Large document (256 pages) received from resident Scott Tracy at 11-07-18 County Committee meeting.
In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, the interest on the Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

$38,000,000
GLendale Unified School District
(Los Angeles County, California)
General Obligation Bonds
Election of 2011, Series D

Dated: Date of Delivery

Authority and Purpose. The captioned General Obligation Bonds Election of 2011, Series D (the "Series D Bonds") and 2018 General Obligation Refunding Bonds (Forward Delivery) (the "Refunding Bonds") and, together with the Series D Bonds, the "Bonds") are being issued by the Glendale Unified School District (the "District") pursuant to certain provisions of the California Government Code and resolutions of the Board of Education of the District adopted on August 14, 2018. The Series D Bonds were authorized at an election of the voters of the District held on April 5, 2011, which authorized the issuance of $270,000,000,000 principal amount of general obligation bonds for the purpose of financing the construction, renovation, modernization and equipping of school facilities. The Series D Bonds are the sixth series of bonds to be issued under this authorization. The Refunding Bonds are being issued to refund a portion of the District's 2010 General Obligation Refunding Bonds, as described herein. See "THE BONDS - Authority for Issuance," "Purpose of Issue" and "FINANCING PLAN."

Security. The Bonds are general obligations of the District, payable solely from ad valorem property taxes levied and collected by Los Angeles County (the "County"). The County Board of Supervisors is empowered and is obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has outstanding general obligation bonds that are secured by ad valorem taxes on the same basis as the Bonds. See "SECURITY FOR THE BONDS."

Redemption. The Series D Bonds are subject to redemption prior to maturity under certain circumstances, as described herein. The Refunding Bonds are not subject to redemption prior to maturity. See "THE BONDS - Optional Redemption."

Book-Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. The Bonds are being issued as current interest bonds. Interest on the Bonds accrues from the date of delivery and is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2019 with respect to the Series D Bonds, and commencing September 1, 2020 with respect to the Refunding Bonds, to the person in whose name the Bond is registered. Payments of principal and interest on the Bonds will be paid by U.S. Bank National Association, as agent for the Treasurer and Tax Collector of Los Angeles County, California, the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. The Bonds will be issued in denominations of $5,000 or any integral multiple thereof. See "THE BONDS."

Maturity Schedule
(See inside cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all the provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters also will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. Norton Rose Fulbright US LLP, Los Angeles, California, serving as counsel to the Underwriter. It is anticipated that the Series D Bonds will be available for delivery to Cede & Co., as nominee of DTC, on September 27, 2018. It is anticipated that the Refunding Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about June 4, 2020, in accordance with the Forward Delivery Purchase Contract. See "DESCRIPTION OF THE DELAYED DELIVERY CONTRACT" herein.

The date of this Official Statement is September 13, 2018.
### MATURITY SCHEDULES

**BaseCUSIP**: 378460

#### $38,000,000
**GLENDALE UNIFIED SCHOOL DISTRICT**  
(Los Angeles County, California)  
**General Obligation Bonds**  
**Election of 2011, Series D**

<table>
<thead>
<tr>
<th>Maturity Date (September 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>Price</th>
<th>CUSIP</th>
</tr>
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<tr>
<td>2019</td>
<td>$1,585,000</td>
<td>4.000%</td>
<td>1.460%</td>
<td>102.331</td>
<td>XD6</td>
</tr>
<tr>
<td>2020</td>
<td>1,030,000</td>
<td>4.000%</td>
<td>1.560%</td>
<td>104.615</td>
<td>XE4</td>
</tr>
<tr>
<td>2029</td>
<td>1,850,000</td>
<td>4.000%</td>
<td>2.590%</td>
<td>112.272&lt;sup&gt;c&lt;/sup&gt;</td>
<td>XF1</td>
</tr>
<tr>
<td>2030</td>
<td>2,265,000</td>
<td>4.000%</td>
<td>2.700%</td>
<td>111.253&lt;sup&gt;c&lt;/sup&gt;</td>
<td>XG9</td>
</tr>
<tr>
<td>2031</td>
<td>2,475,000</td>
<td>4.000%</td>
<td>2.800%</td>
<td>110.336&lt;sup&gt;c&lt;/sup&gt;</td>
<td>XH7</td>
</tr>
<tr>
<td>2032</td>
<td>2,695,000</td>
<td>4.000%</td>
<td>2.890%</td>
<td>109.518&lt;sup&gt;c&lt;/sup&gt;</td>
<td>XJ3</td>
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<tr>
<td>2033</td>
<td>2,935,000</td>
<td>4.000%</td>
<td>2.990%</td>
<td>108.618&lt;sup&gt;c&lt;/sup&gt;</td>
<td>XK0</td>
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<td>2034</td>
<td>3,185,000</td>
<td>4.000%</td>
<td>3.090%</td>
<td>107.727&lt;sup&gt;c&lt;/sup&gt;</td>
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<td>2035</td>
<td>3,455,000</td>
<td>4.000%</td>
<td>3.190%</td>
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<td>2036</td>
<td>3,740,000</td>
<td>4.000%</td>
<td>3.270%</td>
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<td>2037</td>
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<td>3.320%</td>
<td>105.709&lt;sup&gt;c&lt;/sup&gt;</td>
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<td>2038</td>
<td>4,355,000</td>
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<td>3.370%</td>
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<td>2039</td>
<td>4,395,000</td>
<td>3.375%</td>
<td>3.600%</td>
<td>96.710</td>
<td>XR5</td>
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#### $12,885,000
**GLENDALE UNIFIED SCHOOL DISTRICT**  
(Los Angeles County, California)  
**2018 General Obligation Refunding Bonds**  
**(Forward Delivery)**

<table>
<thead>
<tr>
<th>Maturity Date (September 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>Price</th>
<th>CUSIP</th>
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<tbody>
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<td>2.510</td>
<td>103.021</td>
<td>XT1</td>
</tr>
<tr>
<td>2022</td>
<td>1,965,000</td>
<td>5.000%</td>
<td>2.600</td>
<td>105.189</td>
<td>XU8</td>
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<tr>
<td>2023</td>
<td>2,060,000</td>
<td>5.000%</td>
<td>2.700</td>
<td>107.088</td>
<td>XV6</td>
</tr>
<tr>
<td>2024</td>
<td>2,165,000</td>
<td>5.000%</td>
<td>2.810</td>
<td>108.695</td>
<td>XW4</td>
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<tr>
<td>2025</td>
<td>2,270,000</td>
<td>5.000%</td>
<td>2.900</td>
<td>110.139</td>
<td>XX2</td>
</tr>
<tr>
<td>2026</td>
<td>2,380,000</td>
<td>5.000%</td>
<td>2.990</td>
<td>111.362</td>
<td>XY0</td>
</tr>
</tbody>
</table>

<sup>c</sup> Priced to the par call date of September 1, 2028.

<sup>†</sup> CUSIP Copyright 2018, CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.
GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any Bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, counties described herein, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Stabilization of Market Price. In connection with the offering of the Bonds, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of such Bonds at a level above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.
GLENDALE UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)

BOARD OF EDUCATION OF THE DISTRICT

Gregory Krikorian, President
Jennifer Freemon, Vice President
Dr. Armina Gharpetian, Clerk
Nayiri Nahabedian, Member
Shant Sahakian, Member

DISTRICT ADMINISTRATION

Dr. Winfred B. Roberson, Jr., Superintendent
Stephen Dickinson, Chief Business & Financial Officer

PROFESSIONAL SERVICES

FINANCIAL ADVISOR
Keygent LLC
El Segundo, California

BOND AND DISCLOSURE COUNSEL
Jones Hall, A Professional Law Corporation
San Francisco, California

UNDERWRITER’S COUNSEL
Norton Rose Fulbright US LLP
Los Angeles, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT
U.S. Bank National Association,
As agent of the Los Angeles County Treasurer-Tax Collector
Los Angeles, California

ESCROW AGENT
U.S. Bank National Association
Los Angeles, California

VERIFICATION AGENT
Causey Demgen & Moore P.C.
Denver, Colorado
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<td>UNDERWRITING</td>
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<td>VERIFICATION OF MATHEMATICAL ACCURACY</td>
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<tr>
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<td>27</td>
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APPENDIX A - District General and Financial Information
APPENDIX B - Audited Financial Statements of the District for Fiscal Year Ended June 30, 2017
APPENDIX C - General Information about the City of Glendale and Los Angeles County
APPENDIX D - Form of Opinion of Bond Counsel
APPENDIX E - Form of Continuing Disclosure Certificate
APPENDIX F - DTC and the Book-Entry System
APPENDIX G - Los Angeles County Investment Policy and Monthly Investment Report
APPENDIX H - Form of Delayed Delivery Contract
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$38,000,000  
GLENDALE UNIFIED SCHOOL DISTRICT  
(Los Angeles County, California)  
General Obligation Bonds  
Election of 2011, Series D  

$12,885,000  
GLENDALE UNIFIED SCHOOL DISTRICT  
(LOS Angeles County, California)  
2018 General Obligation Refunding Bonds  
(Forward Delivery)  

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the General Obligation Bonds, Election of 2011, Series D (the “Series D Bonds”) and 2018 General Obligation Refunding Bonds (Forward Delivery) (the “Refunding Bonds” and, together with the Series D Bonds, the “Bonds”) by the Glendale Unified School District (the “District”).

It is anticipated that the Series D Bonds will be executed and delivered on or about September 27, 2018. It is anticipated that the Refunding Bonds will be executed and delivered on or about June 4, 2020 (the “Settlement Date”) in accordance with the Forward Delivery Purchase Contract. See “FORWARD DELIVERY OF THE REFUNDING BONDS” herein.

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District provides services to residents of an area encompassing approximately 36 square miles including the City of Glendale and the community of La Crescenta, an additional portion of an unincorporated area of Los Angeles County in the northeast part of the District, and a very small portion of the City of La Canada-Flintridge.1 Enrollment in the District was 26,071 students in fiscal year 2017-18. For more information regarding the District and its finances, see Appendix A attached hereto. See also Appendix C hereto for demographic and other statistical information regarding the County.

Purpose. The Series D Bonds are being issued to provide funds to finance the construction, renovation, modernization and equipping of school facilities and to pay related costs of issuance. The Refunding Bonds are being issued to refund a portion of the District’s 2010 General Obligation Refunding Bonds (the “Prior Bonds”) and to pay related costs of issuance. See “THE FINANCING PLAN” herein.

Authority for Issuance.

Series D Bonds. The Series D Bonds were authorized at an election of the registered voters of the District held on April 5, 2011 (the “2011 Authorization”), which authorized a total of $270,000,000 principal amount of general obligation bonds to finance new construction and additions to and modernization of school facilities for the District. The Series D Bonds will be issued pursuant to the 2011 Authorization, Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title
5 of the California Government Code of the State of California (the “Bond Law”), and a resolution of the Board of Education of the District adopted on August 14, 2018 (the “Series D Bond Resolution”).

Refunding Bonds. The Refunding Bonds will be issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code of the State of California (the “Refunding Law”), and a resolution of the Board of Education of the District adopted on August 14, 2018 (the “Refunding Bond Resolution”).

Each of the Series D Bond Resolution and the Refunding Bond Resolution may be referred to herein as a “Resolution” or, together, as “Resolutions”.

See “THE BONDS – Authority for Issuance.”

Payment and Registration of the Bonds. The Bonds will be issued as current interest bonds. The Bonds will be dated their date of delivery (the “Dated Date”) and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. The Bonds will mature on September 1 in the years indicated on the inside cover page hereof. See “THE BONDS.” The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See “THE BONDS” and “APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Redemption. The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS – Optional Redemption.”

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from ad valorem property taxes levied and collected by the County. The County is empowered and is obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See “SECURITY FOR THE BONDS.”

Tax-Exempt Status. In the opinion of Jones Hall, A Professional Law Corporation, bond counsel to the District (“Bond Counsel”), interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See “TAX MATTERS” and Appendix D hereto for the forms of Bond Counsel’s opinions to be delivered concurrently with the Bonds.

Continuing Disclosure. The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in the form attached hereto as Appendix E. See “CONTINUING DISCLOSURE.”

Changes Since Preliminary Official Statement. This Official Statement contains a revised table entitled “Assessed Valuations by Jurisdiction” on page 17, which has been updated to show information as of fiscal year 2018-19. Additionally, the table on page A-10 in Appendix A
entitled "General Fund Revenues, Expenditures and Changes in Fund Balance" has been updated to show unaudited actual figures for fiscal year 2017-18.

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available from the District from the Superintendent’s Office at Glendale Unified School District, 223 North Jackson Street, Glendale, California 91206; telephone: (818) 241-3111. The District may impose a charge for copying, mailing and handling.

[END OF INTRODUCTION]

THE FINANCING PLAN

Series D Bonds

The 2011 Authorization. At the April 5, 2011 bond election, the District received authorization by affirmative votes of the qualified electors exceeding the required 55% to issue general obligation bonds in a principal amount not to exceed $270,000,000. The abbreviated form of the ballot measure is as follows:

“To protect quality education at local schools, provide safe and modern school facilities, and qualify for matching funds, shall Glendale Unified School District upgrade classrooms, science labs and libraries; update computers/technology; provide facilities/equipment for career training; improve campus safety and access for students with disabilities; increase energy efficiency; and make funding available for classroom instruction by issuing $270 million in bonds with legal interest rates, independent oversight, all fund staying local, and without increasing tax rates?”

The District has issued five series of general obligation bonds pursuant to the 2011 Authorization in the combined principal amount of $193,999,985.60 (some of which have subsequently been refinanced with the issuance of refunding general obligation bonds), leaving $76,000,014.40 principal amount of authorized but unissued bonds. The Series D Bonds represent the sixth series of bonds to be issued pursuant to the 2011 Authorization, and will be used to finance school facility projects. In addition, a portion of the proceeds of the Series D Bonds will be used to pay related costs of issuance.

Refunding Bonds

The Prior Bonds maturing on September 1 in the years 2021 through 2026, inclusive, are subject to optional redemption on September 1, 2020, or on any date thereafter, at a price of 100% of the principal amount redeemed.

The net proceeds of the Refunding Bonds will be used to refund the Prior Bonds identified in the tables below (collectively, the "Refunded Bonds"). The Prior Bonds are subject to optional redemption on the redemption dates identified in the tables below at a redemption price equal to 100% of the principal amount, without premium, together with accrued interest thereon to the redemption date.
GLENDALE UNIFIED SCHOOL DISTRICT
Identification of Refunded Bonds

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<tr>
<th>Maturities Payable from Escrow</th>
<th>CUSIP†</th>
<th>Principal Amount</th>
<th>Redemption Date</th>
<th>Redemption Price</th>
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<td>2021 RC3</td>
<td>378460</td>
<td>$1,965,000</td>
<td>9/1/2020</td>
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</tr>
<tr>
<td>2022 RC1</td>
<td>378460</td>
<td>2,065,000</td>
<td>9/1/2020</td>
<td></td>
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<td>2,165,000</td>
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<td></td>
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<tr>
<td>2024 RG5</td>
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<tr>
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<td>2,385,000</td>
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<td>2026 RJ6</td>
<td>378460</td>
<td>2,505,000</td>
<td>9/1/2020</td>
<td></td>
</tr>
</tbody>
</table>

† Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

Deposits in Escrow Fund

The District will deliver the net proceeds of the Refunding Bonds to U.S. Bank National Association, Los Angeles, California, as escrow agent (the "Escrow Agent"), for deposit in an escrow fund (the "Escrow Fund") established under an Escrow Agreement (the "Escrow Agreement"), between the District and the Escrow Agent.

Sufficiency of the deposits and investments in the Escrow Fund for the foregoing purposes will be verified by Causey Demgen & Moore P.C., certified public accountants, Denver, Colorado (the "Verification Agent"). See "VERIFICATION OF MATHEMATICAL ACCURACY" herein.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

**Sources of Funds**

<table>
<thead>
<tr>
<th></th>
<th>Series D Bonds</th>
<th>Refunding Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Amount of Bonds</td>
<td>$38,000,000.00</td>
<td>$12,885,000.00</td>
</tr>
<tr>
<td>Net Original Issue Premium</td>
<td>2,359,540.90</td>
<td>994,361.50</td>
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<tr>
<td><strong>Total Sources</strong></td>
<td>$40,359,540.90</td>
<td>$13,879,361.50</td>
</tr>
</tbody>
</table>

**Uses of Funds**

<table>
<thead>
<tr>
<th></th>
<th>Series D Bonds</th>
<th>Refunding Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit to Building Fund</td>
<td>$37,765,000.00</td>
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</tr>
<tr>
<td>Deposit to Escrow Fund</td>
<td>--</td>
<td>$13,694,000.00</td>
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<tr>
<td>Debt Service Fund</td>
<td>2,217,040.90</td>
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</tr>
<tr>
<td>Costs of Issuance(1)</td>
<td>377,500.00</td>
<td>185,361.50</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>$40,359,540.90</td>
<td>$13,879,361.50</td>
</tr>
</tbody>
</table>

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Paying Agent, and the rating agencies.
THE BONDS

Authority for Issuance

The Series D Bonds will be issued under the Bond Law and the Series D Bond Resolution. The Refunding Bonds will be issued under the Refunding Law and the Refunding Bonds Resolution.

Description of the Bonds

Book-Entry Form. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds. Payments of principal and interest on the Bonds will be paid by the Treasurer and Tax Collector of Los Angeles County, through its agent, U.S. Bank National Association, Los Angeles California (the "Paying Agent") to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC’s book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice. See “APPENDIX F – Book-Entry Only System.”

The Paying Agent, the District, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Principal and Interest Payments. The Series D Bonds will be dated the Dated Date and will bear interest payable semiannually each March 1 and September 1 (each, an "Interest Payment Date"), commencing March 1, 2019, at the interest rates shown on the inside front cover page of this Official Statement. The Refunding Bonds will be dated the Settlement Date and will bear interest payable semiannually on each Interest Payment Date, commencing September 1, 2020, at the interest rates shown on the inside front cover page of this Official Statement. The Bonds will mature on September 1 in each of the years and in the principal amounts shown on the inside front cover page of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each Bond authenticated on or before February 15, 2019 with respect to the Series D Bonds or August 15, 2020 with respect to the Refunding Bonds, shall bear interest from the date of the Bonds. Each Bond authenticated during the period between the 15th day of the month preceding any Interest Payment Date (the "Record Date") and that Interest Payment Date shall bear interest from that Interest Payment Date. Any other Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If an Interest Payment Date does not fall on a business day, the interest, principal or redemption payment due on such Interest Payment Date will be paid on the next business day. The Bonds will be issued in the denomination of $5,000 principal amount each or any integral multiple thereof.
See the maturity schedules on the inside cover page of this Official Statement and "DEBT SERVICE SCHEDULES."

Redemption

The Refunding Bonds are not subject to redemption prior to maturity.

**Optional Redemption.** The Series D Bonds maturing on September 1, 2020 are not subject to redemption prior to maturity. The Series D Bonds maturing on or after September 1, 2029 are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on September 1, 2028, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

For the purpose of selection for optional redemption, Series D Bonds will be deemed to consist of $5,000 portions, and any such portion may be separately redeemed. Whenever less than all of the outstanding Series D Bonds of any one maturity are designated for redemption, the Paying Agent shall select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent.

**Selection of Series D Bonds for Redemption.** Whenever less than all of the Outstanding Series D Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Series D Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series D Bond will be deemed to consist of individual Series D Bonds of $5,000 denominations each, which may be separately redeemed.

**Notice of Redemption.** The Paying Agent will cause notice of any redemption to be mailed, by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Series D Bonds designated for redemption, at their addresses appearing on the Registration Books (as hereinafter defined); but such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Series D Bonds.

The redemption notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, will designate the Series D Bonds to be redeemed, and will require that any redeemed Series D Bonds be surrendered at the designate office of the Paying Agent for redemption, giving notice that further interest on such Series D Bonds will not accrue from and after the redemption date.

**Partial Redemption.** Upon surrender of Series D Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the District, a new Series D Bond or Series D Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series D Bond or Series D Bonds.

**Effect of Redemption.** From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Series D Bonds so called for redemption have been duly
provided, such Series D Bonds so called will cease to be entitled to any benefit under the Series D Bond Resolution, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

**Right to Rescind Notice of Redemption.** The District has the right to rescind any notice of the optional redemption of Series D Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason the funds will not be or are not available on the date fixed for redemption for the payment in full of the Series D Bonds then called for redemption. The District and the Paying Agent shall have no liability to the Series D Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent, except that the time period for giving the original notice of redemption shall not apply to any notice of rescission thereof.

**Registration, Transfer and Exchange of Bonds**

If the book-entry system as described above and in Appendix F is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.

**Registration Books.** The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds (the "Registration Books"), which will at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the Bonds.

**Transfer.** Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

Whenever any Bond or Bonds are surrendered for transfer, the District will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. No transfers will be required to be made (a) 15 days prior to a date established for selection of Bonds for redemption and (b) with respect to a Bond that has been selected for redemption.

**Exchange.** Bonds may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Bond issued upon any exchange. No exchanges will be required to be made (a) 15 days prior to a date established for selection of Bonds for redemption and (b) with respect to a Bond that has been selected for redemption.

**Defeasance**

Each of the Series D Bonds or the Refunding Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

(a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;
(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the applicable Resolution) to pay or redeem such Bonds; or

(c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in a Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the applicable Resolution and will be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the applicable Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in the applicable Resolution or provision satisfactory to the Paying Agent has been made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

"Federal Securities" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; and (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.
FORWARD DELIVERY OF THE REFUNDING BONDS

Delayed Delivery. The District expects to deliver the Refunding Bonds, in book-entry form, to DTC on or about the Settlement Date for the account of the Underwriter pursuant to the Forward Delivery Purchase Contract.

Certain Terms Concerning the Delayed Delivery. The Underwriter reserves the right to obligate investors purchasing the Refunding Bonds to execute the delayed delivery contract in substantially the form of APPENDIX H attached hereto (the "Delayed Delivery Contract"). The Delayed Delivery Contract restricts the ability of the purchasers of the Refunding Bonds to transfer their interests in the Refunding Bonds prior to the Settlement Date and no representation is made that any such transfer will be permitted. The proposed form of Delayed Delivery Contract is attached as APPENDIX H at the request and for the convenience of the Underwriter. The District will not be a party to any Delayed Delivery Contracts and is not in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Forward Delivery Purchase Contract are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

Certain Considerations. The delivery of the Refunding Bonds is subject to certain conditions, including, but not limited to, receipt by the District of an opinion of Bond Counsel in substantially the form set forth in APPENDIX D hereto, the delivery of other documents specified in the Forward Delivery Purchase Contract and payment of the purchase price by the Underwriter in accordance with the Forward Delivery Purchase Contract. Changes or proposed changes in federal or State laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the delivery of the Refunding Bonds or failure of the District to provide closing certificates customarily required in connection with the issuance of tax-exempt bonds could prevent those conditions from being satisfied. None of the Refunding Bonds will be issued on the Settlement Date unless all of the Refunding Bonds are issued on the Settlement Date. See "UNDERWRITING" herein for a description of the Underwriter's obligations under the Forward Delivery Purchase Contract.

During the period between the date hereof and the Settlement Date (the "Delayed Delivery Period"), certain information contained in the Official Statement may change in a material respect. The District has agreed to update this Official Statement, if it is necessary, so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading as of the Settlement Date. Except for any such update, neither the District nor the Underwriter is obligated to update the Official Statement during the Delayed Delivery Period.

Ratings. It is anticipated that upon the issuance of the Refunding Bonds, the existing ratings on the Refunding Bonds will be confirmed by S&P and Moody's. However, no assurance can be given that at the Settlement Date, such ratings will continue to be in effect. See "RATINGS."

Market Value. The market value of the Refunding Bonds at the Settlement Date may be affected by a variety of factors, including, without limitation, general market conditions, the ratings then assigned to the Refunding Bonds, the financial condition and business operations of the District and federal, state and local income tax and other laws. The market value of the Refunding Bonds as of the Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Refunding Bonds and that difference could be substantial. None of
the District, the Underwriter or the Financial Advisor make any representation as to the expected market price of the Refunding Bonds as of the Settlement Date.

Secondary Market. The Underwriter is not obligated to make a secondary market in the Refunding Bonds and no assurance can be given that a secondary market will exist for the Refunding Bonds, including during the Delayed Delivery Period. Prospective purchasers of the Refunding Bonds should assume that there will be no secondary market during the Delayed Delivery Period.

Federal Tax Proposals. The Forward Delivery Purchase Contract obligates the District to deliver and the Underwriter to acquire the Refunding Bonds if the District delivers an opinion of Bond Counsel substantially in the form set forth in APPENDIX D hereto to the effect that the interest on the Refunding Bonds is not subject to inclusion in gross income for federal income tax purposes. It is possible that certain bills could be introduced (or that bills previously introduced could be amended) in the U.S. Congress that, if adopted, would reform the system of federal taxation. Those bills could (i) eliminate the tax exemption granted to interest payable on “state or local bonds” such as the Refunding Bonds, or (ii) diminish the value of the federal tax exemption granted interest on such bonds under the current system of federal income taxation. Notwithstanding that the enactment of certain of those bills could diminish the value of the federal exemption for interest payable on “state or local bonds” the District might be able to satisfy the requirements for the delivery of the Refunding Bonds. In such event, the purchasers would be required to accept delivery of the Refunding Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood that such bills would be introduced or amended or enacted and the consequences of such enactment to the purchasers.

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DEBT SERVICE SCHEDULES

The Bonds. The following table shows the annual debt service schedule with respect to the Bonds (assuming no optional redemptions).

GLENDALE UNIFIED SCHOOL DISTRICT
Annual Debt Service Schedule
Series D Bonds and Refunding Bonds

<table>
<thead>
<tr>
<th>Period Ending September 1</th>
<th>Series D Bonds Principal</th>
<th>Series D Bonds Interest</th>
<th>Refunding Bonds Principal</th>
<th>Refunding Bonds Interest</th>
<th>Total Debt Service</th>
</tr>
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<tbody>
<tr>
<td>2019</td>
<td>$1,585,000</td>
<td>$1,384,737.33</td>
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<td>-</td>
<td>$2,969,737.33</td>
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<tr>
<td>2020</td>
<td>1,030,000</td>
<td>1,429,131.26</td>
<td>$175,000</td>
<td>$155,693.75</td>
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<td>2021</td>
<td>-</td>
<td>1,387,931.26</td>
<td>1,870,000</td>
<td>635,500.00</td>
<td>3,893,431.26</td>
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<tr>
<td>2022</td>
<td>-</td>
<td>1,387,931.26</td>
<td>1,965,000</td>
<td>542,000.00</td>
<td>3,894,931.26</td>
</tr>
<tr>
<td>2023</td>
<td>-</td>
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<td>443,750.00</td>
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<td>2,165,000</td>
<td>340,750.00</td>
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<td>2025</td>
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<td>232,500.00</td>
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<td>119,000.00</td>
<td>3,886,931.26</td>
</tr>
<tr>
<td>2027</td>
<td>-</td>
<td>1,387,931.26</td>
<td>-</td>
<td>-</td>
<td>1,387,931.26</td>
</tr>
<tr>
<td>2028</td>
<td>-</td>
<td>1,387,931.26</td>
<td>-</td>
<td>-</td>
<td>1,387,931.26</td>
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<tr>
<td>2029</td>
<td>1,850,000</td>
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<td>2030</td>
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<tr>
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<td>2033</td>
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<td>633,531.26</td>
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<td>2037</td>
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<td>-</td>
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<td>322,531.26</td>
<td>-</td>
<td>-</td>
<td>4,677,531.26</td>
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<tr>
<td>2039</td>
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<td>148,331.26</td>
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<td>-</td>
<td>4,543,331.26</td>
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<tr>
<td>Total</td>
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<td>$23,242,562.53</td>
<td>$12,885,000</td>
<td>$2,469,193.75</td>
<td>$75,596,756.28</td>
</tr>
</tbody>
</table>

[Remainder of page intentionally left blank.]
Combined Debt Service Table. The following table shows the combined annual debt service schedule with respect to obligations secured by ad valorem taxes, assuming no optional redemptions. See Appendix A under the heading "DISTRICT FINANCIAL INFORMATION – Long Term Borrowing" for additional information.

### GLENDALE UNIFIED SCHOOL DISTRICT
Combined Annual Debt Service Schedule
All Outstanding General Obligation Debt

<table>
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<tr>
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<tr>
<td>9/1/19</td>
<td>$3,974,250</td>
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<td>$2,356,500</td>
<td>$706,425</td>
<td>$202,100</td>
<td>$1,885,600</td>
<td>$2,528,812</td>
<td>$2,396,900</td>
<td>$2,301,400</td>
<td>$2,997,733</td>
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<td>21,821,093</td>
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<tr>
<td>9/1/23</td>
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</table>

Total: $3,974,250 | $21,054,250 | $17,188,300 | $2,937,925 | $6,118,900 | $28,219,975 | $102,040,525 | $165,661,700 | $91,855,560 | $61,242,582 | $15,354,193,75 | $645,848,337 | 49 |

(1) Portion of 2010 Refunding Bonds is expected to be refunded from proceeds of the Refunding Bonds.
(2) The Election of 2011, Series A-1 Bonds were issued as New Clean Renewable Energy Bonds. Gross Debt Service does not reflect receipt of federal subsidy payments.
(3) Includes debt service payments on the 2015 Refunding Bonds, Series A and 2015 Refunding Bonds, Series B Bonds, a portion of which is paid out of the 2015 Refunding Bonds, Series B escrow.
SECURITY FOR THE BONDS

Ad Valorem Taxes

**Bonds Payable from Ad Valorem Property Taxes.** The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

**Other Bonds Payable from Ad Valorem Property Taxes.** The District has other outstanding general obligation bonds which are payable from *ad valorem* taxes on a parity basis. See “APPENDIX B – DISTRICT GENERAL AND FINANCIAL INFORMATION - Long-Term Debt.” In addition to the general obligation bonds issued by the District, there is other debt issued by entities within the jurisdiction of the District, which is payable from *ad valorem* taxes levied on parcels in the District. See “PROPERTY TAXATION – Tax Rates” and “- Direct and Overlapping Debt” below.

**Levy and Collection.** The County will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the applicable series of Bonds, which is maintained by the County and which is irrevocably pledged for the payment of principal and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

**Statutory Lien on Ad Valorem Tax Revenues.** Pursuant to Senate Bill 222 effective January 1, 2016, voter approved general obligation bonds which are secured by *ad valorem* tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the Bonds are executed and delivered. The lien is enforceable against the school district or community college district, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

**Annual Tax Rates.** The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District’s control, such as economic recession, deflation of land values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought or other natural disaster,
could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

Building Fund

The County will establish a Building Fund (the "Building Fund") for the Series D Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the County. A deposit will be made to the Building Fund consisting of net Series D Bond proceeds. Money in the Building Fund will be held by the County Treasurer and disbursed upon request of the District, for the payment of the costs of acquiring and constructing the projects permitted by the 2011 Authorization. At such time that no amounts remain on deposit in the Building Fund, the County Treasurer may close the Building Fund.

Debt Service Fund

The County will establish a Debt Service Fund for each of the Series D Bonds and the Refunding Bonds (each, a "Debt Service Fund" and, collectively, the "Debt Service Funds"), which will be established as separate funds to be maintained distinct from all other funds of the County. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the Series D Bonds and the Refunding Bonds will be deposited in the applicable Debt Service Fund by the County promptly upon receipt. The Debt Service Fund for each of the Series D Bonds and the Refunding Bonds are pledged for the payment of the principal of and interest and premium (if any) on the Series D Bonds and the Refunding Bonds, respectively, when and as the same become due. The County will transfer amounts in the applicable Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the Series D Bonds or the Refunding Bonds as the same becomes due and payable.

If, after payment in full of the Bonds and any other general obligation bond indebtedness of the District, any amounts remain on deposit in a Debt Service Fund, the County will transfer such amounts to the general fund of the District, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

The Bonds are payable solely from the proceeds of an ad valorem tax levied and collected by the County, for the payment of principal and interest on the Bonds. Although the County is obligated to collect the ad valorem tax for the payment of the Bonds, the Bonds are not a debt of the County.

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PROPERTY TAXATION

Property Tax Collection Procedures

In California, property which is subject to ad valorem taxes is classified as “secured” or “unsecured.” The “secured roll” is that part of the assessment roll containing state assessed public utilities’ property and real property, the taxes on which create a lien on such property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid, on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder’s office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“SBE”) and taxed locally. Property valued
by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary property”, a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties of the State based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuations

Assessed Valuation History. The table following shows a recent history of the District’s assessed valuation.

GLENDALE UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2008-09 through Fiscal Year 2018-19

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local Secured</th>
<th>Utility</th>
<th>Unsecured</th>
<th>Total</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$24,593,237,046</td>
<td>$--</td>
<td>$664,835,315</td>
<td>$25,258,072,361</td>
<td>0.0</td>
</tr>
<tr>
<td>2009-10</td>
<td>24,536,551,743</td>
<td>--</td>
<td>717,158,709</td>
<td>25,253,710,452</td>
<td>0.0</td>
</tr>
<tr>
<td>2010-11</td>
<td>24,844,233,103</td>
<td>--</td>
<td>726,383,603</td>
<td>25,570,616,706</td>
<td>1.3</td>
</tr>
<tr>
<td>2011-12</td>
<td>25,296,457,210</td>
<td>--</td>
<td>728,780,539</td>
<td>26,025,237,749</td>
<td>1.8</td>
</tr>
<tr>
<td>2012-13</td>
<td>25,529,821,269</td>
<td>--</td>
<td>756,530,032</td>
<td>26,286,351,301</td>
<td>1.0</td>
</tr>
<tr>
<td>2013-14</td>
<td>26,646,683,528</td>
<td>--</td>
<td>766,214,818</td>
<td>27,413,098,346</td>
<td>4.3</td>
</tr>
<tr>
<td>2014-15</td>
<td>27,958,799,498</td>
<td>--</td>
<td>829,368,564</td>
<td>28,788,168,062</td>
<td>5.0</td>
</tr>
<tr>
<td>2015-16</td>
<td>29,571,064,920</td>
<td>--</td>
<td>829,721,717</td>
<td>30,400,786,637</td>
<td>5.6</td>
</tr>
<tr>
<td>2016-17</td>
<td>31,233,634,015</td>
<td>--</td>
<td>813,616,263</td>
<td>32,047,250,278</td>
<td>5.4</td>
</tr>
<tr>
<td>2017-18</td>
<td>33,150,959,813</td>
<td>--</td>
<td>829,493,092</td>
<td>33,980,452,905</td>
<td>6.0</td>
</tr>
<tr>
<td>2018-19</td>
<td>34,875,065,297</td>
<td>--</td>
<td>785,214,117</td>
<td>35,660,279,414</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Source: California Municipal Statistics, Inc.

As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation may result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and natural disasters such as earthquakes, fires, floods and droughts.

[Remainder of page intentionally left blank.]
**Assessed Valuation by Jurisdiction.** The following table shows the assessed valuation of local secured property within the District by jurisdiction for fiscal year 2018-19.

**GLENDALE UNIFIED SCHOOL DISTRICT**  
**Assessed Valuations By Jurisdiction(1)**  
**Fiscal Year 2018-19**

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Assessed Valuation in School District</th>
<th>% of School District</th>
<th>Assessed Valuation of Jurisdiction in School District</th>
<th>% of Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Glendale</td>
<td>$31,787,486,672</td>
<td>69.14%</td>
<td>$31,923,405,024</td>
<td>99.57%</td>
</tr>
<tr>
<td>City of La Canada-Flintridge</td>
<td>660,165,464</td>
<td>1.65</td>
<td>8,021,748,824</td>
<td>2.63%</td>
</tr>
<tr>
<td>Unincorporated Los Angeles County</td>
<td>3,212,672,278</td>
<td>9.01</td>
<td>107,666,068,683</td>
<td>2.98%</td>
</tr>
<tr>
<td>Total District</td>
<td>$35,660,279,414</td>
<td>100.00%</td>
<td>$1,518,401,584,349</td>
<td>2.35%</td>
</tr>
<tr>
<td>Los Angeles County</td>
<td>$35,660,279,414</td>
<td>100.00%</td>
<td>$1,518,401,584,349</td>
<td>2.35%</td>
</tr>
</tbody>
</table>

(1) Before deduction of redevelopment incremental valuation.

(2) On May 3, 2017, the Los Angeles County Committee on School District Organization (the “County Committee”) voted to preliminarily approve a petition to transfer approximately 150 District students living in the City of La Canada-Flintridge to the La Canada Unified School District. Following a CEQA review, the County Committee will hold a second vote to uphold or change the preliminary decision. The District opposed the proposal and may appeal the County Committee’s final decision to the State Board of Education.

Source: California Municipal Statistics, Inc.

**Assessed Valuation by Land Use.** The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2018-19.

**GLENDALE UNIFIED SCHOOL DISTRICT**  
**Assessed Valuation and Parcels by Land Use**  
**Fiscal Year 2018-19**

<table>
<thead>
<tr>
<th>Non-Residential:</th>
<th>2018-19</th>
<th>% of Total</th>
<th>No. of Parcels</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial/Office</td>
<td>$6,876,943,151</td>
<td>19.72%</td>
<td>1,682</td>
<td>3.22%</td>
</tr>
<tr>
<td>Vacant Commercial</td>
<td>333,571,536</td>
<td>0.96</td>
<td>201</td>
<td>0.38</td>
</tr>
<tr>
<td>Industrial</td>
<td>1,042,247,761</td>
<td>2.99</td>
<td>500</td>
<td>0.96</td>
</tr>
<tr>
<td>Vacant Industrial</td>
<td>17,276,304</td>
<td>0.50</td>
<td>83</td>
<td>0.16</td>
</tr>
<tr>
<td>Recreational</td>
<td>88,980,743</td>
<td>0.26</td>
<td>63</td>
<td>0.12</td>
</tr>
<tr>
<td>Government/Social/Institutional</td>
<td>183,337,155</td>
<td>0.53</td>
<td>852</td>
<td>1.63</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>816,834</td>
<td>0.00</td>
<td>184</td>
<td>0.35</td>
</tr>
<tr>
<td>Subtotal Non-Residential</td>
<td>$8,543,073,484</td>
<td>24.50%</td>
<td>3,565</td>
<td>6.83%</td>
</tr>
<tr>
<td>Residential:</td>
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</tr>
<tr>
<td>Single Family Residence</td>
<td>$17,076,630,983</td>
<td>48.97%</td>
<td>31,803</td>
<td>60.89%</td>
</tr>
<tr>
<td>Condominium/Townhouse</td>
<td>3,041,120,744</td>
<td>8.72%</td>
<td>9,627</td>
<td>18.43</td>
</tr>
<tr>
<td>2-4 Residential Units</td>
<td>2,028,872,217</td>
<td>5.82%</td>
<td>3,564</td>
<td>6.82</td>
</tr>
<tr>
<td>5+ Residential Units/Apartments</td>
<td>4,114,373,403</td>
<td>11.80%</td>
<td>2,970</td>
<td>5.69</td>
</tr>
<tr>
<td>Vacant Residential</td>
<td>70,994,466</td>
<td>0.20</td>
<td>704</td>
<td>1.35</td>
</tr>
<tr>
<td>Subtotal Residential</td>
<td>$26,331,991,813</td>
<td>75.50%</td>
<td>48,668</td>
<td>93.17%</td>
</tr>
<tr>
<td>Total</td>
<td>$34,875,065,297</td>
<td>100.00%</td>
<td>52,233</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.
**Assessed Valuation of Single Family Residential Parcels.** The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District, for fiscal year 2018-19.

### GLENDALE UNIFIED SCHOOL DISTRICT
**Per Parcel 2018-19 Assessed Valuation of Single Family Homes**

<table>
<thead>
<tr>
<th>Single Family Residential</th>
<th>No. of Parcels</th>
<th>2018-19 Assessed Valuation</th>
<th>Average Assessed Valuation</th>
<th>Median Assessed Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31,803</td>
<td>$17,076,830,083</td>
<td>$536,950</td>
<td>$485,057</td>
</tr>
<tr>
<td>2018-19 Assessed Valuation</td>
<td>No. of Parcels (1)</td>
<td>% of Total</td>
<td>Cumulative % of Total</td>
<td>Total Valuation</td>
</tr>
<tr>
<td>$0 - $40,999</td>
<td>393</td>
<td>1.236%</td>
<td>1.236%</td>
<td>$14,194,957</td>
</tr>
<tr>
<td>$50,000 - $99,999</td>
<td>1,846</td>
<td>5.904%</td>
<td>7.040%</td>
<td>144,153,519</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>1,887</td>
<td>5.933%</td>
<td>12.974%</td>
<td>234,301,688</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>1,505</td>
<td>4.732%</td>
<td>17.706%</td>
<td>262,908,576</td>
</tr>
<tr>
<td>$200,000 - $249,999</td>
<td>1,617</td>
<td>5.084%</td>
<td>22.790%</td>
<td>365,541,526</td>
</tr>
<tr>
<td>$250,000 - $299,999</td>
<td>1,784</td>
<td>5.610%</td>
<td>28.400%</td>
<td>490,756,838</td>
</tr>
<tr>
<td>$300,000 - $349,999</td>
<td>1,855</td>
<td>5.833%</td>
<td>34.233%</td>
<td>602,922,359</td>
</tr>
<tr>
<td>$350,000 - $399,999</td>
<td>1,893</td>
<td>5.952%</td>
<td>40.185%</td>
<td>708,928,457</td>
</tr>
<tr>
<td>$400,000 - $449,999</td>
<td>1,845</td>
<td>5.801%</td>
<td>45.986%</td>
<td>783,236,988</td>
</tr>
<tr>
<td>$450,000 - $499,999</td>
<td>1,790</td>
<td>5.628%</td>
<td>51.615%</td>
<td>848,207,640</td>
</tr>
<tr>
<td>$500,000 - $549,999</td>
<td>1,703</td>
<td>5.355%</td>
<td>56.969%</td>
<td>894,255,420</td>
</tr>
<tr>
<td>$550,000 - $599,999</td>
<td>1,655</td>
<td>5.204%</td>
<td>62.173%</td>
<td>951,349,713</td>
</tr>
<tr>
<td>$600,000 - $649,999</td>
<td>1,514</td>
<td>4.761%</td>
<td>66.934%</td>
<td>946,485,317</td>
</tr>
<tr>
<td>$650,000 - $699,999</td>
<td>1,390</td>
<td>4.371%</td>
<td>71.305%</td>
<td>937,665,524</td>
</tr>
<tr>
<td>$700,000 - $749,999</td>
<td>1,461</td>
<td>4.594%</td>
<td>75.899%</td>
<td>1,059,067,947</td>
</tr>
<tr>
<td>$750,000 - $799,999</td>
<td>1,251</td>
<td>3.934%</td>
<td>79.832%</td>
<td>968,223,667</td>
</tr>
<tr>
<td>$800,000 - $849,999</td>
<td>1,126</td>
<td>3.541%</td>
<td>83.373%</td>
<td>927,705,771</td>
</tr>
<tr>
<td>$850,000 - $899,999</td>
<td>1,029</td>
<td>3.236%</td>
<td>86.608%</td>
<td>899,568,871</td>
</tr>
<tr>
<td>$900,000 - $949,999</td>
<td>805</td>
<td>2.531%</td>
<td>89.139%</td>
<td>743,099,513</td>
</tr>
<tr>
<td>$950,000 - $999,999</td>
<td>609</td>
<td>1.915%</td>
<td>91.054%</td>
<td>593,316,923</td>
</tr>
<tr>
<td>$1,000,000 and greater</td>
<td>2,845</td>
<td>8.946%</td>
<td>100.000%</td>
<td>3,689,728,789</td>
</tr>
</tbody>
</table>

Total | 31,803 | 100.000% | 17,076,830,083 | 100.000% |

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics Inc.

[Remainder of page intentionally left blank.]
Tax Rates

The table below summarizes the total ad valorem tax rates levied by all taxing entities in Tax Rate Area 4045 (a typical tax rate area in the District) for fiscal years 2014-15 through 2018-19.

**GLENDALE UNIFIED SCHOOL DISTRICT**
**Typical Tax Rates**
**(TRA 4045)**
**Dollars per $100 of Assessed Valuation**
**Fiscal Years 2014-15 through 2018-19**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>1.000000%</td>
<td>1.000000%</td>
<td>1.000000%</td>
<td>1.000000%</td>
<td>1.000000%</td>
</tr>
<tr>
<td>Glendale Unified School District</td>
<td>0.059743</td>
<td>0.050620</td>
<td>0.057988</td>
<td>0.052850</td>
<td>0.050455</td>
</tr>
<tr>
<td>Glendale Community College District</td>
<td>0.022198</td>
<td>0.021235</td>
<td>0.021189</td>
<td>0.034887</td>
<td>0.032453</td>
</tr>
<tr>
<td>Metropolitan Water District</td>
<td>0.003500</td>
<td>0.003500</td>
<td>0.003500</td>
<td>0.003500</td>
<td>0.003500</td>
</tr>
<tr>
<td>Total</td>
<td>1.085441%</td>
<td>1.075355%</td>
<td>1.081677%</td>
<td>1.091237%</td>
<td>1.086408%</td>
</tr>
</tbody>
</table>

(1) 2018-19 Assessed valuation of TRA 4045 is $25,267,612,937.
Source: California Municipal Statistics, Inc.

**Appeals of Assessed Value**

**General.** There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.
No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

**Tax Levies and Delinquencies**

The following table shows tax charges, collections and delinquencies for secured property in the District. Because the County does not participate in the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (commonly known as the "Teeter Plan"), secured property taxes actually collected are allocated to political subdivisions for which the County acts as tax-levying or tax-collating agency, including the District, when the secured property taxes were actually collected. However, the District participates in the California Statewide Tax Authority, a joint powers authority that purchases delinquent *ad valorem* property taxes from school agencies in Los Angeles County to receive additional unrestricted revenues through financing of property tax delinquencies.

