agent by May 1, 2015. The refunded bonds have been fully defeased and are not recorded on the financial statements.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by $5,501,838. Amortization of $305,652 was recognized during the 2014-15 year.

On August 5, 2014 the District offered for sale $43,200,000 in General Obligation 2002 Election, 2014 Refunding Bonds Series E of current interest bonds. The bond was issued to effect an advance refunding of a portion of the District's outstanding general obligation bonds (Series D). The bonds contained an interest provision ranging from 2 percent to 5 percent depending on the maturity date of the bond. The refunding resulted in a cash flow savings of $3,148,737. The present value of the economic gain to the District and taxpayers is $2,267,989.

Proceeds associated with the refunding were deposited into an irrevocable escrow account for future repayments. The outstanding balance of the defeased debt, to be paid by the escrow agent, of $43,550,000 has an expected redemption date of May 1, 2017. The refunded bonds are considered in-substance defeased and are not recorded on the financial statement.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by $5,420,772. Amortization of $301,154 was recognized during the 2014-15 year.

On June 9, 2015 the District offered for sale $12,200,000 in General Obligation 2002 Election, 2014 Refunding Bonds Series F of current interest bonds. The bond was issued to effect an advance refunding of a portion of the District's outstanding general obligation bonds (Series B). The bonds contained an interest provision ranging from 2 percent to 5 percent depending on the maturity date of the bond. The refunding resulted in a cash flow savings of $4,625,048. The present value of the economic gain to the District and taxpayers is $3,656,692.

NOTE 7 - GENERAL OBLIGATION BONDS – MEASURE E (2002): (continued)

Proceeds associated with the refunding were deposited into an irrevocable escrow account for future repayments. The outstanding balance of the defeased debt, of $13,930,000, was paid by the escrow agent in July 2015. The refunded bonds are considered fully defeased and are not recorded on the financial statement.

The difference between the reacquisition price and the net carrying amount on refunded debt of $166,386 was not considered to be material and was recognized in the 2014-15 fiscal year.

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The Bonds included total premiums of $22,348,879. This amount will be amortized using the straight-line method. Amortization of $2,056,671 was recognized during the 2014-15 year, which includes premiums recognized for the refunded portion of bonds.

The following summarizes the outstanding bonded debt of Measure E (2002) at June 30, 2015.

Date of Issue		Interest Rate %	Original Maturity Dates	Amount of Original Issue	Outstanding July 1, 2014	Addition Current Year	Redeemed Current Year	Outstanding June 30, 2015
5/15/2003	A	2.50-5.00%	5/1/2004 to 8/1/2027	$ 40,000,000	$	$	$	$ -
11/29/2005	B	3.75-5.00%	5/1/2006 to 5/1/2030	65,000,000	15,630,000		15,630,000	-
11/29/2005	C	3.75-4.73%	5/1/2006 to 5/1/2017	28,224,898	4,773,660		1,765,703	3,007,957
10/24/2007	D	3.63-6.01%	5/1/2013 to 5/1/2032	70,999,987	70,076,510		44,634,766	25,441,744
8/15/2012 (1)	A	3.00-5.00%	5/1/2016 to 5/1/2031	40,960,000	40,960,000			40,960,000
8/5/2014 (2)	E	2.00-5.00%	5/1/2015 to 5/1/2032	43,200,000		43,200,000	770,000	42,430,000
6/9/2015 (3)	F	2.00-5.00%	6/1/2016 to 5/1/2030	12,200,000		12,200,000		12,200,000
					$ 131,440,170	$ 55,400,000	$ 62,800,469	$ 124,039,701

(1) Refunding Bonds 2012 Series A - refunded the outstanding 2003 Series A bonds and portions of the 2005 Series B bonds.
(2) Refunding Bonds 2014 Series E - refunded portions of the 2007 Series D bonds.
(3) Refunding Bonds 2015 Series F - refunded the outstanding 2005 Series B bonds.

NOTE 7 - GENERAL OBLIGATION BONDS – MEASURE E (2002): (continued)

The annual requirements to amortize all Measure E (2002) bonds payable, outstanding as of June 30, 2015, are as follows:

Fiscal Year Ending June 30,	Principal	Accreted Interest	Interest	Total
2016	$ 3,808,097	$ 3,821,903	$ 4,341,669	$ 11,971,669
2017	5,223,466	4,116,534	4,256,913	13,596,913
2018	5,910,883	1,874,117	4,062,863	11,847,863
2019	5,969,949	2,065,051	3,970,963	12,005,963
2020	5,886,392	2,188,608	3,865,963	11,940,963
2021-2025	30,305,914	13,634,086	17,196,615	61,136,615
2026-2030	53,255,000		10,115,623	63,370,623
2031-2032	13,680,000		888,600	14,568,600
Total Debt Service	$ 124,039,701	$ 27,700,299	$ 48,699,209	$ 200,439,209

NOTE 8 - GENERAL OBLIGATION BONDS – MEASURE E (2008):

On February 5, 2008, $440 million in general obligation bonds were authorized by an election held within Long Beach Community College District under Proposition 39/Measure E. Proceeds from the sale of the bonds will be used to finance the construction, acquisition, furnishing and equipping of District facilities. In addition, proceeds will be used for the prepayment of certain lease and financing obligations of the District.

On July 24, 2008, the District offered for sale $48,373,981 in General Obligation 2008 Election Series A (2008) Bonds. The bonds were issued as current interest bonds in the aggregate principal amount of $24,990,000 and capital appreciation bonds in the aggregate principal amount of $23,383,981. These bonds contain an interest provision ranging from 3.59 percent to 5.45 percent depending on maturity date of the bond. These bonds were issued to be used for acquisition, construction, furnishing and equipping of District facilities as well as the prepayment of obligations of the District as noted above.

The capital appreciation bonds were issued with maturity dates of June 1, 2013 through June 1, 2018 and June 1, 2027 through June 1, 2033. Prior to the applicable maturity date, each bond will accrete interest on the principal component. At June 30, 2015, $7,605,775 in accreted interest, net of maturities, including amounts retired due to refunded bonds, has been accrued and included in long-term debt.

NOTE 8 - GENERAL OBLIGATION BONDS – MEASURE E (2008): (continued)

On December 12, 2012 the District offered for sale $237,003,695 in General Obligation 2008 Election Series B (2012) Bonds. The bonds were issued as current interest bonds in the aggregate principal amount of $181,545,000, capital appreciation bonds in the aggregate principal amount of $4,827,984 and convertible appreciation bonds in the principal amount of $50,630,711 and contained an interest provision ranging from 2.0 percent to 5.0 percent, depending on maturity date of the bond. The bonds were issued to effect the payment of the District's outstanding Bond Anticipation Notes, 2010 Series A (BAN) and to provide for the construction and improvement of certain facilities of the District.

The capital appreciation bonds, were issued with maturity dates of August 1, 2033 and August 2, 2034. The convertible capital appreciation bonds will convert to current interest bonds on August 1, 2032 and will mature on August 1, 2049. Prior to the applicable maturity/conversion date, each bond will accrete interest on the principal component. At June 30, 2015, $5,829,338 in accreted interest has been accrued and included in long-term debt.

On March 11, 2014 the District offered for sale $11,825,000 in General Obligation 2008 Election, Refunding Bonds 2014 Series C (federally taxable) of current interest bonds. The bond was issued to effect an advance refunding of a portion of the District's outstanding general obligation bonds (Series A). The bonds contained an interest provision ranging from 0.66 percent to 4.10 percent depending on the maturity date of the bond.

Proceeds associated with the refunding were deposited into an irrevocable escrow account for future repayments. The outstanding balance of the defeased debt, to be paid by the escrow agent, of $7,031,701 has an expected redemption date of June 1, 2018. The refunded bonds are considered in-substance defeased and are not recorded on the financial statement.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by $2,035,257. Amortization of $156,557 was recognized during the 2014-15 year.

