



## NOTICE OF REGULAR MEETING

January 29, 2020 | 3:00 p.m.

District Board Room  
Student and Administrative Service Building

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*Butte College is a student-centered learning institution which provides quality education and support services that are continuously evaluated and improved, to prepare students to be productive members of a diverse, sustainable, and ever-changing global society. We provide career and transfer pathways for students to become life-long learners and critical thinkers through the mastery of basic skills, workforce training, and the achievement of degrees and certificates.*

### AGENDA

#### Call to Order

Mr. John Blacklock, President  
Mr. John Dahlmeier, Vice President  
Ms. Julie Boss, Clerk  
Mr. Michael Boeger  
Mr. Rick Krepelka  
Mr. Eugene Massa  
Mr. William McGinnis  
Mr. Jimmy Vega, Student Trustee

#### Pledge of Allegiance to the Flag

#### 1. **Agenda Approval**

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#### 2. **Communications from the Public – Consent Agenda**

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This time is set aside for comments on the Consent Agenda. The Board may undertake discussion only to provide clarification to the public or schedule a matter for a future meeting.

In accordance with *BP 2350 Speakers*, each speaker will be allowed a maximum of five (5) minutes per topic, thirty (30) minutes maximum for public speakers on any one subject, regardless of the number of speakers

#### 3. **Approval of Consent Agenda**

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Approval of Minutes December 11, 2019	Action	
Approval of Warrants	Action	20-7927
Ratification of Contracts	Action	20-7928
Awarded Grants during the Quarter Ending Dec 31, 2019	Information	20-7929
Establishment of Nonresident Tuition Fee, 2020-2021	Action	20-7930
Authorization for Out of State Student Travel MESA: Philadelphia, PA	Action	20-7931
Authorization for Out of State Student Travel Drama Club: Fort Collins, CO	Action	20-7932
Authorization for Out of State Student Travel Global Cultures and Arts Club to Ashland, OR	Action	20-7933
Authorization for Out of State Student Travel MEChA students to Tucson, AZ	Action	20-7934

Approval and/or Ratification of Personnel Actions	Action	20-7935
<u>Management</u>		
<i>Employments, out-of-class,</i>		
<u>Academic Employees</u>		
<i>Employments</i>		
<u>Classified Employees</u>		
<i>Employments, reassignment, out-of-class, temp and permanent increases</i>		
<u>Temporary Employees</u>		
<i>Substitutes, professional experts, short-term/seasonal, and volunteers/interns</i>		

**4. Information-Reports**

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Academic Senate President's Report  
 Classified Senate President's Report  
 Student Trustee Comments  
 Superintendent/President's Report  
 Board Comments

**5. Communications from the Public**

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At this time, members of the public have the opportunity to address the Board of Trustees on any item within the subject matter jurisdiction of the Board in accordance with *BP2350 Speakers*. Members of the community and employees wishing to address the Board of Trustees are asked to complete a "Public Comment" card and submit it to the Board's Executive Assistant prior to the start of open session.

**6. Contracts**

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Approval of Contracts	Action	20-7936
Approval to Purchase Information Technology Services from Veridion Security, Inc. utilizing CMAS Contract Number 3-18-70-3410B	Action	20-7937

**7. Finance**

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Adoption of the 2020-21 Budget Criteria	Action	20-7938
Acceptance of 2018-19 Independent Audit Report and Measure J Financial and Performance Audit Reports	Action	20-7939

**8. Institutional Effectiveness**

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Approval of Educational Master Plan	Action	20-7940
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**9. Instruction**

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Approval of Resolution No. 786: Authorization to Amend California State Preschool Program (CSPP) Contract	Action	20-7941
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**10. Future Dates**

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February 19, 2020	Regular Meeting	Main Campus	1:00 p.m.
March 25, 2020	Regular Meeting	Glenn County	1:00 p.m.
April 22, 2020	Regular Meeting	Main Campus	1:00 p.m.

**11. Closed Session**

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The Board of Trustees of the Butte-Glenn Community College District will adjourn to closed session under authority of Government Code Section 54954.5 to conduct the following business:

- Pursuant to Government Code section 54957(b):
- a. EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

**12. Adjournment**

For Information concerning this Agenda, please contact:  
 Butte College President's Office, 3536 Butte Campus Drive, Oroville, CA 95965 (530) 895-2484  
 Persons requiring disability accommodation, please notify this office 48 hours prior to the scheduled meeting.  
 Meetings are held in wheelchair accessible locations.