The table below shows the secured tax charge and delinquency rate for fiscal years 2009-10 through 2017-18.

**GLENDALE UNIFIED SCHOOL DISTRICT**

**2009-10 through 2017-18**

**Secured Tax Charges and Delinquency Rates**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Secured Tax Charge (1)</th>
<th>Amount Delinquent (June 30)</th>
<th>% Delinquent (June 30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$47,004,082.49</td>
<td>$1,619,872.13</td>
<td>3.45%</td>
</tr>
<tr>
<td>2010-11</td>
<td>47,821,221.20</td>
<td>1,152,625.60</td>
<td>2.41</td>
</tr>
<tr>
<td>2011-12</td>
<td>48,894,728.64</td>
<td>1,024,912.74</td>
<td>2.10</td>
</tr>
<tr>
<td>2012-13</td>
<td>49,649,899.42</td>
<td>896,379.18</td>
<td>1.81</td>
</tr>
<tr>
<td>2013-14</td>
<td>51,953,546.28</td>
<td>769,748.21</td>
<td>1.48</td>
</tr>
<tr>
<td>2014-15</td>
<td>54,782,093.64</td>
<td>792,874.99</td>
<td>1.45</td>
</tr>
<tr>
<td>2015-16</td>
<td>58,086,833.41</td>
<td>828,181.11</td>
<td>1.43</td>
</tr>
<tr>
<td>2016-17</td>
<td>61,174,671.16</td>
<td>730,342.41</td>
<td>1.19</td>
</tr>
<tr>
<td>2017-18</td>
<td>65,535,221.08</td>
<td>815,970.62</td>
<td>1.25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Secured Tax Charge (2)</th>
<th>Amount Delinquent (June 30)</th>
<th>% Delinquent (June 30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$11,275,482.56</td>
<td>$316,214.93</td>
<td>2.80%</td>
</tr>
<tr>
<td>2010-11</td>
<td>8,677,762.65</td>
<td>204,195.16</td>
<td>2.35</td>
</tr>
<tr>
<td>2011-12</td>
<td>11,320,661.48</td>
<td>222,702.91</td>
<td>1.97</td>
</tr>
<tr>
<td>2012-13</td>
<td>11,406,140.31</td>
<td>399,849.27</td>
<td>3.51</td>
</tr>
<tr>
<td>2013-14</td>
<td>10,396,127.60</td>
<td>125,766.86</td>
<td>1.21</td>
</tr>
<tr>
<td>2014-15</td>
<td>16,723,607.17</td>
<td>182,282.26</td>
<td>1.09</td>
</tr>
<tr>
<td>2015-16</td>
<td>14,955,843.67</td>
<td>165,746.19</td>
<td>1.11</td>
</tr>
<tr>
<td>2016-17</td>
<td>17,842,898.42</td>
<td>173,440.95</td>
<td>0.97</td>
</tr>
<tr>
<td>2017-18</td>
<td>17,505,946.70</td>
<td>205,357.08</td>
<td>1.17</td>
</tr>
</tbody>
</table>

---

(1) 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects county wide delinquency rate.

(2) District's general obligation bond debt service levy only.

*Source: California Municipal Statistics, Inc.*
Largest Secured Property Taxpayers in District

The twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the fiscal year 2017-18 tax roll, and the assessed valuations thereof, are shown below.

The more property (by assessed value) which is owned by a single taxpayer in the District, the greater amount of tax collections are exposed to weaknesses in the taxpayer’s financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

GLENDALE UNIFIED SCHOOL DISTRICT
Largest Secured Taxpayers
Fiscal Year 2018-19

<table>
<thead>
<tr>
<th>Property Owner</th>
<th>Primary Land Use</th>
<th>Assessed Valuation</th>
<th>% of Total (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Walt Disney World Co.</td>
<td>Movie Studio</td>
<td>$486,585,171</td>
<td>1.40%</td>
</tr>
<tr>
<td>2. Americana at Brand LLC</td>
<td>Shopping Center</td>
<td>367,287,523</td>
<td>1.05%</td>
</tr>
<tr>
<td>3. Glendale I Mall Associates LP</td>
<td>Shopping Center</td>
<td>321,617,460</td>
<td>0.92%</td>
</tr>
<tr>
<td>4. Glendale II Mall Associates LLC</td>
<td>Shopping Center</td>
<td>224,272,927</td>
<td>0.64%</td>
</tr>
<tr>
<td>5. CP IV Glendale LLC</td>
<td>Apartments</td>
<td>200,119,448</td>
<td>0.57%</td>
</tr>
<tr>
<td>6. La Hana Ow LLC, Lessor</td>
<td>Movie Studio</td>
<td>195,409,222</td>
<td>0.56%</td>
</tr>
<tr>
<td>7. GPI 500 Brand Ltd.</td>
<td>Office Building</td>
<td>185,544,280</td>
<td>0.53%</td>
</tr>
<tr>
<td>8. DWF V 655 North Central LLC</td>
<td>Office Building</td>
<td>182,580,000</td>
<td>0.52%</td>
</tr>
<tr>
<td>9. Camden USA Inc.</td>
<td>Commercial</td>
<td>149,012,424</td>
<td>0.43%</td>
</tr>
<tr>
<td>10. Wells REIT Glendale CA LLC</td>
<td>Office Building</td>
<td>148,800,000</td>
<td>0.43%</td>
</tr>
<tr>
<td>11. KW Fund V Brand LLC</td>
<td>Office Building</td>
<td>135,096,431</td>
<td>0.39%</td>
</tr>
<tr>
<td>12. PPF AMLI 320 North Central</td>
<td>Apartments</td>
<td>135,051,804</td>
<td>0.39%</td>
</tr>
<tr>
<td>13. BCAL 101 North Brand Property</td>
<td>Office Building</td>
<td>130,815,000</td>
<td>0.38%</td>
</tr>
<tr>
<td>14. Faruque and Maria S. Sikder, Trustees</td>
<td>Apartments</td>
<td>123,759,915</td>
<td>0.35%</td>
</tr>
<tr>
<td>15. Stanley A. Sirott</td>
<td>Apartments</td>
<td>107,939,275</td>
<td>0.31%</td>
</tr>
<tr>
<td>16. Dignity Health</td>
<td>Hospital</td>
<td>98,108,111</td>
<td>0.28%</td>
</tr>
<tr>
<td>17. Sequoia Equities Glendale</td>
<td>Commercial</td>
<td>96,695,015</td>
<td>0.28%</td>
</tr>
<tr>
<td>18. Americana Residential LLC</td>
<td>Apartments</td>
<td>96,187,768</td>
<td>0.28%</td>
</tr>
<tr>
<td>19. 505 North Brand LLC</td>
<td>Office Building</td>
<td>87,247,579</td>
<td>0.25%</td>
</tr>
<tr>
<td>20. SPUS8 Glendale LP</td>
<td>Office Building</td>
<td>84,175,866</td>
<td>0.24%</td>
</tr>
</tbody>
</table>

$3,556,305,219 10.20%

(1) 2018-19 local secured assessed valuation: $34,875,065,297.
Source: California Municipal Statistics, Inc.

[Remainder of page intentionally left blank.]
Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated September 1, 2018. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

GLENDALE UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
as of September 1, 2018

<table>
<thead>
<tr>
<th>2018-19 Assessed Valuation:</th>
<th>$35,660,279,414</th>
</tr>
</thead>
</table>

**DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:**

<table>
<thead>
<tr>
<th>Metropolitan Water District</th>
<th>Glendale Community College District</th>
<th>Glendale Unified School District</th>
<th>Los Angeles County Regional Park and Open Space Assessment District</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Applicable (1)</td>
<td>1.240%</td>
<td>100.000</td>
<td>100.000</td>
</tr>
<tr>
<td>Debt 9/1/18</td>
<td>$751,440</td>
<td>161,777,110</td>
<td>246,439,986</td>
</tr>
</tbody>
</table>

**TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:**

| $409,602,350 |

**DIRECT AND OVERLAPPING GENERAL FUND DEBT:**

<table>
<thead>
<tr>
<th>Los Angeles County General Fund Obligations</th>
<th>Los Angeles County Superintendent of Schools Certificates of Participation</th>
<th>Glendale Community College District Certificates of Participation</th>
<th>Glendale Unified School District Certificates of Participation</th>
<th>City of Glendale General Fund Obligations</th>
<th>City of La Canada Flintridge Certificates of Participation</th>
<th>DIRECT AND OVERLAPPING GENERAL FUND DEBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.385%</td>
<td>$52,297,311</td>
<td>138,996</td>
<td>14,501,555</td>
<td>27,113</td>
<td>$100,736,312</td>
<td></td>
</tr>
<tr>
<td>2.385%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OVERLAPPING TAX INCREMENT DEBT (Successor Agency):**

<table>
<thead>
<tr>
<th>COMBINED TOTAL DEBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>$80,995,000</td>
</tr>
<tr>
<td>$591,333,652 (3)</td>
</tr>
</tbody>
</table>

Ratios to 2018-19 Assessed Valuation:

| Direct Debt ($246,439,986) .................................................. | 0.69% |
| Total Direct and Overlapping Tax and Assessment Debt .................................................. | 1.15% |
| **Combined Direct Debt ($260,941,541) ..................................................** | 0.73% |
| **Combined Total Debt ..................................................** | 1.66% |

Ratio to Redevelopment Incremental Valuation ($5,548,172,974):

| Total Overlapping Tax Increment Debt .................................................. | 1.46% |

---

(1) 2017-18 ratios.
(2) Excludes Bonds to be issued.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.
TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond.
on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

**California Tax Status.** In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

**Forms of Opinion.** A copy of each proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

**Other Tax Considerations.** Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

**CERTAIN LEGAL MATTERS**

**Legality for Investment**

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and under provisions of the California Government Code, the Bonds are eligible to secure deposits of public moneys in California.

**Absence of Litigation**

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Bonds.
The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel to the District, and Keygent LLC, as financial advisor to the District, is contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in the form attached hereto as Appendix E. The District has covenanted therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an “Annual Report”) not later than nine months after the end of the District’s fiscal year (which currently would be March 31), commencing March 31, 2019 with the report for the 2017-18 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the “Rule”).

The District has made undertakings pursuant to the Rule in connection with the delivery of prior general obligation bonds, refunding general obligation bonds and certificates of participation. Specific instances of non-compliance with prior undertakings in the previous five years include (i) certain annual reports included more current information related to largest local secured property taxpayers than was required, which prior undertakings required the largest local secured taxpayers for the preceding fiscal year rather than the more current data, and (ii) secured tax charge and delinquency data was provided in certain annual reports for the preceding fiscal year, rather than the fiscal year for which the annual report was filed, because such data was not available for the most recently completed fiscal year.

The inclusion of the above instances of non-compliance is not an acknowledgement that any such instance is material. The District is not aware of any other action (or inaction) which may have occurred in the previous five years which could be viewed as a material failure to comply with any previous undertaking with regard to the Rule.

The District has engaged Keygent LLC, to serve as its dissemination agent in connection with prior undertakings and the Bonds.

Neither the County nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District’s duties regarding continuing disclosure.
RATINGS

Moody’s Investors Services ("Moody’s") and S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC ("S&P") have assigned ratings of “Aa1” and “AA”, respectively, to the Bonds. The District has provided certain additional information and materials to Moody’s and S&P (some of which does not appear in this Official Statement to the extent it has been considered immaterial to making an investment decision in the Bonds). Such ratings reflect only the views of the rating agencies, and explanations of the significance of a rating may be obtained only from Moody’s or S&P, as applicable. There is no assurance that any credit ratings given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody’s or S&P, if in such agency’s judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Series D Bonds. The Underwriter has agreed to purchase the Series D Bonds on the Closing Date, pursuant to the Series D Purchase Contract, at a price of $40,217,040.90 (which is equal to the aggregate principal amount of the Series D Bonds, plus net original issue premium of $2,359,540.90 and less Underwriter’s discount of $142,500.00).

The Series D Purchase Contract provides that the Underwriter will purchase all of the Bonds (if any are purchased), and provide that the Underwriter’s obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

Refunding Bonds. The Underwriter has agreed to purchase the Refunding Bonds on the Settlement Date, pursuant to the Forward Delivery Purchase Contract, at a price of $13,803,984.25 (which is equal to the aggregate principal amount of the Refunding Bonds, plus original issue premium of $994,361.50 and less Underwriter’s discount of $75,377.25).

The Forward Delivery Purchase Contract provides that the Underwriter will purchase all of the Refunding Bonds (if any are purchased), and provides that the Underwriter’s obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel. See “FORWARD DELIVERY OF THE REFUNDING BONDS.”

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

The Underwriter made a voluntary contribution to the committee that was formed to support the election that authorized the issuance of the Series D Bonds that are being financed.

RBC Capital Markets, LLC has provided the following information for inclusion in this Official Statement: The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities
and instruments made the subject of this securities offering or other offering of the Issuer. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Refunding Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to the sufficiency of the anticipated amount of proceeds of the Refunding Bonds and other funds available to pay, when due, the principal and interest when due of the Refunded Bonds.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

ADDITIONAL INFORMATION

The discussions herein about the Resolutions and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the Paying Agent in Los Angeles, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District. The District may impose charges for copying, mailing and handling.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the District.

GLENDALE UNIFIED SCHOOL DISTRICT

By: /s/ Dr. Winfred B. Roberson, Jr.
Superintendent
APPENDIX A

DISTRICT GENERAL AND FINANCIAL INFORMATION

The information in this and other sections concerning the District’s operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal or interest on the Bonds is payable from the General Fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security for the Bonds" in the front portion of the Official Statement.

General Information

The District provides kindergarten through twelfth grade education services to residents of an area encompassing approximately 36 square miles including the City of Glendale and the community of La Crescenta, an additional portion of an unincorporated area of Los Angeles County in the northeast part of the District, and a very small portion of the City of La Canada-Flintridge.' See "PROPERTY TAXATION – Assessed Valuation – Assessed Valuation By Jurisdiction" in the body of this Official Statement. The District has operated as a unified school district under the laws of the State of California continuously since 1936, and currently has no charter schools operating within its boundaries.

Board of Education

The District is governed by a five-member Board of Education (the "Board"), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions.

Current members of the Board, together with their office and the date their term expires, are listed below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Office</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gregory Krikorian</td>
<td>President</td>
<td>April 2021</td>
</tr>
<tr>
<td>Jennifer Freemom</td>
<td>Vice President</td>
<td>April 2019</td>
</tr>
<tr>
<td>Dr. Armina Gharpetian</td>
<td>Clerk</td>
<td>April 2021</td>
</tr>
<tr>
<td>Nayiri Nahabedian</td>
<td>Member</td>
<td>April 2019</td>
</tr>
<tr>
<td>Shant Sahakian</td>
<td>Member</td>
<td>April 2021</td>
</tr>
</tbody>
</table>

Administration. The Superintendent of the District is appointed by the Board and is responsible for management of the day-to-day operations of the District and supervises the work of other District administrators. To follow are brief biographies of the Superintendent and the Chief Business and Financial Officer.

* On May 3, 2017, the Los Angeles County Committee on School District Organization (the "County Committee") voted to preliminarily approve a petition to transfer approximately 350 District students living in the City of La Canada-Flintridge to the La Canada Unified School District. Following a CEQA review, the County Committee will hold a second vote to uphold or change the preliminary decision. The District opposed the proposal and may appeal the County Committee’s final decision to the State Board of Education. See “– Recent Enrollment Trends - Status of Proposed Territory Transfer.”
Superintendent: Dr. Winfred B. Roberson, Jr. Dr. Roberson joined the District as Superintendent in February 2016. Prior to joining the District, he served as the Superintendent at Davis Joint Unified School District for six years. Dr. Roberson has 23 years of experience in education, having served as a history teacher, a site administrator and superintendent. Dr. Roberson holds a doctorate in Educational Leadership from the University of California, Davis, a Master of Arts degree in Education Administration from the University of California, Davis and a Bachelor of Arts degree in Rhetoric from the University of California, Berkeley.

Chief Business & Financial Officer: Stephen Dickinson. Mr. Dickinson joined the District on April 1, 2017 as Chief Business and Financial Officer. Prior to joining the District, Mr. Dickinson served as Assistant Superintendent at Oxnard Union High School District from July 2012. Mr. Dickinson holds a Bachelor’s degree in Finance and Economics from St. Cloud State University and a Certificate from the School of Business Management of the University of Southern California.

Recent Enrollment Trends

The following table shows enrollment and average daily attendance history for the District, with estimated figures for fiscal year 2017-18 and budgeted figures for fiscal year 2018-19.

GLENDALE UNIFIED SCHOOL DISTRICT
ANNUAL ENROLLMENT and AVERAGE DAILY ATTENDANCE
Fiscal Years 2006-07 through 2018-19

<table>
<thead>
<tr>
<th>School Year</th>
<th>Enrollment</th>
<th>% Change</th>
<th>ADA</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>27,420</td>
<td>--</td>
<td>26,394</td>
<td>--</td>
</tr>
<tr>
<td>2007-08</td>
<td>27,054</td>
<td>(1.3)%</td>
<td>26,033</td>
<td>(1.4)%</td>
</tr>
<tr>
<td>2008-09</td>
<td>26,744</td>
<td>(1.1)%</td>
<td>25,765</td>
<td>(1.0)%</td>
</tr>
<tr>
<td>2009-10</td>
<td>26,659</td>
<td>(1.3)%</td>
<td>25,501</td>
<td>(1.1)%</td>
</tr>
<tr>
<td>2010-11</td>
<td>26,393</td>
<td>(1.0)%</td>
<td>25,303</td>
<td>(0.8)%</td>
</tr>
<tr>
<td>2011-12</td>
<td>26,250</td>
<td>(0.5)%</td>
<td>25,371</td>
<td>0.3</td>
</tr>
<tr>
<td>2012-13</td>
<td>26,194</td>
<td>(0.2)%</td>
<td>25,247</td>
<td>(0.5)%</td>
</tr>
<tr>
<td>2013-14</td>
<td>26,084</td>
<td>(0.4)%</td>
<td>25,278</td>
<td>(0.1)%</td>
</tr>
<tr>
<td>2014-15</td>
<td>26,168</td>
<td>(1.6)%</td>
<td>25,188</td>
<td>(0.4)%</td>
</tr>
<tr>
<td>2015-16</td>
<td>26,115</td>
<td>(0.2)%</td>
<td>25,164</td>
<td>0.0</td>
</tr>
<tr>
<td>2016-17</td>
<td>26,075</td>
<td>(0.2)%</td>
<td>25,130</td>
<td>(0.2)%</td>
</tr>
<tr>
<td>2017-18(1)</td>
<td>26,071</td>
<td>0.0</td>
<td>25,132</td>
<td>0.0</td>
</tr>
<tr>
<td>2018-19(2)</td>
<td>26,210</td>
<td>0.5</td>
<td>25,406</td>
<td>1.1</td>
</tr>
</tbody>
</table>

(1) Estimated Actual.
(2) Budgeted.
Source: State Department of Education and Glendale Unified School District.

Status of Proposed Territory Transfer. In June 2016, a group of residents known as UniteLCF submitted a petition to transfer approximately 350 District students living in the City of La Canada-Flintridge to the La Canada Unified School District to the Los Angeles County Registrar-Recorder (the “County Registrar”) for certification. On July 26, 2016, the UniteLCF petition was certified by the County Registrar. On May 3, 2017, the Los Angeles County Committee on School District Organization (the “County Committee”) voted to preliminarily approve the UniteLCF petition. In January 2018 the County Committee selected an environmental services consultant to complete the CEQA review for the territory transfer. Following the CEQA review, the County Committee will hold a second vote to uphold or change the preliminary
decision. The District opposed the proposal and may appeal the County Committee’s final decision to the State Board of Education.

Employee Relations

For fiscal year 2017-18, the District employed 1,295 full time equivalent ("FTE") Certificated, 926 FTE Classified and 198 FTE management employees. There are three formal bargaining units operating in the District which are described in the table below.

GLendale Unified School District
Labor Organizations

<table>
<thead>
<tr>
<th>Labor Organization</th>
<th>Contract Expiration Date(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glendale Teachers Association</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>California School Employees Association</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>Glendale Schools Management Association</td>
<td>June 30, 2018</td>
</tr>
</tbody>
</table>

(1) Negotiations have not begun with the bargaining units for fiscal year 2018-19; the District and the bargaining units operate pursuant to the terms of expired agreements until new terms are settled.
Source: Glendale Unified School District.

District Financial Information

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the General Fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof.

Education Funding Generally

School districts in California receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general ad valorem tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly affect a school district's revenues and operations.

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("ADA") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of the District's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues.
The fiscal year 2013-14 State budget package replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the “LCFF”). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is $2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 50% of a local education agency’s base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and will be phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district’s proportionate share of the appropriations included in the State budget (based on the percentage of each district’s students who are low-income, English learners, and foster youth (“Targeted Students”)), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district’s funding gap.

Based on revenue projections, districts will reach what is referred to as “full funding” in eight years, being fiscal year 2020-21. This projection assumes that the State’s economy will improve each year; if the economy falters it could take longer to reach full funding.

The target LCFF amounts for State school districts and charter schools based on grade levels and Targeted Students is shown below.
Grade Span Funding at Full LCFF Implementation\(^{(1)}\) (Target Amount)

<table>
<thead>
<tr>
<th>Grade Span</th>
<th>Base Grant(^{(2)})</th>
<th>K-3 Class Reduction and 9-12 Adjustments</th>
<th>Average Assuming 0% Targeted Students</th>
<th>Average Assuming 25% Targeted Students</th>
<th>Average Assuming 50% Targeted Students</th>
<th>Average Assuming 100% Targeted Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-3</td>
<td>$6,845</td>
<td>$712</td>
<td>$7,557</td>
<td>$7,935</td>
<td>$8,313</td>
<td>$10,769</td>
</tr>
<tr>
<td>4-6</td>
<td>6,947</td>
<td>N/A</td>
<td>6,947</td>
<td>7,294</td>
<td>7,642</td>
<td>9,899</td>
</tr>
<tr>
<td>7-8</td>
<td>7,154</td>
<td>N/A</td>
<td>7,154</td>
<td>7,512</td>
<td>7,869</td>
<td>10,194</td>
</tr>
<tr>
<td>9-12</td>
<td>8,289</td>
<td>$216</td>
<td>8,505</td>
<td>8,930</td>
<td>9,355</td>
<td>12,119</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Full implementation of LCFF expected in fiscal year 2020-21.
\(^{(2)}\) Does not include adjustments for cost of living.
Source: California Department of Education.

The new legislation included a “hold harmless” provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the 2013-14 Budget created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

**District Accounting Practices**

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts.

District accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes
are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The Governmental Accounting Standards Board ("GASB") published its Statement No. 34, "Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management’s Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting; (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

Financial Statements

General. The District’s general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District’s June 30, 2017 Audited Financial Statements were prepared by Clifton Larson Allen LLP, Glendora, California, and are attached hereto as Appendix A. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent, Glendale Unified School District, 223 North Jackson Street, Glendale, California 91206; telephone (818) 241-3111. The District has not requested, and the auditor has not provided, any review or update of such Financial Statements in connection with inclusion in this Official Statement. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. This District may impose a charge for copying, mailing and handling.

[Remainder of page intentionally left blank.]
**General Fund Revenues, Expenditures and Changes in Fund Balance.** The District’s General Fund is the District’s primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. The following table shows the audited income and expense statements for the District for the fiscal years 2012-13 through 2016-17.

**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**Fiscal Years 2012-13 through 2016-17 (Audited)**

Glendale Unified School District

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LCFF/Revenue limit sources: <em>(1)</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State apportionments</td>
<td>$78,837,562</td>
<td>$115,084,293</td>
<td>$126,261,651</td>
<td>$139,696,728</td>
<td>$142,970,092</td>
</tr>
<tr>
<td>Local sources</td>
<td>55,269,148</td>
<td>50,033,219</td>
<td>55,959,762</td>
<td>64,597,644</td>
<td>71,783,671</td>
</tr>
<tr>
<td><strong>Total revenue limit</strong></td>
<td>134,106,710</td>
<td>165,117,512</td>
<td>182,221,413</td>
<td>204,294,372</td>
<td>214,753,763</td>
</tr>
<tr>
<td>Federal revenues</td>
<td>19,875,370</td>
<td>16,057,551</td>
<td>15,203,951</td>
<td>15,195,306</td>
<td>15,907,519</td>
</tr>
<tr>
<td>Other state revenues</td>
<td>45,583,853</td>
<td>26,713,385</td>
<td>31,484,905</td>
<td>47,071,061</td>
<td>38,804,150</td>
</tr>
<tr>
<td>Other local revenues</td>
<td>13,809,224</td>
<td>11,595,593</td>
<td>12,811,477</td>
<td>14,242,960</td>
<td>14,842,337</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>213,375,157</td>
<td>219,484,041</td>
<td>241,721,746</td>
<td>280,803,699</td>
<td>284,307,769</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>155,849,638</td>
<td>154,250,535</td>
<td>165,666,000</td>
<td>181,786,213</td>
<td>190,159,624</td>
</tr>
<tr>
<td>Instruction-related services</td>
<td>23,518,721</td>
<td>24,085,334</td>
<td>25,986,552</td>
<td>30,878,098</td>
<td>32,696,511</td>
</tr>
<tr>
<td>Pupil services</td>
<td>12,947,904</td>
<td>13,469,235</td>
<td>15,008,470</td>
<td>16,172,190</td>
<td>16,713,191</td>
</tr>
<tr>
<td>Ancillary services</td>
<td>1,447,121</td>
<td>1,446,333</td>
<td>1,505,005</td>
<td>1,648,823</td>
<td>1,734,446</td>
</tr>
<tr>
<td>Community services</td>
<td>471,162</td>
<td>454,259</td>
<td>452,939</td>
<td>509,999</td>
<td>497,348</td>
</tr>
<tr>
<td>General administration</td>
<td>8,908,637</td>
<td>9,041,028</td>
<td>10,104,683</td>
<td>10,497,882</td>
<td>11,631,077</td>
</tr>
<tr>
<td>Plant services</td>
<td>20,645,708</td>
<td>21,396,644</td>
<td>21,063,023</td>
<td>23,406,187</td>
<td>24,600,939</td>
</tr>
<tr>
<td>Enterprise activities</td>
<td>1,977</td>
<td>1,832</td>
<td>2,064</td>
<td>2,966</td>
<td>4,028</td>
</tr>
<tr>
<td>Other outgo</td>
<td>572,638</td>
<td>661,456</td>
<td>523,560</td>
<td>407,367</td>
<td>512,121</td>
</tr>
<tr>
<td>Debt service</td>
<td>118,000</td>
<td>128,000</td>
<td>--</td>
<td>285,000</td>
<td>177,000</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>224,481,506</td>
<td>224,933,656</td>
<td>240,282,296</td>
<td>265,594,425</td>
<td>278,726,285</td>
</tr>
</tbody>
</table>

| Excess of Revenues                            |                 |                 |                 |                 |                 |
| Over/(Under) Expenditures                     | (11,106,349)    | (5,449,615)     | 1,439,450       | 15,209,274      | 5,581,484       |

| Other Financing Sources (Uses)                |                 |                 |                 |                 |                 |
| Interfund transfers in                        | --              | --              | --              | 1,370,025       | 1,481,351       |
| Interfund transfers out                       | (2,362,449)     | (1,032,271)     | (1,840,007)     | (2,582,169)     | (2,686,228)     |
| **Total Other Fin. Source (Uses)**            | (2,362,449)     | (1,032,271)     | (1,840,007)     | (2,121,144)     | (2,104,877)     |

| Net change in fund balance                   | (13,468,798)    | (6,481,886)     | (400,557)       | 13,997,130      | 4,736,607       |

| Fund Balance, July 1 (as restated)            | 64,959,192      | 51,490,394      | 45,008,508      | 44,607,951      | 56,605,081      |

| Fund Balance, June 30                        | **51,490,394**  | **45,008,508**  | **44,607,951**  | **56,605,081**  | **62,981,888**  |

*(1)* Local Control Funding Formula commenced in fiscal year 2013-14.

Source: Glendale Unified School District.
District Budget and Interim Financial Reporting

**Budgeting – Education Code Requirements.** The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. A district must be on a single budget cycle. The single budget is only readopted if it is disapproved by the county office of education, or as needed. The District is on a single budget cycle and adopts its budget on or before July 1.

The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before September 15, the county superintendent will approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent’s recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent’s recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. The law does not provide for conditional approvals; budgets must be either approved or disapproved. No later than November 8, the county superintendent must notify the Superintendent of Public Instruction of all school districts whose budgets have been disapproved.

For districts whose budgets have been disapproved, the district must revise and readopt its budget by September 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent’s recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a district’s budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

**Interim Certifications Regarding Ability to Meet Financial Obligations.** Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the
remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district’s repayment of indebtedness is probable.

**District's Budget Approval/Disapproval and Certification History.** Commencing in fiscal year 2010-11 through 2013-14, the District has received positive certifications on all of its interim reports. The District received a qualified certification for its fiscal year 2014-15 second interim report, but has received positive certifications on its most recent interim reports for fiscal years 2016-17 and 2017-18.

Copies of the District’s budget, interim reports and certifications may be obtained upon request from the District Office at 223 North Jackson Street, Glendale, California 91206, Phone: (818) 241-3111. The District may impose charges for copying, mailing and handling.

[Remainder of page intentionally left blank]
### District’s 2017-18 Unaudited Actuals and 2018-19 Budgeted General Fund Figures.

The following table shows the income and expense statements for the 2017-18 (unaudited actuals) and 2018-19 (adopted budget) general fund.

### GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

**Fiscal Year 2017-18 (Unaudited Actuals) and Fiscal Year 2018-19 (Budgeted)**

*Glendale Unified School District*

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Unaudited Actuals 2017-18</th>
<th>Adopted Budget 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCFF Sources</td>
<td>$219,410,004</td>
<td>$235,751,710</td>
</tr>
<tr>
<td>Federal revenues</td>
<td>15,294,395</td>
<td>12,863,443</td>
</tr>
<tr>
<td>Other state revenues</td>
<td>39,180,252</td>
<td>31,481,775</td>
</tr>
<tr>
<td>Other local revenues</td>
<td>16,586,431</td>
<td>12,709,457</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>290,471,082</strong></td>
<td><strong>292,806,385</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificated salaries</td>
<td>129,268,019</td>
<td>128,511,087</td>
</tr>
<tr>
<td>Classified salaries</td>
<td>40,048,452</td>
<td>42,259,159</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>80,029,361</td>
<td>77,085,652</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>14,589,530</td>
<td>7,928,807</td>
</tr>
<tr>
<td>Contract services &amp; operating expenses</td>
<td>33,521,587</td>
<td>30,842,846</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>688,645</td>
<td>151,558</td>
</tr>
<tr>
<td>Other outgo (excluding indirect costs)</td>
<td>906,884</td>
<td>966,000</td>
</tr>
<tr>
<td>Other outgo – transfers of indirect costs</td>
<td>(495,960)</td>
<td>(401,000)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>298,556,518</strong></td>
<td><strong>287,344,109</strong></td>
</tr>
</tbody>
</table>

| Excess of revenues over/(under) expenditures | (8,085,435) | 5,462,276 |

<table>
<thead>
<tr>
<th>Other financing sources (Uses)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating transfers in</td>
<td>1,197,596</td>
<td>-</td>
</tr>
<tr>
<td>Operating transfers out</td>
<td>(3,554,031)</td>
<td>(1,873,773)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>(2,356,435)</td>
<td></td>
</tr>
</tbody>
</table>

| Net change in fund balance | (10,441,871) | 3,588,503 |

| Fund balance, July 1 | 57,854,923 | 47,413,053 |
| Fund balance, June 30 | $47,413,053 | $51,001,556 |

*Source: Glendale Unified School District 2018-19 Adopted Budget.*

### District Reserves.

In general, the State requires that the California school districts maintain the equivalent of 3% of annual general fund expenditures in reserve to be available during financial crisis. The District has historically had an unrestricted reserve in excess of the 3% minimum requirement.

In connection with legislation adopted in connection with the State’s fiscal year 2014-15 Budget ("SB 858"), the Education Code was amended to provide that, beginning in fiscal year 2015-16, if a district’s proposed budget includes a local reserve above the minimum recommended level, the governing board must provide the information for review at the annual public hearing on its proposed budget. In addition, SB 858 included a provision, which became effective upon the passage of Proposition 2 at the November 4, 2014 statewide election, which limits the amount of reserves which may be maintained at the District level. Specifically, the
legislation, among other things, enacted Education Code Section 42127.01, which became operative December 15, 2014, and provides that in any fiscal year immediately after a fiscal year in which a transfer is made to the State’s Public School System Stabilization Account (the Proposition 98 reserve), a school district may not adopt a budget that contains a reserve for economic uncertainties in excess of twice the applicable minimum recommended reserve for economic uncertainties established by the State Board (for school districts with ADA over 400,000, the limit is three times the amount). Exemptions can be granted by the County Superintendent under certain circumstances.

On October 11, 2017, the Governor signed SB 751 into law, which amends Section 42127.01 of the Education Code effective January 1, 2018 (“SB 751”). SB 751 raises the reserve cap established under SB 858 to no more than 10% of a school district’s combined assigned or unassigned ending general fund balance and provides that the reserve cap will be triggered only if there is a minimum balance of 3% of the Proposition 98 reserve. Basic aid school districts and small districts with 2,500 or fewer ADA are exempt from the reserve cap.

The District cannot predict how SB 858 or SB 751 will impact its reserves and future spending.

**Attendance - Revenue Limit and LCFF Funding**

As described herein, prior to fiscal year 2013-14, school districts in California derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth LCFF funding for the District for fiscal years 2013-14 through 2018-19 (Budgeted).

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>ADA(1)</th>
<th>LCFF “Phase-In” Entitlement Per ADA(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>25,278</td>
<td>$6,526</td>
</tr>
<tr>
<td>2014-15</td>
<td>25,188</td>
<td>7,227</td>
</tr>
<tr>
<td>2015-16</td>
<td>25,184</td>
<td>8,109</td>
</tr>
<tr>
<td>2016-17</td>
<td>25,130</td>
<td>8,531</td>
</tr>
<tr>
<td>2017-18</td>
<td>25,132</td>
<td>8,742</td>
</tr>
<tr>
<td>2018-19</td>
<td>25,406</td>
<td>9,273</td>
</tr>
</tbody>
</table>

(1) P-2 for Fiscal Year 2013-14 through 2017-18; Projected Fiscal Year 2018-19.
(2) Represents the average funding per ADA across grade spans.
Source: Glendale Unified School District.

The unduplicated count of the District’s students which are low-income, English learners and/or foster youth was estimated to be 54.75% in fiscal year 2017-18 and projected to be 55.16% in fiscal year 2018-19 for purposes of determining supplemental and concentration grant funding under LCFF.
Revenue Sources

The District categorizes its general fund revenues into four sources, being LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

**LCFF Sources.** District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will amount to the difference between the District’s LCFF funding entitlement and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district’s property tax revenues, i.e., the district’s share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

**Federal Revenues.** The federal government provides funding for several District programs, including special education programs, programs under Every Student Succeeds Act, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

**Other Local Revenues.** In addition to property taxes, the District receives additional local revenues from items such as interest earnings, leases and rentals, and other local sources.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers’ Retirement System (“STRS”) and classified employees are members of the Public Employees’ Retirement System (“PERS”). Both STRS and PERS are operated on a Statewide basis. The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

**Implementation of GASB Nos. 68 and 71.** Commencing with fiscal year ended June 30, 2015, the District implemented the provisions of GASB Statement Nos. 68 and 71 which require certain new pension disclosures in the notes to its audited financial statements commencing with the audit for fiscal year 2014-15. Statement No. 68 generally requires the District to recognize its proportionate share of the unfunded pension obligation for STRS and PERS by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. As a result of the implementation of GASB Statement Nos. 68 and 71, the District
may have to reflect a restatement of its beginning net position as of July 1, 2014. See "APPENDIX B - Audited Financial Statements of the District for Fiscal Year Ending June 30, 2017."

**STRS.** All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended. The program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers and the State. The District's employer contributions to STRS for recent fiscal years are set forth in the following table.

### STRS EMPLOYER CONTRIBUTIONS
**Glendale Unified School District**
**Fiscal Years 2011-12 through 2018-19**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>$8,593,302</td>
</tr>
<tr>
<td>2012-13</td>
<td>8,510,752</td>
</tr>
<tr>
<td>2013-14</td>
<td>8,562,322</td>
</tr>
<tr>
<td>2014-15</td>
<td>9,506,540</td>
</tr>
<tr>
<td>2015-16</td>
<td>12,648,966</td>
</tr>
<tr>
<td>2016-17</td>
<td>15,334,380</td>
</tr>
<tr>
<td>2017-18(1)</td>
<td>18,142,863</td>
</tr>
<tr>
<td>2018-19(2)</td>
<td>21,123,605</td>
</tr>
</tbody>
</table>

(1) Estimated.
(2) Budgeted.

*Source: Glendale Unified School District Audited Financial Statements for fiscal years 2011-12 through 2016-17 and Fiscal Year 2018-19 Adopted Budget for fiscal years 2017-18 and 2018-19.*

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately $96.7 billion as of June 30, 2016 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 ("AB 1469"), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.25% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

On February 1, 2017, the STRS Teacher's Retirement Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in most recent actuarial valuation, and include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. Based
on these changes, recent investment experience and the insufficiency of the contributions received in fiscal year 2015-16 to cover interest on the unfunded actuarial obligation, the 2016 actuarial valuation reports that the unfunded actuarial obligation increased by $20.5 billion since the last valuation and the funded ratio decreased by 4.8% to 63.7% over such time period. Had the investment rate of return been lowered to 7.00% for the 2016 actuarial valuation, the unfunded actuarial obligation and the funded ratio would have been $105.1 billion and 61.8%, respectively. As a result, it is currently projected that there will be a need for higher contributions from the State, employers and members in the future to reach full funding by 2046.

The District’s employer contribution rates for fiscal years 2014-15, 2015-16 and 2016-17 were 8.88%, 10.73% and 12.58%, respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2017-18 through fiscal year 2020-21 are set forth in the following table.

**PROJECTED EMPLOYER CONTRIBUTION RATES (STRS)**  
**Fiscal Years 2017-18 through 2020-21**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Projected Employer Contribution Rate(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>14.43%</td>
</tr>
<tr>
<td>2018-19</td>
<td>16.28</td>
</tr>
<tr>
<td>2019-20</td>
<td>18.13</td>
</tr>
<tr>
<td>2020-21</td>
<td>19.10</td>
</tr>
</tbody>
</table>

(1) Expressed as a percentage of covered payroll.

Source: AB 1469

**PERS.** All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the “Schools Pool.” Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, the District is required to contribute an amount based on an actuarially determined employer rate. The District’s employer contributions to PERS for recent fiscal years are set forth in the following table.

[Remainder of page intentionally left blank.]
PERS EMPLOYER CONTRIBUTIONS  
Glendale Unified School District  
Fiscal Years 2011-12 through 2018-19

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>$3,437,635</td>
</tr>
<tr>
<td>2012-13</td>
<td>3,727,433</td>
</tr>
<tr>
<td>2013-14</td>
<td>3,856,939</td>
</tr>
<tr>
<td>2014-15</td>
<td>4,061,068</td>
</tr>
<tr>
<td>2015-16</td>
<td>4,629,812</td>
</tr>
<tr>
<td>2016-17</td>
<td>5,509,217</td>
</tr>
<tr>
<td>2017-18(1)</td>
<td>6,632,677</td>
</tr>
<tr>
<td>2018-19(2)</td>
<td>7,708,743</td>
</tr>
</tbody>
</table>

(1) Estimated.  
(2) Budgeted.  

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately $23.6 billion as of June 30, 2017 (the date of the last actuarial valuation). To address this issue, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. The new rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, will be implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

The District’s employer contribution rates for fiscal years 2015-16, 2016-17 and 2017-18 were 11.847%, 13.888% and 15.800%, respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2018-19 through fiscal year 2020-21 are set forth in the following table.

PROJECTED EMPLOYER CONTRIBUTION RATES (PERS)  
Fiscal Years 2018-19 through 2020-21(1)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Projected Employer Contribution Rate(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>18.062%</td>
</tr>
<tr>
<td>2019-20</td>
<td>20.800</td>
</tr>
<tr>
<td>2020-21</td>
<td>23.500</td>
</tr>
</tbody>
</table>

(1) Rates were estimated by PERS in 2017. The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.  
(2) Expressed as a percentage of covered payroll.  
Source: PERS.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public
employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, except the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA’s provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PEPRA has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer’s current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member’s contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information. Additional information regarding the District’s retirement programs is available in Note 14 to the District’s audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.
Other Post-Employment Benefits

**Plan Description.** The District administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The plan provides health, dental and vision benefits to the follows:

Teachers who retire from the District are eligible for postemployment medical, dental and vision coverage.

- Retirees aged 55 to 65 with at least 10 years of service, who were designated as Teachers at retirement, are offered a subsidy by the District for medical coverage for the retiree and his or her dependent(s). Dental and vision coverage is subsidized by the District for the retiree only.

Management employees who retire from the District are eligible for postemployment medical, dental and vision pursuant to the provisions below:

- Retirees aged 55 to 65 with at least 9 years of service, who were designated as Management at retirement, are offered a subsidy by the District for medical coverage for the retiree and his or her dependent(s). Dental and vision coverage is subsidized by the District for the retiree only.

**Annual OPEB Cost and Net OPEB Obligation.** The District's annual OPEB cost (expense) is calculated based on the annual required contribution ("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 over a period not to exceed 30 years.

**Funded Status and Funding Progress.** A summary of the District's OPEB obligation, based on projected pay-as-you-go financing requirements, as shown in the District's audited financial statements as of June 30, 2017, is as follows:

**OPEB FUNDING PROGRESS**
Glendale Unified School District

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution (ARC)</td>
<td>$6,324,338</td>
</tr>
<tr>
<td>Interest on net OPEB obligation</td>
<td>774,555</td>
</tr>
<tr>
<td>Adjustment to annual required contribution</td>
<td>(983,433)</td>
</tr>
<tr>
<td>Annual OPEB cost (expense)</td>
<td>6,115,460</td>
</tr>
<tr>
<td>Contributions made, including implicit rate subsidy</td>
<td>(2,998,343)</td>
</tr>
<tr>
<td>Change in net OPEB obligation</td>
<td>3,117,117</td>
</tr>
<tr>
<td>Net OPEB obligation - beginning of year</td>
<td>15,491,105</td>
</tr>
<tr>
<td>Net OPEB obligation - end of year</td>
<td>$18,608,222</td>
</tr>
</tbody>
</table>

[Remainder of page intentionally left blank.]
The District's annual OPEB cost, the percentage of annual OPEB cost contributed, and the net OPEB obligation were as follows:

**NET OPEB OBLIGATION**
Fiscal Years 2013-14 through 2016-17
Glendale Unified School District

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Annual OPEB Cost</th>
<th>Percentage of Annual OPEB Cost Contributed</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$5,542,532</td>
<td>56.6%</td>
<td>$10,801,387</td>
</tr>
<tr>
<td>2015</td>
<td>5,343,774</td>
<td>56.0</td>
<td>13,150,260</td>
</tr>
<tr>
<td>2016</td>
<td>5,332,168</td>
<td>56.1</td>
<td>15,491,105</td>
</tr>
<tr>
<td>2017</td>
<td>6,115,460</td>
<td>49.0</td>
<td>18,608,222</td>
</tr>
</tbody>
</table>

For more information regarding the District's OPEB and assumptions used in the Actuarial Study, see Note 14 in the District's 2016-17 Audit in Appendix B hereto.

**Insurance**

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 established a Self-Insurance Fund to account for and finance certain employee benefits.

The District participates in two joint powers agreement ("JPA") entities, West San Gabriel Valley Liability and Property Joint Powers Authority ("WSGLPJPA") and Alliance of Schools for Cooperative Insurance Programs ("ASCIP"). WSGLPJPA provides the participating districts with liability and property damage insurance; and ASCIP handles insurance coverage for health benefits for District employees.

**Long-Term Debt**

**General Obligation Bonds.** On June 3, 1997 the District received authorization to issue $186,000,000 of general obligation bonds (the "1997 Authorization"). On April 5, 2011 the District received authorization to issue $270,000,000 of general obligation bonds (the "2011 Authorization"). Certain general obligation bonds issued pursuant to the 1997 Authorization have been refunded by subsequent refunding general obligation bonds.

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The District’s general obligation bonds listed below are outstanding as of September 1, 2018.

**GLENDALE UNIFIED SCHOOL DISTRICT**  
**General Obligation Bonds Outstanding**

<table>
<thead>
<tr>
<th>Issue Date</th>
<th>Description</th>
<th>Amount of Original Principal</th>
<th>Outstanding Sept. 1, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/01/2009</td>
<td>2009 General Obligation Refunding Bonds</td>
<td>$46,750,000.00</td>
<td>$3,785,000.00</td>
</tr>
<tr>
<td>06/03/2010</td>
<td>2010 General Obligation Refunding Bonds(1)</td>
<td>28,250,000.00</td>
<td>17,010,000.00</td>
</tr>
<tr>
<td>07/28/2011</td>
<td>2011 General Obligation Refunding Bonds</td>
<td>21,555,000.00</td>
<td>13,970,000.00</td>
</tr>
<tr>
<td>08/16/2011</td>
<td>Tax-Exempt General Obligation Bonds, Election of 2011, Series A</td>
<td>46,879,985.60</td>
<td>2,068,601.30</td>
</tr>
<tr>
<td>08/16/2011</td>
<td>Taxable Direct-Pay New Clean Renewable Energy General Obligation Bonds, Election of 2011, Series A-1</td>
<td>4,300,000.00</td>
<td>4,300,000.00</td>
</tr>
<tr>
<td>03/14/2012</td>
<td>2012 General Obligation Refunding Bonds</td>
<td>22,930,000.00</td>
<td>21,820,000.00</td>
</tr>
<tr>
<td>08/26/2014</td>
<td>General Obligation Bonds, Election of 2011, Series B</td>
<td>70,000,000.00</td>
<td>61,595,000.00</td>
</tr>
<tr>
<td>10/14/2015</td>
<td>2015 General Obligation Refunding Bonds, Series B (2021 Crossover)(1)</td>
<td>84,830,562.90</td>
<td>84,830,562.90</td>
</tr>
<tr>
<td>10/14/2015</td>
<td>2015 General Obligation Refunding Bonds, Series A</td>
<td>17,175,000.00</td>
<td>17,020,000.00</td>
</tr>
<tr>
<td>08/18/2016</td>
<td>General Obligation Bonds, Election of 2011, Series C</td>
<td>70,000,000.00</td>
<td>60,405,000.00</td>
</tr>
</tbody>
</table>

(1) A portion of the 2010 General Obligation Refunding Bonds are expected to be refunded by the Refunding Bonds.