NOTE 8 - GENERAL OBLIGATION BONDS – MEASURE E (2008): (continued)

On June 9, 2015 the District offered for sale $20,345,000 in General Obligation 2008 Election, 2014 Refunding Bonds Series F of current interest bonds. The bond was issued to effect an advance refunding of a portion of the District's outstanding general obligation bonds (Series A). The bonds contained an interest provision ranging from 2 percent to 5 percent depending on the maturity date of the bond.

Proceeds associated with the refunding were deposited into an irrevocable escrow account for future repayments. The outstanding balance, of the defeased debt, to be paid by the escrow agent, of $21,245,000 has an expected redemption date of June 1, 2018. The refunded bonds are considered in-substance defeased and are not recorded on the financial statement.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by $2,389,360. Amortization will begin in 2015-16.

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The bonds included total premiums of $28,462,984, which are amortized using the straight-line method. Amortization of $1,028,821 was recognized during the 2014-15 year, which includes premiums recognized for the refunded portion of bonds.

The following summarizes the outstanding bonded debt of Measure E (2008) at June 30, 2015.

Date of Issue		Interest Rate %	Original Maturity Dates	Amount of Original Issue	Outstanding July 1, 2014	Addition Current Year	Redeemed Current Year	Outstanding June 30, 2015
7/24/2008	A	3.59-5.45%	6/1/2012 to 6/1/2033	$ 48,373,981	$ 39,848,884	$	$ 21,338,910	$ 18,509,974
12/12/2012	B	2.00-5.00%	8/1/2013 to 8/1/2049	237,003,695	232,583,695		1,925,000	230,658,695
3/11/2014 (1)	C	0.66-4.100%	8/1/2016 to 8/1/2026	11,825,000	11,825,000			11,825,000
6/25/2015 (2)	F	2.00-5.00%	6/1/2016 to 5/1/2030	20,345,000		20,345,000		20,345,000
					$ 284,257,579	$ 20,345,000	$ 23,263,910	$ 281,338,669

(1) Refunding Bonds 2014 Series C - refunded portions of the Series A (2008) bonds.
(2) Refunding Bonds 2015 Series F - refunded portions of the Series A (2008) bonds.

NOTE 8 - GENERAL OBLIGATION BONDS – MEASURE E (2008): (continued)

The annual requirements to amortize the Measure E (2008) bonds payable, outstanding as of June 30, 2015, are as follows:

Fiscal Year Ending June 30,	Principal	Accreted Interest	Interest	Total
2016	$ 3,193,897	$ 246,103	$ 8,820,949	$ 12,260,949
2017	5,764,312	415,688	8,802,293	14,982,293
2018	3,560,693	829,307	8,713,597	13,103,597
2019	2,755,000		8,666,955	11,421,955
2020	4,245,000		8,548,626	12,793,626
2021-2025	32,905,000		39,338,633	72,243,633
2026-2030	41,727,741	15,212,259	30,308,351	87,248,351
2031-2035	31,696,315	26,548,652	39,161,225	97,406,192
2036-2040	60,975,000		46,540,025	107,515,025
2041-2045	56,713,728	19,421,272	31,234,463	107,369,463
2046-2050	37,801,983	57,228,016	11,703,288	106,733,287
Total Debt Service	$ 281,338,669	$ 119,901,297	$ 241,838,405	$ 643,078,371

NOTE 9 – LONG-TERM DEBT:

A schedule of changes in long-term debt for the year ended June 30, 2015 is shown below:

	Balance 6/30/2014*	Additions	Retirements	Balance June 30, 2015	Balance Due In One Year
Compensated absences	$ 4,987,420	$ 372,343	$	$ 5,359,763	$ 2,984,712
General obligation bonds (2002 election):					
Bonds payable	131,440,170	55,400,000	62,800,469	124,039,701	3,808,097
Accreted interest	17,269,021	2,205,098	3,454,531	16,019,588	3,821,903
Bond premium	7,050,546	8,067,722	2,056,671	13,061,597	
General obligation bonds (2008 election):					
Bonds payable	284,257,579	20,345,000	23,263,910	281,338,669	3,193,897
Accreted interest	9,503,474	4,120,625	188,986	13,435,113	246,103
Bond premium	23,450,935	3,463,512	1,028,821	25,885,626	
Net pension liablity	105,867,212		22,614,577	83,252,635	
Other postemployment benefits other than pensions (OPEB)	5,048,185	464,149		5,512,334	
	$ 588,874,542	$ 94,438,449	$ 115,407,965	$ 567,905,026	$ 14,054,712

* Prior year amounts have been adjusted due to the implementation of GASB Statements No. 68 and No. 71. See Note 15.

Liabilities for compensated absences, pension liabilities, and OPEB obligations are liquidated by the governmental fund in which associated salaries are reported. General obligation bond liabilities are liquidated through property tax collections as administered by the County Controller's office through the Bond Interest and Redemption Fund.

NOTE 10 – INTERNAL SERVICE ACTIVITY:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has established an Internal Service Fund to account for and finance its risks of loss related to property and liability. Under this program, the Internal Service Fund provides coverage for up to a maximum of $10,000 for each general liability claim and $5,000 for each property damage claim. The District participates in a JPA to provide excess insurance coverage above the member retained limit for property and liability claims. Settled claims have not exceeded the coverage provided by the JPA by a significant amount in any of the past three fiscal years.

Funding of the Internal Service Fund is based on estimates of the amounts needed to pay prior and current year property and general liability claims. Funding is provided by transfers from the General Fund. Claims paid within the member retained limit during 2014-15 totaled $209,670.

Prior to July 1, 2003, the District was self-insured for risks of loss related to workers' compensation. Under this program, the District provided funding ranging from $100,000 up to a maximum of $350,000, based on the claim year, for each workers' compensation claim. The District purchased commercial insurance and/or participated in a JPA to provide coverage for claims above the self-insured retention level to the statutory limit of $1 million. Settled claims have not exceeded this additional coverage in any of the past three fiscal years.

Effective July 1, 2003, the District participates in a JPA that provides first-dollar coverage for risk of loss related to workers' compensation. The District continues to pay for run-off claims related to years prior to July 1, 2003. Run-off claims payment activity is reported in the District's General Fund. Run-off claims paid during 2014-15 totaled $109,117.

Claims Liability

At June 30, 2015, the District accrued the workers' compensation claims liability for run-off claims in accordance with GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The amount of future liability is estimated at $719,530.

NOTE 10 – INTERNAL SERVICE ACTIVITY: (continued)

Claims Liability (continued)

Changes in the reported liability are shown below:

	Beginning Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
Workers' Compensation	$719,530	$109,117	($109,117)	$719,530

An estimate for claims liability related to property and liability risk has not been recorded and is not believed to be material.

NOTE 11 - EMPLOYEE RETIREMENT PLANS:

Qualified employees of the District 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 and former Auxiliary employees are members of the California Public Employees' Retirement System (CalPERS).

As of June 30, 2015, the District implemented GASB Statements No. 68 and No. 71, and as a result, reported its proportionate share of the net pension liabilities, pension expense, and deferred inflows of resources and deferred outflows of resources for each of the retirement plans as follows:

Pension Plan	Proportionate Share of Net Pension Liability	Deferred Outflows of Resources	Proportionate Share of Deferred Inflows of Resources	Proportionate Share of Pension Expense
CalSTRS - STRP	$ 51,424,560	$ 3,309,638	$ 12,663,220	$ 4,439,600
CalPERS - Schools Pool Plan	29,573,093	3,517,765	10,161,646	2,628,444
CalPERS - Miscellaneous Employer Plan (Auxiliary)	2,254,982	493,337	648,231	109,727
Totals	$ 83,252,635	$7,320,740	$ 23,473,097	$ 7,177,771

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by the California State Teachers' Retirement System (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.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes to the STRP Defined Benefit Program and the STRP Defined Benefit Supplement Program, thus disclosures are not included for the other plans.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

Benefits Provided (continued)

The STRP provisions and benefits in effect at June 30, 2015, are summarized as follows:

	STRP Defined Benefit Program and Supplement Progarm	
Hire date	On or Before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	8.15%	8.15%
Required employer contribution rate	8.88%	8.88%
Required state contribution rate	5.95%	5.95%

Contributions

Required member, District and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2015 are presented above and the total District contributions were $3,309,638.