(2) Pursuant to Section 53560 of the Government Code of the State of California, the District’s outstanding 2015 General Obligation Refunding Bonds, Series B (2021 Crossover) constitute special obligations and while they are not included in any computation of general obligation indebtedness of the District until the crossover date, the above reflects the amounts that would be outstanding.

Debt service for the District’s outstanding general obligation bonds is shown in the front matter of the Official Statement under “DEBT SERVICE SCHEDULES - Combined Debt Service Schedule.”

**New Clean Renewable Energy Bonds (“NCREBS”).** On October 1, 2012, the District entered into a long-term lease agreement to provide for the financing of the acquisition, construction and installation of solar photovoltaic systems at several school sites. The agreement is between the District as the "lessee" and the Public Property Financing Corporation of California, as the "lessor". The lessor’s funds for acquiring these items were generated by the issuance of $5,380,000 of NCREBS. The lease was issued with an effective interest rate of 4.32%.

NCREBS are long-term debt instruments which provide federal tax credits in lieu of a portion of the traditional bond interest, resulting in a lower effective interest rate for the borrower. The current long-term debt at June 30, 2017 is:

[Remainder of page intentionally left blank.]
### GLENDALE UNIFIED SCHOOL DISTRICT
Summary of 2012 Lease (NCREBs)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal Component</th>
<th>Interest Component</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$301,927</td>
<td>$172,552</td>
<td>$474,479</td>
</tr>
<tr>
<td>2019</td>
<td>305,852</td>
<td>159,466</td>
<td>465,318</td>
</tr>
<tr>
<td>2020</td>
<td>309,828</td>
<td>146,210</td>
<td>456,038</td>
</tr>
<tr>
<td>2021</td>
<td>313,857</td>
<td>132,783</td>
<td>446,640</td>
</tr>
<tr>
<td>2022</td>
<td>317,938</td>
<td>119,180</td>
<td>437,118</td>
</tr>
<tr>
<td>2023-2029</td>
<td>2,520,079</td>
<td>442,033</td>
<td>2,962,112</td>
</tr>
<tr>
<td></td>
<td><strong>$4,069,481</strong></td>
<td><strong>$1,172,224</strong></td>
<td><strong>$5,241,705</strong></td>
</tr>
</tbody>
</table>

On October 18, 2016, the District entered into a long-term lease agreement to provide for the financing of the acquisition, construction and installation of solar photovoltaic systems at several school sites. The agreement is between the District as the "lessee" and the Public Property Financing Corporation of California, as the "lessor". The lessor's funds for acquiring these items were generated by the issuance of $10,925,000 of NCREBS. The lease was issued with a net effective interest rate (after federal subsidy) of 0.574%.

The current long-term debt at June 30, 2017 is:

### GLENDALE UNIFIED SCHOOL DISTRICT
Summary of 2016 Lease (CREBs)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal Component</th>
<th>Interest Component</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$191,000</td>
<td>$544,395.78</td>
<td>$735,395.78</td>
</tr>
<tr>
<td>2019</td>
<td>501,000</td>
<td>363,880.13</td>
<td>864,880.13</td>
</tr>
<tr>
<td>2020</td>
<td>521,000</td>
<td>346,524.33</td>
<td>867,524.33</td>
</tr>
<tr>
<td>2021</td>
<td>542,000</td>
<td>328,473.95</td>
<td>870,473.95</td>
</tr>
<tr>
<td>2022</td>
<td>563,000</td>
<td>309,703.28</td>
<td>872,703.28</td>
</tr>
<tr>
<td>2023-2027</td>
<td>3,152,000</td>
<td>1,240,871.11</td>
<td>4,392,871.11</td>
</tr>
<tr>
<td>2028-2032</td>
<td>3,758,000</td>
<td>297,429.09</td>
<td>4,055,429.09</td>
</tr>
<tr>
<td>2033-2034</td>
<td>1,697,000</td>
<td>73,256.23</td>
<td>1,770,256.23</td>
</tr>
<tr>
<td></td>
<td><strong>$10,925,000</strong></td>
<td><strong>$3,504,533.90</strong></td>
<td><strong>$14,429,533.90</strong></td>
</tr>
</tbody>
</table>

**City Loan.** The District entered into a loan with the City of Glendale in 2006 to provide financing for the Glendale High School athletic field project. The loan of $1,800,000 has a stated interest rate of 4.0%. The outstanding long-term debt at June 30, 2017 is:

### GLENDALE UNIFIED SCHOOL DISTRICT
Summary of 2006 City of Glendale Loan

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal Component</th>
<th>Interest Component</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$143,918</td>
<td>$52,081</td>
<td>$195,999</td>
</tr>
<tr>
<td>2019</td>
<td>169,675</td>
<td>46,325</td>
<td>216,000</td>
</tr>
<tr>
<td>2020</td>
<td>197,462</td>
<td>39,538</td>
<td>237,000</td>
</tr>
<tr>
<td>2021</td>
<td>226,361</td>
<td>31,639</td>
<td>258,000</td>
</tr>
<tr>
<td>2022</td>
<td>256,415</td>
<td>22,585</td>
<td>279,000</td>
</tr>
<tr>
<td>2023-2024</td>
<td>308,204</td>
<td>13,110</td>
<td>321,314</td>
</tr>
<tr>
<td></td>
<td><strong>$1,302,035</strong></td>
<td><strong>$205,278</strong></td>
<td><strong>$1,507,313</strong></td>
</tr>
</tbody>
</table>
Investment of District Funds

In accordance with Government Code Section 53600 et seq., the Los Angeles County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 et seq. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See Appendix G hereto for the County’s current investment policy and most recent publicly available monthly investment report.

Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes (see “—Education Funding Generally” above). State funds typically make up the majority of a district’s LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS” below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. See “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS” below.

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

State Funding of Education

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. School districts in California receive operating income primarily from two sources: (1) the State funded portion which is derived from the State’s general fund, and (2) a locally funded portion, being the district’s share of the one percent general ad valorem tax levy authorized by the California Constitution (see “DISTRICT FINANCIAL INFORMATION – Education Funding Generally” above). School districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55 percent of their operating revenues from various State sources.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS” below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.
The following information concerning the State’s budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the Underwriter nor the County is responsible for the information relating to the State’s budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer’s Office.

The Budget Process. The State’s fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the “Governor’s Budget”). Under State law, the annual proposed Governor’s Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor’s Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

 Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each House of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each House of the Legislature, and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

 Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets

Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State’s website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated herein by reference.

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading “Bond Information”, posts various State of California official statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.

- The California State Treasurer’s Office Internet home page at www.treasurer.ca.gov, under the heading “Financial Information”, posts the State’s audited financial statements. In addition, the Financial Information section includes the State’s Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy
and Government, State Finances, State Indebtedness, Litigation from the State’s most current Official Statement, which discusses the State budget and its impact on school districts.

- The California Department of Finance’s Internet home page at www.dof.ca.gov, under the heading “California Budget”, includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst’s Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst’s Internet home page at www.lao.ca.gov under the heading “Subject Area – Budget (State)”.

Prior Years’ Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. Although the fiscal year 2017-18 State Budget is balanced and projects a balanced budget for the foreseeable future, largely attributable to the additional revenues generated due to the passage of Proposition 30 at the November 6, 2012 statewide election, there can be no certainty that budget-cutting strategies such as those used in recent years will not be used in the future should the State Budget again be stressed and if projections included in such budget do not materialize.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 State Budget and its related implementing legislation enacted significant reforms to the State’s system of K-12 education finance with the enactment of the LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District’s finances.

2018-19 Adopted State Budget

On June 27, 2018, the Governor signed the fiscal year 2018-19 State budget (the “2018-19 State Budget”) into law. The 2018-19 State Budget calls for total spending of $199.7 billion, with $138.6 billion in general fund spending. The 2018-19 State Budget provides for $78.4 billion of funding through Proposition 98, the primary source of funding for K-12 school districts and community college districts, an increase of $3.7 billion from the 2017-18 State budget. Of that $78.4 billion, approximately $61 billion will be distributed to K-12 school districts through the LCFF, which will be fully funded during fiscal year 2018-19, two years earlier than originally scheduled, restoring every school district in the State to at least pre-recession funding levels, and including a 2.71% cost of living adjustment and an additional $570 million above the cost of living adjustment as an ongoing increase to the formula.

The 2018-19 State Budget continues to build State reserves, with the rainy-day fund balance projected to grow to $13.8 billion by the end of the budget year, its constitutional maximum. Additionally, the 2018-19 State Budget adds two additional reserves to State law, the
Budget Deficit Safety Account and the Safety Net Reserve Fund. Other significant features of the 2018-19 State Budget include:

- $640 million in Proposition 51 State bond authority for school facilities;

- an increase to $11,640 in State-funded per pupil funding under LCFF, or $16,352 per pupil from all State, federal and local sources combined;

- one-time funding for K-12 school districts to finance various programs, including $300 million for the lowest-performing student subgroups, $125 million to address the shortage of special education teachers, and $100 million to expand facilities for kindergarten and transitional kindergarten;

- $57.8 million for county offices of education to support school districts needing additional assistance, as determined based on multiple performance indicators, $4 million of which will go to geographical regional leads to build system-wide capacity to support school district improvement;

- $32.8 million to backfill property tax revenue losses that cities, counties and districts incurred in fiscal year 2017-18 and will incur in fiscal year 2018-19 from wildfires, mudslides and other natural disasters, $21.8 for Northern California jurisdictions and $11 million for Southern California jurisdictions;

- a hold harmless provision allowing local education agencies to recoup revenue that has been lost due to declines in average daily attendance that are directly associated with these disasters;

- $185.4 million to multiple state agencies for the first year of implementation of a $4 billion parks and water bond measure approved by voters in 2018; and

- one-time funding of $500 million of emergency aid to support local governments in addressing homelessness, to be used for emergency shelters, bridge housing, motel vouchers, and supportive housing.

Disclaimer Regarding State Budgets. The implementation of the foregoing 2018-19 State Budget and future State budgets may be affected by numerous factors, including but not limited to: (i) shifts of costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risk associated with proposed spending reductions, (iv) rising health care costs and/or other unfunded liabilities such as pension or OPEB and (v) other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the accuracy of any assumptions or projections made in State budgets. Additionally, the District cannot predict the impact that the 2018-19 State Budget, or subsequent state budgets, will have on its own finances and operations. However, the Bonds are secured by ad valorem taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitment with the District, the County, the Underwriter or the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the sources of information listed below are
reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated herein.

**Availability of State Budgets.** The complete 2018-19 State Budget is available from the California Department of Finance website at www.ebudget.ca.gov. An impartial analysis of the budget is posted by the Legislative Analyst Office at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon in making an investment decision with respect to the Bonds.

**Uncertainty Regarding Future State Budgets.** The District cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State’s current or future revenues and expenditures and possible future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

**CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS**

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIII-A, XIII-B, XIII-C, and XIII-D of the State Constitution, Propositions 62, 98, 111, 187 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District’s voters in compliance with Article XIII-A and all applicable laws.

**Constitutionally Required Funding of Education**

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

**Article XIII-A of the California Constitution**

**Basic Property Tax Levy.** On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIII-A to the State Constitution ("Article XIII-A"). Article XIII-A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII-A approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of
the voters on such indebtedness (which provided the authority for the issuance of the Refunded Bonds), and (iii) as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in County of Orange v. Orange County Assessment Appeals Board No. 3, held that where a home’s taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIII A, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year’s assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIII B of the California Constitution

Article XIII B ("Article XIII B") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for
changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district’s revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

**Unitary Property**

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the State Board of Equalization (“SBE”) as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

**Articles XIIIC and XIIID**

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, “Article XIIIC” and “Article XIIID”), which
contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIIIC establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than ad valorem property taxes imposed in accordance with Articles XIII and XIIIa of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIa, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay Lease Payments and therefore debt service on the Notes.
Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

The application of Proposition 98 and other statutory regulations have been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the “Traffic Congestion Relief and Spending Limit Act of 1990” (“Proposition 111”) which further modified Article XIIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the “change in the cost of living” is now measured by the change in California per capita personal income. The definition of “change in population” specifies that a portion of the State’s spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. “Excess” tax revenues with respect to Article XIIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be
transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts’ base expenditures for calculating their entitlement for State aid in the next year, and the State’s appropriations limit is not to be increased by this amount.

**Exclusions from Spending Limit.** Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIIB spending limit. First, there are excluded all appropriations for “qualified capital outlay projects” as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

**Recalculation of Appropriations Limit.** The Article XIIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

**School Funding Guarantee.** There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the “first test”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIIB by reference to per capita personal income) and enrollment (the “second test”). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the “third test”). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a “credit” to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

**Proposition 39**

On November 7, 2000, California voters approved an amendment (commonly known as “Proposition 39”) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1 percent limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1 percent of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved
by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive
two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond
measure presented to the voters includes: (1) a requirement that the bond funds can be used only
for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real
property for school facilities; (2) a specific list of school projects to be funded and certification that
the school board has evaluated safety, class size reduction, and information technology needs in
developing the list; and (3) a requirement that the school board conduct annual, independent
financial and performance audits until all bond funds have been spent to ensure that the bond
funds have been used only for the projects listed in the measure. Legislation approved in June
2000 places certain limitations on local school bonds to be approved by 55 percent of the voters.
These provisions require that the tax rate levied as the result of any single election be no more
than $60 (for a unified school district), $30 (for an elementary school district or high school district),
or $25 (for a community college district), per $100,000 of taxable property value. These
requirements are not part of this proposition and can be changed with a majority vote of both
houses of the Legislature and approval by the Governor.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment, also
known as "Proposition 30", temporarily increased the State Sales and Use Tax and personal
income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all
retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold
in the State from January 1, 2013 to December 31, 2018. Proposition 30 also imposed an
additional excise tax on the storage, use, or other consumption in the State of tangible personal
property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This
excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For
personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and
ending December 31, 2018, Proposition 30 increases for such period the marginal personal
income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single
filers (over $340,000 but less than $408,000 for head of household filers and over $500,000 but
less than $600,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000
for single filers (over $408,000 but less than $680,000 for head of household filers and over
$600,000 but less than $1,000,000 for joint filers), and (iii) 3% for taxable income over $500,000
for single filers (over $680,000 for head of household filers and over $1,000,000 for joint filers).
Proposition 55 (described below) extended said increases to personal income rates through the
end of 2030.

The revenues generated from the temporary tax increases will be included in the
calculation of the Proposition 98 minimum funding guarantee for school districts and community
college districts. See "Proposition 98" and "Proposition 111" above. From an accounting
perspective, the revenues generated from the temporary tax increases will be deposited into the
State account created pursuant to Proposition 30 called the Education Protection Account (the
"EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such
funds provided to schools districts and 11% provided to community college districts. The funds
will be distributed to school districts and community college districts in the same manner as
existing unrestricted per-student funding, except that no school district will receive less than $200
per unit of ADA and no community college district will receive less than $100 per full time
equivalent student. The governing board of each school district and community college district is
granted sole authority to determine how the moneys received from the EPA are spent, provided
that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through the end of 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges.

**Proposition 1A and Proposition 22**

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provisions of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in California Redevelopment Association v. Matosantos (2011).
Because Proposition 22 reduces the State’s authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

California Senate Bill 222

Senate Bill 222 ("SB 222") was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 53515 to the California Government Code to provide that voter approved general obligation bonds which are secured by ad valorem tax collections such as the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 98, 22, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.
APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2017
GLENDALE UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY

REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
INCLUDING REPORTS ON COMPLIANCE

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INDEPENDENT AUDITOR’S REPORT

Board of Education
Glendale Unified School District
Glendale, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Glendale Unified School District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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, the auditor considers 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.
Board of Education  
Glendale Unified School District

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

Opinion

In our opinion, the financial statements referred to in the aforementioned table of contents present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the District restated the July 1, 2016 beginning fund balance in the governmental fund statements for the recognition of bond proceeds held in escrow for future debt refunding. Our auditors’ opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, schedule of the District’s proportionate share of the net pension liability, schedule of District contributions, and schedule of postemployment healthcare benefits funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The supplementary schedules, combining non-major fund financial statements, the continuing disclosure information and the
Board of Education  
Glendale Unified School District  

schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary sections, as listed in the table of contents, including the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary sections, as listed in the table of contents, including the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the 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 28, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District’s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP  
Glendora, California  
November 28, 2017
Introduction

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statements No. 34 (Basic Financial Statements - and Management’s Discussion and Analysis - for the State and Local Governments) issued June 1999. Certain comparative information between the current and the prior year is required to be presented in the MD&A.

The following discussion and analysis provides an overview of the financial position and activities of the District for the fiscal year ending June 30, 2017. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

Financial Highlights

This section provides an overview of District financial activities.

- Combined Restricted and Unrestricted General Fund revenues were $284,307,769 representing an increase of approximately 1.25% from the prior year. This increase is primarily due to Local Control Funding Formula (LCFF) revenue received in 2016-17. The LCFF eliminates Revenue Limit and almost all categorical programs (except those established by state initiative or federal statutes). The LCFF entitlement is based on the three key elements of base year funding in 2012-13, demographics of student population, and state appropriations for LCFF phase in over eight years. One of the monetary provisions of the LCFF that the State Board of Education (SBE) enacted in 2014-15, was requiring the County Office of Education (COEs) to review the Local Control Accountability Plan (LCAP), produced and adopted by school district which is concurrent and aligned with annual budget and spending plan. Funding allocated through the LCFF is largely unrestricted, but is subject to comprehensive accountability requirements established in LCAP.

- The District continues to maintain reserves sufficient to meet the state-required minimum Reserve for Economic Uncertainties of 3% of General Fund expenditures.

- Due to the state’s fiscal issues and the subsequent impact on the District’s fiscal health, the District has implemented changes to minimize the decrease in its fund balance to ensure solvency in future years. Some of these changes include implementing energy conservation strategies, consolidating facilities to eliminate rental fees, as well as, the impact of the state flexibility options and the transfer of monies from other funds.
The District for the last several years has been experiencing declining enrollment. Between 2015-16 and 2016-17, there was a decrease in enrollment of 44 students. Since 2012-13, the P-2 ADA has dropped 119 students. This has a very direct impact on the District’s revenue since funding is based on student attendance (Average Daily Attendance - ADA). The chart below shows the District’s ADA for a five year period:

**Student Average Daily Attendance**

![Graph showing student average daily attendance from 2012-13 to 2016-17]

**Fund Financial Statements**

More detailed information about the District’s most significant funds are provided in the fund financial statements. Funds are accounting formats used to keep track of specific sources of funding and expenditures in particular programs. Some funds are required by bond covenants and by state law, and other funds are established by the District to manage a variety of activities for particular purposes (such as repaying its long-term debt). Other funds may also address specific accounting requirements for certain revenue and expenditure classifications (such as federal grants).
The District maintains three classes of funds:

**Governmental funds**: Most of the District’s basic services are included in governmental funds, which generally categorize the revenues and expenditures for specific purposes and the balances left at year-end that are available for expenditure in subsequent years. The funds are as follows:

- Fund 01.0 - General Fund
- Fund 10.0 - Special Education Pass-Through Fund
- Fund 12.0 - Child Development Fund
- Fund 13.0 - Cafeteria Fund
- Fund 14.0 - Deferred Maintenance Fund*
- Fund 21.1 - Measure S Building Fund
- Fund 21.2 - Clean Renewable Energy Bond Fund
- Fund 25.0 - Capital Facilities Fund
- Fund 35.0 - County School Facilities Fund
- Fund 40.1 - Special Reserve Fund for Capital Outlay
- Fund 40.2 - Special Reserve Fund for Cafeteria Capital Outlay
- Fund 51.0 - Bond Interest and Redemption Fund
- Fund 56.0 - Debt Service Fund

*Due to GASB 54, this fund is reported in the General Fund.

A detailed short-term view is provided by the governmental fund statements. These help determine whether there are more or fewer financial resources that can be spent in the near future for financing the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information is provided in the reconciliation provided after the governmental fund statements that explains the differences (or relationships).

**Proprietary funds**: The proprietary fund category includes Enterprise and Internal Service Funds. One type of proprietary fund, an internal service fund, is the same as the business-type activities, but provides more detail and additional information, such as cash flows. The Internal Service Fund reports activities that provide supplies and services for the other programs and activities of the District. Proprietary Funds are reported in the same way as the district-wide statements. Currently, the District has three internal service funds:

- Fund 67.0 - Medical Fund
- Fund 67.1 - Workers’ Compensation Fund
- Fund 67.2 - Early Retirement Benefits Fund
Fiduciary funds: The District has two fiduciary funds, Foundation Trust Fund 73.0 and the cumulative Associated Student Body funds at the school sites. The capitalization of Fund 73.0 was initially established from a request of a former teacher leaving a portion of her estate to Hoover High School. In 2015-16, the Doug Dall Scholarship was set up in honor of the services of Doug Dall, retired principal of Clark Magnet High School. This scholarship is presented to a Clark student who has displayed a continuous pattern of academic growth, completed the recommended 100 hours of community service and the course requirements of one of Clark’s Career Technical Education Pathways, and demonstrated a financial need to complete post-secondary education goals. Additionally, in 2010-11, the Michael F. Escalante Senior Scholar Award was established commemorating the service of Superintendent Dr. Michael F. Escalante. This award is presented annually to an outstanding senior from each one of the Glendale Unified high schools. For assets that belong to others, such as the scholarship fund and/or student activities funds, the District acts as the trustee, or fiduciary, and is responsible for ensuring that the assets reported in these funds are only used for their intended purpose and by those to whom the assets belong. A separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position report the District’s fiduciary activities. These activities are excluded from the district-wide financial statements, as the assets cannot be used to finance other District operations.

Statement of Net Position

The Statement of Net Position presents the assets and liabilities of the District as of the end of the fiscal year and is prepared using the 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 of time financial statement whose purpose is to present to the readers a fiscal snapshot of the District. The Statement of Net Position presents end-of-year asset data (current and non-current), deferred outflows of resources, liabilities (current and non-current), deferred inflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources).

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 the amount owed by the District to vendors and employees. Finally, the Statement of Net Position provides a picture of the net position and the availability of those funds for expenditure. Net position is one indicator of the current financial condition of the District, and the change 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. The net position is presented in three major categories. The first category provides the information in regards to equity in property, plant, and equipment owned by the District. The second category provides information on funds that are restricted for specific purposes and programs based on laws and regulations. The third category provides information on unrestricted net position that are available for obligations as may be approved by the Board of Education.
### GLENDALE UNIFIED SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Fiscal Year Ended June 30, 2017

The Statement of Net Position as of June 30, 2016, and 2017 is summarized below:

<table>
<thead>
<tr>
<th>Assets</th>
<th>2016 (*)</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>222,257,604</td>
<td>$ 262,570,287</td>
</tr>
<tr>
<td>Cash with Fiscal Agent</td>
<td>823,383</td>
<td>799,304</td>
</tr>
<tr>
<td>Cash in Escrow Account</td>
<td>84,830,563</td>
<td>84,373,081</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>13,720,504</td>
<td>9,345,924</td>
</tr>
<tr>
<td>Inventories</td>
<td>159,123</td>
<td>167,881</td>
</tr>
<tr>
<td>Prepaid Expenses and other assets</td>
<td>2,279,420</td>
<td>1,538,717</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td>468,785,559</td>
<td>519,217,356</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>792,856,156</td>
<td>878,012,550</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Charge on Refunding Bonds</td>
<td>5,954,957</td>
<td>5,343,128</td>
</tr>
<tr>
<td>Deferred Outflows - Pension Contributions</td>
<td>27,149,138</td>
<td>53,553,982</td>
</tr>
<tr>
<td><strong>Total Deferred Outflows of Resources</strong></td>
<td>33,104,095</td>
<td>58,897,110</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Liabilities</td>
<td>55,044,045</td>
<td>56,837,576</td>
</tr>
<tr>
<td>Long-Term Liabilities</td>
<td>555,856,110</td>
<td>680,841,920</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>610,900,155</td>
<td>737,679,496</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred Inflows of Resources</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Inflows - Pensions</td>
<td>21,143,957</td>
<td>12,288,670</td>
</tr>
<tr>
<td><strong>Total Deferred Inflows of Resources</strong></td>
<td>21,143,957</td>
<td>12,288,670</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Position</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in Capital Assets</td>
<td>279,876,784</td>
<td>273,565,847</td>
</tr>
<tr>
<td>Restricted</td>
<td>42,220,899</td>
<td>45,481,468</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(128,181,544)</td>
<td>(132,105,821)</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$ 193,916,139</td>
<td>$ 186,941,494</td>
</tr>
</tbody>
</table>

(*) The 2016 balances have been adjusted for the restatement of long-term liabilities and cash held in escrow for future bond refunding. See Note 18.

- Cash with the District is also detailed in the notes to the financial statements and is invested with the Los Angeles County Treasury to comply with various code restrictions. The Unrestricted General Fund cash balance increased by $7.5 million. This was primarily due to the increase in GAP percentage. The net increase in cash for all the funds was approximately $40.3 million or 18.1%.
Accounts receivable are mainly accounts due from state and federal government sources for the general operating fund and categorical programs. The net decrease for all funds was approximately $4.4 million or 31.9%. This is primarily due to fewer deferrals in federal and state funding.

**Statement of Activities**

Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Activities. The purpose of this statement is to present the revenues earned on all Governmental Funds, whether received or not, by the District, and the expenses incurred, whether paid or not, by the District. Thus, this statement presents the District’s results of operations.

The Statement of Activities for the year ended June 30, 2016 and 2017 are summarized below:
GLENDALE UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$ 7,565,863</td>
<td>$ 8,320,714</td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>60,651,413</td>
<td>63,621,532</td>
</tr>
<tr>
<td>Capital Grants and Contributions</td>
<td>35,604,192</td>
<td>-</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>82,853,249</td>
<td>92,880,597</td>
</tr>
<tr>
<td>Federal and State Aid not Restricted to Specific Purposes</td>
<td>158,610,456</td>
<td>155,675,205</td>
</tr>
<tr>
<td>Interest and Investment Earnings</td>
<td>1,535,587</td>
<td>4,088,724</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>8,456,596</td>
<td>10,234,951</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>355,277,356</td>
<td>334,821,723</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>185,358,410</td>
<td>199,048,577</td>
</tr>
<tr>
<td>Instruction - Related Services</td>
<td>31,432,820</td>
<td>34,236,739</td>
</tr>
<tr>
<td>Pupil Services</td>
<td>25,820,087</td>
<td>27,212,974</td>
</tr>
<tr>
<td>Ancillary Services</td>
<td>1,657,467</td>
<td>1,775,914</td>
</tr>
<tr>
<td>Community Services</td>
<td>492,303</td>
<td>508,118</td>
</tr>
<tr>
<td>Enterprise Activities</td>
<td>2,966</td>
<td>4,028</td>
</tr>
<tr>
<td>General Administration</td>
<td>11,314,103</td>
<td>12,811,057</td>
</tr>
<tr>
<td>Plant Services</td>
<td>25,292,007</td>
<td>28,739,048</td>
</tr>
<tr>
<td>Other Outgo</td>
<td>4,014,969</td>
<td>5,743,102</td>
</tr>
<tr>
<td>Debt Service - Interest</td>
<td>11,421,350</td>
<td>22,906,013</td>
</tr>
<tr>
<td>Depreciation (unallocated)</td>
<td>9,600,800</td>
<td>8,810,798</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>306,407,282</td>
<td>341,796,368</td>
</tr>
</tbody>
</table>

Change in Net Position: $48,870,074 $ (6,974,645)

(*) The 2016 balances have been adjusted for the restatement of long-term liabilities and cash held in escrow for future bond refunding. See Note 18.
GLENDALE UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2017

- The District's largest operating expenses are primarily for salaries and benefits. The District expended approximately 84% of its total Unrestricted General Fund budget in this area. Certificated and classified salaries are adjusted annually for step and column adjustments and corresponding savings due to attrition and retirements. For the current year, step increases were approximately 1.2% for certificated employees and classified employees.

- Health and Welfare benefits (medical, vision, dental and life) premium rates paid by the District increased approximately 10.0% for HMO and increased 2.0% for PPO in 2016-17 and are projected to have a net increase of 2.4% for HMO and a net increase of 6.7% for PPO in 2017-18, reflecting utilization shifts among the medical coverage groups and as changes in self-funded pharmacy benefits.

- Interest income of $4,088,724 is considered general revenue. Of this amount in interest income, $705,469 is from the General Fund. Interest income is generated by the cash invested with the Los Angeles County Treasury. The average quarterly interest rate for fiscal year 2016-17 was 1.10%. $1,554,600 is interest earned on assets held with the escrow agent for current debt service on the 2015 General Obligation Refunding Crossover Bonds.

- The importance of the identification and planning for the costs associated with retiree medical benefits has been addressed by the Governmental Accounting Standards Board Statement No. 45.

Additionally, current state law (Chapter 650, Statutes of 1994) requires governing boards, on an annual basis, to certify to the county superintendent the estimated accrued but unfunded cost of health and welfare benefits provided to employees upon their retirement.

Every two years an actuarial analysis is required. The last actuarial was re-calculated for July 1, 2016 - June 30, 2017 utilizing the then current staffing and insurance rate. This service was provided by the firm Grant Thornton LLP. The report indicated that $52.7 million represents the actuarial accrued liability associated with retiree benefits. This figure is $7.5 million higher than the $45.2 million figure estimated in the 2014-15 report. The 2014-15 report was based on the belief that the District's contribution to employee health insurance had a "cost" cap, meaning it would have an annual increase of 8.0% in future years. The 2016-17 report indicates that the current employee contracts will continue to have an 8.0% annual increase to the District's contribution for teachers and management. Approximately thirty percent (30%) of the 2016-17 cost estimate is related to current retirees and active employees who have met retiree medical eligibility requirements. The balance is for active employees who are not yet age fifty-five.
GLENDALE UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

Significant Changes in Other Fund Balances from June 30, 2016 to June 30, 2017

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fund Balance</th>
<th></th>
<th></th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2016</td>
<td>June 30, 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund 13.0 Cafeteria Fund</td>
<td>$5,434,160</td>
<td>$4,350,555</td>
<td>($1,083,605)</td>
<td></td>
</tr>
<tr>
<td>Fund 21.1 &amp; 21.2 Building Funds</td>
<td>55,694,707</td>
<td>80,859,460</td>
<td>25,164,753</td>
<td></td>
</tr>
<tr>
<td>Fund 25.0 Capital Facilities Fund</td>
<td>11,547,125</td>
<td>10,185,256</td>
<td>(1,361,869)</td>
<td></td>
</tr>
<tr>
<td>Fund 40.1 Special Reserve Fund for Capital Outlay</td>
<td>19,514,711</td>
<td>21,488,992</td>
<td>1,974,281</td>
<td></td>
</tr>
<tr>
<td>Fund 67.0 Medical Fund</td>
<td>3,955,728</td>
<td>4,428,386</td>
<td>472,658</td>
<td></td>
</tr>
<tr>
<td>Fund 67.1 Workers' Compensation Fund</td>
<td>1,672,709</td>
<td>1,857,482</td>
<td>184,773</td>
<td></td>
</tr>
<tr>
<td>Fund 67.2 Early Retirement Benefits Fund</td>
<td>552,507</td>
<td>593,287</td>
<td>40,780</td>
<td></td>
</tr>
</tbody>
</table>

Fund 13.0 Cafeteria Fund

The Cafeteria Fund decrease of $1.1 million was primarily due to decrease in Federal and State Child Nutrition Program Revenues, as well as, the increased expenditures in salaries and benefits, supplies, and capital outlay. A majority of the increase in capital outlay expenditures is due to replacement of freezers at various school sites.

Fund 21.1 & 21.2 Building Funds

The Building Funds balance increase of $25.2 million was primarily due to issuance of “Series C” bonds for $70 million and CREBs third series for $10.7 million, and offsetting increase of Capital Outlay and reduction of Interfund Transfer In from other funds.

Fund 25.0 Capital Facilities Fund

The Capital Facilities Fund balance decrease of $1.4 million was primarily due to interfund transfers out of $2.9 million and offsetting revenue in developer fees of $1.5 million.

Fund 40.1 Special Reserve Fund for Capital Outlay

The Special Reserve Fund balance increase of $2.0 million was due to net proceeds from Redevelopment Agency share for San Fernando Corridor and Central Interagency transfer from the General Fund (01.0).
Fund 67.0 Medical Fund

The purpose of this fund is to account for the dental and vision insurance plans that are self-funded by the District. This includes the Delta Dental coverage that is provided through a Joint Powers Authority (JPA). In 2016-17, the District maintained its dental program in Alameda County Schools Insurance Group (ACSIG) as a participating member of the Education Dental Group Enterprise (EDGE). The increase in the fund balance of $0.5 million is primarily due to the more in-district premium/contributions compared to expenditures.

Fund 67.1 Workers’ Compensation Fund

The District’s coverage is through ASCIP at a 2.743% rate of payroll. There was no utilization of fund reserves in 2016-17. The Workers’ Compensation Fund balance increased by $185 thousand due to adjustments in Incurred But Not Reported (IBNR) liabilities for self-insured claims that occurred prior to 2005-06, and the decrease in the Workers’ Compensation rate of payroll of .26%.

Fund 67.2 Early Retirement Benefits Fund

Fund 67.2 is restricted to accounting for the health insurance premiums the District pays for retirees. This fund was established to set aside monies for the current and future liability resulting from the District providing medical insurance to retirees. The Early Retirement Benefits fund balance increase of $41 thousand is primarily due to the decrease in utilization of in-district premium contributions in 2016-17 with the rate of 1.298% applied to payroll. Funds are used to pay premium payments for retirees.

General Fund Budget

During the fiscal year, the Board of Education authorized revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. A budgetary comparison schedule for the General Fund (including the Deferred Maintenance Fund as required by GASB 54) is presented on page 54.

Variations between final budget amounts and actual results were a result of actions taken by the Board of Education to reduce or defer expenditures and increase income during the fiscal year. The 2016-17 student average daily attendance (ADA) increased by 15 ADA. Additionally, Outgoing Tuition of $0.3 million consisted of Special Education excess costs to Burbank and La Canada Unified School Districts, and $0.2 million for LACOE Specialized Schools. Approximately $2.4 million of Interfund Transfers Out were related to Redevelopment Agency Revenues (RDA).

Variations between the original and final budget amounts were created by carry-over of funds, new funding for categorical programs, and other unanticipated revenues. These amounts were unknown at the time the original budget was adopted.
General Fund Budgetary Highlights

One of the challenges that school districts face is how to maintain credibility in the budgeting process when districts are dependent on state funding and the state funding is unstable. Even when the economy is strong, the state funding is not finalized until after districts are required to adopt their budgets; and in recent years, state funding has shifted during the fiscal year.

The following table compares the District’s adopted budget for the General Fund not including the Deferred Maintenance Fund. The $11.4 million change in the General Fund ending balance (Adopted Budget versus Actuals) is primarily related to the net increase of revenues over expenditures. Components of the variances include $0.9 million increase in Local Control Funding Formula (LCFF), and $1.2 million increase in federal sources, the category “Other State Sources” increased by $11.6 million, which is primarily due to $1.2 million from California Career Pathways Grant, $0.6 million for College Readiness Block Grant, $0.2 million for Tobacco Use Prevention Education (TUPE), $0.1 million for Career Technical Education Incentive Grant (CTEIG), $0.2 million increase in State lottery, $0.2 million in tuition of Mental Health Services, and $9.1 million from the STRS On Behalf Pension Program as an offset to STRS expense. Revenue in local sources increased by approximately $3.6 million, this is mainly due to deferred revenue from prior year of various local programs, receipt of family fees for self-supporting and self-supporting combined programs, and administration and school site donation revenues exceeding the original budget.

Decrease of $1.8 million in certificated salaries and $2.3 million in classified salaries are primarily due to salaries budgeted for General Education Teachers, teacher reserve, teachers’ substitutes, summer school and athletics program and special education, respectively. Employer benefits increase of approximately $6.8 million is primarily due to STRS On Behalf Pension Program and the salary increases.

Increase of $1.7 million in books and supplies and $0.9 million in services and other operating services is mainly due to utilization of deferred revenues, carry-overs and additional funding to purchase textbooks and curriculum textbooks in different languages and contract services.
## Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Actual</th>
<th>Original Budget to Actual Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local control funding formula sources</td>
<td>$213,828,409</td>
<td>$214,753,763</td>
<td>$925,354</td>
</tr>
<tr>
<td>Federal sources</td>
<td>14,724,549</td>
<td>15,907,519</td>
<td>1,182,970</td>
</tr>
<tr>
<td>Other state sources</td>
<td>27,174,078</td>
<td>38,804,150</td>
<td>11,630,072</td>
</tr>
<tr>
<td>Other local sources</td>
<td>11,161,104</td>
<td>14,786,552</td>
<td>3,625,448</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>266,888,140</td>
<td>284,251,984</td>
<td>17,363,844</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificated salaries</td>
<td>126,075,230</td>
<td>124,302,729</td>
<td>(1,772,501)</td>
</tr>
<tr>
<td>Classified salaries</td>
<td>40,719,308</td>
<td>38,385,261</td>
<td>(2,334,047)</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>66,980,859</td>
<td>73,756,057</td>
<td>6,775,198</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>7,911,713</td>
<td>9,655,153</td>
<td>1,743,440</td>
</tr>
<tr>
<td>Services and other operating expenses</td>
<td>31,253,532</td>
<td>32,105,283</td>
<td>851,751</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>163,342</td>
<td>331,640</td>
<td>168,298</td>
</tr>
<tr>
<td>Other outgo</td>
<td>743,570</td>
<td>512,121</td>
<td>(231,449)</td>
</tr>
<tr>
<td>Direct support - indirect costs</td>
<td>(401,000)</td>
<td>(498,959)</td>
<td>(97,959)</td>
</tr>
<tr>
<td>Debt service</td>
<td>177,000</td>
<td>177,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>273,623,554</td>
<td>278,726,285</td>
<td>5,102,731</td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenues over expenditures
(6,735,414) 5,525,699 12,261,113

**Other Financing Sources (Uses)**

Interfund transfers in
1,481,351 1,481,351 -

Interfund transfers out
(1,873,773) (2,686,228) (812,455)

**Total Other Financing Sources (Uses)**
(392,422) (1,204,877) (812,455)

Net change in fund balance
$ (7,127,836) 4,320,822 $11,448,658

Fund Balance - Beginning of Year
53,534,101

Fund Balance - End of Year
57,854,923

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GLENDALE UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2017, the District had $273.5 million invested in net capital assets, net of associated debt, primarily related to school construction and other capital improvements.

Note 7 to the financial statements provides additional information on capital assets. A summary of capital assets is presented below:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Site Improvements</td>
<td>$27,596,705</td>
<td>$27,596,705</td>
</tr>
<tr>
<td>Buildings</td>
<td>542,652,176</td>
<td>596,915,541</td>
</tr>
<tr>
<td>Equipment and Vehicles</td>
<td>15,232,162</td>
<td>15,676,584</td>
</tr>
<tr>
<td>Work in Progress</td>
<td>56,089,525</td>
<td>59,051,802</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>641,570,568</strong></td>
<td><strong>699,240,632</strong></td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>(172,785,009)</td>
<td>(180,023,276)</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td><strong>$468,785,559</strong></td>
<td><strong>$519,217,356</strong></td>
</tr>
</tbody>
</table>

Debt

Note 9 to the financial statements provides additional information on outstanding debt. A summary of the District’s outstanding debt at year-end is presented below:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>$323,186,880</td>
<td>$394,587,532</td>
</tr>
<tr>
<td>Clean Renewable Energy Bonds</td>
<td>4,367,534</td>
<td>14,994,483</td>
</tr>
<tr>
<td>City of Glendale Loan</td>
<td>1,422,149</td>
<td>1,302,035</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>206,819,441</td>
<td>247,389,742</td>
</tr>
<tr>
<td>Postemployment healthcare benefits (OPEB)</td>
<td>15,491,105</td>
<td>18,608,222</td>
</tr>
<tr>
<td>Early Retiree Benefits</td>
<td>1,490,650</td>
<td>745,325</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>3,078,351</td>
<td>3,214,581</td>
</tr>
<tr>
<td><strong>Total long term liabilities</strong></td>
<td><strong>$555,856,110</strong></td>
<td><strong>$680,841,920</strong></td>
</tr>
</tbody>
</table>

(*) The 2016 balance for General Obligation Bonds has been adjusted for the recognition of the 2015 General Obligation Refunding Bonds. See Note 18.
Economic Factors that may affect the Future

**Projected Student Average Daily Attendance** - In the multi-year budget plan District ADA is projected to increase in 2017-18 by 0.96% or 240 ADA. Student ADA is projected at 25,368 including 24,752 regular student ADA and 616 Special Education student ADA. In the most recent year, 2016-17, ADA increased 0.06% or 15 ADA from 2015-16.

<table>
<thead>
<tr>
<th>Year</th>
<th>P2 ADA *</th>
<th>Percent Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01 (actual)</td>
<td>29,100</td>
<td>0.29%</td>
</tr>
<tr>
<td>2001-02 (actual)</td>
<td>29,213</td>
<td>0.39%</td>
</tr>
<tr>
<td>2002-03 (actual)</td>
<td>28,788</td>
<td>-1.46%</td>
</tr>
<tr>
<td>2003-04 (actual)</td>
<td>28,361</td>
<td>-1.48%</td>
</tr>
<tr>
<td>2004-05 (actual)</td>
<td>27,656</td>
<td>-2.49%</td>
</tr>
<tr>
<td>2005-06 (actual)</td>
<td>26,821</td>
<td>-3.02%</td>
</tr>
<tr>
<td>2006-07 (actual)</td>
<td>26,394</td>
<td>-1.59%</td>
</tr>
<tr>
<td>2007-08 (actual)</td>
<td>26,033</td>
<td>-1.37%</td>
</tr>
<tr>
<td>2008-09 (actual)</td>
<td>25,765</td>
<td>-1.03%</td>
</tr>
<tr>
<td>2009-10 (actual)</td>
<td>25,501</td>
<td>-1.02%</td>
</tr>
<tr>
<td>2010-11 (actual)</td>
<td>25,303</td>
<td>-0.78%</td>
</tr>
<tr>
<td>2011-12 (actual)</td>
<td>25,371</td>
<td>0.27%</td>
</tr>
<tr>
<td>2012-13 (actual)</td>
<td>25,247</td>
<td>-0.49%</td>
</tr>
<tr>
<td>2013-14 (actual)</td>
<td>25,178</td>
<td>-0.27%</td>
</tr>
<tr>
<td>2014-15 (actual)</td>
<td>25,188</td>
<td>+0.40%</td>
</tr>
<tr>
<td>2015-16 (actual)</td>
<td>25,113</td>
<td>-0.29%</td>
</tr>
<tr>
<td>2016-17 (actual)</td>
<td>25,128</td>
<td>+0.06%</td>
</tr>
<tr>
<td>2017-18 (est.)</td>
<td>25,368</td>
<td>+0.96%</td>
</tr>
<tr>
<td>2018-19 (est.)</td>
<td>25,469</td>
<td>+0.40%</td>
</tr>
<tr>
<td>2019-20 (est.)</td>
<td>25,545</td>
<td>+0.30%</td>
</tr>
</tbody>
</table>

* Excluding excused absences

Note: The above figures reflect total District P2 ADA, including Special Education.

**Lottery** - Actual unrestricted lottery income in 2016-17 was $144.83 per ADA. Currently, lottery income for years 2017-18 through 2019-20 is based on estimates from the California Department of Education and the Los Angeles County Office of Education. Projected unrestricted lottery income is now estimated at $146 per ADA for 2017-18 and future years.

**Special Education** - The General Fund contribution in support of various Special Education programs in 2016-17 was approximately $26.7 million. Additionally, the District contributed $4.4 million to support Special Education Transportation.
GLENDALE UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

ENDING FUND BALANCE PROJECTION - The District’s 2017-18 ending fund balance is projected to meet the required 3% contingency reserve requirement.

LOCAL CONTROL FUNDING FORMULA - For several decades, state school financing has been based on the Revenue Limit formula and other state categorical funding. However, in 2013-14 the Governor and Legislature made a radical shift and replaced most of these old funding models with the new Local Control Funding Formula (LCFF). The Governor’s goals by creating the LCFF are to increase transparency, reduce complexity, reduce administrative burden, improve funding equity across school districts, and improve local accountability. To attain these goals, the LCFF eliminates revenue limits and almost all categorical programs (except those established by state initiative or federal statutes), establishes base grants for four grade spans, and establishes supplemental/concentration grants to provide supplemental services to low income and English learner students.

A school district’s LCFF entitlement will be based on three key elements as follows:

A. Base year funding in 2012-13
B. Demographics of its student population
C. State appropriation for LCFF phase in over eight years

In general, it is more advantageous for a school district under the LCFF if its base funding for 2012-13 is below the statewide average, the proportion of students qualifying for the supplemental/concentration grants is above the statewide average (demographics), and the state provides a significant amount for LCFF growth in a given year.

In Glendale, the LCFF funding model is advantageous for the District because our base funding for 2012-13 was below the statewide average, and the proportion of our students qualifying for the supplemental/concentration grants is above the statewide average, approximately 54.69% of our students are in this category for the straight 3-year average.

The funding basis under the LCFF shifts from a primarily Average Daily Attendance (ADA) model to one that places emphasis on the student population/demographics, in addition to, the District’s ADA. LCFF is a restoration funding model and full implementation is anticipated to occur by 2020-21.

Prior to the enactment of LCFF, annual increases in school district financing were fairly straightforward, with most funding based on per ADA allocations and statutory Cost of Living Adjustments (COLA) which were consistent for all districts. However, the eight-year implementation phase of LCFF poses major challenges. The different demographic composition of student populations will result in vastly different revenues from district to district and the statutory COLA no longer determines future funding increases. In summary, there is no longer a statewide standard for expected revenue growth in the form of an inflationary adjustment. Additionally, state budget priorities can change from year to year with no guarantee that LCFF growth will be provided or that it will be fully funded.
GLENDALE UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

In addition to adopting a new funding formula, the state establishes a set of new rules relating to “school district transparency and accountability”. Under the new rules, districts are required to adopt Local Control and Accountability Plans (LCAP) that disclose how funds will be spent to provide high-quality educational programs.

Funding allocated through the LCFF is largely unrestricted, but will be subject to comprehensive accountability requirements which are established in the Local Control Accountability Plan (LCAP).

The 2015-16 average funding per ADA was $8,109 compared to 2016-17 of $8,538 for an increase of $429. The projected funding for 2017-18 is $8,725, an additional increase of $187.

The District’s 2016-17 Target Entitlement Calculation displays the per ADA components of the LCFF formula and what the District would receive if it were fully funded in 2020-21:

<table>
<thead>
<tr>
<th>Factors</th>
<th>TK-3</th>
<th>4-6</th>
<th>7-8</th>
<th>9-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base grant per ADA</td>
<td>$7,820.00</td>
<td>$7,189.00</td>
<td>$7,403.00</td>
<td>$8,801.00</td>
</tr>
<tr>
<td>% Enrollment eligible</td>
<td>54.69%</td>
<td>54.69%</td>
<td>54.69%</td>
<td>54.69%</td>
</tr>
<tr>
<td>54.69% of Supplemental</td>
<td>$855.35</td>
<td>$786.33</td>
<td>$809.74</td>
<td>$962.65</td>
</tr>
<tr>
<td>0.00% of Concentration</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>(percentage above 55%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total 2015-16 LCFF</td>
<td>$8,675.35</td>
<td>$7,975.33</td>
<td>$8,212.74</td>
<td>$9,763.65</td>
</tr>
<tr>
<td>Target Grant per ADA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADA Grade Spans</td>
<td>7,793.32</td>
<td>5,763.20</td>
<td>3,773.79</td>
<td>7,821.21</td>
</tr>
</tbody>
</table>

Special Education, Child Nutrition, After School Education and Safety and other federally mandated programs remain outside of the LCFF formula. Transportation and TIIG funding continue as formula add-ons and the funding is frozen at the 2012-13 funding levels. Additionally, districts must expend no less on transportation than the amount expended in 2012-13.
LOCAL CONTROL AND ACCOUNTABILITY PLANS (LCAP) - In 2013-14, the state established a set of new rules relating to “school district transparency and accountability”. Under the new rules, districts are required to adopt Local Control and Accountability Plans (LCAP) that disclose how funds will be spent to provide high-quality educational programs. Districts that do not meet the goals stated in their plans and fail to improve educational outcomes receive assistance through support and intervention.

On or before July 1, 2014, and every three years thereafter, districts must adopt the LCAP using a template that will be adopted by the State Board of Education. The state requires the LCAP to include the following items:

A. Annual Goals - Based on state priorities for all students and numerically significant subgroups.
B. Specific Actions - Steps the district will take to accomplish the annual goals, including districtwide actions and actions by the school site.

Description of Expenditures - For each fiscal year of the plan, list and describe expenditures implementing specific actions included in the LCAP. List and describe expenditures serving “unduplicated” students and students re-designated as fluent English proficient.

The eight areas of state priority that must be addressed in the LCAP include the following:

A. Student Achievement
B. Student Engagement
C. School Climate
D. Basic Services
E. Implementation of Common Core State Standards
F. Parental Involvement
G. Course Access
H. Other Student Outcomes

The District’s LCAP Goals are located on the web page (gusd.net). The District’s 2017-18 LCAP goals have also become the Board Priorities as listed below:

1. Maximize Student Achievement.
2. Create a culture of learning.
3. Increase engagement.
COMMON CORE STATE STANDARDS (CCSS) - In 2013-14, the State Budget provided $1.25 billion statewide in one-time funds for the implementation of Common Core State Standards (CCSS). This resulted in approximately $5.26 million in funding for the District to be utilized over a two year period, 2013-14 and 2014-15, and develop a spending/implementation plan to spend the funds for the following purposes:

A. Professional Development - For teachers, administrators and paraprofessional educators or classified employees involved in the direct instruction of pupils that is aligned to the CCSS academic content standards.

B. Instructional materials and supplemental instructional materials aligned to CCSS academic content standards.

C. For the integration of the content standards through technology based instruction for the purposes of improving the academic performance of pupils including the administration of computer-based assessments and providing adequate internet connectivity to support the computer-based assessments.

In 2016-17 and 2017-18, the District continues to invest in the implementation of Common Core Standards through the Unrestricted General Fund and solvency transfer from Debt Service Fund.

HEALTH AND WELFARE FUND – 67.0 – For the 2017-18 school year, the District “carved-out” the pharmaceutical services from the incumbent health care provider and is now self-funded. Pharmaceutical services will be administered by MedImpact effective October 1, 2017.

UNRESTRICTED GENERAL FUND – SOLVENCY PLAN – BUDGET SAVINGS – 2017-18 – In the 2017-18 June Budget Adoption, there were expenditure reductions for solvency savings projected at $7.6 million for 2017-18 and another $6.1 million in 2018-19 to ensure that the District will be solvent in the next three years. Due to a higher than projected ending balance in 2016-17, revised LCFF funding variables, and revised one-time discretionary funding, there will be future budget adjustments in 2017-18 to the multiyear projected budget. A board approved fiscal stabilization plan was submitted to Los Angeles County Office of Education (LACOE) with the 2017-18 Proposed Budget. In the fiscal stabilization plan, the Board of Education identified the specific areas to reduce, up to the $7.6 million of ongoing expenditures and increased revenues.

A continuous analysis of the Solvency Savings Plan will be done to monitor the actual savings and to modify, change, or increase savings as needed.
GLENDALE UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

Contacting the District’s Financial Management

This financial report is designed to provide the community, investors, creditors, etc. with a general overview of the District’s financial condition and to show the District’s accountability for the funding it receives. If you have questions regarding this report or need additional financial information, please contact Stephen Dickinson, Chief Business and Financial Officer, Glendale Unified School District, 223 North Jackson St., Glendale, California 91206.
FINANCIAL SECTION
## GLENDALE UNIFIED SCHOOL DISTRICT

### STATEMENT OF NET POSITION

**June 30, 2017**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in county treasury</td>
<td>$ 262,499,587</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>70,700</td>
</tr>
<tr>
<td>Cash with fiscal agent</td>
<td>799,304</td>
</tr>
<tr>
<td>Investments with refunding escrow agent</td>
<td>84,373,081</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>9,345,924</td>
</tr>
<tr>
<td>Inventories</td>
<td>167,881</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,535,440</td>
</tr>
<tr>
<td>Other current assets</td>
<td>3,277</td>
</tr>
<tr>
<td>Land</td>
<td>12,698,972</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>59,051,802</td>
</tr>
<tr>
<td>Depreciable assets, net</td>
<td>447,466,582</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>878,012,550</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred charge on refunding</td>
<td>5,343,128</td>
</tr>
<tr>
<td>Deferred outflows - pension contributions</td>
<td>53,553,982</td>
</tr>
<tr>
<td><strong>Total Deferred Outflows of Resources</strong></td>
<td><strong>58,897,110</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and other current liabilities</td>
<td>40,022,271</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>3,271,435</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>10,519,613</td>
</tr>
<tr>
<td>Estimated liability for open claims and incurred but not reported claims</td>
<td>3,024,257</td>
</tr>
<tr>
<td>Current portion of long-term liabilities</td>
<td>13,617,170</td>
</tr>
<tr>
<td>Non-current portion of long term liabilities</td>
<td>667,224,750</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>737,679,496</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred Inflows of Resources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred inflows - pensions</td>
<td>12,288,670</td>
</tr>
<tr>
<td><strong>Total Deferred Inflows of Resources</strong></td>
<td><strong>12,288,670</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Position</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>273,565,847</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>12,432,849</td>
</tr>
<tr>
<td>Debt service</td>
<td>22,085,557</td>
</tr>
<tr>
<td>Educational programs</td>
<td>10,963,062</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(132,105,821)</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td><strong>$ 186,941,494</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.

-2-
## GLENDALE UNIFIED SCHOOL DISTRICT

### STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Functions</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
<th>Total</th>
<th>Net (Expense) Revenue and Changes in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>$199,048,577</td>
<td>$775,910</td>
<td>$40,172,721</td>
<td>-</td>
<td>$(158,099,946)</td>
<td></td>
</tr>
<tr>
<td>Instruction - related services</td>
<td>34,236,739</td>
<td>259,479</td>
<td>5,754,208</td>
<td>-</td>
<td>(28,223,052)</td>
<td></td>
</tr>
<tr>
<td>Pupil services</td>
<td>27,212,974</td>
<td>2,071,870</td>
<td>8,648,586</td>
<td>-</td>
<td>(16,492,518)</td>
<td></td>
</tr>
<tr>
<td>Ancillary services</td>
<td>1,775,914</td>
<td>-</td>
<td>29,123</td>
<td>-</td>
<td>(1,746,791)</td>
<td></td>
</tr>
<tr>
<td>Community services</td>
<td>508,118</td>
<td>-</td>
<td>1,391</td>
<td>-</td>
<td>(506,727)</td>
<td></td>
</tr>
<tr>
<td>Enterprise activities</td>
<td>4,028</td>
<td>341</td>
<td>110</td>
<td>-</td>
<td>(3,577)</td>
<td></td>
</tr>
<tr>
<td>General administration</td>
<td>12,811,057</td>
<td>5,166,644</td>
<td>4,481,256</td>
<td>-</td>
<td>(3,163,157)</td>
<td></td>
</tr>
<tr>
<td>Plant services</td>
<td>28,739,048</td>
<td>17,785</td>
<td>279,044</td>
<td>-</td>
<td>(28,442,219)</td>
<td></td>
</tr>
<tr>
<td>Other outgo</td>
<td>5,743,102</td>
<td>28,685</td>
<td>4,255,093</td>
<td>-</td>
<td>(1,459,324)</td>
<td></td>
</tr>
<tr>
<td>Debt service - interest</td>
<td>22,906,013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(22,906,013)</td>
<td></td>
</tr>
<tr>
<td>Depreciation (unallocated)</td>
<td>8,810,798</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(8,810,798)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$341,796,368</td>
<td>$8,320,714</td>
<td>$63,621,532</td>
<td>-</td>
<td>$(269,854,122)</td>
<td></td>
</tr>
</tbody>
</table>

#### General Revenues
- Property taxes levied for
  - General purposes: $71,783,672
  - Debt service: $18,499,825
  - Other specific purposes: $2,597,100
- Federal and state aid not restricted to specific purposes: $155,675,205
- Interest and investment earnings: $4,088,724
- Miscellaneous: $10,234,951

**Total General Revenues**: $262,879,477

- Change in net position: $(6,974,645)
- Net Position - Beginning of Year: $193,916,139
- Net Position - End of Year: $186,941,494

See accompanying notes to the financial statements.
### GLENDALE UNIFIED SCHOOL DISTRICT

#### BALANCE SHEET
**GOVERNMENTAL FUNDS**

**June 30, 2017**

<table>
<thead>
<tr>
<th>Assets</th>
<th>General Fund</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in county treasury</td>
<td>$92,891,069</td>
<td>$89,708,796</td>
<td>$12,618,748</td>
<td>$57,604,992</td>
<td>$252,823,605</td>
</tr>
<tr>
<td>Cash in revolving fund</td>
<td>70,000</td>
<td>-</td>
<td>-</td>
<td>700</td>
<td>70,700</td>
</tr>
<tr>
<td>Cash with fiscal agent</td>
<td>-</td>
<td>174,304</td>
<td>-</td>
<td>-</td>
<td>174,304</td>
</tr>
<tr>
<td>Investments with refunding escrow agent</td>
<td>-</td>
<td>-</td>
<td>84,373,081</td>
<td>-</td>
<td>84,373,081</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>7,061,632</td>
<td>520,726</td>
<td>64,308</td>
<td>1,621,780</td>
<td>9,268,446</td>
</tr>
<tr>
<td>Inventories</td>
<td>77,474</td>
<td>-</td>
<td>-</td>
<td>90,407</td>
<td>167,881</td>
</tr>
<tr>
<td>Prepaid expenditures</td>
<td>1,505,460</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,505,460</td>
</tr>
<tr>
<td>Other current assets</td>
<td>3,277</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,277</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$101,608,912</td>
<td>$90,403,826</td>
<td>$97,056,137</td>
<td>$59,317,879</td>
<td>$348,386,754</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Fund Balances</th>
<th>General Fund</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$28,301,747</td>
<td>$9,544,366</td>
<td>-</td>
<td>$1,671,130</td>
<td>$39,517,243</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>10,325,477</td>
<td>-</td>
<td>-</td>
<td>194,136</td>
<td>10,519,613</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>38,627,224</td>
<td>9,544,366</td>
<td>-</td>
<td>1,865,266</td>
<td>50,036,856</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances</th>
<th>General Fund</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td>1,652,934</td>
<td>-</td>
<td>-</td>
<td>91,107</td>
<td>1,744,041</td>
</tr>
<tr>
<td>Restricted</td>
<td>10,025,510</td>
<td>80,859,460</td>
<td>84,373,081</td>
<td>33,384,265</td>
<td>208,642,316</td>
</tr>
<tr>
<td>Committed</td>
<td>5,126,765</td>
<td>-</td>
<td>-</td>
<td>5,126,765</td>
<td>10,253,530</td>
</tr>
<tr>
<td>Assigned</td>
<td>6,449,878</td>
<td>-</td>
<td>12,683,056</td>
<td>23,977,243</td>
<td>43,110,175</td>
</tr>
<tr>
<td>Unassigned</td>
<td>39,726,601</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>39,726,601</td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td>62,981,688</td>
<td>80,859,460</td>
<td>97,056,137</td>
<td>57,452,613</td>
<td>298,349,898</td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td>$101,608,912</td>
<td>$90,403,826</td>
<td>$97,056,137</td>
<td>$59,317,879</td>
<td>$348,386,754</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
GLendale unified school district

Reconciliation of the governmental funds balance sheet to the statement of net position
June 30, 2017

Total fund balances - governmental funds $ 298,349,898

Amounts reported for governmental funds are different than the statement of net position because:

Capital assets used in governmental activities are not financial resource and, therefore, are not reported as assets in governmental funds. These assets consist of:

- Land $ 12,698,972
- Construction in progress 59,051,802
- Depreciable assets, net 447,466,382 519,217,356

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:

- General obligation bonds (394,587,332)
- Clean renewable energy bonds (CREB) (14,994,483)
- City of Glendale loan (1,302,035)
- Net pension liability (247,389,742)
- Other postemployment benefits other than pensions (OPEB) (18,608,222)
- Early retirement incentive (745,325)
- Compensated absences (3,214,581) (680,841,920)

In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. Deferred outflows and inflows of resources at year-end consist of:

- Deferred charge on refunding 5,343,128
- Deferred outflows - pensions 53,553,982
- Deferred inflows - pensions (12,288,670) 46,608,440

An internal service fund is used by the District to cover the cost of self-insured health programs, such as dental and vision benefits and workers’ compensation. The assets and liabilities should be included with governmental activities. The fund consists of:

- Assets 10,408,440
- Less: Liabilities (3,529,285) 6,879,155

Interest expense related to general obligation bonds, CREB and City of Glendale loan was incurred but not accrued through June 30, 2017.

(3,271,435)

Total net position - governmental activities 186,941,494

See accompanying notes to the financial statements.
## GLENDALE UNIFIED SCHOOL DISTRICT

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

**GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Revenues</th>
<th>General Fund</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local control funding formula sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State apportionments</td>
<td>142,970,092</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>142,970,092</td>
</tr>
<tr>
<td>Local sources</td>
<td>71,783,671</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>71,783,671</td>
</tr>
<tr>
<td>Total local control funding formula sources</td>
<td>214,753,763</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>214,753,763</td>
</tr>
<tr>
<td>Federal sources</td>
<td>15,907,519</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>28,840,650</td>
</tr>
<tr>
<td>Other state sources</td>
<td>38,806,150</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>44,179,517</td>
</tr>
<tr>
<td>Other local sources</td>
<td>34,842,337</td>
<td>1,217,748</td>
<td>1,695,665</td>
<td>23,480,018</td>
<td>41,235,768</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>284,307,769</td>
<td>1,217,748</td>
<td>1,695,665</td>
<td>41,788,516</td>
<td>329,009,698</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>General Fund</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>100,159,624</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>193,694,547</td>
</tr>
<tr>
<td>Instruction - related services</td>
<td>32,696,511</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33,248,007</td>
</tr>
<tr>
<td>Pupil services</td>
<td>16,713,191</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,874,477</td>
</tr>
<tr>
<td>Auxiliary services</td>
<td>1,734,446</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,734,446</td>
</tr>
<tr>
<td>Community services</td>
<td>497,348</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>497,348</td>
</tr>
<tr>
<td>Enterprise activities</td>
<td>4,028</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,028</td>
</tr>
<tr>
<td>General administration</td>
<td>11,631,077</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,597,553</td>
</tr>
<tr>
<td>Plant services</td>
<td>24,600,939</td>
<td>60,073,174</td>
<td>-</td>
<td>2,731,359</td>
<td>87,405,472</td>
</tr>
<tr>
<td>Other outgo</td>
<td>512,121</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,743,102</td>
</tr>
<tr>
<td>Debt service</td>
<td>127,000</td>
<td>-</td>
<td>-</td>
<td>1,554,600</td>
<td>18,276,834</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>278,726,285</td>
<td>60,073,174</td>
<td>1,554,600</td>
<td>41,453,727</td>
<td>381,807,976</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenditures</td>
<td>5,581,484</td>
<td>(58,855,426)</td>
<td>141,065</td>
<td>334,779</td>
<td>(52,798,098)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses)</th>
<th>General Fund</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of bonds</td>
<td>-</td>
<td>70,000,000</td>
<td>-</td>
<td>-</td>
<td>70,000,000</td>
</tr>
<tr>
<td>Proceeds from sale of CREBS</td>
<td>-</td>
<td>10,925,000</td>
<td>-</td>
<td>-</td>
<td>10,925,000</td>
</tr>
<tr>
<td>Premiums from sale of bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,225,029</td>
<td>5,225,029</td>
</tr>
<tr>
<td>Interfund transfers in</td>
<td>1,481,351</td>
<td>3,095,179</td>
<td>-</td>
<td>2,686,228</td>
<td>7,262,758</td>
</tr>
<tr>
<td>Interfund transfers out</td>
<td>(2,686,228)</td>
<td>-</td>
<td>(1,481,351)</td>
<td>(3,095,179)</td>
<td>(7,262,758)</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>(1,204,877)</td>
<td>84,020,179</td>
<td>(1,481,351)</td>
<td>4,816,078</td>
<td>86,156,029</td>
</tr>
<tr>
<td>Net changes in fund balance</td>
<td>4,376,607</td>
<td>25,164,753</td>
<td>(1,340,286)</td>
<td>5,150,857</td>
<td>33,351,931</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances at Beginning of Year, as Originally Stated</th>
<th>General Fund</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restatement (See Note 18)</td>
<td>58,605,081</td>
<td>55,694,707</td>
<td>14,023,342</td>
<td>52,301,756</td>
<td>180,624,886</td>
</tr>
<tr>
<td>Fund Balances at Beginning of Year, as Restated</td>
<td>58,605,081</td>
<td>55,694,707</td>
<td>98,396,423</td>
<td>52,301,756</td>
<td>264,997,967</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances at End of Year</th>
<th>General Fund</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>62,981,688</td>
<td>80,859,460</td>
<td>97,056,137</td>
<td>57,452,613</td>
<td>298,349,898</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
GLENDALE UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017

Net change in fund balances - total governmental funds $33,351,931

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital outlay</td>
<td>59,242,595</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(8,810,798)</td>
</tr>
<tr>
<td>Excess of capital outlay over depreciation expense</td>
<td>50,431,797</td>
</tr>
</tbody>
</table>

Issuance of long-term debt is reported as proceeds in governmental funds but increases long-term liabilities in the statement of net position.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td>(70,000,000)</td>
</tr>
<tr>
<td>Clean Renewable Energy Bonds (CREBS)</td>
<td>(10,925,000)</td>
</tr>
<tr>
<td></td>
<td>(80,925,000)</td>
</tr>
</tbody>
</table>

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds principal payments</td>
<td>9,535,000</td>
</tr>
<tr>
<td>Clean renewable energy bonds principal payments</td>
<td>298,051</td>
</tr>
<tr>
<td>City of Glendale loan principal payments</td>
<td>120,114</td>
</tr>
<tr>
<td></td>
<td>9,953,165</td>
</tr>
</tbody>
</table>

The prepayment of the 2017 annual early retiree incentive in 2016 is recognized as an expenditure in governmental funds in the current year. The amount was recorded as a reduction of the early retiree incentive liability in the statement of net position in the 2016 year.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>745,325</td>
</tr>
</tbody>
</table>

In governmental funds, pension costs are recognized when the employer contribution is made, but in the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual basis pension costs and actual employer contribution was:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase in deferred outflows of resources - pensions</td>
<td>26,404,844</td>
</tr>
<tr>
<td>Net increase in net pension liability</td>
<td>(40,570,301)</td>
</tr>
<tr>
<td>Net decrease in deferred inflows of resources - pensions</td>
<td>8,855,287</td>
</tr>
<tr>
<td></td>
<td>(5,310,170)</td>
</tr>
</tbody>
</table>

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase in accrued interest</td>
<td>(661,594)</td>
</tr>
<tr>
<td>Net increase in accreted interest</td>
<td>(7,138,638)</td>
</tr>
<tr>
<td>Recognition of bond issuance costs</td>
<td>(457,482)</td>
</tr>
<tr>
<td>Net increase in other postemployment benefits other than pensions (OPEB)</td>
<td>(3,117,117)</td>
</tr>
<tr>
<td>Net increase in compensated absences</td>
<td>(136,230)</td>
</tr>
<tr>
<td>Net decrease in deferred charge on refunding bonds</td>
<td>(611,829)</td>
</tr>
<tr>
<td>Net increase in premium on general obligation bonds</td>
<td>(3,797,014)</td>
</tr>
<tr>
<td></td>
<td>(15,919,904)</td>
</tr>
</tbody>
</table>

An internal service fund is used by the District to charge the costs of self-insured health programs, such as dental and vision. The net income of the internal service fund is reported with governmental activities.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>698,211</td>
</tr>
</tbody>
</table>

Change in net position of governmental activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6,974,645)</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
## GLENDALE UNIFIED SCHOOL DISTRICT

### STATEMENT OF FUND NET POSITION

**PROPRIETARY FUND**

*June 30, 2017*

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governmental Activities</th>
<th>Self-Insurance Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in county treasury</td>
<td>$ 9,675,982</td>
<td></td>
</tr>
<tr>
<td>Cash with fiscal agent</td>
<td>625,000</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>77,478</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>29,980</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>10,408,440</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td>505,028</td>
</tr>
<tr>
<td>Accounts payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated liability for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>open claims and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>incurred but not</td>
<td></td>
<td></td>
</tr>
<tr>
<td>reported claims</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>3,529,285</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Net Position            |                         |                      |
| Unrestricted            |                         |                      |
| **Total Net Position**  | **$ 6,879,155**         |                      |

See accompanying notes to the financial statements.

-8-
<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Self-Insurance Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-insurance premiums</td>
<td>$ 10,394,147</td>
<td></td>
</tr>
<tr>
<td>Other local revenue</td>
<td>357</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>$ 10,394,504</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and other operating expenses</td>
<td>9,775,496</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td><strong>9,775,496</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net operating income</strong></td>
<td></td>
<td>619,008</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Operating Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>79,203</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-Operating Revenues</strong></td>
<td><strong>79,203</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td>698,211</td>
</tr>
<tr>
<td><strong>Net Position at Beginning of Year</strong></td>
<td><strong>6,180,944</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net Position at End of Year</strong></td>
<td><strong>$ 6,879,155</strong></td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
GLENDALE UNIFIED SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Self-Insurance Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
</tr>
<tr>
<td>Cash received from premiums</td>
<td>$ 10,394,147</td>
</tr>
<tr>
<td>Cash received from other revenues</td>
<td>357</td>
</tr>
<tr>
<td>Cash paid for claims and operating expenditures</td>
<td>(10,608,826)</td>
</tr>
<tr>
<td>Net cash used by operating activities</td>
<td>(214,322)</td>
</tr>
</tbody>
</table>

| **Cash Flows from Investing Activities** |                      |
| Interest income | 65,164               |
| Net cash provided by investing activities | 65,164              |

Net decrease in cash | (149,158)       

Cash - July 1, 2016 | 10,450,140       
Cash - June 30, 2017 | $ 10,300,982     

Reconciliation of operating income to net cash used by operating activities

**Operating Income** | $ 619,008       
Changes in operating assets and liabilities:
- Accounts receivable | 244,220       
- Accounts payable | (179,309)     
- Estimated liability for open claims incurred but not recorded | (898,241)     
Net cash used by operating activities | $ (214,322)    

Cash balances at June 30, 2017 consisted of the following:
- Cash in county treasury | $ 9,675,982      
- Cash with fiscal agent | 625,000           
Total cash | $ 10,300,982      

See accompanying notes to the financial statements,
## GLENDALE UNIFIED SCHOOL DISTRICT

### STATEMENT OF FIDUCIARY NET POSITION

**June 30, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Foundation Trust Funds</th>
<th>Associated Student Body Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in county treasury</td>
<td>$336,894</td>
<td>$</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>2,032,816</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>1,729</td>
<td>160,780</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>77,013</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>338,623</td>
<td>2,270,609</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,012</td>
<td>-</td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>-</td>
<td>1,028,287</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>2,012</td>
<td>1,028,287</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>333,541</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>3,070</td>
<td>1,242,322</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$336,611</td>
<td>$1,242,322</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
GLENDALE UNIFIED SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Foundation Trust Funds</th>
<th>Associated Student Body Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from local sources</td>
<td>$3,832</td>
<td>$2,540,204</td>
</tr>
<tr>
<td>Total Additions</td>
<td>$3,832</td>
<td>$2,540,204</td>
</tr>
<tr>
<td>Deductions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and other operating expenses</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>3,666</td>
<td>2,562,151</td>
</tr>
<tr>
<td>Total Deductions</td>
<td>4,666</td>
<td>2,562,151</td>
</tr>
<tr>
<td>Changes in net position</td>
<td>(834)</td>
<td>(21,947)</td>
</tr>
<tr>
<td>Net Position - Beginning of Year</td>
<td>337,445</td>
<td>1,264,269</td>
</tr>
<tr>
<td>Net Position - End of Year</td>
<td>$336,611</td>
<td>$1,242,322</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.

-12-
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education’s California School Accounting Manual, updated to conform to the most current financial and reporting requirements promulgated by the California Department of Education. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The significant accounting policies applicable to the District are described below.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with GAAP as prescribed by GASB. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District’s financial activities. The entity-wide perspective enhances the fund-group perspective previously required. Fiduciary activities are excluded from the basic financial statements and are reported separately in the fiduciary fund statements.

The District’s basic financial statements consist of government-wide statements, including a Statement of Net Position, a Statement of Activities, and fund financial statements.

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities displays information about the District as a whole. These statements include the financial activities of the primary government, including governmental activities of proprietary funds. Fiduciary funds are excluded.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District. Depreciation and interest expense have not been allocated to specific functions.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary and proprietary funds are reported by type.

The fund financial statement expenditures are presented in a function-oriented format. The following is a brief description of the functions:

**Instruction**: includes the activities directly dealing with the interaction between teachers and students.

**Instruction-Related Services**: includes supervision of instruction, instructional library, media and technology, and school site administration.

**Pupil Services**: includes home to school transportation, food services, and other pupil services.

**Ancillary Services**: includes activities that are generally designed to provide students with experiences outside the regular school day.

**Community Services**: includes activities that provide services to community participants other than students.

**Enterprise Activities**: includes activities that are financed and operated in a manner similar to private business enterprises, where the stated intent is that the costs are financed or recovered primarily through user charges. This function is used with self-insurance funds and retiree benefit funds.

**General Administration**: includes data processing services and all other general administration services.

**Plant Services**: includes activities of maintaining the physical plant. This also includes facilities acquisition and construction expenditures.

**Other Outgo**: includes transfers to other agencies.

**Debt Service**: includes principal and interest payments for long term debt.
NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The proprietary and fiduciary fund expenditures are presented by natural classification.

**Fund Accounting**

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.

The Statement of Revenues, Expenditures and Changes in Fund Balance are statements of financial activities of the particular fund related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization. The modified accrual basis of accounting is used for all governmental funds.

**Governmental Funds – Major**

**General Fund:** used to account for all financial resources except those required to be accounted for in another fund. The Deferred Maintenance Fund no longer meets the definition of a special revenue fund as it is no longer primarily composed of restricted or committed revenue sources. Therefore, all activities of this fund are reported in the General Fund.

**Building Fund #21.1 and #21.2:** used to account for the construction projects funded by the proceeds of voter approved bonds.

**Debt Service Fund #56:** used to account for the payment of principal and interest on the Certificates of Participation issued in 1996 and the activity maintained by the District and U.S. Trust. Used to account for the proceeds of the 2015 General Obligation Refunding Bonds, Series B (2021 Crossover) held in escrow by U.S. Bank National Association and the activity maintained by the escrow agent until the crossover date. (See Note 10).

**Governmental Funds – Non-Major**

**Special Revenue Funds:** used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

*Special Education Pass-Through Fund #10:* used by the Administrative Unit of the Foothill SELPA to account for Special Education revenue passed through to other member LEAs.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Child Development Fund #12: used to account for resources committed to child development programs.

Cafeteria Fund #13: used to account for revenues received and expenditures made to operate the District's cafeterias.

Capital Projects Funds: used to account for the financial resources that are restricted, committed or assigned for the acquisition and/or construction of major governmental general fixed assets.

Capital Facilities Fund #25: used to account for resources received from residential and commercial developer impact fees.

County Schools Facilities Fund #35: used to account for the construction projects funded by School Facility Program grants award for modernization and new construction of various school sites.

Special Reserve Fund for Capital Outlay Projects #40.1 and #40.2: used to account for specific funds designated by the Board for capital outlay, major deferred maintenance, major equipment replacement needs and the modernization of cafeteria facilities.

Debt Service Funds: used to account for the financial resources that are restricted, committed or assigned and the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

Bond Interest and Redemption Fund #51: used to account for the payment of principal and interest on general obligation bonds.

Proprietary Funds

Self-Insurance Fund

Internal Service Fund: used to account for services rendered on a cost-reimbursement basis within the District. The District operates one internal service fund with three sub-funds as follows:

Medical Fund #67.0: used to account for resources committed to the District's medical insurance program.

Workers' Compensation Fund #67.1: used to account for resources committed to the District's self-insurance program for workers' compensation.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Early Retirement Benefits Fund #67.2: used to reserve for resources for the District’s other postemployment benefits other than pensions (OPEB).

Fiduciary Funds

Foundation Trust Fund #73: used to account for income and restricted expenditures of trust monies donated for use by the Hoover High School Associated Student Body and the Michael F. Escalante Senior Scholarship Fund.

Associated Student Body Fund: used to account for raising and expending money to promote the general welfare, morale, and educational experiences of the student body. The District operates ten organized Associated Student Body funds.

Agency Activities

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 a deficit cash balance in the County Treasury account amounting to $(2,078,368) on June 30, 2017, due to prepayment of withholding payable.

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. Revenues in governmental fund financial statements are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

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.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and equivalents held with the refunding escrow agent have been classified as investments.

Receivables

Receivables are generally recorded when the amount is earned and can be estimated. All material receivables are considered fully collectible. Per Education Code Section 33128.1, a local education agency may recognize 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.

Inventories

Inventories are presented at the lower of cost or market on an average basis and are expensed when used. Inventory consists of expendable supplies and food held for consumption. At June 30, 2017, the inventory for supplies was $77,474 and the inventory for food was $90,407.

Prepaid Expenses/Expenditures

Payments made to vendors for goods or services that will benefit periods beyond June 30, 2017, 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 expense is reported in the year in which goods or services are consumed.

Capital Assets

Generally, capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Statement of Net Position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $5,000. The District does not own any infrastructure as defined by GASB. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and Improvements *</td>
<td>20-50 years</td>
</tr>
<tr>
<td>Equipment</td>
<td>5-20 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>8 years</td>
</tr>
</tbody>
</table>

* The District has chosen not to begin depreciation on building improvements until the fiscal year after completion of the project.

Depreciation expense has not been allocated to functions in the government-wide statement of activities.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. These amounts are reported in the government-wide statement of net position.

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 – Pensions: The deferred outflows of resources related to pensions results from the following and are recognized as follows:

- District contributions to employee pension plans subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.
- The net differences between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period and the remaining amount is deferred and will be amortized over the remaining four-year period.
- All other deferred outflows will be amortized to pension expense over the estimated average remaining service lifetime of plan participants (EARSL) over closed periods. The EARSL is 7 years for CalSTRS and 3.9 years for CalPERS. The first year of amortization is recognized in pension expense in the year the gain or loss occurs. The remaining amounts are deferred and will be amortized over the remaining periods.

Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

that cash is received for fees not earned.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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.

Long-Term Obligations

The District reports long-term debt of governmental funds at face value in the government-wide financial statements. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. General obligation bonds are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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) and the California Public Employees’ Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 related to pensions results from the following and are amortized to pension expense as follows:

- The net differences between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period and the remaining amount is deferred and will be amortized over the remaining four-year period.
- All other deferred inflows will be amortized to pension expense over the estimated average remaining service lifetime of plan participants (EARSL) over closed periods. The EARSL is 7 years for CalSTRS and 3.9 years for CalPERS. The first year of amortization is recognized in pension expense in the year the gain or loss occurs. The remaining amounts are deferred and will be amortized over the remaining periods.

Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by donors, grantors, laws or regulations of other governments or by enabling legislation adopted by the District.

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

_Nonspendable_: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

_Restricted_: Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

_Committed_: Amounts that can be used only for specific purposes pursuant to constraints imposed
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

by formal action of the District Board of Education. These amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same formal action (vote or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The District's Board of Education, through a formal action has given authority to the Superintendent to assign amounts for a specific purpose that is neither restricted nor committed.

Unassigned: The residual fund balance for the General Fund and all other spendable amounts.

Spending Order Policy

The District considers restricted amounts to have been spent when an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance is available.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District's policy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District's Board of Education has provided otherwise in its commitment or assignment functions.

Minimum Fund Balance Policy

The District has adopted a minimum fund balance policy in order to protect against revenue shortfalls and unexpected one-time expenditures. The policy requires a reserve for economic uncertainties consisting of unassigned amounts which represent the minimum recommended reserve consistent with the criteria and standards for fiscal solvency adopted by the State Board of Education. The minimum recommended reserve for a district this size is 3% of budgeted General Fund expenditures and other financing uses.

State Apportionments

Certain current year apportionments from the state are based upon various financial and statistical information of the previous year. Second period to annual corrections for local control funding formula and other state apportionments (either positive or negative) are accrued at the end of the fiscal year.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property Taxes

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

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 California 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 local control funding formula purposes. Property taxes for debt service purposes have been accrued in the government-wide financial statements.

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers’ Retirement System on behalf of all school districts in California. The amount of on-behalf payments made for the District has been recorded in the fund financial statements.

Contributed Services

Generally accepted accounting principles require that contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are to be recorded at fair value in the period received. Although the District receives numerous hours of volunteer time, it is not deemed necessary to record these hours on the books of the District based on the above guidelines. In addition, the District receives donations of immaterial equipment and supplies which are not recorded upon receipt.

Classification of Revenues – Proprietary Funds

Proprietary funds distinguish operating revenues from non-operating revenues. Operating revenues include activities that have the characteristics of exchange transactions, such as food service sales, Federal and most state and local grants and contracts, and self-insurance premiums. Non-operating revenues include activities that have the characteristics of non-exchange transactions that are defined as non-operating revenues by GASB.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 District Board of Education.

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB. 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:

- 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.
- 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.
- 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 potential component units have not been included in the District’s reporting entity:
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Los Angeles County Schools Regionalized Business Services Corporation: The corporation is a legally separate entity formed for the purpose of acquiring equipment and capital outlay and then leasing such items to the District and other participating districts. Only the activity related to the District has been included in these financial statements.

Glendale Educational Foundation: The foundation is a separate not-for-profit corporation formed to enrich and enhance the programs and projects of the District. The foundation has been excluded as a component unit because the economic resources received and held by the foundation are not significant for financial reporting purposes to the District.

Various PTA, PTO and Booster Clubs: Each of these types of organizations at each of the school sites within the District were evaluated using the three criteria listed above. Each entity has been excluded as a component unit because the third criterion was not met in all cases; the economic resources received and held by the PTA, PTO and the Booster Club individually are not significant to the District.

NOTE 2: BUDGETS

By state law, the District’s Governing Board must approve a budget no later than July 1st, using the Single Adoption Budget process. 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 GAAP.

These budgets are revised by the District’s Board of Education during the year to give consideration to unanticipated income and expenditures. The original and final revised budget for the General Fund is presented in a budgetary comparison schedule in the required supplementary section.

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 3: DEPOSITS AND INVESTMENTS

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. Although the District does not have a deposit policy for custodial risk, the District has a practice to obtain collateralization letters from all depository institutions. As of June 30, 2017, $3,437,833 of the District’s bank balance of $4,589,252 was exposed to credit risk as it was uninsured and collateral was held by the pledging bank’s trust department, not in the District’s name. In addition, amounts held in escrow of $84,373,081 are both uninsured and
GLENDALE UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

NOTE 3: DEPOSITS AND INVESTMENTS

uncollateralized.

Cash in County

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2017 is measured at 99.4047% of amortized cost. The District’s deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635, and 53648. The county is restricted to invest time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. 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. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follow. The method used to determine the value of the participant’s equity withdrawn is based on the book value, which is amortized cost, of the participant’s percentage participation on the date of such withdrawals.

The pool sponsor’s annual financial report may be obtained from the Los Angeles County Public Affairs Office, Kenneth Hahn Hall of Administration, 500 W. Temple St, Room 358, Los Angeles, CA 90012.

Investments with Refunding Escrow Agent

The District’s investment activity managed by the debt refunding escrow agent are governed by the Escrow Deposit and Trust Agreement (the Agreement). The Agreement defines the types of securities authorized, including term to manage interest rate risk, and credit quality and concentration to manage credit risk. Investments are selected to provide adequate earnings to pay interest due on the refunding bonds through and including the redemption date.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The three levels of the fair value hierarchy are as
NOTE 3: DEPOSITS AND INVESTMENTS

follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Unobservable inputs. There are no Level 3 investments held by the refunding escrow agent.

As of June 30, 2017, the District’s had the following investments held by the refunding escrow agent:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Credit Rating</th>
<th>Maturity</th>
<th>Cost</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash (Level 1)</td>
<td>n/a</td>
<td>n/a</td>
<td>$146,325</td>
<td>$146,325</td>
</tr>
<tr>
<td>Funding strips (Level 1)</td>
<td>n/a</td>
<td>3-4 years</td>
<td>42,230</td>
<td>42,568</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td></td>
<td></td>
<td>188,555</td>
<td>188,893</td>
</tr>
<tr>
<td>Debt securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury bonds (Level 1)</td>
<td>n/a</td>
<td>4 years</td>
<td>1,886,940</td>
<td>2,202,250</td>
</tr>
<tr>
<td>Foreign bonds (Level 2)</td>
<td>Aaa</td>
<td>4 years</td>
<td>82,501,411</td>
<td>81,981,938</td>
</tr>
<tr>
<td>Total debt securities</td>
<td></td>
<td></td>
<td>84,388,351</td>
<td>84,184,188</td>
</tr>
<tr>
<td>Total investments</td>
<td></td>
<td></td>
<td>$84,576,906</td>
<td>$84,373,081</td>
</tr>
</tbody>
</table>

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NOTE 4: ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2017 consists of the following:

<table>
<thead>
<tr>
<th>Accounts Receivable</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
<th>Self-Insurance Fund</th>
<th>Total Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal and state</td>
<td>$6,127,399</td>
<td>$-</td>
<td>$-</td>
<td>$1,084,841</td>
<td>$7,212,240</td>
<td>$-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>934,233</td>
<td>520,726</td>
<td>64,308</td>
<td>536,939</td>
<td>2,056,206</td>
<td>77,478</td>
</tr>
<tr>
<td>Total accounts receivable</td>
<td>$7,061,632</td>
<td>$520,726</td>
<td>$64,308</td>
<td>$1,621,780</td>
<td>$9,268,446</td>
<td>$77,478</td>
</tr>
</tbody>
</table>

Accounts Receivable

<table>
<thead>
<tr>
<th>Fund</th>
<th>Foundation</th>
<th>Student Body Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiduciary</td>
<td>$1,729</td>
<td>$160,780</td>
</tr>
</tbody>
</table>

Total accounts receivable $1,729 $160,780
NOTE 5: INTERFUND TRANSACTIONS

Interfund activity has been eliminated in the Government-wide statements. The following balances and transactions are reported in the fund financial statements.

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2016-2017 fiscal year are as follows:

Transfer from the General Fund to the Child Development Fund (12) to support the child development programs. $ 249,910

Transfer from the General Fund to the Cafeteria Fund (13) to support the Free and Reduced Lunch Program. 57,576

Transfer from the County School Facilities Fund (35) to the Building Fund (21.1) for prior year's interest for Measure S Projects. 145,179

Transfer from the General Fund to the Capital Project and Improvement Fund (40.1) for San Fernando Corridor Redevelopment Agency. 1,433,070

Transfer from the General Fund to the Capital Project and Improvement Fund (40.1) for Central Redevelopment Agency. 945,672

Transfer from the Capital Facilities Fund (25) to the Measure S Project Fund (21.1) to support Dunsmore Elementary School Portables Project 700,000

Transfer from the Capital Facilities Fund (25) to the Measure S Project Fund (21.1) to support Glendale High School Overcrowding Relief Grant (ORG) Project 1,000,000

Transfer from the Capital Facilities Fund (25) to the Measure S Project Fund (21.1) to support R.D. White Overcrowding Relief Grant (ORG) New Building Project 1,250,000

Transfer from the Debt Service Fund (56) to the General Fund to support the Common Core State Standards (CCSS) Program. 1,481,351

Total $ 7,262,758
GLENDALE UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

NOTE 6: FUND BALANCES

The following amounts were nonspendable, restricted, committed, assigned or unassigned as shown below:

<table>
<thead>
<tr>
<th>Nonspendable:</th>
<th>General Fund</th>
<th>Building Fund (#21.1 &amp; #21.2)</th>
<th>Debt Service Fund (#56)</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in revolving fund</td>
<td>$ 70,000</td>
<td>$</td>
<td>$</td>
<td>$ 700</td>
<td>$ 70,700</td>
</tr>
<tr>
<td>Inventories</td>
<td>77,474</td>
<td>-</td>
<td>-</td>
<td>90,407</td>
<td>167,881</td>
</tr>
<tr>
<td>Prepaid expenditures</td>
<td>1,505,460</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,505,460</td>
</tr>
<tr>
<td>Total nonspendable</td>
<td>1,652,934</td>
<td>-</td>
<td>-</td>
<td>91,107</td>
<td>1,744,041</td>
</tr>
<tr>
<td>Restricted:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legally restricted programs</td>
<td>10,025,510</td>
<td>-</td>
<td>-</td>
<td>937,552</td>
<td>10,963,062</td>
</tr>
<tr>
<td>Capital projects</td>
<td>-</td>
<td>-</td>
<td>80,859,460</td>
<td>12,432,849</td>
<td>93,292,309</td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
<td>-</td>
<td>84,373,081</td>
<td>20,013,864</td>
<td>104,386,945</td>
</tr>
<tr>
<td>Total restricted</td>
<td>10,025,510</td>
<td>-</td>
<td>80,859,460</td>
<td>84,373,081</td>
<td>208,642,316</td>
</tr>
<tr>
<td>Committed:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred maintenance program</td>
<td>5,126,765</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,126,765</td>
</tr>
<tr>
<td>Total committed</td>
<td>5,126,765</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,126,765</td>
</tr>
<tr>
<td>Assigned:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School site carryovers</td>
<td>1,693,994</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,693,994</td>
</tr>
<tr>
<td>MAA program</td>
<td>1,730,911</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,730,911</td>
</tr>
<tr>
<td>Supplement program</td>
<td>1,158,973</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,158,973</td>
</tr>
<tr>
<td>Future LACOE system changes</td>
<td>1,400,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,400,000</td>
</tr>
<tr>
<td>Unrestricted CTE assigned</td>
<td>200,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>200,000</td>
</tr>
<tr>
<td>Code to the Future</td>
<td>266,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>266,000</td>
</tr>
<tr>
<td>Child development program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,010</td>
<td>32,010</td>
</tr>
<tr>
<td>Cafeteria program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,480,520</td>
<td>3,480,520</td>
</tr>
<tr>
<td>Capital projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,464,711</td>
<td>20,464,711</td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,683,056</td>
<td>12,683,056</td>
</tr>
<tr>
<td>Total assigned</td>
<td>6,449,878</td>
<td>-</td>
<td>-</td>
<td>23,977,241</td>
<td>43,410,117</td>
</tr>
<tr>
<td>Unassigned:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic uncertainties</td>
<td>8,442,375</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,442,375</td>
</tr>
<tr>
<td>Unassigned</td>
<td>31,284,226</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>31,284,226</td>
</tr>
<tr>
<td>Total unassigned</td>
<td>39,726,601</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>39,726,601</td>
</tr>
<tr>
<td>Total fund balance</td>
<td>$ 62,981,688</td>
<td>$ 80,859,460</td>
<td>$ 97,056,137</td>
<td>$ 57,452,613</td>
<td>$ 298,349,898</td>
</tr>
</tbody>
</table>
NOTE 7: CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES

Capital asset activity for the year ended June 30, 2017 is shown below.