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District proportionate share of net pension liability	$	51,424,560
State's proportionate share of the net pension liability associated with the District		31,052,681
Total	$	82,477,241

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

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

The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the District's proportion was 0.0880%.

For the year ended June 30, 2015, the District recognized pension expense of $4,439,600 including expense and revenue of $2,680,849 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,309,638	$
Net differences between projected and actual earnings on plan investments		12,663,220
Total	$ 3,309,638	$ 12,663,220

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The deferred inflows of resources are amortized over a closed 5-year period. The remaining amount will be recognized to pension expense as follows:

Year Ended June 30	Amortization
2016	$ 3,165,805
2017	3,165,805
2018	3,165,805
2019	3,165,805
	$ 12,663,220

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant. Based on the model for CalSTRS consulting actuary's investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop an expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation is based on CalSTRS board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the CalSTRS board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60%) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount rate	Net Pension Liability
1% decrease (6.60%)	$ 80,157,440
Current discount rate (7.60%)	51,424,560
1% increase (8.60%)	27,466,560

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

Plan Fiduciary Net Position

Detailed information about the STRP's plan fiduciary net position is available in a separate comprehensive annual financial report for CalSTRS. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard, Sacramento, CA 95826.

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

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under the California Public Employees' Retirement System (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.

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 5 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 5 years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

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

Benefits Provided (continued)

The CalPERS provisions and benefits in effect at June 30, 2015, are summarized as follows:

	School Employer Pool (CalPERS)	
Hire date	On or Before December 31, 2012	On or after 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	6.974%	6.000%
Required employer contribution rate	11.771%	11.771%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the 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, 2015 are as presented above and the total District contributions were $3,517,765.

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

As of June 30, 2015, the District reported net pension liabilities, for its proportionate share of the CalPERS net pension liability, totaling $29,573,093. The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.2605%.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

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

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

For the year ended June 30, 2015, the District recognized pension expense of $2,628,444. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,517,765	$
Net differences between projected and actual earnings on plan investments		10,161,646
Total	$ 3,517,765	$ 10,161,646

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The deferred inflows of resources will be amortized over a closed 5-year period. The remaining amount will be recognized as pension expense as follows:

Year Ended June 30	Amortization
2016	$ 2,540,411
2017	2,540,411
2018	2,540,412
2019	2,540,412
	$ 10,161,646

Actuarial Methods and Assumptions

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

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

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

Actuarial Methods and Assumptions (continued)

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return
Global equity	47%	5.25%
Global fixed income	19%	0.99%
Private equity	12%	6.83%
Real estate	11%	4.50%
Inflation sensitive	6%	0.45%
Infrastructure and Forestland	3%	4.50%
Liquidity	2%	-0.55%

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount rate	Net Pension Liability
1% decrease (6.50%)	$ 51,877,955
Current discount rate (7.50%)	29,573,093
1% increase (8.50%)	10,935,131

Plan Fiduciary Net Position

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

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) – Miscellaneous Employer Plan (Auxiliary)

Plan Description

Qualified former employees of the Auxiliary are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under the California Public Employees' Retirement System (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. Individual employers may sponsor more than one Miscellaneous or Safety plan. The Auxiliary sponsors one Miscellaneous Risk Pool plan (the Plan). 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 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.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) – Miscellaneous Employer Plan (Auxiliary) (continued)

Benefits Provided (continued)

This plan is closed to new entrants and the Auxiliary has been outsourced, so there are no longer any employees. Additionally, there were no employees hired on or after January 1, 2013. The Plan provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous Risk Pool	
	On or Before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Required employee contribution rate	40.819%	n/a
Required employer contribution rate	No employees	n/a

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 the 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 Auxiliary 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, 2015 are presented above and the total Auxiliary contributions were $407,658.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) – Miscellaneous Employer Plan (Auxiliary) (continued)

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

As of June 30, 2015, the Auxiliary reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling $2,254,982. The net pension liability was measured as of June 30, 2014. The Auxiliary's proportion of the net pension liability was based on a projection of the Auxiliary's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Auxiliary's proportion was 0.36240%.

For the year ended June 30, 2015, the Auxiliary recognized pension expense of $109,727. At June 30, 2015, the Auxiliary reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 407,658	$
Net differences between projected and actual earnings on plan investments		504,261
Adjustment due to differences in proportions	85,679	
Differences between contributions and proportionate share of contributions		143,970
	$ 493,337	$ 648,231

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) – Miscellaneous Employer Plan (Auxiliary) (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 Auxiliary contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The deferred inflows of resources will be amortized over a closed period of between 3.8 and 5 years and will be recognized in pension expense as follows:

Year Ended June 30	Amortization
2016	$ 149,441
2017	149,461
2018	137,584
2019	126,066
	$ 562,552

Actuarial Methods and Assumptions

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

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

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) – Miscellaneous Employer Plan (Auxiliary) (continued)

Actuarial Methods and Assumptions (continued)

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 20 years of mortality improvement using Scale BB published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of long-term expected real rate of return by asset class are summarized in the following table:

Asset Class	New Strategic Allocation	Long-term Expected Real Rate of Return
Global equity	47%	5.25%
Global fixed income	19%	0.99%
Private equity	12%	6.83%
Real estate	11%	4.50%
Inflation sensitive	6%	0.45%
Infrastructure and Forestland	3%	4.50%
Liquidity	2%	-0.55%

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) – Miscellaneous Employer Plan (Auxiliary) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 Auxiliary's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount rate	Net Pension Liability
1% decrease (6.50%)	$ 3,528,046
Current discount rate (7.50%)	2,254,982
1% increase (8.50%)	1,198,460

Plan Fiduciary Net Position

Detailed information about CalPERS Miscellaneous Risk 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.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

Accumulation Program for Part-time and Limited Service Employees Plan (APPLE)

Plan Description

The Accumulation Program for Part-time and Limited Service Employees Plan (APPLE) a defined contribution plan qualifying under §401(a) and §501 of the Internal Revenue Code. The plan covers part-time, seasonal and temporary employees and employees not covered by §3121(b)(7)(F) of the Internal Revenue Code. The benefit provisions and contribution requirements of plan members are established and may be amended by the Governing Board of the District. The plan is administered by MidAmerica Administrative Solutions, Inc.

Funding Policy

The District does not contribute any percentage based on the employee's gross earnings. An employee is required to contribute 7.5% of his or her gross earnings to the pension plan. Total contributions were made by the employees in the amount of $415,693 during the fiscal year. The total amount of covered compensation was $5,542,541. Contributions made by the employee vest immediately.

NOTE 12 – POSTEMPLOYMENT HEALTHCARE BENEFITS:

Plan Description

The District provides employee health benefits coverage for eligible retirees and their families. Employees hired prior to February 1, 1995 who retire from District service are eligible for Option A or B. Employees hired after February 1, 1995 are eligible for Option B.

Option A:

An employee who retires from the District under PERS/STRS guidelines, after more than twelve/fifteen years of service for classified/academic, qualifies for District-paid hospital-medical-benefits. Employees who retire under age 65 qualify for coverage up to age 67. Employees who retire after age 65 qualify for up to 4 years of coverage past retirement based on years of service.

NOTE 12 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Option B:

An employee, who retires from the District under PERS/STRS, after more than twelve/fifteen years of service for classified/academic, qualifies for one year of District-paid hospital/medical benefits for every three/five years of full-time District service.

Benefit provisions are established through negotiations between the District and the bargaining unions representing employees and are renegotiated each three-year bargaining period. The Retiree Health Plan does not issue a separate financial report.