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2016</th>
<th>Additions</th>
<th>Retirements</th>
<th>Balance June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$12,698,972</td>
<td>$</td>
<td>$</td>
<td>$12,698,972</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>56,089,525</td>
<td>59,051,802</td>
<td>56,089,525</td>
<td>59,051,802</td>
</tr>
<tr>
<td>Total capital assets not being depreciated</td>
<td>68,788,497</td>
<td>59,051,802</td>
<td>56,089,525</td>
<td>71,750,774</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site improvements</td>
<td>14,897,733</td>
<td>$</td>
<td>$</td>
<td>14,897,733</td>
</tr>
<tr>
<td>Buildings</td>
<td>542,652,176</td>
<td>55,835,896</td>
<td>1,572,531</td>
<td>596,915,541</td>
</tr>
<tr>
<td>Equipment</td>
<td>13,679,370</td>
<td>444,422</td>
<td>$</td>
<td>14,123,792</td>
</tr>
<tr>
<td>Vehicles</td>
<td>1,552,792</td>
<td></td>
<td>$</td>
<td>1,552,792</td>
</tr>
<tr>
<td>Total capital assets being depreciated</td>
<td>572,782,071</td>
<td>56,280,318</td>
<td>1,572,531</td>
<td>627,489,858</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site improvements</td>
<td>14,785,327</td>
<td>51,922</td>
<td>$</td>
<td>14,837,249</td>
</tr>
<tr>
<td>Buildings</td>
<td>145,256,146</td>
<td>8,317,383</td>
<td>1,572,531</td>
<td>152,600,998</td>
</tr>
<tr>
<td>Equipment and vehicles</td>
<td>12,743,536</td>
<td>441,493</td>
<td>$</td>
<td>13,185,029</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>172,785,009</td>
<td>8,810,798</td>
<td>1,572,531</td>
<td>180,023,276</td>
</tr>
<tr>
<td>Depreciable assets, net</td>
<td>399,997,062</td>
<td>47,469,520</td>
<td>$</td>
<td>447,466,582</td>
</tr>
<tr>
<td>Governmental activities capital assets, net</td>
<td>$468,785,559</td>
<td>106,521,322</td>
<td>$56,089,525</td>
<td>$519,217,356</td>
</tr>
</tbody>
</table>

NOTE 8: LEASE INCOME

The District entered into an agreement to lease the Field School site property to Glen Field Properties, Ltd. effective December 23, 1985. Effective July 12, 2001, the lease was reassigned to Archstone Communities Trust. The term of the lease is 65 years ending December 2050. The rental income received in the 2016-2017 fiscal year was $1,121,873.
NOTE 9: LONG-TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the year ended June 30, 2017 is presented herein.

<table>
<thead>
<tr>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance</th>
<th>Amount Due in One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2016</td>
<td></td>
<td>June 30, 2017</td>
<td></td>
</tr>
<tr>
<td>General obligation bonds (*)</td>
<td>$295,395,548</td>
<td>$70,000,000</td>
<td>$9,535,000</td>
<td>$355,860,548</td>
</tr>
<tr>
<td>Capital appreciation interest</td>
<td>15,101,073</td>
<td>7,138,638</td>
<td>-</td>
<td>22,239,711</td>
</tr>
<tr>
<td>Premium on general obligation bonds</td>
<td>12,690,259</td>
<td>5,225,029</td>
<td>1,428,015</td>
<td>16,487,273</td>
</tr>
<tr>
<td>Total general obligation bonds</td>
<td>323,186,880</td>
<td>82,363,667</td>
<td>10,963,015</td>
<td>394,587,532</td>
</tr>
<tr>
<td>Clean renewable energy bonds</td>
<td>4,367,534</td>
<td>10,925,000</td>
<td>298,051</td>
<td>14,994,483</td>
</tr>
<tr>
<td>City of Glendale loan</td>
<td>1,422,149</td>
<td>-</td>
<td>120,114</td>
<td>1,302,035</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>206,819,441</td>
<td>40,570,301</td>
<td>-</td>
<td>247,389,742</td>
</tr>
<tr>
<td>Postemployment healthcare benefits</td>
<td>15,491,105</td>
<td>3,117,117</td>
<td>-</td>
<td>18,608,222</td>
</tr>
<tr>
<td>Early retirement incentive</td>
<td>1,490,650</td>
<td>-</td>
<td>745,325</td>
<td>745,325</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>3,078,351</td>
<td>136,230</td>
<td>-</td>
<td>3,214,581</td>
</tr>
<tr>
<td>Total</td>
<td>$555,856,110</td>
<td>$137,112,315</td>
<td>$12,126,505</td>
<td>$680,841,920</td>
</tr>
</tbody>
</table>

(*) The beginning balance has been adjusted to reflect the recognition of $84,830,563 in 2015 General Obligation Refunding debt. See Note 18.

The City of Glendale loan, net pension liability, early retiree incentive and compensated absences are liquated through the General Fund. The postemployment healthcare benefits are liquated through the Self-Insurance Fund. The general obligation bonds are liquated through property tax collections as administered by the county. The clean renewable energy bonds are liquated by the Special Reserve Fund for Capital Outlay Projects.

NOTE 10: GENERAL OBLIGATION BONDS

On June 3, 1997, the voters approved the issuance of bonds (Measure K), not to exceed $186,000,000 for the construction, improvement, alteration and rebuilding of education facilities within the District.

Between 1997 and 2004, the District issued bonds, Series A through G, totaling $186,000,000. In 2009-2010, the District issued two refunding bonds (Refunding Bonds 2009 and 2010) to current refund Series A, B and C and advance refund portions of Series D. In 2011-2012, the District issued two refunding bonds (Refunding Bonds 2011 and 2012) to advance refund portions of Series E, F and G.

On April 5, 2011, the voters approved the issuance of bonds (Measure S), not to exceed $270,000,000 for the construction, improvement, alteration and rebuilding of education facilities.
NOTE 10: GENERAL OBLIGATION BONDS

within the District.

On August 4, 2011, the District issued Series A, A-1 and A-2, totaling $53,999,985. Series A-1 was issued as “New Clean Renewable Energy Bonds” and intends they be “Specified Tax Credit Bonds” which makes the District eligible for a refundable credit from the United States Treasury. On August 26, 2014, the District issued Series B, totaling $70,000,000.

On October 14, 2015, the District issued $17,175,000 of 2015 Refunding Bonds, Series A. The proceeds were used to advance refund a portion of the District’s outstanding 2009 Refunding Bonds through the deposit of the proceeds, including a premium of $3,098,958 to an escrow fund. The principal balance of $17,175,000 will be redeemed in full on September 1, 2019, by the refunding escrow agent.

On October 14, 2015, the District issued $84,830,563 of 2015 Refunding Bonds, Series B (2021 Crossover). The District intends to apply the net proceeds of the sale of the bonds on the crossover date, 9/1/2021, at a redemption price equal to the outstanding principal thereof, plus accreted interest to the 2011 Bonds, Series A (2011 Refunding Bonds). Until the crossover date, the net proceeds of the 2021 Crossover Bonds will be held with a fiscal agent and invested in certain federal securities that will provide for the payment of interest on the bonds through the crossover date. On the crossover date, funds on deposit with the fiscal agent will be applied to the redemption of the 2011 Refunded Bonds. The difference in cash flow requirements will amount to a savings of $22,461,200. The present value of the economic gain to the District will amount to $11,208,479.

On August 18, 2016, the District sold $70 million of General Obligation Bonds (Measure S), Series C. The bonds were sold with an interest rate of 2.0% to 4.0% and have a final maturity in September 2039.

The balance of all of the bonds refunded was $9,260,500 less than the amount paid into the escrow account. This amount is recorded as a deferred charge on the statement of net position and amortized to interest expense over the life of the new debt. Amortization of $611,829 was recognized during 2016-2017.

The outstanding general obligation bonded debt of the District at June 30, 2017 is as follows:
NOTE 10: GENERAL OBLIGATION BONDS

<table>
<thead>
<tr>
<th>General Obligation Bonds</th>
<th>Date of Issue</th>
<th>Date of Maturity</th>
<th>Interest Rate %</th>
<th>Amount of Original Issue</th>
<th>Outstanding June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure K:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refunding Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>12/1/2009</td>
<td>9/1/2019</td>
<td>3.00-5.00</td>
<td>$46,750,000</td>
<td>$11,070,000</td>
</tr>
<tr>
<td>2010</td>
<td>6/3/2010</td>
<td>9/1/2026</td>
<td>0.09-5.00</td>
<td>$28,250,000</td>
<td>$20,400,000</td>
</tr>
<tr>
<td>2011</td>
<td>7/28/2011</td>
<td>9/1/2027</td>
<td>2.00-5.00</td>
<td>$21,555,000</td>
<td>$17,150,000</td>
</tr>
<tr>
<td>2012</td>
<td>3/14/2012</td>
<td>9/1/2029</td>
<td>2.00-4.25</td>
<td>$22,930,000</td>
<td>$22,615,000</td>
</tr>
<tr>
<td>2015</td>
<td>10/14/2015</td>
<td>9/1/2024</td>
<td>4.00-5.00</td>
<td>$17,175,000</td>
<td>$17,020,000</td>
</tr>
<tr>
<td>Total Measure K</td>
<td></td>
<td></td>
<td></td>
<td>$136,660,000</td>
<td>$88,255,000</td>
</tr>
<tr>
<td>Measure S:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A-1</td>
<td>8/4/2011</td>
<td>9/1/2027</td>
<td>4.70</td>
<td>$4,300,000</td>
<td>$4,300,000</td>
</tr>
<tr>
<td>Series B</td>
<td>8/26/2014</td>
<td>9/1/2039</td>
<td>2.00-5.00</td>
<td>$70,000,000</td>
<td>$61,595,000</td>
</tr>
<tr>
<td>Series C</td>
<td>8/18/2016</td>
<td>9/1/2039</td>
<td>2.00-3.00</td>
<td>$70,000,000</td>
<td>$70,000,000</td>
</tr>
<tr>
<td>Refunding Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015 Series B</td>
<td>10/14/2015</td>
<td>9/1/2041</td>
<td>3.00-4.00</td>
<td>$84,830,563</td>
<td>$84,830,563</td>
</tr>
<tr>
<td>Total Measure S</td>
<td></td>
<td></td>
<td></td>
<td>$276,010,548</td>
<td>$267,605,548</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>$412,670,548</td>
<td>$355,860,548</td>
</tr>
</tbody>
</table>

The annual debt service requirements to maturity for general obligation bonds are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Accreted Interest</th>
<th>Interest Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$12,235,000</td>
<td>$10,483,156</td>
<td>$-</td>
<td>$(142,674)</td>
</tr>
<tr>
<td>2019</td>
<td>12,355,000</td>
<td>10,073,469</td>
<td>-</td>
<td>(142,674)</td>
</tr>
<tr>
<td>2020</td>
<td>9,090,000</td>
<td>9,647,019</td>
<td>-</td>
<td>(142,674)</td>
</tr>
<tr>
<td>2021</td>
<td>9,475,000</td>
<td>9,220,431</td>
<td>-</td>
<td>(142,674)</td>
</tr>
<tr>
<td>2022</td>
<td>9,458,601</td>
<td>8,790,131</td>
<td>746,399</td>
<td>(142,674)</td>
</tr>
<tr>
<td>2023-2027</td>
<td>56,561,642</td>
<td>37,471,794</td>
<td>10,588,358</td>
<td>(713,370)</td>
</tr>
<tr>
<td>2031-2032</td>
<td>68,703,286</td>
<td>27,677,522</td>
<td>39,811,714</td>
<td>(713,370)</td>
</tr>
<tr>
<td>2033-2037</td>
<td>80,730,724</td>
<td>19,640,975</td>
<td>75,244,276</td>
<td>-</td>
</tr>
<tr>
<td>2038-2042</td>
<td>97,251,295</td>
<td>7,713,025</td>
<td>79,668,705</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$355,860,548</td>
<td>$140,717,522</td>
<td>$206,059,452</td>
<td>$(1,498,077)</td>
</tr>
</tbody>
</table>

NOTE 11: CLEAN RENEWABLE ENERGY BONDS (CREBS)

On October 1, 2012 the District entered into a long-term lease agreement to provide for the financing of the acquisition, construction and installation of solar photovoltaic systems at several school sites. The agreement is between the District as the “lessee” and the Public Property Financing Corporation of California, as the “lessor”. The lessor’s funds for acquiring these items were generated by the issuance of $5,380,000 of Clean Renewable Energy Bonds (CREBS). The
GLendale unified school district

notes to the financial statements
For the fiscal year ended June 30, 2017

NOTE 11: CLEAN RENEWABLE ENERGY BONDS (CREBS)

Lease was issued with an effective interest rate of 4.32%. CREBS are long-term debt instruments which provide federal tax credits in lieu of a portion of the traditional bond interest, resulting in a lower effective interest rate for the borrower.

On October 18, 2016, the District issued $10,925,000 of Clean Renewable Energy Bonds ("CREBs") to wholly finance the turn-key procurement of solar photovoltaic facilities to be constructed at nine District campuses, with an aggregate generation capacity of approximately 2.44 megawatts (the "2016 Solar Project"). The CREBs will be repaid over a term of 17.4 years at a net effective interest rate (after federal subsidy) of 0.574%. The District entered into contracts with SunPower Corporation for the design, permitting, construction, operation and maintenance of the 2016 Solar Project Phase 5, and the construction is estimated to end in December 2018.

The annual debt service requirements to maturity for CREBS are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$492,927</td>
<td>$716,947</td>
</tr>
<tr>
<td>2019</td>
<td>806,852</td>
<td>523,346</td>
</tr>
<tr>
<td>2020</td>
<td>830,829</td>
<td>492,734</td>
</tr>
<tr>
<td>2021</td>
<td>855,857</td>
<td>461,256</td>
</tr>
<tr>
<td>2022</td>
<td>880,938</td>
<td>428,883</td>
</tr>
<tr>
<td>2023-2027</td>
<td>4,804,784</td>
<td>1,626,460</td>
</tr>
<tr>
<td>2028-2032</td>
<td>4,625,296</td>
<td>710,904</td>
</tr>
<tr>
<td>2033-2034</td>
<td>1,697,000</td>
<td>73,257</td>
</tr>
<tr>
<td>Total</td>
<td>$14,994,483</td>
<td>$5,033,787</td>
</tr>
</tbody>
</table>

NOTE 12: CITY OF GLENDALE LOAN

The District entered into a loan with the City of Glendale in 2006 to provide financing for the Glendale High School athletic field project. The loan of $1,800,000 has a stated interest rate of 4.0%.

The annual debt service requirements to maturity for the City of Glendale loan are as follows:
NOTE 12: CITY OF GLENDALE LOAN

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$143,918</td>
<td>$52,081</td>
</tr>
<tr>
<td>2019</td>
<td>$169,675</td>
<td>$46,325</td>
</tr>
<tr>
<td>2020</td>
<td>$197,462</td>
<td>$39,538</td>
</tr>
<tr>
<td>2021</td>
<td>$226,361</td>
<td>$31,639</td>
</tr>
<tr>
<td>2022</td>
<td>$256,415</td>
<td>$22,585</td>
</tr>
<tr>
<td>2023-2024</td>
<td>$308,204</td>
<td>$13,110</td>
</tr>
<tr>
<td>Total</td>
<td>$1,302,035</td>
<td>$205,278</td>
</tr>
</tbody>
</table>

NOTE 13: EARLY RETIREMENT BENEFITS

In 2012-2013, the District elected to provide a voluntary early retirement program for 121 qualified employees. For certificated employees, the employee must be at least age 55 with 5 years of District service or age 50 with 30 years of service. For classified employees, the employee must be at least age 50 with 5 years of District service. The employee will receive contributions that equal 50% of the employees' final base pay.

The estimated accumulated future contributions to the retirement plan for retirees at June 30, 2017 are $745,325, which is included in the government-wide statements. This amount will be paid in 2017-18.

NOTE 14: POST EMPLOYMENT HEALTHCARE BENEFITS

Plan Description and Eligibility

The District administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health, dental and vision benefits to the following:

- Retirees aged 55 to 65 with at least 10 years of service, who were designated as Teachers at retirement, are offered a subsidy by the District for medical coverage for the retiree and his or her dependent(s). Dental and vision coverage is subsidized by the District for the retiree only.

Management who retire from the District are eligible for postemployment medical, dental and vision pursuant to the provisions below:

- Retirees aged 55 to 65 with at least 9 years of service, who were designated as Management at retirement, are offered a subsidy by the District for medical coverage for the retiree and his or her dependent(s). Dental and vision coverage is subsidized by the District for the retiree only.
NOTE 14: POST EMPLOYMENT HEALTHCARE BENEFITS

As of the valuation date, one management retiree is receiving a lifetime subsidy equal to the actual cost of his healthcare benefits.

Classified staff who retire from the District are eligible for postemployment medical and dental pursuant to the provisions below:

- Retirees aged 55 to 65 with at least 9 years of service, who were designated as Classified at retirement, are offered a subsidy by the District for medical and dental coverage for the retiree only. The District offers a subsidy for dependents of retirees enrolled in a specific dental plan sponsored by the District.

- Part-time employee’s subsidy is prorated based on a percent of scheduled hours worked, not less than 50% of a full-time equivalent.

Board Members elected prior to January 1, 1995, who retire from the District are eligible for postemployment medical and dental pursuant to the provisions below:

- Retirees aged 55 to 65 with at least 12 years of service, who were designated as Board Members at retirement, are offered a subsidy by the District for medical coverage for the retiree and his or her dependent(s). Dental coverage is subsidized by the District for the retiree only.

The Retiree Health Plan does not issue a separate financial report.

Funding Policy

The District currently finances benefits on a pay-as-you-go basis. The District contributes for retirees the costs of current year premiums up to the amount paid for active employees. For the year ended June 30, 2017, the District contributed $2,998,343 to the plan which includes an implicit rate subsidy.

Annual OPEB Cost and Net OPEB Obligation

The District’s annual other postemployment benefit (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. 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 following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:
NOTE 14: POST EMPLOYMENT HEALTHCARE BENEFITS

<table>
<thead>
<tr>
<th>Annual OPEB Cost and Net OPEB Obligation</th>
<th>Balance June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution (ARC)</td>
<td>$ 6,324,338</td>
</tr>
<tr>
<td>Interest on net OPEB obligation</td>
<td>774,555</td>
</tr>
<tr>
<td>Adjustment to ARC</td>
<td>(983,433)</td>
</tr>
<tr>
<td>Annual OPEB cost</td>
<td>6,115,460</td>
</tr>
<tr>
<td>Contributions made, including implicit rate subsidy</td>
<td>(2,998,343)</td>
</tr>
<tr>
<td>Change in net OPEB obligation</td>
<td>3,117,117</td>
</tr>
<tr>
<td>Net OPEB obligation - beginning of year</td>
<td>15,491,105</td>
</tr>
<tr>
<td>Net OPEB obligation - end of year</td>
<td>$ 18,608,222</td>
</tr>
</tbody>
</table>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed, and the net OPEB obligation for fiscal year ended 2017 and the two preceding fiscal years were as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Annual OPEB Cost</th>
<th>Percentage of Annual OPEB Cost Contributed</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$ 5,343,774</td>
<td>56.0%</td>
<td>$ 13,150,260</td>
</tr>
<tr>
<td>2016</td>
<td>5,332,168</td>
<td>56.1%</td>
<td>15,491,105</td>
</tr>
<tr>
<td>2017</td>
<td>6,115,460</td>
<td>49.0%</td>
<td>18,608,222</td>
</tr>
</tbody>
</table>

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was $52,679,613. The covered payroll (annual payroll of active employees covered by the plan) was $130,655,540, and the ratio of the UAAL to the covered payroll was 40.3%. Although the plan has no segregated assets, the District does maintain an early retirement benefits sub-fund in the Self-Insurance Fund to designate resources for retiree health care costs. At June 30, 2017, the fund’s designated balance was $593,287.

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. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of 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 14: POST EMPLOYMENT HEALTHCARE BENEFITS

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and 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.

In the July 1, 2016 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 5% 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 5% for 2016 and later years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is amortized as a level dollar amount on a closed basis over thirty years.

NOTE 15: EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers’ Retirement System (CalSTRS) and classified employees are members of the California Public Employees’ Retirement System (CalPERS).

As of June 30, 2017, the District’s 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:

<table>
<thead>
<tr>
<th>Pension Plan</th>
<th>Proportionate Share of Net Pension Liability</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
<th>Proportionate Share of Pension Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalSTRS (STRP)</td>
<td>$186,026,300</td>
<td>$35,325,308</td>
<td>$8,348,946</td>
<td>$18,386,612</td>
</tr>
<tr>
<td>CalPERS (Schools Pool Plan)</td>
<td>61,363,442</td>
<td>18,228,674</td>
<td>3,939,724</td>
<td>7,248,740</td>
</tr>
<tr>
<td>Total</td>
<td>$247,389,742</td>
<td>$53,553,982</td>
<td>$12,288,670</td>
<td>$25,635,352</td>
</tr>
</tbody>
</table>

The details of each plan are as follows:
NOTE 15: EMPLOYEE RETIREMENT PLANS

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 STRP Defined Benefit Supplement Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2017, are summarized as follows:

<table>
<thead>
<tr>
<th>Provisions and Benefits</th>
<th>STRP Defined Benefit Program and Supplement Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On or Before December 31, 2012</td>
</tr>
<tr>
<td>Hire date</td>
<td>2% at 60</td>
</tr>
<tr>
<td>Benefit formula</td>
<td>5 years of service</td>
</tr>
<tr>
<td>Benefit vesting schedule</td>
<td>Monthly for life</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>60</td>
</tr>
<tr>
<td>Retirement age</td>
<td>2.0%-2.4%</td>
</tr>
<tr>
<td>Monthly benefits as a percentage of eligible compensation</td>
<td>10.25%</td>
</tr>
<tr>
<td>Required employee contribution rate</td>
<td>12.58%</td>
</tr>
<tr>
<td>Required employer contribution rate</td>
<td>8.828%</td>
</tr>
</tbody>
</table>

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NOTE 15: EMPLOYEE RETIREMENT PLANS

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, 2017 are presented above and the total District contributions were $15,334,380.

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

At June 30, 2017, 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:

<table>
<thead>
<tr>
<th>Proportionate Share of Net Pension Liability</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>District proportionate share of net pension liability</td>
<td>$ 186,026,300</td>
</tr>
<tr>
<td>State’s proportionate share of the net pension liability associated with the District</td>
<td>$ 105,917,046</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 291,943,346</strong></td>
</tr>
</tbody>
</table>

The net pension liability was measured as of June 30, 2016. 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, 2016, the District’s proportion was 0.2300%.

For the year ended June 30, 2017, the District recognized pension expense of $18,386,612. In addition, the District recognized revenue and corresponding expense of $10,237,997 for support provided by the state. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Pension Deferred Outflows and Inflows of Resources</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension contributions subsequent to measurement date</td>
<td>$ 15,334,380</td>
<td>$ -</td>
</tr>
<tr>
<td>Difference between expected and actual experience</td>
<td>-</td>
<td>$ 4,537,900</td>
</tr>
<tr>
<td>Difference in proportion</td>
<td>$ 5,201,928</td>
<td>$ 3,811,046</td>
</tr>
<tr>
<td>Net differences between projected and actual earnings on plan investments</td>
<td>$ 14,789,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 35,325,308</strong></td>
<td><strong>$ 8,348,946</strong></td>
</tr>
</tbody>
</table>
NOTE 15: EMPLOYEE RETIREMENT PLANS

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, 2017. The net remaining deferred resources will be recognized to pension expense as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$3,346,145</td>
</tr>
<tr>
<td>2019</td>
<td>3,346,145</td>
</tr>
<tr>
<td>2020</td>
<td>3,346,145</td>
</tr>
<tr>
<td>2021</td>
<td>3,346,145</td>
</tr>
<tr>
<td>2022</td>
<td>(351,107)</td>
</tr>
<tr>
<td>2023</td>
<td>(1,391,491)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11,641,982</strong></td>
</tr>
</tbody>
</table>

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, 2015, and rolling forward the total pension liability to June 30, 2016. The financial reporting actuarial valuation as of June 30, 2015 used the following methods and assumptions, applied to all prior periods included in the measurement:

<table>
<thead>
<tr>
<th>Actuarial Methods and Assumptions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
<td>June 30, 2015</td>
</tr>
<tr>
<td>Measurement Date</td>
<td>June 30, 2016</td>
</tr>
<tr>
<td>Experience Study</td>
<td>July 1, 2006 through June 30, 2010</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>7.60%</td>
</tr>
<tr>
<td>Investment Rate of Return</td>
<td>7.60%</td>
</tr>
<tr>
<td>Consumer Price Inflation</td>
<td>3.00%</td>
</tr>
<tr>
<td>Wage Growth</td>
<td>3.75%</td>
</tr>
</tbody>
</table>

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 board policy for target asset allocation in effect
NOTE 15: EMPLOYEE RETIREMENT PLANS

on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 20-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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Assumed Asset Allocation</th>
<th>Long-term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global equity</td>
<td>47%</td>
<td>6.30%</td>
</tr>
<tr>
<td>Real estate</td>
<td>13%</td>
<td>5.20%</td>
</tr>
<tr>
<td>Private equity</td>
<td>13%</td>
<td>9.30%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>12%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Absolute return/risk mitigating strategies</td>
<td>9%</td>
<td>2.90%</td>
</tr>
<tr>
<td>Inflation sensitive</td>
<td>4%</td>
<td>3.80%</td>
</tr>
<tr>
<td>Cash/liquidity</td>
<td>2%</td>
<td>-1.00%</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Discount rate</th>
<th>Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% decrease (6.60%)</td>
<td>$ 267,733,800</td>
</tr>
<tr>
<td>Current discount rate (7.60%)</td>
<td>186,026,300</td>
</tr>
<tr>
<td>1% increase (8.60%)</td>
<td>118,164,800</td>
</tr>
</tbody>
</table>

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)**

**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.

The CalPERS provisions and benefits in effect at June 30, 2017, are summarized as follows:

<table>
<thead>
<tr>
<th>Provisions and Benefits</th>
<th>School Employer Pool (CalPERS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hire date</td>
<td>On or Before December 31, 2012</td>
</tr>
<tr>
<td></td>
<td>2% at 55</td>
</tr>
<tr>
<td>Benefit formula</td>
<td>On or after January 1, 2013</td>
</tr>
<tr>
<td>Benefit vesting schedule</td>
<td>5 years of service</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>Monthly for life</td>
</tr>
<tr>
<td>Retirement age</td>
<td>55</td>
</tr>
<tr>
<td>Monthly benefits as a percentage of eligible</td>
<td>1.1%-2.5%</td>
</tr>
<tr>
<td>compensation</td>
<td></td>
</tr>
<tr>
<td>Required employee contribution rate</td>
<td>6.974%</td>
</tr>
<tr>
<td>Required employer contribution rate</td>
<td>13.888%</td>
</tr>
</tbody>
</table>

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NOTE 15: EMPLOYEE RETIREMENT PLANS

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 contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2017 are as presented above and the total District contributions were $5,361,874.

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

As of June 30, 2017, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $61,363,442. The net pension liability was measured as of June 30, 2016. The total pension liability for CalPERS was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2015 and rolling forward the total pension liability to June 30, 2016. 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, 2016, the District’s proportion was 0.3107%.

For the year ended June 30, 2017, the District recognized pension expense of $7,248,740. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Pension Deferred Outflows and Inflows of Resources</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension contributions subsequent to measurement date</td>
<td>$5,361,874</td>
<td>$</td>
</tr>
<tr>
<td>Difference between expected and actual experience</td>
<td>2,639,216</td>
<td>-</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
<td>1,843,606</td>
</tr>
<tr>
<td>Difference in proportion</td>
<td>705,951</td>
<td>2,096,118</td>
</tr>
<tr>
<td>Net differences between projected and actual earnings on plan investments</td>
<td>9,521,633</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$18,228,674</td>
<td>$3,939,724</td>
</tr>
</tbody>
</table>

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.
GLENDALE UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

NOTE 15: EMPLOYEE RETIREMENT PLANS

in the year ended June 30, 2017. The net remaining deferred resources will be amortized as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 943,328</td>
</tr>
<tr>
<td>2019</td>
<td>1,358,543</td>
</tr>
<tr>
<td>2020</td>
<td>4,140,143</td>
</tr>
<tr>
<td>2021</td>
<td>2,485,062</td>
</tr>
<tr>
<td>Total</td>
<td>$ 8,927,076</td>
</tr>
</tbody>
</table>

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2015, and rolling forward the total pension liability to June 30, 2016. The financial reporting actuarial valuation as of June 30, 2014 used the following methods and assumptions, applied to all prior periods included in the measurement:

<table>
<thead>
<tr>
<th>Actuarial Methods and Assumptions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
<td>June 30, 2015</td>
</tr>
<tr>
<td>Measurement Date</td>
<td>June 30, 2016</td>
</tr>
<tr>
<td>Experience Study</td>
<td>July 1, 1997 through June 30, 2011</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>7.65%</td>
</tr>
<tr>
<td>Investment Rate of Return</td>
<td>7.50%</td>
</tr>
<tr>
<td>Consumer Price Inflation</td>
<td>2.75%</td>
</tr>
<tr>
<td>Wage Growth</td>
<td>Varies by entry age and service</td>
</tr>
</tbody>
</table>

Mortality assumptions are based on CalPERS specific membership data and mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

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:
NOTE 15: EMPLOYEE RETIREMENT PLANS

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Assumed Asset Allocation</th>
<th>Long-term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global equity</td>
<td>51%</td>
<td>5.71%</td>
</tr>
<tr>
<td>Global debt securities</td>
<td>20%</td>
<td>2.43%</td>
</tr>
<tr>
<td>Private equity</td>
<td>10%</td>
<td>6.95%</td>
</tr>
<tr>
<td>Real estate</td>
<td>10%</td>
<td>5.13%</td>
</tr>
<tr>
<td>Inflation assets</td>
<td>6%</td>
<td>3.36%</td>
</tr>
<tr>
<td>Infrastructure and forestland</td>
<td>2%</td>
<td>5.09%</td>
</tr>
<tr>
<td>Liquidity</td>
<td>1%</td>
<td>-1.05%</td>
</tr>
</tbody>
</table>

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. 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:

<table>
<thead>
<tr>
<th>Discount rate</th>
<th>Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% decrease (6.65%)</td>
<td>$ 91,554,597</td>
</tr>
<tr>
<td>Current discount rate (7.65%)</td>
<td>61,363,442</td>
</tr>
<tr>
<td>1% increase (8.65%)</td>
<td>36,223,364</td>
</tr>
</tbody>
</table>

Plan Fiduciary Net Position

Detailed information about CalPERS School Employer plan fiduciary net position is available in a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.
NOTE 16: RISK MANAGEMENT

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 certain employee benefits.

The following provides a brief description for each coverage provided through the Internal Service Fund:

**Dental**

Dental benefits are provided on a self-funded basis.

All eligible employees of the District participate in the program and the District makes payments to the fund based on a maximum annual benefit of $1,500 per member. This amount is estimated to be sufficient to pay prior and current year claims and to establish a reserve for catastrophic losses.

**Vision**

Vision benefits are provided on a self-funded basis.

All eligible employees of the District participate in the program and make payments to the fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

**Workers’ Compensation**

The Self-Insurance Fund provides coverage for up to a maximum of $250,000 – $750,000 dependent upon the original claim year prior to June 30, 2005. Beginning July 1, 2005 the District is fully insured for worker’s compensation. The District purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Funding of the self-insured open claims is based upon a settlement from the Schools Linked for Insurance Management (SLIM) joint powers agreement when the District withdrew in 2008-2009. Additional funding for the Self-Insurance Fund is based on estimates of the amounts needed to pay current year premiums to ASCIP, a JPA.

**Claims Liability**

At June 30, 2017, the District accrued the claims liability in accordance with GAAP which requires that a liability for claims be reported if information prior to the issuance of the financial
NOTE 16: RISK MANAGEMENT

Statements indicated 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 liability is estimated at $3,024,257. Changes in the reported liability are as shown below:

<table>
<thead>
<tr>
<th>Reported Liability</th>
<th>Current Year Claims and Changes in Liability</th>
<th>Ending Fiscal Year Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning Fiscal Year Liability</td>
<td>Estimates</td>
</tr>
<tr>
<td>Dental</td>
<td>$277,347</td>
<td>$2,528,776</td>
</tr>
<tr>
<td>VSP</td>
<td>28,151</td>
<td>348,839</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>3,617,000</td>
<td>(280,144)</td>
</tr>
<tr>
<td></td>
<td>$3,922,498</td>
<td>$2,597,471</td>
</tr>
</tbody>
</table>

NOTE 17: JOINT POWERS AGREEMENTS

The District participates in two joint power agreement (JPA) entities, West San Gabriel Valley Liability and Property Joint Powers Authority (WSGLPJPA) and Alliance of Schools for Cooperative Insurance Programs (ASCP). WSGLPJPA provides the participating districts with liability and property damage insurance; and ASCP handles insurance coverage for health benefits for District employees.

Each JPA is governed by a board consisting of a representative from certain member districts. Each governing board controls the operations of its JPA independent of any influence by the District beyond any representation the District may have on the governing boards.

Each JPA is independently accountable for its fiscal matters. Each JPA maintains its 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. Separate financial statements for each JPA may be obtained from the respective entity.

The relationships between the District and the JPAs are such that none of the JPAs is a component unit of the District for financial reporting purposes.

Condensed financial information for the year ended June 30, 2017 is as follows:
NOTE 17: JOINT POWERS AGREEMENTS

JPA Condensed Financial Information

<table>
<thead>
<tr>
<th></th>
<th>WSGLPJPA (Audited)</th>
<th>ASCIP (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets and deferred outflows of resources</td>
<td>$14,896,742</td>
<td>$425,961,516</td>
</tr>
<tr>
<td>Total liabilities and deferred inflows of resources</td>
<td>$2,318,212</td>
<td>$235,158,912</td>
</tr>
<tr>
<td>Net position</td>
<td>$12,578,530</td>
<td>$190,802,604</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$3,813,070</td>
<td>$265,621,746</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$4,653,065</td>
<td>$256,702,893</td>
</tr>
<tr>
<td>Change in net position</td>
<td>$(839,995)</td>
<td>$8,918,853</td>
</tr>
</tbody>
</table>

NOTE 18: RESTATEMENT

The July 1, 2016 beginning fund balance of the Debt Service fund (#56) has been restated by $84,373,081 to record the proceeds, net of debt issue costs, of the 2015 General Obligation Refunding Bond, Series B (2012 Crossover) held with the refunding escrow agent. Additionally, the July 1, 2016 beginning balance of general obligation bonded debt reported in Note 9 has been restated for the related outstanding debt of $84,830,563.

NOTE 19: COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in 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.

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes, including reimbursement of mandated costs, which 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.

County School Facilities Funds

The District is currently involved in several modernization projects funded through the County School Facilities Fund. These projects are subject to future audits by the state, which may result in adjustments to the fund.
GLENDALE UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

NOTE 19: COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of June 30, 2017, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately $37 million. Projects will be funded through general obligation bond proceeds, County School Facilities funds, Capital Facilities funds, Special Reserve Fund for Capital Outlay funds, and General Funds.

NOTE 20: SUBSEQUENT EVENT – REAL PROPERTY EXCHANGE AGREEMENT

The Board of Education, at its meeting on August 15, 2017, as amended on October 24, 2017, approved an Exchange Agreement with Carmel Partners Realty Investors, LLC (Carmel Partners) providing for the exchange of District-owned property located at 223 N. Jackson Street and 316 W. Palmer Avenue in Glendale, California (“District Property”) for property owned by Carmel Partners at 425 East Colorado Street, Glendale, California (“Carmel Property”). In addition, the District will pay $5,000,000 to Carmel Partners at the close of escrow. At the close of escrow the District and Carmel Property will enter into a lease agreement for a limited period of time, not to exceed sixteen months, at $62,500 per month. This agreement will allow the District to transition its administrative activities to the new property. As of the date of this report, November 28, 2017, the property exchange was in escrow.

NOTE 21: GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued pronouncements prior to June 30, 2017, that have effective dates that will impact future financial presentations; however, 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. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

This statement was issued in June 2016 and establishes standards for governmental employer recognition, measurement, and presentation of information about OPEB. The statement also establishes requirements for reporting information about financial support provided by certain non-employer entities for OPEB that is provided to the employees of other entities. The statement is effective for the fiscal year 2017-18.

Statement No. 83 – Certain Asset Retirement Obligations

Issued in November 2016, this statement addresses accounting and financial reporting for certain
asset retirement obligations (ARO). An ARO is a legally enforceable liability associated with the retirement of tangible capital assets. The statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources. The statement is effective for the fiscal year 2019-20.

Statement No. 84 – Fiduciary Activities

Issued in January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activities and (2) the beneficiary with whom a fiduciary relationship exists. The statement is effective for the fiscal year 2019-20.

Statement No. 85 – Omnibus 2017

This statement was issued in March 2017 and addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The statement is effective for the fiscal year 2017-18.

Statement No. 86 – Certain Debt Extinguishment Issues

This statement was issued in May 2017 and addresses accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resource other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The statement is effective for the fiscal year 2017-18.

Statement No. 87 – Leases

This statement was issued in June 2017 and addresses accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The statement is effective for the fiscal year 2020-21.
REQUIRED SUPPLEMENTARY INFORMATION
## Glendale Unified School District

### Schedule of Budgetary Comparison for the General Fund
For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts to GAAP</th>
<th>Actual Amounts GAAP Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund</td>
<td>General Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local control finding formula sources:</td>
<td>$157,868,647</td>
<td>$158,969,803</td>
<td>$142,970,092</td>
<td>$142,970,092</td>
</tr>
<tr>
<td>State apportionments</td>
<td>55,959,762</td>
<td>55,959,762</td>
<td>71,783,671</td>
<td>71,783,671</td>
</tr>
<tr>
<td>Local sources</td>
<td>213,828,409</td>
<td>214,929,565</td>
<td>214,753,763</td>
<td>214,753,763</td>
</tr>
<tr>
<td>Federal sources</td>
<td>14,724,549</td>
<td>18,120,751</td>
<td>15,907,519</td>
<td>15,907,519</td>
</tr>
<tr>
<td>Other state sources</td>
<td>27,174,078</td>
<td>30,764,256</td>
<td>38,804,150</td>
<td>38,804,150</td>
</tr>
<tr>
<td>Other local sources</td>
<td>11,161,104</td>
<td>16,284,975</td>
<td>14,786,552</td>
<td>14,842,337</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>266,888,140</td>
<td>280,099,547</td>
<td>284,251,984</td>
<td>284,307,769</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified salaries</td>
<td>126,075,230</td>
<td>128,158,616</td>
<td>124,302,729</td>
<td>124,302,729</td>
</tr>
<tr>
<td>Classified salaries</td>
<td>40,719,308</td>
<td>41,218,857</td>
<td>38,385,261</td>
<td>38,385,261</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>66,980,859</td>
<td>73,756,057</td>
<td>73,756,057</td>
<td>73,756,057</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>7,911,713</td>
<td>9,661,481</td>
<td>9,655,153</td>
<td>9,655,153</td>
</tr>
<tr>
<td>Services and other operating expenditures</td>
<td>31,253,532</td>
<td>32,737,233</td>
<td>32,105,283</td>
<td>32,105,283</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>163,342</td>
<td>485,359</td>
<td>331,640</td>
<td>331,640</td>
</tr>
<tr>
<td>Other outgo</td>
<td>743,570</td>
<td>743,570</td>
<td>512,121</td>
<td>512,121</td>
</tr>
<tr>
<td>Direct support - indirect cost</td>
<td>(401,000)</td>
<td>(333,836)</td>
<td>(498,959)</td>
<td>(498,959)</td>
</tr>
<tr>
<td>Debt service</td>
<td>177,000</td>
<td>177,000</td>
<td>177,000</td>
<td>177,000</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>273,623,554</td>
<td>286,704,337</td>
<td>278,726,285</td>
<td>278,726,285</td>
</tr>
</tbody>
</table>

| Excess (deficiency) of revenues over expenditures | (6,735,414) | (6,604,790) | 5,525,699 | 5,581,484 |

**Other Financing Sources (Uses)**

| Interfund transfers in                        | 1,481,351  | 1,481,351 | 1,481,351 | 1,481,351 |
| Interfund transfers out                       | (1,873,773) | (2,638,773) | (2,686,228) | (2,686,228) |
| **Total Other Financing Sources (Uses)**      | (1,392,422) | (1,157,422) | (1,204,877) | (1,204,877) |

| Net change in fund balances                   | $ (7,127,836) | $(7,762,212) | 4,320,822 | 4,376,607 |

**Fund Balance - Beginning of Year**

| $ 53,534,101 | 5,070,980 | 58,605,081 |

**Fund Balance - End of Year**

| $ 57,854,923 | $ 5,126,765 | $ 62,981,688 |

(a) amounts presented are the result of the District including activity of the Deferred Maintenance Fund.

See the accompanying notes to the required supplementary information.
## GLENDALE UNIFIED SCHOOL DISTRICT

### SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*For the Fiscal Year Ended June 30, 2017*

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Teachers' Retirement Plan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District's proportion of the net pension liability (assets)</td>
<td>0.2260%</td>
<td>0.2360%</td>
<td>0.2300%</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset)</td>
<td>$132,067,620</td>
<td>$158,884,640</td>
<td>$186,026,300</td>
</tr>
<tr>
<td>State's proportionate share of the net pension liability (asset) associated with the District</td>
<td>79,748,932</td>
<td>84,032,234</td>
<td>105,917,046</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$211,816,552</td>
<td>$242,916,874</td>
<td>$291,943,346</td>
</tr>
<tr>
<td><strong>District's covered payroll</strong></td>
<td>$103,800,000</td>
<td>$107,100,000</td>
<td>$117,900,000</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</td>
<td>127.23%</td>
<td>148.35%</td>
<td>157.78%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>77.00%</td>
<td>74.02%</td>
<td>70.04%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>California Public Employees’ Retirement Plan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District's proportion of the net pension liability (assets)</td>
<td>0.3157%</td>
<td>0.3252%</td>
<td>0.3107%</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset)</td>
<td>$35,839,637</td>
<td>$47,934,801</td>
<td>$61,363,442</td>
</tr>
<tr>
<td>District's covered payroll</td>
<td>$33,700,000</td>
<td>$33,300,000</td>
<td>$37,400,000</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</td>
<td>106.35%</td>
<td>143.95%</td>
<td>164.07%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>83.37%</td>
<td>79.43%</td>
<td>73.90%</td>
</tr>
</tbody>
</table>

*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 amounts for covered payroll are reported 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.
### GLENDALE UNIFIED SCHOOL DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS**
For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>State Teachers' Retirement Plan</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution</td>
<td>$9,506,540</td>
<td>$12,648,966</td>
<td>$15,334,380</td>
</tr>
<tr>
<td>Contributions in relation to the contractually required contribution</td>
<td>$9,506,540</td>
<td>$12,648,966</td>
<td>$15,334,380</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>District's covered payroll</td>
<td>$107,100,000</td>
<td>$117,900,000</td>
<td>$121,890,000</td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>8.88%</td>
<td>10.73%</td>
<td>12.58%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>California Public Employees' Retirement Plan</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution</td>
<td>$3,915,049</td>
<td>$4,440,809</td>
<td>$5,361,874</td>
</tr>
<tr>
<td>Contributions in relation to the contractually required contribution</td>
<td>$3,915,049</td>
<td>$4,440,809</td>
<td>$5,361,874</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>District's covered payroll</td>
<td>$33,300,000</td>
<td>$37,400,000</td>
<td>$38,600,000</td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>11.77%</td>
<td>11.85%</td>
<td>13.89%</td>
</tr>
</tbody>
</table>

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

See the accompanying notes to the required supplementary information.

-56-
### Schedule of Postemployment Healthcare Benefits Funding Progress

For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>Actuarial Value of Assets (AVA)</th>
<th>Actuarial Accrued Liability (Unit Credit)</th>
<th>Unfunded Actuarial Accrued Liability (UAAL)</th>
<th>Funding Ratio</th>
<th>UAAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/2012</td>
<td>$</td>
<td>$46,366,230</td>
<td>$46,366,230</td>
<td>0%</td>
<td>$122,774,093</td>
</tr>
<tr>
<td>7/1/2014</td>
<td>-</td>
<td>45,181,349</td>
<td>45,181,349</td>
<td>0%</td>
<td>126,249,955</td>
</tr>
<tr>
<td>7/1/2016</td>
<td>-</td>
<td>52,679,613</td>
<td>52,679,613</td>
<td>0%</td>
<td>130,655,540</td>
</tr>
</tbody>
</table>

Although the plan has no segregated assets, the District does maintain a retiree benefits sub-fund in the Self-Insurance Fund to assign resources for future retiree healthcare costs. At June 30, 2017, the fund's ending balance was $593,287.

See the accompanying notes to the required supplementary information.
NOTE 1: PURPOSE OF SCHEDULES

Schedule of Budgetary Comparison For The General Fund

A budgetary comparison is presented for the general fund. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year end, actual amounts at fiscal year end, and any adjustments needed to present the amounts in accordance with generally accepted accounting principles (GAAP).

Schedules of District’s Proportionate Share of the Net Pension Liability – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents 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.

Schedules of District Contributions – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District’s required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

Schedule of Postemployment Healthcare Benefits Funding Progress

The schedule is intended to show trends about the funding progress of the District’s actuarially determined liability for postemployment benefits other than pensions.

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were no excesses of expenditures over appropriations in the General Fund.
SUPPLEMENTARY INFORMATION
GLENDALE UNIFIED SCHOOL DISTRICT

HISTORY AND ORGANIZATION
For the Fiscal Year Ended June 30, 2017

Public education in the Glendale area dates back to 1879 with the formation of the Sepulveda School District. During the next 20 years, three districts - Glendale, West Glendale and Crescenta were carved from the original Sepulveda boundaries. In 1901 a high school district was added, followed by a junior college district in 1927. All of these districts were consolidated to become the Glendale Unified School District on July 21, 1936. Eventually, Glendale Community College formed its own district in 1981.

The area of the Glendale Unified School District is approximately 35 square miles and has remained the same for at least the past 100 years. The District currently operates one preschool, 20 elementary schools, four middle schools, five senior highs including a continuation high school, a development center for multi-disabled students, one community day school and one site for multiple intervention programs.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2017 were as follows:

**BOARD OF EDUCATION**

<table>
<thead>
<tr>
<th>Member</th>
<th>Office</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms. Nayiri Nahabedian</td>
<td>President</td>
<td>April 2019</td>
</tr>
<tr>
<td>Mr. Gregory S. Krikorian</td>
<td>Vice President</td>
<td>April 2021</td>
</tr>
<tr>
<td>Ms. Jennifer Freemom</td>
<td>Clerk</td>
<td>April 2019</td>
</tr>
<tr>
<td>Dr. Armina Gharpetian</td>
<td>Member</td>
<td>April 2021</td>
</tr>
<tr>
<td>Mr. Shant Sahakian</td>
<td>Member</td>
<td>April 2021</td>
</tr>
</tbody>
</table>

**ADMINISTRATORS**

<table>
<thead>
<tr>
<th>Mr. Winfred Roberson</th>
<th>Superintendent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Stephen Dickinson</td>
<td>Chief Business and Financial Officer</td>
</tr>
<tr>
<td>Dr. Kelly King</td>
<td>Assistant Superintendent, Educational Services</td>
</tr>
<tr>
<td>Dr. Cynthia M. Foley</td>
<td>Assistant Superintendent, Human Resources</td>
</tr>
<tr>
<td>Dr. Deb Rinder</td>
<td>Executive Director of Special Education</td>
</tr>
<tr>
<td>Dr. Mary Mason</td>
<td>Executive Director, Elementary Education</td>
</tr>
<tr>
<td>Mr. Felix Melendez</td>
<td>Executive Director, Secondary Education</td>
</tr>
<tr>
<td>Ms. Karineh Savarani</td>
<td>Director of Financial Services</td>
</tr>
</tbody>
</table>

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GLENDALE UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
For the Fiscal Year Ended June 30, 2017

The requirements governing ADA, admission of pupils, types of schools, recording and reporting of pupil attendance, and similar matters are controlled by provisions of the Education Code and by regulations of the California Department of Education.

ADA statistics reported to the state for the fiscal year ended June 30, 2017 are as follows:

<table>
<thead>
<tr>
<th>Grades Trans: Kindergarten through third:</th>
<th>Revised</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular ADA</td>
<td>7,772</td>
<td>7,786</td>
</tr>
<tr>
<td>Extended year special education</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Special education - nonpublic, nonsectarian schools</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Total grades trans: kindergarten through third ADA</td>
<td>7,794</td>
<td>7,807</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grades four through six:</th>
<th>Revised</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular ADA</td>
<td>5,743</td>
<td>5,750</td>
</tr>
<tr>
<td>Extended year special education</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Special education - nonpublic, nonsectarian schools</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Extended year special education - nonpublic, nonsectarian schools</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total grades four through six ADA</td>
<td>5,764</td>
<td>5,771</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grades seven and eight:</th>
<th>Revised</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular ADA</td>
<td>3,755</td>
<td>3,760</td>
</tr>
<tr>
<td>Extended year special education</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Special education - nonpublic, nonsectarian schools</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Extended year special education - nonpublic, nonsectarian schools</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Community day school</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total grades seven and eight ADA</td>
<td>3,775</td>
<td>3,779</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grades nine through twelve:</th>
<th>Revised</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular ADA</td>
<td>7,739</td>
<td>7,713</td>
</tr>
<tr>
<td>Extended year special education</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Special education - nonpublic, nonsectarian schools</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>Extended year special education - nonpublic, nonsectarian schools</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Community day school</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Total grades nine through twelve ADA</td>
<td>7,795</td>
<td>7,774</td>
</tr>
</tbody>
</table>

| Total ADA                                | 25,128  | 25,131 |

See the accompanying notes to the supplementary information.
## Schedule of Instructional Time

For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Minute Requirement</th>
<th>Actual Minutes</th>
<th>Number of Days Traditional Calendar</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten</td>
<td>36,000</td>
<td>44,280</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 1</td>
<td>50,400</td>
<td>50,468</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 2</td>
<td>50,400</td>
<td>50,468</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 3</td>
<td>50,400</td>
<td>50,468</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 4</td>
<td>54,000</td>
<td>54,068</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 5</td>
<td>54,000</td>
<td>54,068</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 6</td>
<td>54,000</td>
<td>54,068</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 7</td>
<td>54,000</td>
<td>61,200</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 8</td>
<td>54,000</td>
<td>61,200</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 9</td>
<td>64,800</td>
<td>65,010</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 10</td>
<td>64,800</td>
<td>65,010</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 11</td>
<td>64,800</td>
<td>65,010</td>
<td>180</td>
<td>In Compliance</td>
</tr>
<tr>
<td>Grade 12</td>
<td>64,800</td>
<td>65,010</td>
<td>180</td>
<td>In Compliance</td>
</tr>
</tbody>
</table>

See the accompanying notes to the supplementary information.

-62-
<table>
<thead>
<tr>
<th>Program Name</th>
<th>Federal Catalog Number</th>
<th>Pass-Through Entity Identifying Number</th>
<th>Total Program Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United States Department of Agriculture</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pass-Through Program From California Department of Education:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Nutrition Cluster:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Nutrition Program-Basic Breakfast</td>
<td>10.553</td>
<td>13525</td>
<td>$82,044</td>
</tr>
<tr>
<td>Child Nutrition Program-Especially Needy Breakfast</td>
<td>10.553</td>
<td>13526</td>
<td>1,377,552</td>
</tr>
<tr>
<td>Child Nutrition Program-Lunch</td>
<td>10.555</td>
<td>13396</td>
<td>4,377,368</td>
</tr>
<tr>
<td>Child Nutrition Program-Commodities</td>
<td>10.555</td>
<td>13396</td>
<td>774,195</td>
</tr>
<tr>
<td>Child Nutrition Program-Meal Supplements</td>
<td>10.555</td>
<td>13396</td>
<td>178,422</td>
</tr>
<tr>
<td>Subtotal: Child Nutrition Cluster</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total: United States Department of Agriculture</td>
<td></td>
<td></td>
<td>6,789,581</td>
</tr>
<tr>
<td><strong>United States Department of Education</strong></td>
<td></td>
<td></td>
<td>6,789,581</td>
</tr>
<tr>
<td>Creates Projects</td>
<td></td>
<td></td>
<td>556,440</td>
</tr>
<tr>
<td>Subtotal: Direct Programs</td>
<td></td>
<td></td>
<td>556,440</td>
</tr>
<tr>
<td>Pass-Through Program From California Department of Education:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Education Cluster:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to States (IDEA, Part B)</td>
<td>84.027</td>
<td>13379</td>
<td>8,746,854</td>
</tr>
<tr>
<td>Federal Preschool Grant</td>
<td>84.027</td>
<td>10115</td>
<td>190,818</td>
</tr>
<tr>
<td>Preschool Local Entitlement</td>
<td>84.173</td>
<td>13430</td>
<td>218,539</td>
</tr>
<tr>
<td>Preschool Staff Development</td>
<td>84.027A</td>
<td>13682</td>
<td>656,844</td>
</tr>
<tr>
<td>Alternate Dispute Resolution</td>
<td>84.173A</td>
<td>13431</td>
<td>2,276</td>
</tr>
<tr>
<td>Mental Health Services, Part B</td>
<td>84.173A</td>
<td>13007</td>
<td>7,409</td>
</tr>
<tr>
<td>Subtotal: Special Education Cluster</td>
<td>84.027A</td>
<td>14468</td>
<td>579,562</td>
</tr>
<tr>
<td>Every Student Succeeds Act:</td>
<td></td>
<td></td>
<td>10,402,302</td>
</tr>
<tr>
<td>Title III - English Language Acquisition Grants:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immigrant Education Program</td>
<td>84.365</td>
<td>15146</td>
<td>300,799</td>
</tr>
<tr>
<td>Limited English Proficiency</td>
<td>84.365</td>
<td>14346</td>
<td>665,368</td>
</tr>
<tr>
<td>Subtotal: Title III - English Language Acquisition Grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title I, Part A - Low Income and Neglected</td>
<td>84.010</td>
<td>14329</td>
<td>966,167</td>
</tr>
<tr>
<td>Title I, Part G - AP Test Fee Reimbursement Program</td>
<td>84.330B</td>
<td>14831</td>
<td>5,690,207</td>
</tr>
<tr>
<td>Title II, Part A - Improving Teacher Quality</td>
<td>84.367</td>
<td>14341</td>
<td>59,356</td>
</tr>
<tr>
<td>Title II, Part B - Mathematics and Science Partnership</td>
<td>84.366</td>
<td>14512</td>
<td>1,453,773</td>
</tr>
<tr>
<td>Career and Technical Education - Secondary</td>
<td>84.048</td>
<td>14894</td>
<td>395,142</td>
</tr>
<tr>
<td>Early Intervention Grants</td>
<td>84.181</td>
<td>23761</td>
<td>173,789</td>
</tr>
<tr>
<td>Subtotal: Pass-Through Programs</td>
<td></td>
<td></td>
<td>162,474</td>
</tr>
<tr>
<td>Total: United States Department of Education</td>
<td></td>
<td></td>
<td>19,308,210</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>19,864,650</td>
</tr>
</tbody>
</table>

See the accompanying notes to the supplementary information.
GLENDALE UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Pass-Through Federal Catalog Number</th>
<th>Entity Identifying Number</th>
<th>Total Program Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Department of Health and Human Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pass-Through Program From California Department of Education:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Development - Federal Child Care Cluster</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Care Mandatory and Matching Funds of the Child Care and Development Fund</td>
<td>93.596</td>
<td>13609</td>
<td>779,668</td>
</tr>
<tr>
<td>Subtotal: Child Development - Federal Child Care Cluster</td>
<td></td>
<td></td>
<td>779,668</td>
</tr>
<tr>
<td>Medi-Cal</td>
<td>93.778</td>
<td>10013</td>
<td>1,024,809</td>
</tr>
<tr>
<td>Refugee Children Supplemental Assistance</td>
<td>93.576</td>
<td>24791</td>
<td>68,490</td>
</tr>
<tr>
<td>Total: United States Department of Health and Human Services</td>
<td></td>
<td></td>
<td>1,872,967</td>
</tr>
<tr>
<td>United States Department of Defense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve Officer Training Corp (ROTC)</td>
<td>12.000</td>
<td>(1)</td>
<td>64,324</td>
</tr>
<tr>
<td>Total: United States Department of Defense</td>
<td></td>
<td></td>
<td>64,324</td>
</tr>
<tr>
<td><strong>Total Federal Programs</strong></td>
<td></td>
<td></td>
<td>$28,591,522</td>
</tr>
<tr>
<td>Reconciliation to Federal Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Federal Program Expenditures</td>
<td></td>
<td></td>
<td>$28,591,522</td>
</tr>
<tr>
<td>Revenues in excess (deficiency) of expenditures related to Federal Entitlements:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medi-Cal</td>
<td></td>
<td></td>
<td>(225,119)</td>
</tr>
<tr>
<td>Medi-Cal Administrative Activities</td>
<td></td>
<td></td>
<td>341,346</td>
</tr>
<tr>
<td>Clean Renewable Energy Bonds</td>
<td></td>
<td></td>
<td>132,901</td>
</tr>
<tr>
<td>Total Federal Program Revenue</td>
<td></td>
<td></td>
<td>$28,840,650</td>
</tr>
</tbody>
</table>

(1) Pass-Through Entity Identifying Number not readily available or not applicable

Of the federal expenditures presented in the schedule, the District provided federal awards to the subrecipients as follows:

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Federal Catalog Number</th>
<th>Entity Identifying Number</th>
<th>Total Amount Provided to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Education - IDEA</td>
<td>84.027</td>
<td>13379</td>
<td>$3,592,510</td>
</tr>
<tr>
<td>Special Education - IDEA - Private Schools</td>
<td>84.027</td>
<td>10115</td>
<td>98,904</td>
</tr>
<tr>
<td>Special Education - Federal Preschool Grant</td>
<td>84.173</td>
<td>13430</td>
<td>57,845</td>
</tr>
<tr>
<td>Special Education - Preschool Local Entitlement</td>
<td>84.027A</td>
<td>13682</td>
<td>147,602</td>
</tr>
<tr>
<td>Special Education - Preschool Staff Development</td>
<td>84.173A</td>
<td>13431</td>
<td>755</td>
</tr>
<tr>
<td>Special Education - Mental Health Service, Part B</td>
<td>84.027A</td>
<td>14468</td>
<td>226,619</td>
</tr>
<tr>
<td><strong>Total Amount Provided to Subrecipients</strong></td>
<td></td>
<td></td>
<td>$4,124,235</td>
</tr>
</tbody>
</table>

The District is the recipient of a federal program that does not result in cash receipts or disbursements. The District was granted $774,195 of commodities under the National School Lunch Program (CFDA 10.555).

See the accompanying notes to the supplementary information.
GLENDALE UNIFIED SCHOOL DISTRICT

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

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2018 (Budgeted)</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local control funding formula sources</td>
<td>221,709,082</td>
<td>214,753,763</td>
<td>204,294,372</td>
<td>182,221,413</td>
</tr>
<tr>
<td>Federal sources</td>
<td>13,194,032</td>
<td>15,907,519</td>
<td>15,195,306</td>
<td>15,203,951</td>
</tr>
<tr>
<td>Other state sources</td>
<td>22,131,824</td>
<td>38,804,150</td>
<td>47,071,061</td>
<td>31,484,905</td>
</tr>
<tr>
<td>Other local sources</td>
<td>11,860,570</td>
<td>14,786,552</td>
<td>14,203,295</td>
<td>12,777,635</td>
</tr>
<tr>
<td>Interfund transfers in</td>
<td></td>
<td>1,481,351</td>
<td>1,370,025</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>268,895,508</td>
<td>285,733,335</td>
<td>282,134,059</td>
<td>241,687,904</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificated salaries</td>
<td>124,963,223</td>
<td>124,302,729</td>
<td>120,285,565</td>
<td>108,952,045</td>
</tr>
<tr>
<td>Classified salaries</td>
<td>41,215,199</td>
<td>38,385,261</td>
<td>37,363,101</td>
<td>32,776,122</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>70,665,451</td>
<td>73,756,057</td>
<td>66,308,292</td>
<td>57,168,022</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>6,947,809</td>
<td>9,655,153</td>
<td>8,810,999</td>
<td>9,292,079</td>
</tr>
<tr>
<td>Services and other operating expenses</td>
<td>29,395,200</td>
<td>32,105,283</td>
<td>32,256,367</td>
<td>31,605,326</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>156,342</td>
<td>331,640</td>
<td>368,244</td>
<td>338,151</td>
</tr>
<tr>
<td>Other outgo</td>
<td>743,570</td>
<td>512,121</td>
<td>407,367</td>
<td>451,741</td>
</tr>
<tr>
<td>Debt Service</td>
<td>195,999</td>
<td>177,000</td>
<td>285,000</td>
<td>71,819</td>
</tr>
<tr>
<td>Direct support- indirect costs</td>
<td>(401,000)</td>
<td>(498,959)</td>
<td>(490,510)</td>
<td>(373,009)</td>
</tr>
<tr>
<td>Interfund transfers out</td>
<td>1,873,773</td>
<td>2,686,228</td>
<td>2,582,169</td>
<td>1,840,007</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>275,755,566</td>
<td>281,412,513</td>
<td>268,176,594</td>
<td>242,122,303</td>
</tr>
</tbody>
</table>

| Change in fund balance                       | (6,860,058)     | (4,320,822)| (13,957,465)| (434,399)  |
| Available reserve                            | 33,300,122      | 39,726,601 | 35,757,902 | 17,019,542 |
| Available reserve %                          | 12.08%          | 14.12%     | 13.32%     | 7.03%      |
| ADA                                          | 25,368          | 25,128     | 25,113     | 25,188     |
| **Total long term debt**                     | 667,224,750     | 680,841,920| 555,856,110| 437,949,030|

The amounts above are those reported as General Fund in the Annual Financial and Budget Report and do not include special revenue funds included in the General Fund of the governmental funds’ financial statements.

Available reserves are those amounts reserved for economic uncertainty and any other remaining unassigned fund balance from the General Fund. For a District this size, the state recommends a 3% reserve of total General Fund expenditures, transfers out and other uses. For the year ended June 30, 2017, the District has met this requirement.

The 2018 budget is the original budget adopted on June 20, 2017.

The 2016 long-term debt balance has been adjusted for the restatement of long-term liabilities. See Note 18.

See the accompanying notes to the supplementary information.

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GLENDALE UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS
For the Fiscal Year Ended June 30, 2017

The District is not the granting agency for any Charter Schools.

See the accompanying notes to the supplementary information.
GLENDALE UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE ANNUAL FINANCIAL AND BUDGET REPORT
WITH THE AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

There were no differences between the fund balances reported on the June 30, 2017 Annual Financial and Budget Report for the governmental funds and the audited financial statements.

NOTE: The financial data for the 2015 General Obligation Refunding Bonds, Series B (2021 Crossover) held with the refunding escrow agent, is presented within the Debt Service Fund (#56) of these financial statements. The activity is not reported in the Annual Financial and Budget Report. A reconciliation is as follows:

<table>
<thead>
<tr>
<th>Debt Service Fund (#56)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2017 Annual Financial and Budget Report Fund Balance</td>
</tr>
<tr>
<td>Reconciling Item:</td>
</tr>
<tr>
<td>Cash with escrow agent</td>
</tr>
<tr>
<td>June 30, 2017 Audited Financial Statement Fund Balance</td>
</tr>
</tbody>
</table>

See the accompanying notes to the supplementary information.

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GLENDALE UNIFIED SCHOOL DISTRICT

NOTES TO THE SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017

NOTE 1: PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

The District has not met or exceeded its target funding and has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal governmental for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District did not use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.
NOTE 1: PURPOSE OF SCHEDULES

Schedule of Financial Trends and Analysis

The 2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting requires that this schedule be prepared showing financial trends of the 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.

Schedule of Charter Schools

The 2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting requires that this schedule list all charter schools chartered by the District and inform the users whether or not the charter school information is included in the District’s financial statements.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the annual Financial and Budget Report form to the audited financial statements.
OPTIONAL SUPPLEMENTARY INFORMATION
## Glendale Unified School District

### Combining Balance Sheet

**Building Fund**

*Building Fund - Measure S (21.1)*

<table>
<thead>
<tr>
<th>Assets</th>
<th>Building Fund Measure S (#21.1)</th>
<th>Building Fund CREBS (#21.2)</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in county treasury</td>
<td>$ 79,373,543</td>
<td>$ 10,335,253</td>
<td>$ 89,708,796</td>
</tr>
<tr>
<td>Cash with fiscal agent</td>
<td></td>
<td>174,304</td>
<td>174,304</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>467,251</td>
<td>53,475</td>
<td>520,726</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 79,840,794</strong></td>
<td><strong>$ 10,563,032</strong></td>
<td><strong>$ 90,403,826</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Fund Balances

**Liabilities**

<table>
<thead>
<tr>
<th>Accounts payable</th>
<th>Building Fund Measure S (#21.1)</th>
<th>Building Fund CREBS (#21.2)</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 9,204,083</td>
<td></td>
<td>$ 340,283</td>
<td>$ 9,544,366</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$ 9,204,083</strong></td>
<td><strong>$ 340,283</strong></td>
<td><strong>$ 9,544,366</strong></td>
</tr>
</tbody>
</table>

**Fund Balances**

<table>
<thead>
<tr>
<th>Restricted</th>
<th>Building Fund Measure S (#21.1)</th>
<th>Building Fund CREBS (#21.2)</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>70,636,711</td>
<td>10,222,749</td>
<td>80,859,460</td>
<td></td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td><strong>70,636,711</strong></td>
<td><strong>10,222,749</strong></td>
<td><strong>80,859,460</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td><strong>$ 79,840,794</strong></td>
<td><strong>$ 10,563,032</strong></td>
<td><strong>$ 90,403,826</strong></td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.
<table>
<thead>
<tr>
<th></th>
<th>Building Fund</th>
<th>Building Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Measure S</td>
<td>CREBS</td>
<td>(Memorandum Only)</td>
</tr>
<tr>
<td></td>
<td>(#21.1)</td>
<td>(#21.2)</td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local sources</td>
<td>$1,132,193</td>
<td>$85,555</td>
<td>$1,217,748</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$1,132,193</td>
<td>85,555</td>
<td>1,217,748</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant services</td>
<td>59,218,148</td>
<td>855,026</td>
<td>60,073,174</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>59,218,148</td>
<td>855,026</td>
<td>60,073,174</td>
</tr>
<tr>
<td>Deficiency of revenues over expenditures</td>
<td>(58,085,955)</td>
<td>(769,471)</td>
<td>(58,855,426)</td>
</tr>
<tr>
<td><strong>Other Financing Sources</strong></td>
<td>70,000,000</td>
<td>10,925,000</td>
<td>84,020,179</td>
</tr>
<tr>
<td>Proceeds from sale of bonds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of CREBS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interfund transfers in</td>
<td>3,095,179</td>
<td>-</td>
<td>3,095,179</td>
</tr>
<tr>
<td>Total Other Financing Sources</td>
<td>73,095,179</td>
<td>10,925,000</td>
<td>84,020,179</td>
</tr>
<tr>
<td>Net changes in fund balance</td>
<td>15,009,224</td>
<td>10,155,529</td>
<td>25,164,753</td>
</tr>
<tr>
<td><strong>Fund Balances at Beginning of Year</strong></td>
<td>55,627,487</td>
<td>67,220</td>
<td>55,694,707</td>
</tr>
<tr>
<td><strong>Fund Balances at End of Year</strong></td>
<td>$70,636,711</td>
<td>$10,222,749</td>
<td>$80,859,460</td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.
## GLENDALE UNIFIED SCHOOL DISTRICT
### COMBINING BALANCE SHEET
#### NON-MAJOR GOVERNMENTAL FUNDS
#### June 30, 2017

### Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in county treasury</td>
<td>$93,980</td>
<td>$364,083</td>
<td>$3,729,734</td>
<td>$9,847,338</td>
<td>$ -$23,555,993</td>
<td>$20,013,864</td>
<td>$57,604,992</td>
<td>$93,980</td>
</tr>
<tr>
<td>Cash in revolving fund</td>
<td>-</td>
<td>-</td>
<td>-700</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-700</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>-</td>
<td>200,475</td>
<td>938,425</td>
<td>340,754</td>
<td>740</td>
<td>141,386</td>
<td>-1,621,780</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
<td>90,407</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>90,407</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$93,980</strong></td>
<td><strong>$564,558</strong></td>
<td><strong>$4,759,266</strong></td>
<td><strong>$10,188,092</strong></td>
<td><strong>$740</strong></td>
<td><strong>$23,697,379</strong></td>
<td><strong>$20,013,864</strong></td>
<td><strong>$59,317,879</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Fund Balances

#### Liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$93,980</td>
<td>$373,924</td>
<td>$214,575</td>
<td>$2,836</td>
<td>$ -$985,815</td>
<td>$ -$1,671,130</td>
<td>$ -$194,136</td>
<td>$1,865,266</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>-</td>
<td>-</td>
<td>194,136</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>194,136</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$93,980</strong></td>
<td><strong>$373,924</strong></td>
<td><strong>408,711</strong></td>
<td><strong>2,836</strong></td>
<td><strong>-</strong>$985,815</td>
<td><strong>-</strong>$1,671,130</td>
<td><strong>-</strong>$194,136</td>
<td><strong>$1,865,266</strong></td>
</tr>
</tbody>
</table>

#### Fund Balances

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td>-</td>
<td>-</td>
<td>91,107</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>91,107</td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td>158,624</td>
<td>778,928</td>
<td>10,185,256</td>
<td>740</td>
<td>2,246,853</td>
<td>20,013,864</td>
<td>33,384,265</td>
</tr>
<tr>
<td>Assigned</td>
<td>-</td>
<td>32,010</td>
<td>3,480,520</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,977,241</td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td><strong>-</strong></td>
<td><strong>190,634</strong></td>
<td><strong>4,350,555</strong></td>
<td><strong>10,185,256</strong></td>
<td><strong>740</strong></td>
<td><strong>22,711,564</strong></td>
<td><strong>20,013,864</strong></td>
<td><strong>57,452,613</strong></td>
</tr>
</tbody>
</table>

### Total Liabilities and Fund Balances

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td><strong>$93,980</strong></td>
<td><strong>$564,558</strong></td>
<td><strong>$4,759,266</strong></td>
<td><strong>$10,188,092</strong></td>
<td><strong>$740</strong></td>
<td><strong>$23,697,379</strong></td>
<td><strong>$20,013,864</strong></td>
<td><strong>$59,317,879</strong></td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.
## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
### NON-MAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal sources</td>
<td>$ 5,230,981</td>
<td>$ 779,668</td>
<td>$ 6,789,581</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 132,901</td>
<td>$ 12,933,131</td>
</tr>
<tr>
<td>State sources</td>
<td>- 2,971,104</td>
<td>453,865</td>
<td>-</td>
<td>-</td>
<td>1,853,860</td>
<td>96,538</td>
<td>5,375,367</td>
</tr>
<tr>
<td>Local sources</td>
<td>-</td>
<td>302,683</td>
<td>2,134,504</td>
<td>1,653,367</td>
<td>1,569</td>
<td>835,207</td>
<td>18,552,688</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>5,230,981</td>
<td>4,053,455</td>
<td>9,377,950</td>
<td>2,4,653,367</td>
<td>2,689,067</td>
<td>18,782,127</td>
<td>41,788,516</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>- 3,535,323</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,535,323</td>
<td></td>
</tr>
<tr>
<td>Instruction - related services</td>
<td>- 551,496</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>551,496</td>
<td></td>
</tr>
<tr>
<td>Pupil services</td>
<td>- 531</td>
<td>10,160,755</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,161,286</td>
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<tr>
<td>General administration</td>
<td>- 152,182</td>
<td>346,776</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>467,500</td>
<td>966,458</td>
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<tr>
<td>Plant services</td>
<td>- 57,820</td>
<td>11,599</td>
<td>65,236</td>
<td>-</td>
<td>2,596,704</td>
<td>-</td>
<td>2,731,595</td>
</tr>
<tr>
<td>Other outgo</td>
<td>5,230,981</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,230,981</td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>483,520</td>
<td>17,793,314</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>5,230,981</td>
<td>4,397,352</td>
<td>10,519,130</td>
<td>65,236</td>
<td>3,080,224</td>
<td>18,260,814</td>
<td>41,453,737</td>
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<tr>
<td>Excess (deficiency) of revenues over expenditures</td>
<td>- (243,897)</td>
<td>(1,144,180)</td>
<td>1,588,131</td>
<td>1,569</td>
<td>(391,157)</td>
<td>521,313</td>
<td>334,779</td>
</tr>
<tr>
<td>Other Financing Sources (Uses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premiums from sale of bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,225,029</td>
<td>5,225,029</td>
</tr>
<tr>
<td>Interfund transfers in</td>
<td>- 249,910</td>
<td>57,576</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,378,742</td>
<td>2,686,228</td>
</tr>
<tr>
<td>Interfund transfers out</td>
<td>-</td>
<td>-</td>
<td>(2,950,000)</td>
<td>(145,179)</td>
<td>-</td>
<td>(3,095,179)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>- 249,910</td>
<td>57,576</td>
<td>(2,950,000)</td>
<td>(145,179)</td>
<td>2,378,742</td>
<td>5,225,029</td>
<td>4,816,078</td>
</tr>
<tr>
<td>Net changes in fund balance</td>
<td>-</td>
<td>6,013</td>
<td>(1,083,604)</td>
<td>(1,361,869)</td>
<td>1,987,585</td>
<td>5,746,342</td>
<td>5,150,857</td>
</tr>
<tr>
<td>Fund Balances at Beginning of Year</td>
<td>- 184,621</td>
<td>5,434,159</td>
<td>11,547,125</td>
<td>144,350</td>
<td>20,723,979</td>
<td>14,267,522</td>
<td>52,301,756</td>
</tr>
<tr>
<td>Fund Balances at End of Year</td>
<td>-</td>
<td>190,634</td>
<td>4,350,555</td>
<td>10,185,256</td>
<td>740</td>
<td>22,711,564</td>
<td>20,013,864</td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.

-74-
GLendale unified school district  
Combining statement of fund net position  
Proprietary fund  
June 30, 2017

<table>
<thead>
<tr>
<th>Assets</th>
<th>Medical Fund (#67.0)</th>
<th>Workers' Compensation Fund (#67.1)</th>
<th>Early Retirement Benefits Fund (#67.2)</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in county treasury</td>
<td>$4,587,083</td>
<td>$4,338,050</td>
<td>$750,849</td>
<td>$9,675,982</td>
</tr>
<tr>
<td>Cash with fiscal agent</td>
<td>375,000</td>
<td>250,000</td>
<td>-</td>
<td>625,000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>19,226</td>
<td>56,160</td>
<td>2,092</td>
<td>77,478</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>29,980</td>
<td>-</td>
<td>-</td>
<td>29,980</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>5,011,289</strong></td>
<td><strong>4,644,210</strong></td>
<td><strong>752,941</strong></td>
<td><strong>10,408,440</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>289,646</td>
<td>55,728</td>
<td>159,654</td>
<td>505,028</td>
</tr>
<tr>
<td>Estimated liability for open claims and incurred but not reported claims</td>
<td>293,257</td>
<td>2,731,000</td>
<td>-</td>
<td>3,024,257</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>582,903</strong></td>
<td><strong>2,786,728</strong></td>
<td><strong>159,654</strong></td>
<td><strong>3,529,285</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Position</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td><strong>$4,428,386</strong></td>
<td><strong>$1,857,482</strong></td>
<td><strong>$593,287</strong></td>
<td><strong>$6,879,155</strong></td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.
## GLENDALE UNIFIED SCHOOL DISTRICT

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
**PROPRIETARY FUND**

For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Medical Fund (#67.0)</th>
<th>Workers' Compensation Fund (#67.1)</th>
<th>Early Retirement Benefits Fund (#67.2)</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-Insurance premiums</td>
<td>$3,537,239</td>
<td>$4,655,595</td>
<td>$2,201,313</td>
<td>$10,394,147</td>
</tr>
<tr>
<td>Other local revenue</td>
<td></td>
<td></td>
<td></td>
<td>$357</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>3,537,239</td>
<td>4,655,595</td>
<td>2,201,670</td>
<td>10,394,504</td>
</tr>
<tr>
<td><strong>Operating Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and other operating expenses</td>
<td>3,104,252</td>
<td>4,505,805</td>
<td>2,165,439</td>
<td>9,775,496</td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td>3,104,252</td>
<td>4,505,805</td>
<td>2,165,439</td>
<td>9,775,496</td>
</tr>
<tr>
<td><strong>Net operating income (loss)</strong></td>
<td>432,987</td>
<td>149,790</td>
<td>36,231</td>
<td>619,008</td>
</tr>
<tr>
<td><strong>Non-Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>39,671</td>
<td>34,983</td>
<td>4,549</td>
<td>79,203</td>
</tr>
<tr>
<td><strong>Total Non-Operating Revenues</strong></td>
<td>39,671</td>
<td>34,983</td>
<td>4,549</td>
<td>79,203</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>472,658</td>
<td>184,773</td>
<td>40,780</td>
<td>698,211</td>
</tr>
<tr>
<td><strong>Net Position at Beginning of Year</strong></td>
<td>3,955,728</td>
<td>1,672,709</td>
<td>552,507</td>
<td>6,180,944</td>
</tr>
<tr>
<td><strong>Net Position at End of Year</strong></td>
<td>$4,428,386</td>
<td>$1,857,482</td>
<td>$593,287</td>
<td>$6,879,155</td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.

-76-
<table>
<thead>
<tr>
<th>Assets</th>
<th>Elementary Schools</th>
<th>Woodrow Wilson Middle School</th>
<th>Theodore Roosevelt Middle School</th>
<th>Rosemont Middle School</th>
<th>Eleanor J. Toll Middle School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$404,895</td>
<td>$113,962</td>
<td>$50,948</td>
<td>$104,573</td>
<td>$91,397</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>-</td>
<td>9,841</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
<td>12,162</td>
<td>8,588</td>
<td>5,770</td>
</tr>
<tr>
<td>Total Assets</td>
<td>404,895</td>
<td>123,803</td>
<td>63,110</td>
<td>113,161</td>
<td>97,167</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>-</td>
<td>-</td>
<td>16,025</td>
<td>35,031</td>
<td>35,707</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>-</td>
<td>54,500</td>
<td>16,025</td>
<td>35,031</td>
<td>35,707</td>
</tr>
<tr>
<td>Net Position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$404,895</td>
<td>$69,303</td>
<td>$47,085</td>
<td>$78,130</td>
<td>$61,460</td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.

-77-
## GLENDALE UNIFIED SCHOOL DISTRICT

### COMBINING STATEMENT OF FIDUCIARY NET POSITION

#### FIDUCIARY FUNDS

**June 30, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Cresenta Valley High School</th>
<th>Glendale High School</th>
<th>Herbert Hoover High School</th>
<th>Clark Magnet High School</th>
<th>Daily High School</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 385,396</td>
<td>$ 297,185</td>
<td>$ 324,257</td>
<td>$ 237,741</td>
<td>$ 22,462</td>
<td>$ 2,032,816</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,543</td>
<td>148,396</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>160,780</td>
</tr>
<tr>
<td>Inventories</td>
<td>232</td>
<td>1,112</td>
<td>49,149</td>
<td>-</td>
<td>-</td>
<td>77,013</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>388,171</td>
<td>446,693</td>
<td>373,406</td>
<td>237,741</td>
<td>22,462</td>
<td>2,270,609</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>197,309</td>
<td>422,050</td>
<td>203,827</td>
<td>63,838</td>
<td>-</td>
<td>1,028,287</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>197,309</td>
<td>422,050</td>
<td>203,827</td>
<td>63,838</td>
<td>-</td>
<td>1,028,287</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>190,862</td>
<td>24,643</td>
<td>169,579</td>
<td>173,903</td>
<td>22,462</td>
<td>1,242,322</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$ 190,862</td>
<td>$ 24,643</td>
<td>$ 169,579</td>
<td>$ 173,903</td>
<td>$ 22,462</td>
<td>$ 1,242,322</td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.

-78-
## GLENDALE UNIFIED SCHOOL DISTRICT

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

**FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Elementary Schools</th>
<th>Woodrow Wilson Middle School</th>
<th>Theodore Roosevelt Middle School</th>
<th>Rosemont Middle School</th>
<th>Eleanor J. Toll Middle School</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from local</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student store sales</td>
<td>$</td>
<td>-</td>
<td>$ 29,339</td>
<td>$ 20,138</td>
<td>$ 43,636</td>
</tr>
<tr>
<td>Yearbook</td>
<td></td>
<td>28,143</td>
<td>5,125</td>
<td>41,585</td>
<td></td>
</tr>
<tr>
<td>Student body cards</td>
<td></td>
<td>4,584</td>
<td>2,391</td>
<td>1,528</td>
<td>7,880</td>
</tr>
<tr>
<td>Athletics</td>
<td></td>
<td>6,732</td>
<td>25,813</td>
<td>15,977</td>
<td>11,224</td>
</tr>
<tr>
<td>Fundraising</td>
<td></td>
<td>3,340</td>
<td>14,890</td>
<td></td>
<td>860</td>
</tr>
<tr>
<td>Social activities</td>
<td></td>
<td>840,326</td>
<td>69,903</td>
<td>61,785</td>
<td>257,268</td>
</tr>
<tr>
<td>Special events</td>
<td></td>
<td>4,978</td>
<td></td>
<td></td>
<td>136,429</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>840,326</td>
<td>69,903</td>
<td>61,785</td>
<td>257,268</td>
</tr>
<tr>
<td><strong>Total Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>840,326</td>
<td>69,903</td>
<td>61,785</td>
<td>257,268</td>
<td>171,755</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student store sales</td>
<td></td>
<td>28,480</td>
<td>13,605</td>
<td>34,880</td>
<td>28,586</td>
</tr>
<tr>
<td>Yearbook</td>
<td></td>
<td>32,050</td>
<td>6,960</td>
<td>32,940</td>
<td></td>
</tr>
<tr>
<td>Athletics</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>890</td>
</tr>
<tr>
<td>Fundraising</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>1,396</td>
</tr>
<tr>
<td>Social activities</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>51,947</td>
</tr>
<tr>
<td>Special events</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>5,233</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>800,432</td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>800,432</td>
</tr>
<tr>
<td>Changes in net</td>
<td>39,894</td>
<td>5,699</td>
<td>(18,400)</td>
<td>3,027</td>
<td>8,229</td>
</tr>
<tr>
<td>position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Position -</strong></td>
<td>365,001</td>
<td>63,604</td>
<td>65,485</td>
<td>75,103</td>
<td>53,231</td>
</tr>
<tr>
<td><strong>Beginning of Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Position -</strong></td>
<td>$ 404,895</td>
<td>$ 69,303</td>
<td>$ 47,085</td>
<td>$ 78,130</td>
<td>$ 61,460</td>
</tr>
<tr>
<td><strong>End of Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.
## GLENDALE UNIFIED SCHOOL DISTRICT

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

**FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Cresenta Valley High School</th>
<th>Glendale High School</th>
<th>Herbert Hoover High School</th>
<th>Clark Magnet High School</th>
<th>Daily High School</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from local sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student store sales</td>
<td>$28,729</td>
<td>$69,380</td>
<td>$24,676</td>
<td>$</td>
<td>$140</td>
<td>$254,384</td>
</tr>
<tr>
<td>Yearbook</td>
<td>$127,089</td>
<td>$36,950</td>
<td>$20,413</td>
<td>$25,504</td>
<td>$140</td>
<td>$284,949</td>
</tr>
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<td>Student body cards</td>
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<td>$4,460</td>
<td>$6,754</td>
<td>$2,244</td>
<td>$</td>
<td>$76,212</td>
</tr>
<tr>
<td>Athletics</td>
<td>$59,529</td>
<td>$24,193</td>
<td>$24,785</td>
<td>$</td>
<td></td>
<td>$111,124</td>
</tr>
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<td>Fundraising</td>
<td>$</td>
<td>$10,945</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$32,712</td>
</tr>
<tr>
<td>Social activities</td>
<td>$</td>
<td>$72,099</td>
<td>$23,521</td>
<td>$</td>
<td></td>
<td>$138,270</td>
</tr>
<tr>
<td>Special events</td>
<td>$127,750</td>
<td>$44,105</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$194,357</td>
</tr>
<tr>
<td>Other revenue</td>
<td>$214,661</td>
<td>$15,200</td>
<td>$52,550</td>
<td>$62,363</td>
<td>$14,756</td>
<td>$1,448,196</td>
</tr>
<tr>
<td><strong>Total Additions</strong></td>
<td>$604,129</td>
<td>$277,332</td>
<td>$152,699</td>
<td>$90,111</td>
<td>$14,896</td>
<td>$2,540,204</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and other operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student store sales</td>
<td>$8,456</td>
<td>$52,750</td>
<td>$5,440</td>
<td>$</td>
<td>$</td>
<td>$172,197</td>
</tr>
<tr>
<td>Yearbook</td>
<td>$127,089</td>
<td>$33,913</td>
<td>$19,616</td>
<td>$24,901</td>
<td>$60</td>
<td>$277,529</td>
</tr>
<tr>
<td>Athletics</td>
<td>$104,444</td>
<td>$66,660</td>
<td>$60,558</td>
<td>$</td>
<td>$</td>
<td>$232,552</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$</td>
<td>$9,775</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$14,972</td>
</tr>
<tr>
<td>Social activities</td>
<td>$</td>
<td>$54,867</td>
<td>$21,310</td>
<td>$</td>
<td>$</td>
<td>$148,596</td>
</tr>
<tr>
<td>Special events</td>
<td>$117,882</td>
<td>$44,018</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$196,832</td>
</tr>
<tr>
<td>Other expenses</td>
<td>$293,696</td>
<td>$14,685</td>
<td>$67,489</td>
<td>$57,062</td>
<td>$14,892</td>
<td>$1,519,473</td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td>$651,567</td>
<td>$276,668</td>
<td>$174,413</td>
<td>$81,963</td>
<td>$14,952</td>
<td>$2,562,151</td>
</tr>
<tr>
<td>Changes in net position</td>
<td>$-47,438</td>
<td>$-664</td>
<td>$-21,714</td>
<td>$-8,148</td>
<td>$-56</td>
<td>$-21,947</td>
</tr>
<tr>
<td><strong>Net Position - Beginning of Year</strong></td>
<td>$238,300</td>
<td>$23,979</td>
<td>$191,293</td>
<td>$165,755</td>
<td>$22,518</td>
<td>$1,264,269</td>
</tr>
<tr>
<td><strong>Net Position - End of Year</strong></td>
<td>$190,862</td>
<td>$24,643</td>
<td>$169,579</td>
<td>$173,903</td>
<td>$22,462</td>
<td>$1,242,322</td>
</tr>
</tbody>
</table>

See the accompanying notes to the optional supplementary information.
GLENDALE UNIFIED SCHOOL DISTRICT

NOTES TO THE OPTIONAL SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017

NOTE 1: PURPOSE OF SCHEDULES

Combining and Individual Fund Financial Statements

The combining fund balance sheets and statements of revenues, expenditures and changes in fund balance for the building fund and the non-major governmental funds and the combining statements of fund net position and changes in net position for the proprietary funds and fiduciary funds have been presented to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to the financial statements.
OTHER INDEPENDENT AUDITOR'S REPORT
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Glendale Unified School District
Glendale, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Glendale Unified School District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 28, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

CliftonLarsonAllen LLP
Glendora, California
November 28, 2017
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Glendale Unified School District
Glendale, California

Report on Compliance for Each Major Federal Program

We have audited Glendale Unified School District’s (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget 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, 2017. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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, 2017.

Report on Internal Control Over Compliance

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

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

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP
Glendora, California
November 28, 2017
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Education
Glendale Unified School District
Glendale, California

We have audited the Glendale Unified School District's (the District) compliance with the types of compliance requirements described in the 2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals Panel for the year ended June 30, 2017. The District's state compliance requirements are identified in the table provided.

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 below. 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 2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals Panel. 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.
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Compliance Requirements Tested

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Procedures Performed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance</td>
<td>Yes</td>
</tr>
<tr>
<td>Teacher Certification and Misassignments</td>
<td>Yes</td>
</tr>
<tr>
<td>Kindergarten Continuance</td>
<td>Yes</td>
</tr>
<tr>
<td>Independent Study</td>
<td>Yes</td>
</tr>
<tr>
<td>Continuation Education</td>
<td>No¹</td>
</tr>
<tr>
<td>Instructional Time</td>
<td>Yes</td>
</tr>
<tr>
<td>Instructional Materials</td>
<td>Yes</td>
</tr>
<tr>
<td>Ratio of Administrative Employees to Teachers</td>
<td>Yes</td>
</tr>
<tr>
<td>Classroom Teacher Salaries</td>
<td>Yes</td>
</tr>
<tr>
<td>Early Retirement Incentive</td>
<td>No¹</td>
</tr>
<tr>
<td>GANN Limit Calculation</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>School Accountability Report Card</td>
<td>Yes</td>
</tr>
<tr>
<td>Juvenile Court Schools</td>
<td>Yes</td>
</tr>
<tr>
<td>Middle or Early College High Schools</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>K-3 Grade Span Adjustment</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Transportation Maintenance of Effort</td>
<td>Yes</td>
</tr>
<tr>
<td>Mental Health Expenditures</td>
<td>Yes</td>
</tr>
<tr>
<td>Educator Effectiveness</td>
<td>Yes</td>
</tr>
<tr>
<td>California Clean Energy Act</td>
<td>Yes</td>
</tr>
<tr>
<td>After School Education and Safety Program</td>
<td>Yes</td>
</tr>
<tr>
<td>Proper Expenditure of Education Protection Account Funds</td>
<td>Yes</td>
</tr>
<tr>
<td>Unduplicated Local Control Funding Formula Pupil Counts</td>
<td>Yes</td>
</tr>
<tr>
<td>Local Control and Accountability Plan</td>
<td>Yes</td>
</tr>
<tr>
<td>Independent Study-Course Based</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Immunizations</td>
<td>Yes</td>
</tr>
<tr>
<td>Charter Schools:</td>
<td></td>
</tr>
<tr>
<td>Attendance</td>
<td>No²</td>
</tr>
<tr>
<td>Mode of Instruction</td>
<td>No²</td>
</tr>
<tr>
<td>Nonclassroom Based Instruction/Independent Study</td>
<td>No²</td>
</tr>
<tr>
<td>Determination of Funding for Nonclassroom Based Instruction</td>
<td>No²</td>
</tr>
<tr>
<td>Annual Instruction Minutes – Classroom Based</td>
<td>No²</td>
</tr>
<tr>
<td>Charter School Facility Grant Program</td>
<td>No²</td>
</tr>
</tbody>
</table>

¹We did not perform testing for independent study because the independent study ADA was under the level which requires testing.
²The District is not the granting agency for any Charter Schools.
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Opinion on State Compliance

In our opinion, the District complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2017.