Membership of the plan consisted of the following at June 30, 2015:

Retirees and beneficiaries receiving benefits	257
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	745
Total	1,002

Funding Policy

The District currently finances benefits on a pay-as-you-go basis. The District incurs 100 percent of the cost of current year premiums for eligible retired plan members and their spouses as applicable. For fiscal year 2014-15, the District contributed $2,337,148 to the plan.

NOTE 12 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	$ 2,761,417
Interest on net OPEB obligation	302,891
Adjustment to annual required contribution	(263,011)
Annual OPEB cost (expense)	2,801,297
Contributions made	(2,337,148)
Change in net OPEB obligation	464,149
Net OPEB obligation - beginning of year	5,048,185
Net OPEB obligation - end of year	$ 5,512,334

NOTE 12 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

The District's annual OPEB cost for the year, the percentage of annual OPEB cost contributed, and the net OPEB obligation for the current fiscal year ended and previous two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	$ 3,137,362	68.7%	$ 4,640,438
6/30/2014	2,798,076	84.1%	5,084,893
6/30/2015	2,801,297	83.4%	5,512,334

Funding Status and Funding Progress

As of September 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $28,344,282 and the unfunded actuarial accrued liability (UAAL) was $26,741,570. The covered payroll (annual payroll of active employees covered by the plan) was $56,347,307, and the ratio of the UAAL to the covered payroll was 47.46%. The District has established an irrevocable trust to mitigate the unfunded liability required by GASB 45. For fiscal year 2014-15, the District made contributions of $42,576 to the Retiree Benefit Trust. The ending reserve balance in the Retiree Benefits Trust totaled $1,926,197 at June 30, 2015. Additionally, the District maintains a retiree benefits fund to designate resources for retiree health care costs. Assigned resources in the fund totaled $18,222,002 at June 30, 2015.

Actuarial valuations of an ongoing benefit plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of postemployment healthcare benefits funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 12 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Funding Status and Funding Progress (continued)

The accompanying schedule of employer contributions, also presented as required supplementary information, presents trend information about the amounts contributed to the plan by employers in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Actuarial Methods and Assumptions

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

For the September 1, 2013 actuarial valuation, the most recent actuarial valuation performed, the entry age normal cost method was used. The actuarial assumptions included a 6.0 percent investment rate of return (net of administrative expenses) which is a blended rate of the expected long-term investment returns on plan assets and on the employers own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 4 percent. Both rates included a 2.75 percent inflation assumption. The actuarial value of assets was determined using the asset values provided by the District and used a 5 year smoothing formula and a 20% corridor around market value. The initial UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period will expire on June 30, 2038. The remaining UAAL is being amortized as a level percentage of projected payroll on an open basis over a 30 year amortization period.

NOTE 13 - JOINT VENTURES (JOINT POWERS AGREEMENTS):

The District participates in four Joint Powers Agreements (JPA) entities: Protective Insurance Program for Schools (PIPS), School's Association for Excess Risk (SAFER), Statewide Educational Wrap-up Program (SEWUP), and the Statewide Association of Community Colleges (SWACC). The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

PIPS provides workers' compensation insurance protection to its membership of public schools and community colleges throughout California. This is a finite risk sharing pool that transfers risk away from the members. Premiums are determined based on payroll expense and additional premiums may be required in subsequent years.

SAFER provides excess insurance coverage for liability losses from $1,000,000 to $50,000,000 and $5,000,000 to $250,000,000 for excess property coverage.

SEWUP is a consolidated construction insurance program covering the job-site risks of: District as Owner, Construction Manager, General Contractor, contractors and sub-contractors of all tiers. Membership is comprised of 400 California Schools and Community College Districts. Premiums are determined for each construction project or projects.

SWACC provides liability and property insurance for forty-seven community colleges. SWACC is governed by a Board comprised of a member of each of the participating districts. The board controls the operations of SWACC, including selection of management and approval of members beyond their representation on the Board. Each member shares surpluses and deficits proportionately to its participation in SWACC.

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the Long Beach Community College District beyond the District's representation on the governing boards.

Each JPA is independently accountable for its fiscal matters. All JPA's maintain their own accounting records. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA.

NOTE 13 - JOINT VENTURES (JOINT POWERS AGREEMENTS): (continued)

Condensed financial information for the most current information available is as follows:

	PIPS 6/30/2015 (Unaudited)	SAFER 6/30/2015 (Audited)	SEWUP 6/30/2015 (Audited)	SWACC 6/30/2015 (Unaudited)
Total assets	$ 109,911,317	$ 9,564,714	$ 19,742,565	$53,936,821
Total liabilities	99,473,185	8,036,799	17,899,415	23,420,128
Net position	$ 10,438,132	$ 1,527,915	$ 1,843,150	$30,516,693
Total revenues	$ 236,319,886	50,762,271	$ 10,389,665	$18,085,402
Total expenditures	237,952,641	49,759,564	11,520,340	18,077,751
Changes in net position	$ (1,632,755)	$ 1,002,707	$ (1,130,675)	$ 7,651

NOTE 14 – FUNCTIONAL EXPENSES:

Operating expenses are reported by natural classification in the statement of revenues, expenses and change in net position. A schedule of expenses by function is shown below:

	Salaries	Employee Benefits	Other Expenses and Services	Financial Aid	Depreciation	Total
Instructional	$ 42,163,693	$ 12,112,489	$ 972,705	$ 3,265	$	$ 55,252,152
Academic Support	7,326,949	2,435,644	606,224			10,368,817
Student Services	11,685,356	4,058,675	1,447,742	390,511		17,582,284
Operation & Maintenance of Plant	4,322,522	1,883,788	3,142,438			9,348,748
Institutional Support	9,509,205	6,606,894	7,598,810			23,714,909
Community Services and Economic Development	2,794,001	983,273	6,469,892			10,247,166
Ancillary Services and Auxiliary Operations	2,667,889	1,231,679	1,234,443	10,246		5,144,257
Student Aid				46,367,473		46,367,473
Other Outgo	415,478	170,595	11,073,482	8,008		11,667,563
Depreciation Expense					9,300,953	9,300,953
Total	$ 80,885,093	$ 29,483,037	$ 32,545,736	$ 46,779,503	$ 9,300,953	$ 198,994,322

NOTE 15 – CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT TO BEGINNING NET POSITION:

The beginning net position of the basic financial statements has been restated by $(99,514,311) to recognize the beginning balance of the net pension liability of $(105,867,212) and deferred outflows of resources of $6,352,901 resulting from the implementation of GASB Statements No. 68 and No. 71. The beginning net position was not restated for the effect of deferred inflows as the amount was not practical to determine.

The effect of this implementation has resulted in a negative unrestricted net position balance and total net position at June 30, 2015. The retirement plan administrators for CalSTRS and CalPERS will require increases in contribution amounts to reduce the net pension liability in future years. The District has budgeted for increased contributions in the 2016 year.

NOTE 16 - COMMITMENTS AND CONTINGENCIES:

A. State and Federal Allowances, Award and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

B. Purchase Commitments

As of June 30, 2015, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately $16.0 million. Projects will be funded through general obligation bond proceeds and state funding for capital outlay projects.

C. Litigation

The District is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

NOTE 17 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2015 that have future effective dates. The impact of the implementation of each of the statements below to the District's financial statements has not been assessed at this time.

Statement No. 72 - ***Fair Value Measurement and Application***

This statement was issued in February 2015 and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements, such as the measurement of investments held in the Retiree Benefit Trust by establishing a hierarchy of inputs to valuation techniques used to measure fair value. The statement is effective for the fiscal year 2015-16.

Statement No. 73 - ***Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68***

This statement was issued in June 2015 and extends the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. The object is to provide information about financial support provided by certain non-employer entities for pensions that are provided to the employees of other entities and that are not within the scope of Statement No. 68 and to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements of state and local governmental employers. The statement is effective for the fiscal year 2015-16 except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for the fiscal year 2016-17.