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 2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP
Glendora, California
November 28, 2017
FINDINGS AND QUESTIONED COSTS
SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:  

Unmodified

Internal control over financial reporting:
Material weakness(es) identified?  
Yes  X  No

Significant deficiency(ies) identified?  
Yes  X  None Reported

Noncompliance material to financial statements noted?  
Yes  X  No

Federal Awards
Internal control over financial reporting:
Material weakness(es) identified?  
Yes  X  No

Significant deficiency(ies) identified?  
Yes  X  None Reported

Type of auditor’s report issued on compliance for major federal programs:  
Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  
Yes  X  No

Identification of Major Federal Programs:

<table>
<thead>
<tr>
<th>CFDA Number(s)</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.010</td>
<td>Title I, Part A</td>
</tr>
<tr>
<td>84.367</td>
<td>Title II, Improving Teacher Quality</td>
</tr>
<tr>
<td>84.365</td>
<td>Title III, English Language Acquisition Grants</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between type A and type B programs:  
$857,746

Auditee qualified as low-risk auditee?  
X  Yes  No
GLENDALE UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO THE FINANCIAL STATEMENTS
June 30, 2017

All audit findings must be identified as one or more of the following twelve categories:

<table>
<thead>
<tr>
<th>Five Digit Code</th>
<th>Finding Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000</td>
<td>Attendance</td>
</tr>
<tr>
<td>20000</td>
<td>Inventory of Equipment</td>
</tr>
<tr>
<td>30000</td>
<td>Internal Control</td>
</tr>
<tr>
<td>40000</td>
<td>State Compliance</td>
</tr>
<tr>
<td>42000</td>
<td>Charter School Facilities Programs</td>
</tr>
<tr>
<td>50000</td>
<td>Federal Compliance</td>
</tr>
<tr>
<td>60000</td>
<td>Miscellaneous</td>
</tr>
<tr>
<td>61000</td>
<td>Classroom Teacher Salaries</td>
</tr>
<tr>
<td>62000</td>
<td>Local Control Accountability Plan</td>
</tr>
<tr>
<td>70000</td>
<td>Instructional Materials</td>
</tr>
<tr>
<td>71000</td>
<td>Teacher Misassignments</td>
</tr>
<tr>
<td>72000</td>
<td>School Accountability Report Card</td>
</tr>
</tbody>
</table>

There were no findings and questioned costs related to the basic financial statements for the year ended June 30, 2017.
There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.
There were no findings and questioned costs related to state awards for the year ended June 30, 2017.
### GLENDALE UNIFIED SCHOOL DISTRICT

#### STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

*June 30, 2017*

2016-001  **Unduplicated Local Control Funding Formula Pupil Counts**  40000

**Criteria:** Education Code section 42238.02(b)(2) requires a school district or charter school to submit its enrolled free and reduced-price meal eligibility, foster youth and English learner pupil level records for enrolled pupils using the California Longitudinal Pupil Achievement Data System (CalPADS). The CalPADS reports should accurately report the number of students in the categories as identified above.

**Condition:** 410 students that qualified for reclassification from the English learner status during the current reporting period were reported as English learners in the CalPADS report inappropriately. The students' status in the English learner tracking system was properly updated.

**Effect:** The District was not in compliance with Education Code section 42238.02(b)(2). The 1.17 and 1.18 reports contained errors as follows:

<table>
<thead>
<tr>
<th>School Name</th>
<th>Enrollment Count as Reported in the CalPADS System</th>
<th>Unduplicated FRPM Eligible</th>
<th>English Learner (EL)</th>
<th>Total Unduplicated Pupil Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abraham Lincoln Elementary</td>
<td>506</td>
<td>119</td>
<td>119</td>
<td>193</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(11)</td>
<td>(11)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anderson W. Clark Magnet</td>
<td>506</td>
<td>119</td>
<td>108</td>
<td>182</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(6)</td>
<td>(6)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balboa Elementary</td>
<td>1,103</td>
<td>588</td>
<td>102</td>
<td>605</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(6)</td>
<td>(6)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benjamin Franklin Elementary</td>
<td>786</td>
<td>411</td>
<td>344</td>
<td>550</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(21)</td>
<td>(21)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cerritos Elementary</td>
<td>656</td>
<td>128</td>
<td>138</td>
<td>224</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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## GLENDALE UNIFIED SCHOOL DISTRICT
### STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
#### June 30, 2017

<table>
<thead>
<tr>
<th>School Name</th>
<th>2016-001</th>
<th>Enrollment Count as Reported in the CalPADS System</th>
<th>Unduplicated FRPM Eligible</th>
<th>English Learner (EL)</th>
<th>Total Unduplicated Pupil Count</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>College View</strong></td>
<td>2016-001</td>
<td>154</td>
<td>49</td>
<td>58</td>
<td>81</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td>154</td>
<td>49</td>
<td>58</td>
<td>81</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td>154</td>
<td>49</td>
<td>58</td>
<td>81</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td>154</td>
<td>49</td>
<td>(8)</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Columbus Elementary</strong></td>
<td></td>
<td>598</td>
<td>428</td>
<td>314</td>
<td>591</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td>598</td>
<td>428</td>
<td>314</td>
<td>591</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td>598</td>
<td>428</td>
<td>314</td>
<td>591</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td>598</td>
<td>428</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td><strong>Crescenta Valley High</strong></td>
<td></td>
<td>2,670</td>
<td>433</td>
<td>137</td>
<td>513</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td>2,670</td>
<td>433</td>
<td>137</td>
<td>513</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td>2,670</td>
<td>433</td>
<td>137</td>
<td>513</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td>2,670</td>
<td>433</td>
<td>(20)</td>
<td>(20)</td>
</tr>
<tr>
<td><strong>Daily (Allan F.) High</strong></td>
<td></td>
<td>227</td>
<td>141</td>
<td>40</td>
<td>153</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td>227</td>
<td>141</td>
<td>40</td>
<td>153</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td>227</td>
<td>141</td>
<td>40</td>
<td>153</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td>227</td>
<td>141</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Dunsmore Elementary</strong></td>
<td></td>
<td>457</td>
<td>66</td>
<td>72</td>
<td>120</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td>457</td>
<td>66</td>
<td>72</td>
<td>120</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td>457</td>
<td>66</td>
<td>72</td>
<td>120</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td>457</td>
<td>66</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td><strong>Eleanor J. Toll Middle</strong></td>
<td></td>
<td>1,241</td>
<td>764</td>
<td>277</td>
<td>808</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td>1,241</td>
<td>764</td>
<td>277</td>
<td>808</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td>1,241</td>
<td>764</td>
<td>277</td>
<td>808</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td>1,241</td>
<td>764</td>
<td>(28)</td>
<td>(28)</td>
</tr>
<tr>
<td><strong>Glendale High</strong></td>
<td></td>
<td>2,433</td>
<td>1,669</td>
<td>478</td>
<td>1,738</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td>2,433</td>
<td>1,669</td>
<td>478</td>
<td>1,738</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td>2,433</td>
<td>1,669</td>
<td>478</td>
<td>1,738</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td>2,433</td>
<td>1,669</td>
<td>(6)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Glenoaks Elementary</strong></td>
<td></td>
<td>573</td>
<td>184</td>
<td>165</td>
<td>262</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td>573</td>
<td>184</td>
<td>165</td>
<td>262</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td>573</td>
<td>184</td>
<td>165</td>
<td>262</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td>573</td>
<td>184</td>
<td>(9)</td>
<td>(9)</td>
</tr>
<tr>
<td><strong>Herbert Hoover High</strong></td>
<td></td>
<td>1,640</td>
<td>1,073</td>
<td>2,66</td>
<td>1,105</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td>1,640</td>
<td>1,073</td>
<td>2,66</td>
<td>1,105</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td>1,640</td>
<td>1,073</td>
<td>2,66</td>
<td>1,105</td>
</tr>
<tr>
<td>Adjusted</td>
<td></td>
<td>1,640</td>
<td>1,073</td>
<td>(18)</td>
<td>(18)</td>
</tr>
</tbody>
</table>

---
## Unduplicated Local Control Funding Formula Pupil Counts

<table>
<thead>
<tr>
<th>School Name</th>
<th>Enrollment Count as Reported in the CalPADS System</th>
<th>Unduplicated FRPM Eligible</th>
<th>English Learner (EL)</th>
<th>Total Unduplicated Pupil Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horace Mann Elementary</td>
<td>661</td>
<td>596</td>
<td>500</td>
<td>633</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td>661</td>
<td>596</td>
<td>496</td>
</tr>
<tr>
<td>Jewel City Community Day</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>John C. Fremont Elementary</td>
<td>695</td>
<td>137</td>
<td>152</td>
<td>244</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(21)</td>
<td>(21)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td>695</td>
<td>137</td>
<td>131</td>
</tr>
<tr>
<td>John Marshall Elementary</td>
<td>516</td>
<td>429</td>
<td>309</td>
<td>477</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td>516</td>
<td>429</td>
<td>306</td>
</tr>
<tr>
<td>John Muir Elementary</td>
<td>886</td>
<td>665</td>
<td>456</td>
<td>730</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>(20)</td>
<td>(20)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td>886</td>
<td>665</td>
<td>436</td>
</tr>
<tr>
<td>La Crescenta Elementary</td>
<td>505</td>
<td>147</td>
<td>133</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(13)</td>
<td>(13)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td>505</td>
<td>147</td>
<td>120</td>
</tr>
<tr>
<td>Mark Keppel Elementary</td>
<td>1,023</td>
<td>376</td>
<td>448</td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
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<td>(44)</td>
<td>(44)</td>
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<tr>
<td></td>
<td>Adjusted</td>
<td>1,023</td>
<td>376</td>
<td>404</td>
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<td>Monte Vista Elementary</td>
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<td>84</td>
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<td>218</td>
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<td>(19)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td>764</td>
<td>84</td>
<td>147</td>
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<tr>
<td>Mountain Avenue Elementary</td>
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<td>68</td>
<td>104</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>Audit adjustments</td>
<td></td>
<td>(14)</td>
<td>(14)</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td>550</td>
<td>68</td>
<td>90</td>
</tr>
<tr>
<td>School Name</td>
<td>Enrollment Count as Reported in the CalPADS System</td>
<td>Unduplicated FRPM Eligible</td>
<td>English Learner (EL)</td>
<td>Total Unduplicated Pupil Count</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------------------------------------------</td>
<td>-----------------------------</td>
<td>---------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>NPS School Group for Glendale</td>
<td>65</td>
<td>4</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>65</td>
<td>4</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>R.D. White Elementary</td>
<td>897</td>
<td>570</td>
<td>494</td>
<td>700</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>897</td>
<td>570</td>
<td>494</td>
<td>700</td>
</tr>
<tr>
<td>Rosemont Middle</td>
<td>1,279</td>
<td>238</td>
<td>91</td>
<td>288</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>1,279</td>
<td>238</td>
<td>91</td>
<td>288</td>
</tr>
<tr>
<td>Theodore Roosevelt Middle</td>
<td>770</td>
<td>636</td>
<td>202</td>
<td>680</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>770</td>
<td>636</td>
<td>202</td>
<td>680</td>
</tr>
<tr>
<td>Thomas Edison Elementary</td>
<td>884</td>
<td>584</td>
<td>354</td>
<td>626</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>884</td>
<td>584</td>
<td>354</td>
<td>626</td>
</tr>
<tr>
<td>Thomas Jefferson Elementary</td>
<td>650</td>
<td>489</td>
<td>430</td>
<td>569</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>650</td>
<td>489</td>
<td>430</td>
<td>569</td>
</tr>
<tr>
<td>Valley View Elementary</td>
<td>407</td>
<td>48</td>
<td>79</td>
<td>107</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>407</td>
<td>48</td>
<td>79</td>
<td>107</td>
</tr>
<tr>
<td>Verdugo Academy</td>
<td>98</td>
<td>33</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>98</td>
<td>33</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>Verdugo Woodlands</td>
<td>814</td>
<td>200</td>
<td>247</td>
<td>361</td>
</tr>
<tr>
<td>As reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>814</td>
<td>200</td>
<td>247</td>
<td>361</td>
</tr>
</tbody>
</table>

June 30, 2017
GLENDALE UNIFIED SCHOOL DISTRICT

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2017

2016-001  Unduplicated Local Control Funding Formula Pupil Counts  40000

<table>
<thead>
<tr>
<th>School Name</th>
<th>Enrollment Count as Reported in the CalPADS System</th>
<th>Unduplicated FRPM Eligible</th>
<th>English Learner (EL)</th>
<th>Total Unduplicated Pupil Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodrow Wilson Middle</td>
<td>1,179</td>
<td>708</td>
<td>260</td>
<td>711</td>
</tr>
<tr>
<td>As reported</td>
<td>1,179</td>
<td>708</td>
<td>260</td>
<td>711</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td>-</td>
<td>-</td>
<td>(13)</td>
<td>(13)</td>
</tr>
<tr>
<td>Adjusted</td>
<td>1,179</td>
<td>708</td>
<td>260</td>
<td>711</td>
</tr>
<tr>
<td>Total</td>
<td>26,115</td>
<td>12,392</td>
<td>7,179</td>
<td>14,599</td>
</tr>
<tr>
<td>As reported</td>
<td>26,115</td>
<td>12,392</td>
<td>7,179</td>
<td>14,599</td>
</tr>
<tr>
<td>Audit adjustments</td>
<td>-</td>
<td>-</td>
<td>(410)</td>
<td>(410)</td>
</tr>
<tr>
<td>Adjusted</td>
<td>26,115</td>
<td>12,392</td>
<td>6,769</td>
<td>14,189</td>
</tr>
</tbody>
</table>

Cause: A procedure was not in place to update and reconcile the CalPADS data for changes in student status.

Questioned Costs and Units: The impact on the local control funding formula calculated resulted in an estimated overstatement of revenue of $382,000 which the District has already reflected in the financial statements.

Recommendation: We recommend the District implement additional review procedures to ensure that errors are prevented in future CalPADS reporting.

Status: Implemented
CONTINUING DISCLOSURE INFORMATION
The following information is provided by the District to comply with covenants of its General Obligation Bonds. As noted in the opinion letter of this report, this continuing disclosure section has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements.

1. Outstanding indebtedness and lease obligations .......................... 2, 32-36
2. General fund budget and actual results ......................................... 54
3. Attendance and local control funding formula information ............... 6, 61
4. Facilities and personnel .............................................................. 102
5. Assessed valuations ................................................................. 102
6. Largest local secured taxpayers .................................................. 103
7. Secured tax charges and delinquencies ....................................... 104

**Facilities and Personnel**

The District's facilities currently include five senior high schools, including a continuation high school, four middle schools, twenty elementary schools, one preschool, one development center for multi-disabled students, a community day school, and a site devoted to multiple intervention and special education programs, a professional development center, maintenance and warehouse site, District administration offices, and an excess site that is leased.

**Assessed Valuations**

The District uses the facilities and services of the County for the assessment and collection of taxes. District taxes are collected at the same time and on the same tax rolls as are the County, City and Special District taxes. Assessed valuations are the same for both District and County taxing purposes. The following tabulation is the latest ten-year summary of the District’s assessed valuation before deduction of the homeowners’ and business inventory exemptions.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>District Assessed Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>$22,268,937,776</td>
</tr>
<tr>
<td>2007-08</td>
<td>$23,907,398,879</td>
</tr>
<tr>
<td>2008-09</td>
<td>$25,258,072,361</td>
</tr>
<tr>
<td>2009-10</td>
<td>$25,253,710,452</td>
</tr>
<tr>
<td>2010-11</td>
<td>$25,570,616,706</td>
</tr>
<tr>
<td>2011-12</td>
<td>$26,025,237,749</td>
</tr>
<tr>
<td>2012-13</td>
<td>$26,286,351,301</td>
</tr>
<tr>
<td>2013-14</td>
<td>$27,413,098,346</td>
</tr>
<tr>
<td>2014-15</td>
<td>$28,788,168,062</td>
</tr>
<tr>
<td>2015-16</td>
<td>$30,400,786,637</td>
</tr>
<tr>
<td>2016-17</td>
<td>$32,047,250,278</td>
</tr>
</tbody>
</table>
GLENDALE UNIONED SCHOOLS DISTRICT

CONTINUING DISCLOSURE INFORMATION (UNAUDITED)
June 30, 2017

Assessed Valuations

The twenty largest locally secured taxpayers in the District are listed below.

<table>
<thead>
<tr>
<th>Property Owner</th>
<th>Primary Land Use</th>
<th>2016-17 Assessed Valuation</th>
<th>% of Total (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Walt Disney World Co.</td>
<td>Movie Studio</td>
<td>$ 461,384,187</td>
<td>1.48%</td>
</tr>
<tr>
<td>2. Glendale I Mall Associates LP</td>
<td>Shopping Center</td>
<td>399,128,665</td>
<td>0.99%</td>
</tr>
<tr>
<td>3. Glendale II Mall Associates LLC</td>
<td>Shopping Center</td>
<td>214,893,127</td>
<td>0.69%</td>
</tr>
<tr>
<td>4. Americana at Brand LLC</td>
<td>Shopping Center</td>
<td>214,342,211</td>
<td>0.69%</td>
</tr>
<tr>
<td>5. PR Glendale Plaza Office CA LLC</td>
<td>Office Building</td>
<td>189,600,000</td>
<td>0.61%</td>
</tr>
<tr>
<td>6. Wells REIT Glendale CA LLC</td>
<td>Office Building</td>
<td>154,400,000</td>
<td>0.49%</td>
</tr>
<tr>
<td>7. Metropolitan Life Insurance Company</td>
<td>Office Building</td>
<td>140,522,666</td>
<td>0.45%</td>
</tr>
<tr>
<td>8. Glendale Successory Agency/Caruso Affiliated</td>
<td>Shopping Center</td>
<td>124,379,561</td>
<td>0.40%</td>
</tr>
<tr>
<td>9. PR III Glendale Member LLC</td>
<td>Office Building</td>
<td>123,962,025</td>
<td>0.40%</td>
</tr>
<tr>
<td>10. DWA Glendale Properties LLC</td>
<td>Movie Studio</td>
<td>115,254,175</td>
<td>0.37%</td>
</tr>
<tr>
<td>11. American Residential LLC</td>
<td>Shopping Center</td>
<td>111,677,500</td>
<td>0.36%</td>
</tr>
<tr>
<td>12. GPI 500 Brand Ltd</td>
<td>Office Building</td>
<td>98,614,372</td>
<td>0.32%</td>
</tr>
<tr>
<td>13. Sequoia Equities Glendale</td>
<td>Commercial</td>
<td>98,166,862</td>
<td>0.31%</td>
</tr>
<tr>
<td>14. 100 WGB Hotel Owner LLC</td>
<td>Hotel</td>
<td>92,946,311</td>
<td>0.30%</td>
</tr>
<tr>
<td>15. 505 North Brand LLC</td>
<td>Office Building</td>
<td>88,000,000</td>
<td>0.28%</td>
</tr>
<tr>
<td>16. 550 North Brand Owners S Corp.</td>
<td>Office Building</td>
<td>83,859,650</td>
<td>0.27%</td>
</tr>
<tr>
<td>17. Equity Residential Glendale</td>
<td>Apartments</td>
<td>81,591,797</td>
<td>0.26%</td>
</tr>
<tr>
<td>18. BRS Brand Central Holdings LLC</td>
<td>Office Building</td>
<td>80,907,221</td>
<td>0.26%</td>
</tr>
<tr>
<td>19. WBCMT 2006 C27 Brand Boulevard LP</td>
<td>Office Building</td>
<td>80,202,195</td>
<td>0.26%</td>
</tr>
<tr>
<td>20. 120 W. Wilson Ave. Apartments LP</td>
<td>Apartments</td>
<td>77,415,291</td>
<td>0.25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 2,941,247,816</td>
<td>9.42%</td>
</tr>
</tbody>
</table>

Tax Rate Area

There are a total of 76 tax rate areas within the District. The largest is Tax Rate Area 4045. A summary of the tax rates levied in Tax Rate Area 4045 during the period 2012-13 through 2016-17 appears in the following table.

<table>
<thead>
<tr>
<th>TAX RATE AREA 4045</th>
<th>Fiscal Year</th>
<th>Fiscal Year</th>
<th>Fiscal Year</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>1.000000%</td>
<td>1.000000%</td>
<td>1.000000%</td>
<td>1.000000%</td>
</tr>
<tr>
<td>Glendale Unified School District</td>
<td>0.043947%</td>
<td>0.039168%</td>
<td>0.059743%</td>
<td>0.050620%</td>
</tr>
<tr>
<td>Glendale Community College District</td>
<td>0.024662%</td>
<td>0.023412%</td>
<td>0.022198%</td>
<td>0.021235%</td>
</tr>
<tr>
<td>Metropolitan Water District</td>
<td>0.003500%</td>
<td>0.003500%</td>
<td>0.003500%</td>
<td>0.003500%</td>
</tr>
<tr>
<td>Total</td>
<td>1.072109%</td>
<td>1.066080%</td>
<td>1.085441%</td>
<td>1.075355%</td>
</tr>
</tbody>
</table>

Source: California Municipal Statistics, Inc.
Tax Levies and Collections

District taxes are collected on the same bill as County taxes. Secured taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured taxes are assessed on January 1.

The following tabulation shows the secured taxes levied by the District during the past five fiscal years, together with the total amounts and percentages of delinquencies as of June 30 of each fiscal year.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Secured Tax Charge (1)</th>
<th>Amount Delinquent (June 30)</th>
<th>% Delinquent (June 30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>$48,894,729</td>
<td>$1,024,913</td>
<td>2.10%</td>
</tr>
<tr>
<td>2012-13</td>
<td>49,649,899</td>
<td>896,379</td>
<td>1.81%</td>
</tr>
<tr>
<td>2013-14</td>
<td>51,953,546</td>
<td>769,748</td>
<td>1.48%</td>
</tr>
<tr>
<td>2014-15</td>
<td>54,782,094</td>
<td>792,875</td>
<td>1.45%</td>
</tr>
<tr>
<td>2015-16</td>
<td>58,086,833</td>
<td>828,181</td>
<td>1.43%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Secured Tax Charge (2)</th>
<th>Amount Delinquent (June 30)</th>
<th>% Delinquent (June 30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>$11,320,661</td>
<td>$222,703</td>
<td>1.97%</td>
</tr>
<tr>
<td>2012-13</td>
<td>11,406,140</td>
<td>399,849</td>
<td>3.51%</td>
</tr>
<tr>
<td>2013-14</td>
<td>10,396,128</td>
<td>125,767</td>
<td>1.21%</td>
</tr>
<tr>
<td>2014-15</td>
<td>16,723,607</td>
<td>182,282</td>
<td>1.09%</td>
</tr>
<tr>
<td>2015-16</td>
<td>14,955,844</td>
<td>165,746</td>
<td>1.11%</td>
</tr>
</tbody>
</table>

Source: California Municipal Statistics, Inc.
(1) 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects county wide delinquency rate.
(2) District’s general obligation bond debt service levy only.
APPENDIX C

GENERAL INFORMATION ABOUT
THE CITY OF GLENDALE AND LOS ANGELES COUNTY

General

The City. The City of Glendale (the "City") is located at the eastern end of the San Fernando Valley, the City is bisected by the Verdugo Mountains, and is a suburb in the Greater Los Angeles Area. The City was incorporated in 1906. Originally consisting of 1,486 acres, by 1920, the City had grown through nine annexations to over 7,000 acres. Currently the City consists of 30.5 square miles. The City is divided into 34 neighborhoods which are delineated by streets, washes, and mountain ridges. Each neighborhood has a unique history and character and as these neighborhoods developed, they combined to form the City as we know it today. In addition, the City is divided into Census Tracts. These are geographical areas for statistical purposes. Tract boundaries were established cooperatively by a local committee and the United States Bureau of the Census.

The County. Located along the southern coast of California, Los Angeles County (the "County") covers about 4,080 square miles. It measures approximately 75 miles from north to south and 70 miles from east to west. The County includes Santa Catalina and San Clemente Islands and is bordered by the Pacific Ocean and Ventura, San Bernardino and Orange Counties. Almost half of the county is mountainous and some 14 percent is a coastal plain known as the Los Angeles Basin. The low Santa Monica mountains and Hollywood Hills run east and west and form the northern boundary of the Basin and the southern boundary of the San Fernando Valley. The San Fernando Valley terminates at the base of the San Gabriel Mountains whose highest peak is over 10,000 feet. Beyond this mountain range the rest of the county is a semi-dry plateau, the beginning of the vast Mojave Desert.

Population

The following table shows population estimates for the City, the County and the State for the past five years as of January 1.

CITY OF GLENDALE, LOS ANGELES COUNTY
AND STATE OF CALIFORNIA
2014 through 2018 Population Estimates

<table>
<thead>
<tr>
<th>Area</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Glendale</td>
<td>197,010</td>
<td>199,953</td>
<td>200,889</td>
<td>201,705</td>
<td>205,536</td>
</tr>
<tr>
<td>Los Angeles County</td>
<td>10,088,458</td>
<td>10,149,661</td>
<td>10,180,169</td>
<td>10,231,271</td>
<td>10,283,729</td>
</tr>
<tr>
<td>State of California</td>
<td>38,568,628</td>
<td>38,912,464</td>
<td>39,179,627</td>
<td>39,500,973</td>
<td>39,809,693</td>
</tr>
</tbody>
</table>

Source: State of California, Department of Finance.
Employment and Industry

The District is located in the Los Angeles-Long Beach-Glendale Metropolitan District ("MD"). The seasonally adjusted unemployment rate in the County increased over the month to 4.5% in June 2018 from a revised 4.4% in May 2018 and was below the rate of 4.7% one year ago. Civilian employment increased by 2,000 to 4,915,000 in June 2018, while unemployment also increased by 2,000 to 230,000 over the month. The civilian labor force increased by 5,000 over the month to 5,146,000 in June 2018. (All of the above figures are seasonally adjusted.) The unadjusted unemployment rate for the County was 4.8% in June 2018. Seasonally adjusted unemployment rates in June 2018 were 4.2% for the State and 4.0% for the nation. The table below lists employment by industry group for the County MD for the past five years for which data is available.

<table>
<thead>
<tr>
<th>LOS ANGELES-LONG BEACH-GLENDALE MD</th>
</tr>
</thead>
<tbody>
<tr>
<td>(County of Los Angeles)</td>
</tr>
<tr>
<td>Annual Average Labor Force</td>
</tr>
<tr>
<td>Employment by Industry Group</td>
</tr>
<tr>
<td>March 2017 Benchmark</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian Labor Force</td>
<td>4,967,800</td>
<td>5,004,200</td>
<td>5,002,600</td>
<td>5,055,000</td>
<td>5,123,000</td>
</tr>
<tr>
<td>Employment</td>
<td>4,483,300</td>
<td>4,591,100</td>
<td>4,671,600</td>
<td>4,789,300</td>
<td>4,882,100</td>
</tr>
<tr>
<td>Unemployment</td>
<td>484,400</td>
<td>413,100</td>
<td>331,000</td>
<td>265,600</td>
<td>240,900</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>9.8%</td>
<td>8.3%</td>
<td>6.6%</td>
<td>5.3%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Wage and Salary Employment: (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>5,500</td>
<td>5,200</td>
<td>5,000</td>
<td>5,300</td>
<td>5,800</td>
</tr>
<tr>
<td>Mining, Logging and Construction</td>
<td>118,000</td>
<td>121,600</td>
<td>129,000</td>
<td>136,400</td>
<td>139,900</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>375,600</td>
<td>371,100</td>
<td>367,800</td>
<td>360,300</td>
<td>350,100</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>218,700</td>
<td>222,500</td>
<td>225,600</td>
<td>225,200</td>
<td>224,500</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>405,800</td>
<td>413,100</td>
<td>419,300</td>
<td>421,500</td>
<td>422,500</td>
</tr>
<tr>
<td>Trans., Warehousing, Utilities</td>
<td>157,500</td>
<td>163,400</td>
<td>171,500</td>
<td>182,300</td>
<td>191,800</td>
</tr>
<tr>
<td>Information</td>
<td>197,000</td>
<td>198,800</td>
<td>207,500</td>
<td>229,200</td>
<td>214,500</td>
</tr>
<tr>
<td>Financial and Insurance</td>
<td>138,300</td>
<td>134,500</td>
<td>135,600</td>
<td>138,100</td>
<td>137,400</td>
</tr>
<tr>
<td>Real Estate, Rental &amp; Leasing</td>
<td>74,700</td>
<td>76,700</td>
<td>80,000</td>
<td>81,600</td>
<td>83,700</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>584,800</td>
<td>591,700</td>
<td>593,800</td>
<td>603,200</td>
<td>613,400</td>
</tr>
<tr>
<td>Educational and Health Services</td>
<td>702,100</td>
<td>720,700</td>
<td>741,100</td>
<td>767,600</td>
<td>794,300</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>438,900</td>
<td>464,100</td>
<td>486,600</td>
<td>510,000</td>
<td>523,900</td>
</tr>
<tr>
<td>Other Services</td>
<td>145,700</td>
<td>150,500</td>
<td>151,000</td>
<td>153,300</td>
<td>154,100</td>
</tr>
<tr>
<td>Federal Government</td>
<td>47,200</td>
<td>46,700</td>
<td>47,400</td>
<td>47,700</td>
<td>48,000</td>
</tr>
<tr>
<td>State Government</td>
<td>83,600</td>
<td>85,300</td>
<td>87,400</td>
<td>89,900</td>
<td>92,500</td>
</tr>
<tr>
<td>Local Government</td>
<td>420,500</td>
<td>424,200</td>
<td>433,700</td>
<td>439,100</td>
<td>444,900</td>
</tr>
<tr>
<td>Total All Industries (2)</td>
<td>4,113,600</td>
<td>4,189,800</td>
<td>4,282,300</td>
<td>4,390,800</td>
<td>4,441,400</td>
</tr>
</tbody>
</table>

(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) May not add due to rounding.
Source: State of California Employment Development Department.
Major Employers

**County.** The table below lists the major employers in the County area. Major private employers in the Los Angeles area include those in aerospace, health care, entertainment, electronics, retail and manufacturing. Major public sector employers include public universities and schools, the State and the County.

**LOS ANGELES COUNTY**
Major Employers - Listed Alphabetically
July 2018

<table>
<thead>
<tr>
<th>Employer Name</th>
<th>Location</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHMC Healthcare Inc.</td>
<td>Alhambra</td>
<td>Health Care Management</td>
</tr>
<tr>
<td>American Honda Motor Co Inc.</td>
<td>Torrance</td>
<td>Automobile-Manufacturers</td>
</tr>
<tr>
<td>Cedars-Sinai Medical Ctr.</td>
<td>West Hollywood</td>
<td></td>
</tr>
<tr>
<td>Century Plaza Towers</td>
<td>Los Angeles</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Crown Plaza-Commerce Casino</td>
<td>Commerce</td>
<td>Office Buildings &amp; Parks</td>
</tr>
<tr>
<td>EDD</td>
<td>Los Angeles</td>
<td>Hotels &amp; Motels</td>
</tr>
<tr>
<td>Jet Propulsion Laboratory</td>
<td>Pasadena</td>
<td>State Government-General Offices</td>
</tr>
<tr>
<td>Kaiser Permanente Los Angeles</td>
<td>Los Angeles</td>
<td>Research Service</td>
</tr>
<tr>
<td>LA County &amp; USC Medical Ctr.</td>
<td>Los Angeles</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Long Beach City Hall</td>
<td>Long Beach</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Los Angeles County Sheriff</td>
<td>Monterey Park</td>
<td>Government Offices-City, Village &amp; Twp</td>
</tr>
<tr>
<td>Los Angeles Int'l Airport-LAX</td>
<td>Los Angeles</td>
<td>Government Offices-County</td>
</tr>
<tr>
<td>Los Angeles Police Dept.</td>
<td>Los Angeles</td>
<td>Airports</td>
</tr>
<tr>
<td>Nestle USA Inc.</td>
<td>Glendale</td>
<td>Police Departments</td>
</tr>
<tr>
<td>Paramount Special Events</td>
<td>Los Angeles</td>
<td>Food Facilities (Whs)</td>
</tr>
<tr>
<td>Radford Studio Ctr. Inc.</td>
<td>Studio City</td>
<td>Motion Picture Producers &amp; Studios</td>
</tr>
<tr>
<td>Sony Pictures Entertainment</td>
<td>Culver City</td>
<td>Security Systems Consultants</td>
</tr>
<tr>
<td>UCLA Health System</td>
<td>Los Angeles</td>
<td>Motion Picture Producers &amp; Studios</td>
</tr>
<tr>
<td>University of Ca Los Angeles</td>
<td>Los Angeles</td>
<td>Physicians &amp; Surgeons</td>
</tr>
<tr>
<td>University of Southern California</td>
<td>Los Angeles</td>
<td>Schools-Universities &amp; Colleges Academic</td>
</tr>
<tr>
<td>VXI Global Solutions</td>
<td>Los Angeles</td>
<td>Call Centers</td>
</tr>
<tr>
<td>Walt Disney Co.</td>
<td>Burbank</td>
<td>Motion Picture Producers &amp; Studios</td>
</tr>
<tr>
<td>Warner Bros. Studio</td>
<td>Burbank</td>
<td>Television Program Producers</td>
</tr>
</tbody>
</table>


**City of Glendale.** Major employers located in the City of Glendale include Avery Dennison, CBRE, Disney Consumer Products, DreamWorks Studios, Glendale Adventist Medical Center, Glendale Unified School District, Glenair Inc., Glendale Community College, KABC-7, Nestle USA Inc., Public Storage Inc., LegalZoom, Univision Communications, Walt Disney Animation Studios and Whole Foods Market.
Construction Activity

Provided below are the building permits and valuations for the City and the County for calendar years 2013 through 2017.

### CITY OF GLENDALE

**Total Building Permit Valuations**

(Valuations in Thousands)

<table>
<thead>
<tr>
<th>Permit Valuation</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Single-family</td>
<td>$11,410.2</td>
<td>$6,417.3</td>
<td>$2,907.0</td>
<td>$3,921.1</td>
<td>$4,224.9</td>
</tr>
<tr>
<td>New Multi-family</td>
<td>92,849.4</td>
<td>51,756.6</td>
<td>68,948.6</td>
<td>130,137.2</td>
<td>34,076.3</td>
</tr>
<tr>
<td>Res. Alterations/Additions</td>
<td>16,898.7</td>
<td>21,701.6</td>
<td>24,940.6</td>
<td>23,445.0</td>
<td>27,771.8</td>
</tr>
<tr>
<td>Total Residential</td>
<td>121,158.3</td>
<td>79,875.7</td>
<td>96,796.2</td>
<td>157,503.3</td>
<td>66,073.0</td>
</tr>
<tr>
<td>New Commercial</td>
<td>25,491.3</td>
<td>40,500.0</td>
<td>25,529.0</td>
<td>15,616.2</td>
<td>32,762.7</td>
</tr>
<tr>
<td>New Industrial</td>
<td>0.0</td>
<td>480.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>New Other</td>
<td>1,631.5</td>
<td>16,848.0</td>
<td>42,742.2</td>
<td>9,510.0</td>
<td>10,961.4</td>
</tr>
<tr>
<td>Com. Alterations/Additions</td>
<td>49,607.9</td>
<td>75,663.7</td>
<td>46,456.6</td>
<td>49,844.1</td>
<td>34,973.5</td>
</tr>
<tr>
<td>Total Nonresidential</td>
<td>$76,730.7</td>
<td>133,491.7</td>
<td>114,727.8</td>
<td>74,970.3</td>
<td>78,697.6</td>
</tr>
<tr>
<td>New Dwelling Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family</td>
<td>11</td>
<td>19</td>
<td>9</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Multiple Family</td>
<td>1,070</td>
<td>405</td>
<td>525</td>
<td>1,102</td>
<td>213</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,081</td>
<td>424</td>
<td>534</td>
<td>1,114</td>
<td>223</td>
</tr>
</tbody>
</table>

*Source: Construction Industry Research Board, Building Permit Summary.*

### LOS ANGELES COUNTY

**Total Building Permit Valuations**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Permit Valuation</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Single-family</td>
<td>$1,523,457.5</td>
<td>$1,744,290.3</td>
<td>$1,897,829.7</td>
<td>$2,162,018.2</td>
<td>$2,352,614.8</td>
</tr>
<tr>
<td>New Multi-family</td>
<td>1,953,088.6</td>
<td>5,290,157.4</td>
<td>2,843,749.1</td>
<td>2,774,294.3</td>
<td>3,257,833.4</td>
</tr>
<tr>
<td>Res. Alterations/Additions</td>
<td>1,267,408.4</td>
<td>1,474,930.2</td>
<td>1,641,457.3</td>
<td>1,639,295.0</td>
<td>1,757,904.0</td>
</tr>
<tr>
<td>Total Residential</td>
<td>4,743,954.5</td>
<td>8,509,377.9</td>
<td>6,383,036.1</td>
<td>6,757,607.5</td>
<td>7,368,352.2</td>
</tr>
<tr>
<td>New Commercial</td>
<td>1,788,462.0</td>
<td>1,894,609.0</td>
<td>1,695,869.8</td>
<td>1,728,443.3</td>
<td>2,196,089.2</td>
</tr>
<tr>
<td>New Industrial</td>
<td>155,035.2</td>
<td>120,740.5</td>
<td>85,937.1</td>
<td>138,508.5</td>
<td>134,534.3</td>
</tr>
<tr>
<td>New Other</td>
<td>338,223.4</td>
<td>1,375,948.5</td>
<td>1,157,838.0</td>
<td>791,078.1</td>
<td>563,679.3</td>
</tr>
<tr>
<td>Com. Alterations/Additions</td>
<td>2,171,248.4</td>
<td>3,266,273.2</td>
<td>2,705,727.4</td>
<td>2,880,916.6</td>
<td>3,143,200.2</td>
</tr>
<tr>
<td>Total Nonresidential</td>
<td>4,452,969.0</td>
<td>6,657,571.2</td>
<td>5,645,372.3</td>
<td>6,538,946.5</td>
<td>8,037,503.0</td>
</tr>
<tr>
<td>New Dwelling Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family</td>
<td>3,607</td>
<td>4,358</td>
<td>4,487</td>
<td>4,780</td>
<td>5,456</td>
</tr>
<tr>
<td>Multiple Family</td>
<td>13,243</td>
<td>14,349</td>
<td>18,405</td>
<td>15,589</td>
<td>17,023</td>
</tr>
<tr>
<td>TOTAL</td>
<td>16,850</td>
<td>18,707</td>
<td>22,892</td>
<td>20,369</td>
<td>22,479</td>
</tr>
</tbody>
</table>

*Source: Construction Industry Research Board, Building Permit Summary.*
Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and non-tax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State, and the United States for the period 2013 through 2017.

### CITY OF GLENDALE, LOS ANGELES COUNTY, THE STATE OF CALIFORNIA AND THE UNITED STATES

#### Effective Buying Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Area</th>
<th>Total Effective Buying Income (000's Omitted)</th>
<th>Median Household Effective Buying Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>City of Glendale</td>
<td>$4,496,573</td>
<td>$43,332</td>
</tr>
<tr>
<td></td>
<td>Los Angeles County</td>
<td>205,133,995</td>
<td>45,013</td>
</tr>
<tr>
<td></td>
<td>California</td>
<td>858,676,636</td>
<td>48,340</td>
</tr>
<tr>
<td></td>
<td>United States</td>
<td>6,982,757,379</td>
<td>43,715</td>
</tr>
<tr>
<td>2014</td>
<td>City of Glendale</td>
<td>$4,708,030</td>
<td>$45,135</td>
</tr>
<tr>
<td></td>
<td>Los Angeles County</td>
<td>214,247,274</td>
<td>46,449</td>
</tr>
<tr>
<td></td>
<td>California</td>
<td>901,189,699</td>
<td>50,072</td>
</tr>
<tr>
<td></td>
<td>United States</td>
<td>7,357,153,421</td>
<td>45,448</td>
</tr>
<tr>
<td>2015</td>
<td>City of Glendale</td>
<td>$5,025,590</td>
<td>$47,187</td>
</tr>
<tr>
<td></td>
<td>Los Angeles County</td>
<td>231,719,110</td>
<td>48,950</td>
</tr>
<tr>
<td></td>
<td>California</td>
<td>981,231,066</td>
<td>53,589</td>
</tr>
<tr>
<td></td>
<td>United States</td>
<td>7,757,960,399</td>
<td>46,738</td>
</tr>
<tr>
<td>2016</td>
<td>City of Glendale</td>
<td>$5,274,062</td>
<td>$48,594</td>
</tr>
<tr>
<td></td>
<td>Los Angeles County</td>
<td>243,502,324</td>
<td>50,236</td>
</tr>
<tr>
<td></td>
<td>California</td>
<td>1,036,142,723</td>
<td>55,681</td>
</tr>
<tr>
<td></td>
<td>United States</td>
<td>8,132,748,136</td>
<td>48,043</td>
</tr>
<tr>
<td>2017</td>
<td>City of Glendale</td>
<td>$5,808,372</td>
<td>$53,324</td>
</tr>
<tr>
<td></td>
<td>Los Angeles County</td>
<td>261,119,300</td>
<td>54,720</td>
</tr>
<tr>
<td></td>
<td>California</td>
<td>1,113,848,181</td>
<td>59,646</td>
</tr>
<tr>
<td></td>
<td>United States</td>
<td>8,640,770,229</td>
<td>50,735</td>
</tr>
</tbody>
</table>

Source: The Nielsen Company (US), Inc.
Taxable Transactions

A summary of historic taxable sales within the City during the past five years in which data is available is shown in the following table. Total taxable sales during calendar year 2016 in the City were reported to be $3.84 billion, a 9.9% decrease from the total taxable sales of $4.22 billion reported during calendar year 2015. Figures for calendar year 2017 are not yet available.

CITY OF GLENDALE
2012 through 2016 Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Stores</th>
<th></th>
<th>Total Outlets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Permits</td>
<td>Taxable Transactions</td>
<td>Number of Permits</td>
<td>Taxable Transactions</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>3,649</td>
<td>$2,172,559</td>
<td>5,416</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>3,631</td>
<td>2,243,597</td>
<td>5,333</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>3,844</td>
<td>2,853,881</td>
<td>5,578</td>
</tr>
<tr>
<td></td>
<td>2015(1)</td>
<td>3,928</td>
<td>3,583,109</td>
<td>6,277</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>3,965</td>
<td>3,191,204</td>
<td>6,340</td>
</tr>
</tbody>
</table>

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: State of California, Board of Equalization.

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during calendar year 2016 in the County were reported to be $154.21 billion, a 2.1% increase over the total taxable sales of $151.03 billion reported during calendar year 2015. Figures for calendar year 2017 are not yet available.

COUNTY OF LOS ANGELES
2012 through 2016 Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Permits</th>
<th>Retail Stores</th>
<th>Total Permits</th>
<th>Total Outlets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Taxable Transactions</td>
<td></td>
<td>Taxable Transactions</td>
</tr>
<tr>
<td>2012</td>
<td>180,359</td>
<td>$95,318,603</td>
<td>266,414</td>
<td>$135,295,582</td>
</tr>
<tr>
<td>2013</td>
<td>179,370</td>
<td>99,641,174</td>
<td>263,792</td>
<td>140,079,708</td>
</tr>
<tr>
<td>2014</td>
<td>187,408</td>
<td>104,189,819</td>
<td>272,733</td>
<td>147,446,927</td>
</tr>
<tr>
<td>2015(1)</td>
<td>112,657</td>
<td>197,147,021</td>
<td>310,063</td>
<td>151,033,781</td>
</tr>
<tr>
<td>2016</td>
<td>196,929</td>
<td>109,997,043</td>
<td>311,295</td>
<td>154,208,333</td>
</tr>
</tbody>
</table>

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: State of California, Board of Equalization.
APPENDIX D
FORM OF OPINION OF BOND COUNSEL
(Series D Bonds)

September 27, 2018

Board of Education
Glendale Unified School District
223 North Jackson Street
Glendale, California 91206

OPINION: $38,000,000 Glendale Unified School District (Los Angeles County, California) General Obligation Bonds. Election of 2011, Series D

Members of the Board of Education:

We have acted as bond counsel to the Glendale Unified School District (the “District”) in connection with the issuance by the District of the general obligation bonds captioned above, dated the date hereof (the “Bonds”). In such capacity, we have examined the law and such certified proceedings, certifications and other documents as we deem necessary to render this opinion.

The Bonds are issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and pursuant to a resolution (the “Resolution”) of the Board of Education of the District (the "Board") adopted on August 14, 2018.

Regarding questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify such facts by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The District is a duly created and validly existing school district with the power to adopt the Resolution, perform the agreements on its part contained therein, and issue the Bonds.

2. The Resolution constitutes a valid and binding obligation of the District enforceable against the District.

3. The Bonds have been duly authorized and executed by the District, and are valid and binding general obligations of the District.