Statement No. 74 - ***Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans***

This statement was issued in June 2015 and establishes standards of financial reporting for defined benefit other postemployment benefit plan and defined contribution other postemployment benefit plan. This statement is closely related in some areas to Statement No. 75. The statement is effective for the fiscal year 2016-17.

NOTE 17 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE: (continued)

Statement No. 75 - ***Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***

This statement was issued in June 2015 and establishes standards for governmental employer recognition, measurement, and presentation of information about other postemployment benefit plan. The statement also establishes requirements for reporting information about financial support provided by certain non-employer entities for other postemployment benefit plan that is provided to the employees of other entities. This statement is closely related in some areas to Statement No. 74. The statement is effective for the fiscal year 2017-18.

NOTE 18 – SUBSEQUENT EVENTS:

Property Sale

On October 28, 2014, the Board approved and accepted the bid ranking for the sale of land located at 3320 and 3340 Los Coyotes Diagonal and 3325 Palo Verde Avenue, Long Beach, California for a purchase price of $14.5 million. A Purchase and Sale Agreement was entered into on May 21, 2015. Provided the agreement has not been terminated or extended, and all the conditions of the agreement have been satisfied, the closing date is expected to occur by May 2016. A good faith deposit from the buyer of $435,000 is held in escrow and is refundable during the due diligence period.

Other Postemployment Employee Benefit Plan Valuation

In the District’s OPEB Valuation Report draft dated November 20, 2015 and applicable for the fiscal year beginning July 1, 2015, the actuarial accrued liability for benefits increased to $46.2 million resulting in an Annual Required Contribution (ARC) of $5.2 million. The increase in the actuarially determined liability is due in part to increases in eligible plan participants, increased costs associated with medical benefits and a decrease in the discount rate to match current trends.

REQUIRED SUPPLEMENTARY INFORMATION

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CalSTRS – STATE TEACHERS' RETIREMENT PLAN
For the Fiscal Year Ended June 30, 2015

		2015
District's proportion of the net pension liability (assets)		0.0880%
District's proportionate share of the net pension liability (asset)	$	51,424,560
State's proportionate share of the net pension liability (asset) associated with the District		31,052,681
Total	$	82,477,241
District's covered-employee payroll	$	37.4 million
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		137.64%
Plan fiduciary net position as a percentage of the total pension liability		77.00%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amount of covered payroll is reported as of the previous fiscal year to align with the measurement date of the net pention liability.

See the accompanying notes to the required supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CalPERS – SCHOOLS POOL PLAN
For the Fiscal Year Ended June 30, 2015

	2015
District's proportion of the net pension liability (assets)	0.2605%
District's proportionate share of the net pension liability (asset)	$ 29,573,093
District's covered-employee payroll	$ 27.5 million
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	107.53%
Plan fiduciary net position as a percentage of the total pension liability	83.37%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amount of covered payroll reported is as of the previous fiscal year to align with the measurement date of the net pension liability.

See the accompanying notes to the required supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CalPERS – MISCELLANEOUS EMPLOYER PLAN (AUXILIARY)
For the Fiscal Year Ended June 30, 2015

		2015
Auxiliary's proportion of the net pension liability (assets)		0.36240%
Auxiliary's proportionate share of the net pension liability (asset)	$	2,254,982
Auxiliary's covered-employee payroll	$	-
Auxiliary's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		0.0%
Plan fiduciary net position as a percentage of the total pension liability		76.5%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The Auxiliary plan is a closed plan with no ongoing payroll.

See the accompanying notes to the required supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
CalSTRS –STATE TEACHERS' RETIREMENT PLAN
For the Fiscal Year Ended June 30, 2015

		2015
Contractually required contribution	$	3,309,638
Contributions in relation to the contractually required contribution		(3,309,638)
Contribution deficiency (excess)	$	-
District's covered-employee payroll	$	37.3 million
Contributions as a percentage of covered-employee payroll		11.771%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See the accompanying notes to the required supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
CalPERS – SCHOOLS POOL PLAN
For the Fiscal Year Ended June 30, 2015

	2015
Contractually required contribution	$ 3,517,765
Contributions in relation to the contractually required contribution	(3,517,765)
Contribution deficiency (excess)	$ -
District's covered-employee payroll	$ 29.9 million
Contributions as a percentage of covered-employee payroll	8.880%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See the accompanying notes to the required supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
CalPERS – MISCELLANEOUS EMPLOYER PLAN (AUXILIARY)
For the Fiscal Year Ended June 30, 2015

		2015
Auxiliary contractually required contribution	$	534
Auxiliary contributions in relation to the contractually required contribution (1)		(407,658)
Auxiliary contribution deficiency (excess)		(407,124)
Auxiliary's covered-employee payroll (2)		N/A
Contributions as a percentage of covered employee payroll		0.00%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

(1) Actual contributions were based on billings submitted by CalPERS to the Auxiliary.
(2) The Auxiliary plan is a closed plan with no ongoing payroll.

See the accompanying notes to the required supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS
For the Fiscal Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (Unit Cost Method)	Unfunded Actuarial Accrued Liability (UAAL)	Funding Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
9/1/2009	$ 1,164,628	$ 31,394,983	$ 30,230,355	3.71%	$ 62,401,719	48.44%
9/1/2011	1,246,469	30,703,602	29,457,133	4.06%	58,365,525	50.47%
9/1/2013	1,602,712	28,344,282	26,741,570	5.65%	56,347,307	47.46%

Note: In May 2006, the District established an irrevocable trust for investment and disbursement of funds for the payment of its obligation to eligible employees. At June 30, 2015, the balance in the trust was $1,926,197 from District contributions net of trust activities. In addition, the District maintains a retiree benefits fund to designate resources for retiree health care costs. At June 30, 2015, the fund's assigned balance was $18,222,002.

See the accompanying notes to the required supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS EMPLOYER CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2015

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2013	$ 3,116,486	69.1%
2014	2,761,417	85.2%
2015	2,761,417	84.6%

See the accompanying notes to the required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2015

NOTE 1 - PURPOSE OF SCHEDULES:

A. Schedules of the District's Proportionate Share of the Net Pension Liability – STRP, CalPERS – Schools Pool Plan and CalPERS – Miscellaneous Employer Plan (Auxiliary)

The schedules present information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the State's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

B. Schedules of District Contributions – STRP, CalPERS – Schools Pool Plan and CalPERS – Miscellaneous Employer Plan (Auxiliary)

The schedules present 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, 10 years of information will be presented.

C. Schedule of Postemployment Healthcare Benefits Funding Progress

The schedule reports trends about the funding progress of the District's actuarially determined liability for postemployment benefits other than pensions.

D. Schedule of Postemployment Healthcare Benefits Employer Contributions

The schedule reports trends about the percentage of the annual required contribution made to the plan.

SUPPLEMENTARY INFORMATION

LONG BEACH COMMUNITY COLLEGE DISTRICT

HISTORY AND ORGANIZATION
June 30, 2015

Long Beach Community College District is a comprehensive California college located in the southern part of Los Angeles County covering an urban area of approximately 128 square miles, serving approximately 25,000 students at two distinct but highly inter-related campuses, the Liberal Arts Campus and the Pacific Coast Campus. To serve its community, Long Beach Community College District offers a comprehensive set of education programs and support services in response to student and community needs and plays a key role in transfer preparation, workforce development, basic skills, associate degrees, and economic development.

BOARD OF TRUSTEES

Members	Office	Term Expires
Mr. Jeffrey A. Kellogg	President	July 2018
Mr. Douglas W. Otto	Vice President	July 2016
Ms. Irma Archuleta	Member	July 2016
Dr. Viginia L. Baxter	Member	July 2018
Ms. Sunny Zia	Member	July 2018
Mr. Alejandro Lomeli	Student Trustee	May 2016

ADMINISTRATION

Mr. Eloy O. Oakley	Superintendent – President
Ms. Lou Anne Bynum	Executive Vice President, College Advancement and Economic Development
Ms. Ann-Marie Gabel	Vice President, Administrative Services
Dr. Terri Long	Vice President, Academic Affairs
Dr. Greg Peterson	Vice President, Student Support Services
Ms. Rose Del Gaudio	Vice President, Human Resources

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2015

Program Name	Federal Catalog Number	Pass-Through Entity Identifying Number	Total Program Expenditures
Federal Categorical Aid Programs:			
Student Financial Aid Cluster			
Department of Education			
Direct:			
Supplemental Educational Opportunities Grant (SEOG)	84.007	n/a	$ 848,936
Administrative Allowance - Campus Based Programs	84.000	n/a	99,684
Federal Work Study (FWS)	84.033	n/a	800,662
Administrative Allowance - Pell	84.063	n/a	56,910
Pell Grant	84.063	n/a	39,858,261
William D. Ford Direct Loan Program	84.268	n/a	2,303,831
Total Student Financial Aid Cluster			43,968,284
TRIO Cluster			
Department of Education			
Direct:			
Student Support Services-Project Launch	84.042A	n/a	304,315
Student Support Services-Project Go	84.042A	n/a	247,114
Upward Bound	84.047A	n/a	567,785
Total TRIO Cluster			1,119,214
Department of Agriculture			
Direct:			
Child Nutrition Program	10.558	n/a	149,747
Department of Labor			
Direct:			
Trade Adjustment Assistance Community College Career Training (TAACCCT) - Alternative Pathways to Engineering Education and Careers	17.282	n/a	842,320
Department of Transportation			
Direct:			
Commercial Motor Vehicle Operator Training Grant	20.235	n/a	148,058
U.S. Small Business Administration			
Direct:			
Small Business Development Center (SBDC)	59.037	n/a	3,563,206

See the accompanying notes to the supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2015

Program Name	Federal Catalog Number	Pass-Through Entity Identifying Number	Total Program Expenditures
Department of Veterans Affairs			
Direct:			
Post 9/11 Veteran Education Assistant - GI Bill Chapter 33	64.028	n/a	139,299
Department of Education			
Pass-Through Program from the California Community College Chancellor's Office:			
Career Technical Education:			
Perkins Title I-C (Basic Grants to States)	84.048	(1)	843,754
Career Technical Education Transitions	84.048A	(1)	43,269
Total Department of Education			887,023
Department of Health and Human Services			
Pass-Through Program from the California Community College Chancellor's Office:			
Temporary Assistance for Needy Families (TANF)	93.558	(1)	125,625
Foster Care - Title IV - E	93.658	(1)	43,515
Total Department of Health and Human Services			169,140
Corporation for National and Community Service (CNCS)			
Direct:			
AmeriCorps National Service Awards	94.006	n/a	64,363
Total Federal Grants			$ 51,050,654
Student Financial Aid Loan Programs:			
Loans Outstanding			
Long Beach Community College District had the following loan balance outstanding as of 6/30/15:			
Perkins Program	84.038	n/a	$ 1,900,470

Note: (1) Pass-through entity identifying number not readily available.
n/a Pass-through entity identifying number not applicable.

See the accompanying notes to the supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE - GRANTS
For the Fiscal Year Ended June 30, 2015

Program Name	Cash Received	Accounts Receivable	Unearned Revenue	Accounts Payable	Total	Program Expenditures
State Categorical Aid Programs:						
Basic Skills	$ 381,232	$	$ 226,789	$	$ 154,443	$ 154,443
Board Financial Assistance Program - Student Financial Aid Administration (BFAP - SFFA)	894,135				894,135	894,135
CalWORKS	540,539				540,539	540,539
Childcare Taxbailout	51,519				51,519	51,519
Cooperative Agencies Resources for Education (CARE)	162,279				162,279	162,279
Disabled Student Program and Services (DSPS)	1,562,309				1,562,309	1,562,309
Equal Employment Opportunity	8,654				8,654	8,654
Extended Opportunities Program and Services (EOPS)	1,286,900				1,286,900	1,286,900
Student Success - Credit	2,530,129		827,374		1,702,755	1,702,755
Student Success - Non-Credit	42,137				42,137	42,137
Part-Time Faculty Allocation	453,420				453,420	453,420
Instructional Equipment and Library	64,514				64,514	64,514
Scheduled Maintenance and Repairs	2,628,690		2,567,057		61,633	61,633
Total State Programs	$ 10,606,457	$ -	$ 3,621,220	$ -	$ 6,985,237	$ 6,985,237

See the accompanying notes to the supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT - ANNUAL (ACTUAL) ATTENDANCE
For the Fiscal Year Ended June 30, 2015

	Revised Annual - Factored FTES		
	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2014 only)			
1. Noncredit[1]	70.85		70.85
2. Credit	469.36		469.36
B. Summer Intersession (Summer 2015 - Prior to July 1, 2015)			
1. Noncredit[1]	-		-
2. Credit	1,124.85		1,124.85
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	15,303.07		15,303.07
(b) Daily Census Contact Hours	1,132.80		1,132.80
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit[1]	356.77		356.77
(b) Credit	519.02		519.02
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	1,268.31		1,268.31
(b) Daily Census Contact Hours	529.94		529.94
(c) Noncredit Independent Study/Distance Education Courses	-		-
D. Total FTES	20,774.97	-	20,774.97
Supplemental Information (subset of above information)			
E. In-Service Training Courses (FTES)	n/a		
H. Basic Skills courses and Immigrant Education			
(a) Noncredit[1]	409.70		
(b) Credit	1,456.59		
CCFS 320 Addendum			
CDCP Noncredit FTES	272.25		
Centers FTES			
Noncredit	252.23		
Credit	3,543.22		

[1] Including Career Development and College Preparation (CDCP) FTES
n/a - Workload Measure is not applicable

See the accompanying notes to the supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2015

The financial data for the activity of the Auxiliary is a component part of these financial statements that is not reported in the District's CCFS-311 series.

The audit resulted in no adjustments to the fund balances reported on the June 30, 2015 Annual Financial and Budget Report (CCFS-311) based upon governmental accounting principles. Additional entries were made to comply with the GASB 34/35 reporting requirements. These entries are not considered audit adjustments for purposes of this reconciliation.

See the accompanying notes to the supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF 50 PERCENT LAW CALCUATION
For the Fiscal Year Ended June 30, 2015

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 22,990,121	$	$ 22,990,121	$ 22,990,121	$	$ 22,990,121
Other	1300	13,941,770		13,941,770	13,941,770		13,941,770
Total Instructional Salaries		36,931,891	-	36,931,891	36,931,891	-	36,931,891
Non-Instructional Salaries							
Contract or Regular	1200			-	7,615,656		7,615,656
Other	1400			-	1,038,208		1,038,208
Total Non-Instructional Salaries		-	-	-	8,653,864	-	8,653,864
Total Academic Salaries		36,931,891	-	36,931,891	45,585,755	-	45,585,755
Classified Salaries							
Non-Instructional Salaries							
Regular Status	2100			-	19,206,495		19,206,495
Other	2300			-	943,721		943,721
Total Non-Instructional Salaries		-	-	-	20,150,216	-	20,150,216
Instructional Aides							
Regular Status	2200	1,955,675		1,955,675	1,955,675		1,955,675
Other	2400	710,921		710,921	710,921		710,921
Total Instructional Aides		2,666,596	-	2,666,596	2,666,596	-	2,666,596
Total Classified Salaries		2,666,596	-	2,666,596	22,816,812	-	22,816,812
Employee Benefits	3000	12,029,033		12,029,033	24,246,579		24,246,579
Supplies and Materials	4000			-	641,166		641,166
Other Operating Expenses	5000			-	7,437,375		7,437,375
Equipment Replacement	6420			-			-
Total Expenditures Prior to Exclusions		51,627,520	-	51,627,520	100,727,687	-	100,727,687

See the accompanying notes to the supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF 50 PERCENT LAW CALCUATION
For the Fiscal Year Ended June 30, 2015