4. The Board of Supervisors of Los Angeles County is obligated and authorized under the laws of the State of California to levy ad valorem taxes, without limit as to rate or amount (except with respect to certain personal property which is taxable at limited rates), upon the taxable property in the District for the payment when due of the principal of and interest on the Bonds.
5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

Jones Hall,
A Professional Law Corporation
FORM OF OPINION OF BOND COUNSEL

(Refunding Bonds)

June 4, 2020

Board of Education
Glendale Unified School District
223 North Jackson Street
Glendale, California 91206

**OPINION:** $12,885,000 Glendale Unified School District (Los Angeles County, California) 2018 General Obligation Refunding Bonds

Members of the Board of Education:

We have acted as bond counsel to the Glendale Unified School District (the "District") in connection with the issuance by the District of the general obligation bonds captioned above, dated the date hereof (the "Bonds"). In such capacity, we have examined the law and such certified proceedings, certifications and other documents as we deem necessary to render this opinion.

The Bonds are issued under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and pursuant to a resolution (the "Resolution") of the Board of Education of the District (the "Board") adopted on August 14, 2018.

Regarding questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify such facts by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The District is a duly created and validly existing school district with the power to adopt the Resolution, perform the agreements on its part contained therein, and issue the Bonds.

2. The Resolution constitutes a valid and binding obligation of the District enforceable against the District.

3. The Bonds have been duly authorized and executed by the District, and are valid and binding general obligations of the District.

4. The Board of Supervisors of Los Angeles County is obligated and authorized under the laws of the State of California to levy ad valorem taxes, without limit as to rate or amount (except with respect to certain personal property which is taxable at limited rates), upon the taxable property in the District for the payment when due of the principal of and interest on the Bonds.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax,
although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2016 is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

Jones Hall,
A Professional Law Corporation
APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$38,000,000
GLENDALE UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
General Obligation Bonds
Election of 2011, Series D

$12,885,000
GLENDALE UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
2018 General Obligation Refunding Bonds
(Forward Delivery)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Glendale Unified School District (the “District”) in connection with the execution and delivery of the captioned bonds (the “Bonds”). The Bonds are being executed and delivered pursuant to resolutions adopted by the Board of Education of the District on August 14, 2018 (collectively, the “Bond Resolution”). The Treasurer and Tax Collector of Los Angeles County, through its agent, U.S. Bank National Association, is initially acting as paying agent for the Bonds (the “Paying Agent”).

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

“Annual Report Date” means the date not later than nine months after the end of each fiscal year of the District (currently June 30th).

“Dissemination Agent” means, initially, Keygent LLC, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

“Listed Events” means any of the events listed in Section 5(a).

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“Official Statement” means the final official statement executed by the District in connection with the issuance of the Bonds.
"Paying Agent" means Treasurer and Tax Collector of Los Angeles County, through its agent, U.S. Bank National Association, Los Angeles, California, or any successor thereto.

"Participating Underwriter" means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing not later than March 31, 2019 with the report for the 2017-18 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A, with a copy to the Paying Agent and Participating Underwriter.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.
Section 4. Content of Annual Reports. The District’s Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the District shall include in its Annual Report the following information:

(i) total secured property tax levy and collections, showing current collections as a percent of the total levy, provided, however, if such information is not available for the most recently completed fiscal year, then the data to be filed with the Annual Report shall be with respect to the prior fiscal year;

(ii) assessed valuation of taxable properties in the District; and

(iii) in addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB’s internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or
determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Bond Resolution.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.
Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to
enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.
Section 13. **Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: September 27, 2018

GLENDALE UNIFIED SCHOOL DISTRICT

By: ____________________________

Name: __________________________

Title: __________________________

Acceptance of Duties as Dissemination Agent:

KEYGENT LLC

By: ____________________________

Title: __________________________
EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Glendale Unified School District (the "District")

Name of Bond Issue: $38,000,000 Glendale Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2011, Series D

$12,885,000 Glendale Unified School District (County of Los Angeles, California) 2018 General Obligation Refunding Bonds (Forward Delivery)

Date of Issuance: __________, 2018

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate, dated as of September 27, 2018. The District anticipates that the Annual Report will be filed by __________.

Dated: __________

DISSEMINATION AGENT

By: __________________________
Lts: __________________________

cc: Paying Agent and Participating Underwriter
APPENDIX F

DTC AND THE BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned
subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information contained on this Internet site is not incorporated herein by reference.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting
rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.
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APPENDIX G

LOS ANGELES COUNTY INVESTMENT POLICY AND
MONTHLY INVESTMENT REPORT
March 20, 2018

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

DELEGATION OF AUTHORITY TO INVEST AND ANNUAL ADOPTION OF THE TREASURER AND TAX COLLECTOR INVESTMENT POLICY (ALL DISTRICTS) (3-VOTES)

SUBJECT

Delegation of authority to invest and reinvest County funds and funds of other depositors in the County Treasury to the Treasurer, and adoption of the Treasurer and Tax Collector Investment Policy

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate the authority to the Treasurer to invest and reinvest County funds and funds of other depositors in the County Treasury.


PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The requested actions allow the Treasurer to continue to invest County funds and funds of other depositors in the County Treasury pursuant to the Investment Policy. Pursuant to Government Code Section 27000.1, and subject to Government Code Section 53607, your Board may delegate annually to the Treasurer the authority to invest and reinvest funds of the County and funds of other depositors in the County Treasury. Government Code Section 53646 permits your Board to approve annually the Investment Policy.

Pooled Surplus Investment Portfolio
The Pooled Surplus Investment (PSI) portfolio was valued at $29.7 billion as of June 30, 2017. There are two types of PSI participants: non-discretionary and discretionary. Non-discretionary participants, which currently represent approximately 92% of the funds in the PSI portfolio, include the County and other entities that are required by state statutes to participate in the County Treasury, such as local school districts, community colleges and the Superior Courts. Discretionary participants, currently represent 8% of the PSI portfolio, and include the Sanitation Districts, Metropolitan Transportation Authority, South Coast Air Quality Management District and certain other municipal agencies. The PSI portfolio earned $240 million in investment income as of June 30, 2017, with an annual earnings rate of 1.09% net of investment expenses. Investment income is allocated monthly by the Auditor-Controller to both non-discretionary and discretionary participants based on their average daily balances.

Investment Policy

The primary objectives of the Investment Policy, in priority order, are to maintain the safety of principal, to provide liquidity, and to achieve a return on funds invested. Each year, my office reviews the Investment Policy to ensure that it aligns with any changes in the Government Code and to ensure that it provides the investment flexibility necessary given the steady increase in the size of the PSI portfolio. This past year, there were no changes in the Government Code that impact the Investment Policy.

I propose one change related to investment flexibility. For many years, the Investment Policy has included a limitation on investments with maturities beyond one year. This was, and continues to be, a reasonable control mechanism that above all else serves to emphasize the importance of liquidity in the PSI portfolio. The Investment Policy before you maintains the limitation, but we recommend revising the limitation calculation.

The existing Investment Policy limits investments with maturities in excess of one year to 75% of the most recent three years’ average minimum PSI portfolio value and cash on hand, after certain adjustments. The selection of the minimum balance in each year, in combination with an additional Discretionary Deposit adjustment, resulted in a more conservative liquidity position. Over the past 5 years, my Investment staff observed that the growth of the PSI portfolio has increased at a faster pace than the liquidity needs of both discretionary and non-discretionary depositors. As a result of the growth and the current limitation calculation, Investment staff has at times been limited to investing in shorter-term investments, resulting in excess liquidity being held in the PSI portfolio. The recommended change would allow for more of the funds to be invested in longer duration investments without compromising the liquidity needs of PSI depositors. Additionally, the return on an investment in a longer dated maturity is generally greater than the return on a shorter dated maturity.

The recommended change warranted a revision in the calculation of investments with maturities in excess of one year to incorporate the most recent 36-month average PSI portfolio value and cash on hand, and a reduction in the Discretionary Deposit adjustment. The change to the most recent 36 months, as opposed to a single minimum in each of the last three years, coupled with a change in the adjustments, results in an increase in investments with maturities beyond one year from $16.4 billion to $19.3 billion.

The revision to the calculation is reasonable given the steady increase in the total value of the PSI portfolio, without compromising the statutory investment objectives of safety, liquidity and yield.
The Honorable Board of Supervisors  
3/20/2018  
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Implementation of Strategic Plan Goals
The recommended action supports County Strategic Plan Strategy III.3 – Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING
The investment of surplus County funds and funds of other depositors allows these funds to earn a return that exceeds the return the funds would have earned at one of the County’s depository banks.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS
Pursuant to Government Code Section 27000.1, your Board may delegate by ordinance the authority to invest and reinvest funds of the County and funds of other depositors in the County Treasury to the Treasurer, subject to Government Code Section 53607, which provides that your Board may delegate annually your investment authority to the Treasurer.

Government Code Section 53646 permits the Treasurer to render annually to your Board a statement of Investment Policy, to be reviewed and approved at a public meeting. This Government Code Section also requires that any change in the Investment Policy be submitted to your Board for review and approval at a public meeting.

IMPACT ON CURRENT SERVICES (OR PROJECTS)
There is no impact on current services.

Respectfully submitted,

[Signature]

Joseph Kelly  
Treasurer and Tax Collector

JK:NI:bp

Enclosures

c: Chief Executive Officer  
Acting Executive Officer, Board of Supervisors  
County Counsel  
Auditor-Controller  
Los Angeles County Office of Education  
Los Angeles Community College District
Authority to Invest

Pursuant to Government Code Section 27000.1 and Los Angeles County Code 2.52.025, the Los Angeles County Board of Supervisors has delegated to the Treasurer the authority to invest and reinvest the funds of the County and the funds of other depositors in the County Treasury.

Fundamental Investment Policy

The Treasurer, a trustee, is inherently a fiduciary and subject to the prudent investor standard. Accordingly, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing investments, the investment decisions SHALL be made with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity would use with like aims.

All investments SHALL be governed by the Government Code and comply with the specific limitations set forth within this Investment Policy. Periodically, it may be necessary and prudent to make investment decisions beyond the limitations set forth in the Investment Policy that are otherwise permissible by California Government Code. In these special circumstances, ONLY the Treasurer is permitted to give written approval to operate outside the limitations set forth within this Investment Policy.

Pooled Surplus Investment Portfolio

The Treasurer SHALL establish and maintain a Pooled Surplus Investment (PSI) portfolio. The PSI portfolio SHALL be used to provide safe, liquid investment opportunities for pooled surplus funds deposited into the County Treasury.

The investment policies of the PSI portfolio SHALL be directed by and based on three prioritized objectives. The primary objective SHALL be to ensure the safety of principal. The secondary objective SHALL be to meet the liquidity needs of the PSI participants, which might be reasonably anticipated. The third objective SHALL be to achieve a return on funds invested, without undue compromise of the first two objectives.

PSI revenue/loss distribution SHALL be shared on a pro-rata basis with the PSI participants. PSI revenue/loss distribution will be performed monthly, net of administrative costs authorized by Government Code Section 27013 which includes employee salaries and benefits and services and supplies, for investing, depositing or handling funds, and the
distribution of interest income, based on the PSI participants' average daily fund balance as recorded on the Auditor-Controller's accounting records. Administrative costs SHALL be deducted from the monthly PSI revenue/loss distribution on the basis of one-twelfth of the budgeted costs and adjusted periodically to actual costs.

Investments purchased with the intent to be held to maturity SHALL be accounted for in the Non-Trading partition of the PSI portfolio. Investments purchased with the intent to be sold prior to maturity SHALL be accounted for in the Trading partition of the PSI portfolio. The investments in the Trading partition SHALL NOT exceed $500 million without specific written approval of the Treasurer.

In the event that a decision is made to transfer a given security from one partition to another, it MAY be transferred at cost; however, the difference between the market value, exclusive of accrued interest, at the time of transfer and the purchase price, exclusive of accrued interest, SHALL be computed and disclosed as unrealized profit or loss.

All PSI investments SHALL be categorized according to the period of time from settlement date to maturity date as follows:

- SHORT-TERM investments are for periods of up to ONE YEAR.
- INTERMEDIATE-TERM investments are for periods of ONE YEAR to THREE YEARS.
- MEDIUM-TERM investments are for periods of over THREE YEARS to FIVE YEARS.
- LONG-TERM investments are for periods of over FIVE YEARS.

PSI investments SHALL be limited to the short-term category except that the Investment Office of the Treasurer's Office MAY make PSI investments in accordance with the limitations imposed in Attachments I, II, and III (all of which are attached hereto and incorporated by this reference.)

The weighted average maturity target of the PSI portfolio is a range between 1.0 and 2.0 years. For purposes of maturity classification, the maturity date SHALL be the nominal maturity date or the unconditional put option date, if one exists.

The total PSI portfolio investments with maturities in excess of one year SHALL NOT exceed 75% of the last 36 months' average total cash and investments, after adjustments, as indicated in Attachment II.
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Treasurer and Tax Collector  
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**Business Continuity Plan**

The Treasurer's Business Continuity Plan (BCP) serves to sustain the performance of mission-critical Treasury functions in the event of a local or widespread disaster. The BCP includes written guidelines to perform critical Treasury functions, contact information for key personnel, authorized bank representatives and broker/dealers. The plan provides for an offsite location in the event the Treasurer's offices are uninhabitable. The Treasurer's Office implemented its BCP in 2007.

The Treasurer's Office shall perform regularly scheduled BCP exercises at the offsite location. To prepare Treasury staff for emergency processing, staff shall participate in the BCP exercises on a rotating basis.

**Liquidity of PSI Investments**

Short-term liquidity SHALL further be maintained and adjusted monthly so that sufficient anticipated cash is available to fully meet unanticipated withdrawals of discretionary deposits, adjusted for longer-term commitments, within 90 days.

Such liquidity SHALL be monitored where, at the beginning of each month, the par value for maturities in the next 90 days plus projected PSI deposits for 90 days, divided by the projected PSI withdrawals for 90 days plus discretionary PSI deposits, is equal to or greater than one.

The liquidation of investments is *not* required solely because the discretionary liquidity withdrawal ratio is less than one; however, investments SHALL be limited to a maximum maturity of 30 days until such time as the discretionary liquidity withdrawal ratio is equal to or greater than one.

The sale of any PSI instrument purchased in accordance with established policies is *not* required solely because an institution's credit rating is lowered after the purchase of the instrument.
Specific Purpose Investment Portfolio

The Treasurer SHALL maintain a Specific Purpose Investment (SPI) portfolio to manage specific investment objectives of the SPI participants. Specific investments may be made with the approval of the requesting entity’s governing body and the approval of the Treasurer. Revenue/loss distribution of the SPI portfolio SHALL be credited to the specific entity for which the investment was made. The Treasurer reserves the right to establish and charge the requesting entity fees for maintaining the entity’s SPI portfolio.

Investments SHALL be limited to the short-term category, as defined above in the previous section for PSI investments, except when requested by a depositing entity and with the approval of the Treasurer, a longer term investment MAY be specifically made and held in the SPI portfolio.

The sale of any SPI instrument purchased in accordance with established policies is not required solely because an institution’s credit rating is lowered after the purchase of the instrument.

Execution, Delivery, and Monitoring of Investments

The Treasurer SHALL designate, in writing, personnel authorized to execute investment transactions.

All transactions SHALL be executed on a delivery versus payment basis.

The Treasurer or his authorized designees, in purchasing or obtaining any securities in a negotiable, bearer, registered, or nonregistered format, requires delivery of the securities to the Treasurer or designated custodial institution, by book entry, physical delivery, or by third party custodial agreement.

All investment transactions made by the Investment Office SHALL be reviewed by the Internal Controls Branch to assure compliance with this Investment Policy.

Reporting Requirements

The Treasurer SHALL provide the Board of Supervisors with a monthly report consisting of, but not limited to, the following:

- All investments detailing each by type, issuer, date of maturity, par value, historical cost, market value and the source of the market valuation.
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- Month-end bank balances for accounts under the control of the Treasurer.

- A description of funds, investments, or programs that are under the management of contracted parties, including lending programs for the Treasurer.

- A description of all investment exceptions, if any, to the Investment Policy.

- A statement denoting the ability of the PSI portfolio to meet the anticipated cash requirements for the participants for the next six months.

**Discretionary Treasury Deposits and Withdrawal of Funds**

At the sole discretion of the Treasurer, PSI deposits may be accepted from local agencies not required to deposit their funds with the Los Angeles County Treasurer, pursuant to Government Code Section 53684.

At the time such deposits are made, the Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of $1 million. Such projections may be adjusted periodically as prescribed by the Treasurer but in no event less than semi-annually.

In accordance with Government Code Section 27136, all requests for withdrawal of such funds, for the purpose of investing or depositing these funds elsewhere SHALL be evaluated, prior to approving or disapproving the request, to ensure that the proposed withdrawal will not adversely affect the principal deposits of the other PSI participants.

If it is determined that the proposed withdrawal will negatively impact the principal deposits of the other PSI participants, the Treasurer may delay such withdrawals until the impact can be mitigated.

**Broker/Dealers Section**

Broker/Dealers SHALL be limited to primary government dealers as designated by the Federal Reserve Bank or institutions meeting one of the following:

A. Broker/Dealers with minimum capitalization of $500 million and who meet all five of the below listed criteria:
1. Be licensed by the State as a Broker/Dealer, as defined in Section 25004 of the Corporations Code, or a member of a Federally regulated securities exchange and;

2. Be a member of the Financial Industry Regulatory Authority and;

3. Be registered with the Securities and Exchange Commission and;

4. Have been in operation for more than five years; and

5. Have a minimum annual trading volume of $100 billion in money market instruments or $500 billion in United States (U.S.) Treasuries and Agencies.

B. Emerging firms that meet all of the following:

1. Be licensed by the State as a Broker/Dealer, as defined in Section 25004 of the Corporations Code, or a member of a Federally regulated securities exchange and;

2. Maintain office(s) in California and;

3. Maintain a minimum capitalization of $250,000 and, at the time of application, have a maximum capitalization of no more than $10 million.

Commercial Paper and Negotiable Certificates of Deposit may be purchased directly from issuers approved by the Treasurer.

An approved Treasurer Broker/Dealer list SHALL be maintained. Firms SHALL be removed from the approved Broker/Dealer list and trading suspended with firms failing to accurately and timely provide the following information:

A. Confirmation of daily trade transactions and all open trades in effect at month-end.

B. Response to auditor requests for confirmation of investment transactions.

C. Response to the Internal Controls Branch requests for needed information.
Honoraria, Gifts, and Gratuities Limitations

The Treasurer, Chief Deputy Treasurer and Tax Collector and designated Treasurer and Tax Collector employees SHALL be governed by the provision of the State’s Political Reform Act, the Los Angeles County Code relating to Lobbyists, and the Los Angeles County Code relating to post government employment of County officials.

Investment Limitations

The Investment Office SHALL NOT invest in inverse floating rate notes, range notes, or interest only strips that are derived from a pool of mortgages.

The Investment Office SHALL NOT invest in any security that could result in zero interest if held to maturity.

For investment transactions in the PSI portfolio, the Investment Office SHALL obtain approval of the Treasurer before recognizing any loss exceeding $100,000 per transaction, calculated using amortized cost.

Proceeds from the sale of notes or funds set aside for the repayment of notes SHALL NOT be invested for a term that exceeds the term of the notes. Funds from bond proceeds may be invested in accordance with Government Code Section 53601(m), which permits investment according to the statutory provisions governing the issuance of those bonds, or in lieu of any statutory provisions to the contrary, in accordance with the approved financing documents for the issuance.

Permitted Investments

Permitted Investments SHALL be limited to the following:

A. Obligations of the U.S. Government, its agencies and instrumentalities

1. Maximum maturity: None.

2. Maximum total par value: None.

3. Maximum par value per issuer: None.

4. Federal agencies: Additional limits in Section G apply if investments are Floating Rate Instruments.
B. Municipal Obligations from the approved list of municipalities
   (Attachment III)

1. Maximum maturity: As limited in Attachment III.

2. Maximum total par value: 10% of the PSI portfolio.

C. Asset-Backed Securities

1. Maximum maturity: Five years.

2. Maximum total par value: 20% of the PSI portfolio.

3. Maximum par value per issuer: Per limits outlined in Attachment I for issuer's current credit rating.

4. All Asset-Backed securities must be rated in a rating category of "AA" or its equivalent or better rating and the issuer's corporate debt rating must be in a rating category of "A" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO).

D. Bankers' Acceptance Domestic and Foreign

1. Maximum maturity: 180 days and limits outlined in Attachment I for issuer's current credit rating.

2. Maximum total par value: 40% of the PSI portfolio.

3. Maximum par value per issuer: Per limits outlined in Attachment I for the issuer's current credit rating.

4. The aggregate total of Bankers' Acceptances and Negotiable Certificates of Deposits SHALL NOT exceed:

   a) The total shareholders' equity of depository bank.

   b) The total net worth of depository bank.
E. Negotiable Certificates of Deposit (CD)

1. Maximum maturity: Three years and limits outlined in Attachment I for issuer's current credit rating.

2. Maximum total par value: Aggregate total of Domestic and Euro CD's are limited to 30% of the PSI portfolio.

3. Maximum par value per issuer: Per limits outlined in Attachment I for the issuer's current credit rating.

4. Must be issued by:
   a) National or State-chartered bank, or
   b) Savings association or Federal association, or
   c) Federal or State credit union, or
   d) Federally licensed or State-licensed branch of a foreign bank.

5. Euro CD's:
   a) Maximum maturity: One year and limits outlined in Attachment I for issuer's current credit rating.
   b) Maximum total par value: 10% of the PSI portfolio.
   c) Maximum par value per issuer: Per limits outlined in Attachment I for issuer's current credit rating.
   d) Limited to London branch of National or State-chartered banks.

6. The aggregate total of Bankers Acceptances and Negotiable Certificates of Deposits SHALL NOT exceed:
   a) The total shareholders' equity of depository bank.
   b) The total net worth of the depository bank.
F. Corporate and Depository Notes

1. Maximum maturity: Three years and limits outlined in Attachment I for the issuer's current credit rating.

2. Maximum total par value: 30% of the PSI portfolio.

3. Maximum par value per issuer: Per limits outlined in Attachment I for the issuer's current credit rating.

4. Notes MUST be issued by:
   a) Corporations organized and operating within the U.S.
   b) Depository institutions licensed by the U.S or any State and operating within the U.S.

5. Additional limits in Section G apply if note is a Floating Rate Note Instrument.

G. Floating Rate Notes

Floating Rate Notes included in this category are defined as any instrument that has a coupon or interest rate that is adjusted periodically due to changes in a base or benchmark rate.

1. Maximum maturity: Seven years, provided that Board of Supervisors' authorization to exceed maturities in excess of five years is in effect, of which a maximum of $100 million par value may be greater than five years to maturity.

2. Maximum total par value: 10% of the PSI portfolio.

3. Maximum par value per issuer: Per limits outlined in Attachment I for the issuer's current credit rating.

4. Benchmarks SHALL be limited to commercially available U.S. dollar denominated indexes.
5. The Investment Office SHALL obtain the prospectus or the issuer term sheet prior to purchase for all Floating Rate Notes and SHALL include the following on the trade ticket:

   a) Specific basis for the benchmark rate.

   b) Specific computation for the benchmark rate.

   c) Specific reset period.

   d) Notation of any put or call provisions.

H. Commercial Paper

1. Maximum maturity: 270 days and limits outlined in Attachment I for the issuer's current credit rating.

2. Maximum total par value: 40% of the PSI portfolio.

3. Maximum par value per issuer: The lesser of 10% of the PSI portfolio or the limits outlined in Attachment I for the issuer's current credit rating.

4. Credit: Issuing Corporation - Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):

   a) The entity meets the following criteria:

      1) Is organized and operating in the U.S. as a general corporation.

      2) Has total assets in excess of $500 million.

      3) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

   b) The entity meets the following criteria:

      1) Is organized in the U.S. as a Limited Liability Company or Special Purpose Corporation.
2) Has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.

3) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

I. Shares of Beneficial Interest

1. Money Market Fund (MMF) - Shares of beneficial interest issued by diversified management companies known as money market mutual funds, registered with the Securities and Exchange Commission in accordance with Section 270.2a-7 of Title 17 of the Code of Federal Regulation. The company SHALL have met either of the following criteria:

   a) Attained the highest possible rating by not less than two NRSROs.

   b) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience investing in the securities and obligations authorized in Government Code Section 53601 and with assets under management in excess of five hundred million dollars ($500,000,000).

   Maximum total par value: 15% of the PSI portfolio. However, no more than 10% of the PSI may be invested in any one fund.

2. State of California’s Local Agency Investment Fund (LAIF) pursuant to Government Code Section 16429.1.

3. Trust Investments – Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in securities and obligations authorized in Section 53601 (a) to (o) of the Government Code. To be eligible, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

   a) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

   b) The adviser has not less than five years of experience investing in the securities and obligations authorized in Section 53601 (a) to (o) of the Government Code.
c) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

J. Repurchase Agreement

1. Maximum maturity: 30 days.

2. Maximum total par value: $1 billion.

3. Maximum par value per dealer: $500 million.

4. Agreements must be in accordance with approved written master repurchase agreement.

5. Agreements must be fully secured by obligations of the U.S. Government, its agencies and instrumentalities. The market value of these obligations that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities and the value shall be adjusted no less than monthly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. If a repurchase agreement matures the next business day after purchase, the repurchase agreement is not out of compliance with this collateralization requirement if the value of the collateral falls below the 102% requirement at the close of business on settlement date.

K. Reverse Repurchase Agreement

1. Maximum term: One year.

2. Maximum total par value: $500 million. Maximum par value is limited to a combined total of reverse repurchase agreements and securities lending agreements of 20% of the base value of the portfolio.

3. Maximum par value per broker: $250 million.

4. Dealers limited to those primary dealers or those Nationally or State chartered banks that have a significant banking relationship with the County as defined in Government Code Section 53601(j)(4)(B) approved specifically by the Treasurer.
5. Agreements SHALL only be made for the purpose of enhancing investment revenue.

6. Agreements must be in accordance with approved written master repurchase agreement.

7. Securities eligible to be sold with a simultaneous agreement to repurchase SHALL be limited to obligations of the U.S. Government and its agencies and instrumentalities.

8. The security to be sold on a reverse repurchase agreement SHALL have been owned and fully paid for by the Treasurer for a minimum of 30 days prior to sale.

9. The proceeds of the reverse repurchase agreement SHALL be invested in authorized instruments with a maturity less than 92 days unless the agreement includes a codicil guaranteeing a minimum earning or spread to maturity.

10. The proceeds of the reverse repurchase agreement SHALL be invested in instruments with maturities occurring at or before the maturity of the reverse repurchase agreement.

11. In no instance SHALL the investment from the proceeds of a reverse repurchase agreement be sold as part of a subsequent reverse repurchase agreement.

L. Forwards, Futures and Options

Forward contracts are customized contracts traded in the Over The Counter Market where the holder of the contract is OBLIGATED to buy or sell a specific amount of an underlying asset at a specific price on a specific future date.

Future contracts are standardized contracts traded on recognized exchanges where the holder of the contract is OBLIGATED to buy or sell a specific amount of an underlying asset at a specific price on a specific future date.

Option contracts are those traded in either the Over The Counter Market or recognized exchanges where the purchaser has the RIGHT but not the obligation to buy or sell a specific amount of an underlying asset at a specific price within a specific time period.
1. Maximum maturity: 90 days.

2. Maximum aggregate par value: $100 million.

3. Maximum par value per counterparty: $50 million. Counterparties for Forward and Option Contracts limited to those on the approved Treasurer and Tax Collector list and must be rated "A" or better from at least one nationally recognized rating agency.

4. The underlying securities SHALL be an obligation of the U.S. Government and its agencies and instrumentalities.

5. Premiums paid to an option seller SHALL be recognized as an option loss at the time the premium is paid and SHALL not exceed $100,000 for each occurrence or exceed a total of $250,000 in any one quarter. Premiums received from an option purchase SHALL be recognized as an option gain at the time the premium is received.

6. Complex or hybrid forwards, futures or options defined as agreements combining two or more categories are prohibited unless specific written approval of the Treasurer is obtained PRIOR to entering into the agreement.

7. Open forward, future, and option contracts SHALL be marked to market weekly and a report SHALL be prepared by the Internal Controls Branch.

8. In conjunction with the sale of bonds, the Treasurer MAY authorize exceptions to maturity and par value limits for forwards, futures and options.

M. Interest Rate Swaps

Interest Rate Swaps SHALL be used only in conjunction with the sale of bonds approved by the Board of Supervisors. In accordance with Government Code Section 53534, these agreements SHALL be made only if all bonds are rated in one of the three highest rating categories by two nationally recognized rating agencies and only upon receipt, from any rating agency rating the bonds, of written evidence that the agreement will not adversely affect the rating.

Further, the counterparty to such an agreement SHALL be rated "A" or better from at least one nationally recognized rating agency selected by the Treasurer, or the counterparty SHALL provide an irrevocable letter of credit from an institution rated "A" or better from at least one nationally recognized rating
agency acceptable to the Treasurer.

N. Securities Lending Agreement

Securities lending agreements are agreements under which the Treasurer agrees to transfer securities to a borrower who, in turn agrees to provide collateral to the Treasurer. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the Treasurer in return for the collateral.

1. Maximum term: 180 days.

2. Maximum par value: Maximum par value is limited to a combined total of reverse repurchase agreements and securities lending agreements of 20% of the base value of the portfolio.

3. Dealers limited to those primary dealers or those Nationally or State chartered banks that have a significant banking relationship with the County as defined in Government Code Section 53601(j)(4)(B) approved specifically by the Treasurer.

4. Agreements SHALL only be made for the purpose of enhancing investment revenue.

5. Securities eligible to be sold with a simultaneous agreement to repurchase SHALL be limited to obligations of the U.S. Government and its agencies and instrumentalities.

6. The security to be sold on securities lending agreement SHALL have been owned and fully paid for by the Treasurer for a minimum of 30 days prior to sale.

7. The proceeds of the securities lending agreement SHALL be invested in authorized instruments with a maturity less than 92 days unless the agreement includes a codicil guaranteeing a minimum earning or spread to maturity.

8. In no instance SHALL the investment from the proceeds of a securities lending agreement be sold as part of a subsequent reverse repurchase agreement or securities lending agreement.
O. Supranationals

Supranationals are multilateral lending institutions that provide development financing, advisory services and other financial services to their member countries to promote improved living standards through sustainable economic growth.

Supranational investments are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by any of the supranational institutions identified in Government Code Section 53601(q), with a maximum remaining maturity of five years or less, and which are eligible for purchase and sale within the United States. Supranational investments shall be rated in a rating category of "AA" or its equivalent or better by a NRSRO and shall not exceed 30% of the PSI portfolio.

1. Maximum maturity: Five years and limits outlined in Attachment I for issuer’s current credit rating.

2. Maximum total par value: 30% of the PSI portfolio.

3. Maximum par value per issuer: Per limits outlined in Attachment I for issuer’s current credit rating.
<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Maximum Maturity</th>
<th>S&amp;P</th>
<th>Moody's</th>
<th>Fitch</th>
<th>Investment Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankers’ Acceptance</td>
<td>180 days</td>
<td>A-1/AAA</td>
<td>P-1/Aaa</td>
<td>F1/AAA</td>
<td>$750MM</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/AA</td>
<td>P-1/Aa</td>
<td>F1/AA</td>
<td>$600MM</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/A</td>
<td>P-1/A</td>
<td>F1/A</td>
<td>$450MM, of which 50% may be over 90 days to a maximum of 180 days</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>3 years</td>
<td>A-1/AAA</td>
<td>P-1/Aa</td>
<td>F1/AAA</td>
<td>$750MM, of which 50% may be over 180 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/AA</td>
<td>P-1/Aa</td>
<td>F1/AA</td>
<td>$600MM, of which 50% may be over 180 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/A</td>
<td>P-1/A</td>
<td>F1/A</td>
<td>$450MM, of which 50% may be over 90 days to a maximum of 180 days</td>
</tr>
<tr>
<td>Corporate Notes, Asset</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Backed Securities (ABS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Floating Rate Notes</td>
<td>Corporate: 3 years</td>
<td>A-1/AAA</td>
<td>P-1/Aaa</td>
<td>F1/AAA</td>
<td>$750MM, of which 50% may be over 180 days</td>
</tr>
<tr>
<td>(ABS): 5 years</td>
<td>ABS: 5 years</td>
<td>A-1/AA</td>
<td>P-1/Aa</td>
<td>F1/AA</td>
<td>$600MM, of which 50% may be over 180 days</td>
</tr>
<tr>
<td>Floating Rate Notes (FRN)</td>
<td>FRN: 5 years (1)</td>
<td>A-1/A</td>
<td>P-1/A</td>
<td>F1/A</td>
<td>$450MM, of which 50% may be over 90 days to a maximum of 180 days</td>
</tr>
</tbody>
</table>

Note: All domestic issuers must attain the required ratings from at least two of the three Nationally Recognized Statistical Rating Organizations (S&P, Moody’s, and Fitch).

(1) Seven years, if Board of Supervisors’ authorization to exceed maturities in excess of five years is in effect, of which a maximum of $100 MM (million) par value may be greater than five years to maturity.
### Minimum Credit Rating
#### Foreign Issuers

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Maximum Maturity</th>
<th>S&amp;P</th>
<th>Moody's</th>
<th>Fitch</th>
<th>Investment Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankers' Acceptance</td>
<td>180 days</td>
<td>A-1/AAA</td>
<td>P-1/Aaa</td>
<td>F1/AAA</td>
<td>$600MM</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/AA</td>
<td>P-1/Aa</td>
<td>F1/AA</td>
<td>$450MM</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/A</td>
<td>P-1/A</td>
<td>F1/A</td>
<td>$300MM, of which 50% may be over 90 days to a maximum of 180 days.</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>3 years</td>
<td>A-1/AAA</td>
<td>P-1/Aaa</td>
<td>F1/AAA</td>
<td>$600MM, of which 50% may be over 180 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/AA</td>
<td>P-1/Aa</td>
<td>F1/AA</td>
<td>$450MM, of which 50% may be over 180 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/A</td>
<td>P-1/A</td>
<td>F1/A</td>
<td>$300MM, of which 50% may be over 90 days to a maximum of 180 days.</td>
</tr>
<tr>
<td>Corporate Notes, Asset Backed Securities (ABS) and Floating Rate Notes (FRN) (1)</td>
<td>Corporate: 3 years  ABS: 5 years  FRN: 5 years (1)</td>
<td>A-1/AAA</td>
<td>P-1/Aaa</td>
<td>F1/AAA</td>
<td>$600MM, of which 50% may be over 180 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/AA</td>
<td>P-1/Aa</td>
<td>F1/AA</td>
<td>$450MM, of which 50% may be over 180 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-1/A</td>
<td>P-1/A</td>
<td>F1/A</td>
<td>$300MM, of which 50% may be over 90 days to a maximum of 180 days.</td>
</tr>
</tbody>
</table>

Note: All foreign issuers must attain the required ratings from at least two of the three Nationally Recognized Statistical Rating Organizations (S&P, Moody's, and Fitch).

(1) Seven years, if Board of Supervisors' authorization to exceed maturities in excess of five years is in effect, of which a maximum of $100 MM (million) par value may be greater than five years to maturity.
## Minimum Credit Rating
### Supranational Issuers

<table>
<thead>
<tr>
<th>S&amp;P</th>
<th>Moody's</th>
<th>Fitch</th>
<th>Limit (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>Aaa</td>
<td>aaa</td>
<td>30% of PSI Portfolio, of which 20% of the PSI Portfolio may be between 2 and 5 years.</td>
</tr>
<tr>
<td>AA</td>
<td>Aa</td>
<td>aa</td>
<td>20% of PSI Portfolio, of which 10% of the PSI Portfolio may be between 2 and 5 years.</td>
</tr>
</tbody>
</table>

(1) The issuer must attain the required ratings from at least two of the three Nationally Recognized Statistical Rating Organizations (S&P, Moody's, and Fitch).

(2) Maximum combined par value for all issuers is limited to 30% of the PSI portfolio.
## MINIMUM CREDIT RATING
### COMMERCIAL PAPER

<table>
<thead>
<tr>
<th>Maximum Maturity</th>
<th>S&amp;P</th>
<th>Moody's</th>
<th>Fitch</th>
<th>Investment Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>270 days</td>
<td>A-1/AAA</td>
<td>P-1/Aaa</td>
<td>F1/AAA</td>
<td>$1.5 Billion</td>
</tr>
<tr>
<td></td>
<td>A-1/AA</td>
<td>P-1/Aa</td>
<td>F1/AA</td>
<td>$1 Billion</td>
</tr>
<tr>
<td></td>
<td>A-1/A</td>
<td>P-1/A</td>
<td>F1/A</td>
<td>$750 MM</td>
</tr>
</tbody>
</table>

Note: The issuer must attain the required ratings from at least two of the three Nationally Recognized Statistical Rating Organizations (S&P, Moody’s and Fitch).
### LIMITATION CALCULATION FOR
INTERMEDIATE-TERM, MEDIUM-TERM AND LONG-TERM HOLDINGS
(Actual $)

<table>
<thead>
<tr>
<th>Description</th>
<th>36 Month Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Investment Balance and Available Cash (1)</td>
<td>$26,743,662,416</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>• 50% of Discretionary Deposits (1)</td>
<td>(1,042,676,303)</td>
</tr>
<tr>
<td>Average Available Balance</td>
<td></td>
</tr>
<tr>
<td>Multiplied by the Percent Available for Investment Over One Year</td>
<td>$25,700,986,113</td>
</tr>
<tr>
<td>Equals the Available Balance for Investment Over One Year</td>
<td>$19,275,739,586</td>
</tr>
<tr>
<td>Intermediate-Term (From 1 to 3 Years)</td>
<td>$6,425,246,529</td>
</tr>
<tr>
<td>• One-third of the Available Balance for Investment</td>
<td></td>
</tr>
<tr>
<td>Medium-Term and Long-Term (Greater Than 3 Years)</td>
<td>$12,850,493,057</td>
</tr>
<tr>
<td>• Two-thirds of Available Balance for Investment (2)</td>
<td></td>
</tr>
</tbody>
</table>

(1) 36 Month Average from January 2015 to December 2017.
(2) Any unused portion of the Medium-Term and Long-Term available balance may be used for Intermediate-Term investments.
APPROVED LIST OF MUNICIPAL OBLIGATIONS

1. Any obligation issued or caused to be issued by the County of Los Angeles on its behalf or on behalf of other Los Angeles County affiliates. If on behalf of other Los Angeles County affiliates, the affiliate must have a minimum rating of “A3” (Moody’s) or “A-” (Standard and Poor’s or Fitch). The maximum maturity is limited to 30 years.

2. Any short- or medium-term obligation issued by the State of California or a California local agency with a minimum Moody's rating of “MIG-1” or “A2” or a minimum Standard and Poor’s rating of “SP-1” or “A.” Maximum maturity limited to five years.
THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS

The Treasurer and Tax Collector (the Treasurer) of Los Angeles County has the delegated authority to invest funds on deposit in the County Treasury (the Treasury Pool). As of June 30, 2018, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

<table>
<thead>
<tr>
<th>Local Agency</th>
<th>Invested Funds (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of Los Angeles and Special Districts</td>
<td>$12.268</td>
</tr>
<tr>
<td>Schools and Community Colleges</td>
<td>17.103</td>
</tr>
<tr>
<td>Discretionary Participants</td>
<td>2.584</td>
</tr>
<tr>
<td>Total</td>
<td>$31.955</td>
</tr>
</tbody>
</table>

The Treasury Pool participation composition is as follows:

- Non-discretionary Participants: 91.92%
- Discretionary Participants:
  - Independent Public Agencies: 7.66%
  - County Bond Proceeds and Repayment Funds: 0.42%
- Total: 100.00%

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 20, 2018, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the Investment Report) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to
the Investment Report dated July 31, 2018, the June 30, 2018 book value of the Treasury Pool was approximately $31.955 billion and the corresponding market value was approximately $31.527 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer's Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor’s staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County’s outside independent auditor (External Auditor) reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of June 30, 2018:

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>% of Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government and Agency Obligations</td>
<td>62.25</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>6.10</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>31.31</td>
</tr>
<tr>
<td>Bankers Acceptances</td>
<td>0.00</td>
</tr>
<tr>
<td>Municipal Obligations</td>
<td>0.08</td>
</tr>
<tr>
<td>Corporate Notes &amp; Deposit Notes</td>
<td>0.26</td>
</tr>
<tr>
<td>Asset Backed Instruments</td>
<td>0.00</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>0.00</td>
</tr>
<tr>
<td>Other</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

The Treasury Pool is highly liquid. As of June 30, 2018, approximately 35.60% of the investments mature within 60 days, with an average of 609 days to maturity for the entire portfolio.

TreasPool Update
6/30/2018
APPENDIX H

FORM OF DELAYED DELIVERY CONTRACT

RBC Capital Markets, LLC

Re: $12,885,000 Glendale Unified School District
2018 General Obligation Refunding Bonds (Forward Delivery)

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby agrees to purchase from the above referenced underwriter (the “Manager”), as set forth in the Forward Delivery Bond Purchase Agreement (defined below) (the “Underwriter”), when, as, and if issued and delivered to the Underwriter by the Glendale Unified School District (the “District”), and the Manager agrees to sell to the Purchaser:

<table>
<thead>
<tr>
<th>Par Amount</th>
<th>Maturity Date</th>
<th>Interest Rate</th>
<th>CUSIP Number</th>
<th>Yield</th>
<th>Price</th>
</tr>
</thead>
</table>

of the above-referenced Bonds offered by the District under the Preliminary Official Statement dated September 6, 2018 and the Official Statement relating to the Bonds dated ____________, 2020 (the “Official Statement”), receipt and review of copies of which is hereby acknowledged, at the purchase price and with the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Official Statement. The Bonds are being purchased by the Underwriter pursuant to a Forward Delivery Bond Purchase Agreement between the District and the Underwriter (the “Forward Delivery Bond Purchase Agreement”).

The Purchaser hereby purchases and agrees to accept delivery of such Bonds from the Underwriter on or about June 4, 2020 (the “Settlement Date.”)

Payment for the Bonds which the Purchaser has agreed to purchase on the Settlement Date shall be made to the Manager or upon its order on the Settlement Date upon delivery to the Purchaser of the Bonds then to be purchased by the Purchaser through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriter be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the District does not for any reason issue and deliver the above-referenced Bonds.

The obligation of the Purchaser to take delivery hereunder shall be unconditional except in the event that between the date of this Delayed Delivery Contract and the Settlement Date: (A) the obligations the District provided for in the Forward Delivery Bond Purchase Agreement have not been performed or satisfied, (B) the Underwriter shall have exercised the right to terminate the Forward Delivery Bond Purchase Agreement as provided therein, with respect to which
termination the Purchaser shall be deemed to have consented, or (C) one of the following events shall have occurred:

(1) there shall have been a Change in Law (defined below);

(2) as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action which continues to be proposed as of the Settlement Date), or for any other reason, Bond Counsel cannot issue an opinion substantially in the form attached to the Official Statement as Appendix A to the effect that (a) the interest on the Bonds is not subject to federal income tax under Section 103 of the Code (or comparable provisions of any successor federal tax laws), and (b) the interest on the Bonds is exempt from the State of California income taxation;

(3) the Official Statement as of the date of Closing (as defined in the Forward Delivery Bond Purchase Agreement between the Underwriter and the District) (which is expected to occur on or about September 27, 2018), or the Updated Official Statement as of the Settlement Date contained or contains an untrue statement of material fact or omission or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect;

(4) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities Exchange Commission which, in the reasonable opinion of Manager, following consultation with the District, has the effect of requiring the Bonds to be registered under the Securities Act of 1933, as amended, or requires the qualification of the Resolution under the Trust Indenture Act of 1939, as amended, or an event shall occur which would cause the sale of the Bonds to be in violation of any provision of the federal or State of California securities laws;

(5) a general banking moratorium has been declared by federal, New York or California authorities and it is in effect as of the Settlement Date; or

(6) letters or other evidence from each of Moody's Investor Service and Standard and Poor's Rating Service stating the ratings on the Bonds as of the Settlement Date are not delivered (which ratings may be different than the ratings on the Bonds as of the date of Closing).

The Manager shall notify the Purchaser promptly in the event that Manager becomes aware of the occurrence of any of the events described in clauses (1) through (6) above.

A “Change in Law” means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriter, prohibit the Underwriter from completing the underwriting of the Bonds or selling the Bonds or the beneficial ownership interests therein to the public, or (B) as to the District, would make the completion of the issuance, sale or delivery of the Bonds illegal.
The Purchaser acknowledges and agrees that the Bonds are being sold on a “forward” or “delayed delivery” basis for delivery on the Settlement Date and that the Purchaser is obligated to take up and pay for the Bonds on the Settlement Date unless one of the events described above shall have occurred. The Purchaser acknowledges that it will not be able to withdraw its order as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Bonds on the Settlement Date because of market or credit changes, including specifically, but not limited to (a) changes in the ratings assigned to the Bonds between the date of Closing and the Settlement Date or changes in the credit associated with the Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the District from the date hereof to the Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Bonds in accordance with the terms hereof, even if the Purchaser decides to sell such Bonds following the date hereof, unless the Purchaser sells such Bonds to another institution with the prior written consent of the Manager and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject.

This Forward Delivery Purchase Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other.

The Purchaser acknowledges that the Manager is entering into an agreement with the District to purchase the Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

It is understood that the acceptance by the Manager of any Delayed Delivery Contract (including this one) is in the Manager’s sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Contract is acceptable to the Manager, it is requested that the Manager sign the form of acceptance below and mail or deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Manager, as representative of the Underwriter, and the Purchaser when such counterpart is so mailed or delivered by the Manager. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.
This Forward Delivery Purchase Contract shall be construed and administered under the laws of the State of New York.

Purchaser

Address

Telephone

By: ____________________________
Name: ____________________________
Title: ____________________________

Accepted: RBC Capital Markets, LLC

Name: ____________________________
Title: ____________________________