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff–Retirees' Benefits and Retirement Incentives	5900	873,201		873,201	873,201		873,201
Student Health Services Above Amount Collected	6441			-			-
Student Transportation	6491			-			-
Non-instructional Staff-Retirees' Benefits and Retirement Incentives	6740			-	588,468		588,468
Objects to Exclude							
Rents and Leases	5060			-	55,993		55,993
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			-			-
Noninstructional, Supplies & Materials	4400			-			-
Total Supplies and Materials							
Other Operating Expenses and Services	5000			-	2,645,571		2,645,571
Capital Outlay	6000			-			-
Library Books	6300			-			-
Equipment	6400			-			-
Equipment - Additional	6410			-			-
Equipment - Replacement	6420			-			-
Total Equipment							
Total Capital Outlay							
Other Outgo	7000			-			-
Total Exclusions		873,201	-	873,201	4,163,233	-	4,163,233
Total for ECS 84362, 50% Law		$ 50,754,319	-	$ 50,754,319	$ 96,564,454	-	$ 96,564,454
Percent of CEE (Instructional Salary Cost / Total CEE)		52.56%	0%	52.56%	100%	0%	100%
50% of Current Expense of Education					$ 48,282,227	-	$ 48,282,227

See the accompanying notes to the supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACCOUNT EXPENDITURE REPORT
For the Fiscal Year Ended June 30, 2015

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				$ 18,611,805
Activity Classification	**Activity Code**	**Salaries and Benefits (1000 - 3000)**	**Operating Expenses (4000 - 5000)**	**Capital Outlay (6000)**	**Total**
Instructional Activities	0100-5900	$ 18,611,805	$	$	$ 18,611,805
					-
					-
					-
					-
					-
					-
					-
					-
Total Expenditures for EPA*		$ 18,611,805	$ -	$ -	18,611,805
Revenues less Expenditures					-

*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Fiscal Year Ended June 30,

	(Budget) 2016 (3)		2015		2014		2013	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
COMBINED GENERAL FUND:								
Revenue								
Federal	$ 8,559,413	4.9	$ 7,854,503	6.0	$ 7,679,535	6.3	$ 7,286,426	6.4
State	130,115,651	74.2	98,007,610	74.9	90,534,593	74.7	70,418,145	61.5
County and Local	35,556,850	20.3	29,445,804	22.5	26,872,058	22.2	38,558,382	33.7
Other Financing Sources	325,731	0.2	397,889	0.3	352,916	0.3	631,139	0.6
Total Revenue	174,557,645	99.5	135,705,806	103.7	125,439,102	103.5	116,894,092	102.0
Expenditures								
Academic Salaries	53,079,590	30.3	48,201,663	36.8	43,521,328	35.9	43,964,526	38.3
Classified Salaries	34,319,066	19.6	30,531,896	23.3	28,421,570	23.4	27,348,825	23.9
Employee Benefits	32,495,804	18.5	27,398,840	20.9	24,721,330	20.4	25,150,593	22.0
Supplies and Materials	3,768,761	2.1	1,747,386	1.3	1,615,542	1.3	1,572,520	1.4
Other Operating Expenses and Services	33,650,719	19.2	16,936,428	12.9	16,176,827	13.3	13,051,528	11.4
Capital Outlay	7,888,906	4.5	2,753,457	2.1	3,776,531	3.1	1,847,533	1.6
Other Uses	10,226,379	5.7	3,267,418	2.5	3,009,033	2.6	1,635,856	1.4
Total Expenditures	175,429,225	100.0	130,837,088	100.0	121,242,161	100.0	114,571,381	100.0
Change in Fund Balance	$ (871,580)	(0.5)	$ 4,868,718	3.7	$ 4,196,941	3.5	$ 2,322,711	2.0
Ending Fund Balance	$ 28,082,757	16.0	$ 28,954,337	22.1	$ 24,085,619	19.9	$ 19,888,678	17.4
Available Reserve Balance (1)	$ 17,744,042	10.1	$ 17,923,034	13.7	$ 14,633,658	12.1	$ 13,941,315	12.2
Full-time Equivalent Students (2)	20,754		20,775		19,910		19,521	
Total Long-Term Debt (4)	$545,606,258		$567,905,026		$483,007,330		$486,730,414	

IMPORTANT NOTES:

(1) The California Community College Chancellor's Office has provided guidelines that recommend a minimum prudent ending fund balance reserve of 5% of unrestricted expenditures. In addition, the District's Board policy requires a 5.5% unrestricted ending fund balance.

(2) Full-time equivalent students (FTES) represent credit and non-credit factored FTES and excludes FTES generated by non-residents.

(3) The 2016 budget is the original budget adopted by the Board of Trustees on September 8, 2015.

(4) Prior years have not been revised for the implementation of GASB Statements No. 68 and No. 71.

All percentages are of total expenditures.

See the accompanying notes to the supplementary information.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF BUDGETARY COMPARISON
FOR THE COMBINED GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	Combined General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Revenue from Federal Sources			
Higher Education Act	$ 1,038,256	$ 973,163	$ (65,093)
Temporary Assistance for Needy Families (TANF)	125,625	125,625	-
Veterans Education	150,000	139,299	(10,701)
Vocational and Technical Education Act	887,023	887,023	-
Other Federal Revenue	6,836,481	5,729,393	(1,107,088)
Revenue from State Sources			
General Apportionments	80,388,344	80,769,933	381,589
Categorical Apportionments	10,423,548	7,393,764	(3,029,784)
Other State Revenues	10,633,564	9,843,913	(789,651)
Revenue from Local Sources			
Property Taxes	15,352,009	16,662,327	1,310,318
Interest and Investment Income	250,000	274,757	24,757
Student Fees and Charges	7,407,723	6,978,798	(428,925)
Other Local Revenue	6,873,182	5,529,922	(1,343,260)
TOTAL REVENUES	140,365,755	135,307,917	(5,057,838)
EXPENDITURES			
Academic Salaries	48,917,828	48,201,663	716,165
Classified Salaries	33,135,291	30,531,896	2,603,395
Employee Benefits	28,616,660	27,398,840	1,217,820
Supplies and Materials	3,135,946	1,747,386	1,388,560
Other Operating Expenses and Services	24,393,444	16,936,428	7,457,016
Capital Outlay	4,029,651	2,753,457	1,276,194
TOTAL EXPENDITURES	142,228,820	127,569,670	14,659,150
Excess of revenues over expenditures	(1,863,065)	7,738,247	9,601,312
OTHER FINANCING SOURCES (USES)			
Interfund Transfers In	330,509	397,889	67,380
Interfund Transfers Out	(2,716,090)	(2,716,090)	-
Student Financial Aid	(556,091)	(551,328)	4,763
TOTAL OTHER FINANCING SOURCES (USES)	(2,941,672)	(2,869,529)	72,143
Excess (deficiencies) of revenues over expenditures and other sources (uses)	$ (4,804,737)	4,868,718	$ 9,673,455
Fund Balances, beginning of year		24,085,619	
Fund Balance, end of year		$ 28,954,337	

See the accompanying notes to the supplementary information.

NOTES TO SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2015

NOTE 1 - PURPOSE OF SCHEDULES:

A. Schedules of Expenditures of Federal Awards and State Financial Assistance

The audit of the Long Beach Community College District for the year ended June 30, 2015 was conducted in accordance with OMB Circular A-133, which requires a disclosure of the financial activities of all federally funded programs. The Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance was prepared on the modified accrual basis of accounting.

Subrecipients

The District provided Federal awards to subrecipients as follows:

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Amount Provided to Subrecipients
Small Business Development Center		
Small Business Development Center (SBDC)	59.037	
- College of the Canyons		$ 258,944
- Economic Development Collaboration - Ventura		213,697
- El Camino Community College District		219,737
- Los Angeles Chamber of Clean Tec		156,979
- Pacific Coast Regional Small Business Development Corporation		153,011
- Pasadena Community College District		74,990
- Santa Monica Community College District		220,444
- University of LaVerne		75,000
		$ 1,372,802

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

The Schedule of Workload Measures for State General Apportionment represents the basis of apportionment of the Long Beach Community College District's annual source of funding.

C. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule reports any audit adjustments made to the fund balances of applicable funds as reported on the Annual Financial and Budget Report (Form CCFS-311).

NOTE 1 - PURPOSE OF SCHEDULES: (continued)

D. Reconciliation of 50 Percent Law Calculation

This schedule reports any audit adjustments made to the 50 percent law calculation (Education Code Section 84362).

E. Proposition 30 Education Protection Account Expenditure Report

This schedule reports how funds received from the passage of Proposition 30 Education Protection Act were expended.

F. Schedule of Financial Trends and Analysis

This schedule is prepared to show financial trends of the combined General Fund over the past three fiscal years as well as the current year budget. This report is intended to identify if the District faces potential fiscal problems and if they have met the recommended available reserve percentages.

G. Schedule of Budgetary Comparison for the Combined General Fund

Continuing disclosure for the general obligation bond requires a budgetary comparison be presented for the combined General Fund. This schedule presents the revised combined General Fund budget as of the fiscal year end, actual amounts at fiscal year end and the variance between the revised budget and actual amounts.

OTHER INDEPENDENT AUDITOR’S REPORTS

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

The Board of Trustees
Long Beach Community College District
4901 E. Carson Street
Long Beach, California 90808

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Long Beach Community College District (the District) as of and for the year ended June 30, 2015 and have issued our report thereon dated November 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Long Beach Community College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vicenti, Lloyd & Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 30, 2015

VICENTI ♦ LLOYD ♦ STUTZMAN LLP
BUSINESS CONSULTANTS AND CPAs

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

The Board of Trustees
Long Beach Community College District
4901 E. Carson Street
Long Beach, California 90808

Report on Compliance for Each Major Federal Program

We have audited Long Beach Community College District's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 30, 2015

VICENTI ◆ LLOYD ◆ STUTZMAN LLP
BUSINESS CONSULTANTS AND CPAs

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

The Board of Trustees
Long Beach Community College District
4901 E. Carson Street
Long Beach, California 90808

We have audited the Long Beach Community College District's (the District) compliance with the types of compliance requirements described in the *2014-15 Contracted District Audit Manual*, published by the California Community Colleges Chancellor's Office for the year ended June 30, 2015. The District's State compliance requirements are identified below.

Management's Responsibility

Management is responsible for compliance with the State laws and regulations as identified below.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the types of compliance requirements referred to on page 90.

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 *2014-15 Contracted District Audit Manual*, published by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's compliance.

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INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Compliance Requirements Tested

In connection with our audit referred to above, we selected and tested transactions and records to determine the District's compliance with the State laws and regulations applicable to the following items:

Section	Description	Procedures Performed
421	Salaries of Classroom Instructors (50 Percent Law)	Yes
423	Apportionment for Instructional Service Agreements/Contracts	Not applicable
424	State General Apportionment Funding System	Yes
425	Residency Determination for Credit Courses	Yes
426	Students Actively Enrolled	Yes
427	Concurrent Enrollment of K-12 Students in Community College Credit Courses	Yes
430	Scheduled Maintenance Program	Yes
431	Gann Limit Calculation	Yes
435	Open Enrollment	Yes
438	Student Fees – Health Fees and Use of Health Fee Funds	Yes
439	Proposition 39 Clean Energy Funds	Yes
440	Intersession Extension Program	Yes
474	Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)	Yes
475	Disabled Student Programs and Services (DSPS)	Yes
479	To Be Arranged Hours (TBA)	Yes
490	Proposition 1D State Bond Funded Projects	Not applicable
491	Proposition 30 Education Protection Account Funds	Yes

Opinion on State Compliance

In our opinion, the Long Beach Community College District complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2015.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2014-15 Contracted District Audit Manual,* published by the California Community Colleges Chancellor's Office. Accordingly, this report is not suitable for any other purpose.

Vicenti, Lloyd & Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 30, 2015

FINDINGS AND QUESTIONED COSTS

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR RESULTS
June 30, 2015

Financial Statements

Type of auditor's report issued:	*Unmodified*
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes _X_ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes _X_ None reported
Noncompliance material to financial statements noted?	____ Yes _X_ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ Yes _X_ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes _X_ None reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*
Any audit findings disclosed that are required to be Reported in accordance with Circular A-133, Section .510(a)	____ Yes _X_ No

Identification of major programs tested:

CFDA Number(s)	Name of Federal Program or Cluster
84.000, 84.007, 84.033, 84.063, and 84.268	Student Financial Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000
Auditee qualified as low-risk auditee?	_X_ Yes ____ No

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO FINANCIAL STATEMENTS
June 30, 2015

There were no findings and questioned costs related to the basic financial statements for the fiscal year ended June 30, 2015

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS June 30, 2015

There were no findings and questioned costs related to federal awards for the fiscal year ended June 30, 2015.

LONG BEACH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO STATE AWARDS
June 30, 2015

There were no findings and questioned costs related to state awards for the fiscal year ended June 30, 2015.

LONG BEACH COMMUNITY COLLEGE DISTRICT

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2015

There were no findings and questioned costs related to the basic financial statements, federal awards or state awards for the year ended June 30, 2014.

CONTINUING DISCLOSURE INFORMATION

LONG BEACH COMMUNITY COLLEGE DISTRICT

CONTINUING DISCLOSURE INFORMATION (UNAUDITED)
June 30, 2015

Assessed valuation for fiscal year 2014-15	$53,076,523,172	(2)
Secured tax levies for fiscal year 2014-15	$10,915,278	(1)
Secured tax delinquencies for fiscal year 2014-15	$335,784	(1)
Secured tax collections for fiscal year 2014-15	$10,579,494	(1)

2014-15 Largest Local Secured Taxpayers (2)

	Property Owner	Primary Land Use	2014-15 Assessed Valuation	% of Total(3)
1.	Participants in Long Beach Unit	Industrial – Petroleum	$2,096,996,156	3.95%
2.	Hanjin America Inc.	Industrial – Terminal Operations	721,778,873	1.36
3.	Tidelands Oil Production Co.	Industrial – Petroleum	456,097,846	0.86
4.	International Trans Service Inc.	Industrial – Terminal Operations	360,131,289	0.68
5.	Macerich Lakewood LLC	Shopping Center	308,171,570	0.58
6.	Pacific Maritime Services LLC	Industrial – Terminal Operations	297,800,000	0.56
7.	The Boeing Company	Industrial	289,889,853	0.55
8.	OOCL LLC	Industrial – Terminal Operations	270,385,680	0.51
9.	Tesoro Logistics Operations LLC	Industrial – Petroleum	250,826,041	0.47
10.	Signal Hill Petroleum	Industrial – Petroleum	193,761,535	0.37
11.	SSAT Long Beach Ltd.	Industrial – Terminal Operations	192,162,731	0.36
12.	Legacy Partners II LB World Trade LLC	Office Building	162,738,420	0.31
13.	Massachusetts Mutual Life	Shopping Center	160,387,151	0.30
14.	Kilroy Realty LP	Office Building	149,241,616	0.28
15.	2009 CUSA Community Owner LLC	Apartments	143,997,640	0.27
16.	AGNL Clinic LP	Office Building	135,237,202	0.25
17.	John Hancock Insurance	Office Building	120,113,848	0.23
18.	GRE Shoreline Square LP	Office Building	99,381,868	0.19
19.	Noble Utah Long Beach LLC	Hotel	97,392,681	0.18
20.	Total Terminals Intl LLC	Industrial – Terminal Operations	93,758,733	0.18
			$6,600,250,733	12.44%

(1) Information obtained from the Los Angeles County Auditor-Controller's Office
(2) Information obtained from California Municipal Statistics, Inc.
(3) % of total assessed valuation for the fiscal year 2014-15 of $53,076,523,172