Any public records distributed to the Board of Trustees less than 72 hours in advance of the meeting, and relating to an open session item, are available for public inspection at the Office of the President during normal business hours.



Butte-Glenn Community College District  
3536 Butte Campus Drive  
Oroville, CA 95965

BOARD OF TRUSTEES

## MINUTES OF REGULAR MEETING

December 11, 2019

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The Board of Trustees of the Butte-Glenn Community College District met on Wednesday, December 11, 2019 at 1:00 PM, in the Board Room at Butte College in Oroville, California.

**Board Members Present** Mr. William McGinnis, President  
Mr. John Blacklock, Vice President  
Mr. John Dahlmeier, Clerk  
Mr. Michael Boeger  
Ms. Julie Boss  
Mr. Rick Krepelka  
Mr. Eugene Massa  
Mr. Jimmy Vega, Student Trustee

**Board Member Absent** None

**Staff Members Present** Dr. Samia Yaqub, Superintendent/President  
Mr. Greg Stoup, Vice President  
Mr. Andy Suleski, Vice President  
Mr. Al Renville, Vice President  
Ms. Denise Adams, Dean Instruction  
Mr. Kenneth Bearden, Academic Senate President  
Mr. Peter Dahl, Classified Senate Treasurer  
Ms. Melissa Cafferata-Ainsworth, Admin Secretary to the Dean  
Mr. Tim Calhoon, Executive Director CCC Technology Center  
Mr. Casey Carlson, Chief of Police  
Ms. Elizabeth Connors, Manager Information Technology  
Ms. Lisa DeLaby, Director Institutional Advancement  
Mr. Brian Donnelly, Career Counselor  
Ms. Kim Jones, Director Facilities, Planning & Mgmt  
Ms. Christie Lee, Office Coordinator, Facilities  
Ms. Jennifer Macarthy, Director Career & Technical Ed Grants  
Ms. Andrea Mox, Chief Technology Officer  
Mr. David Shippen, Director CCC Technology Center  
Mr. Clinton Slaughter, Dean Student Services  
Mr. Mario Vela, Athletic Trainer

**Guests** None

### **Pledge of Allegiance to the Flag**

Trustee Blacklock led the Pledge of Allegiance to the Flag.

### 1. **Agenda Approval**

It was moved by Trustee Blacklock, seconded by Trustee Boeger, to approve the agenda as presented. Motion carried unanimously. Student Trustee – aye.

2. **Annual Reorganization of Governing Board, Item 18-7745**

- 2.1 Election of President – a unanimous ballot was cast for Mr. Blacklock
- 2.2 Election of Vice President – a unanimous ballot was cast for Mr. Dahlmeier
- 2.3 Election of Clerk – a unanimous ballot was cast for Ms. Boss
- 2.4 Appointment of Trustee to Foundation – Ms. Boss was appointed Trustee to the Foundation.

3. **Board Committee Appointments**

Board President Blacklock made the following Board Committee appointments:

- 3.1 Board Self-Evaluation Revision – not needed at this time
- 3.2 Evaluation of the Superintendent/President – Trustees Blacklock (Chair), McGinnis, and Dahlmeier
- 3.3 Board Policy Review – Trustees McGinnis (Chair) and Dahlmeier
- 3.4 Audit Committee – Trustees Boeger (Chair), Krepelka, and Massa

4. **Communications from the Public – Consent Agenda Items**

There were no public comments.

5. **Approval of Consent Agenda, Item 19-7917 to 19-7923**

It was moved by Trustee Boeger, seconded by Trustee Krepelka, to approve the consent agenda.

Motion carried unanimously. Student Trustee – aye.

6. **Information Reports**

**Academic Senate President's Report** – Kenneth Bearden, President

Mr. Bearden stated Academic Senate is planning for the next semester as well as evaluating the academic calendar and looking at changes to the academic hiring procedures.

**Classified Senate President's Report** – Peter Dahl, President

Mr. Dahl stated Classified Senate raised almost \$1300 for Giving Tuesday and they are also giving away scantrons and coffee to students during finals week.

**Student Trustee Comment** – Jimmy Vega

Mr. Vega stated Associated Students toured the Chico Center to see what students need. They also evaluated the app Grad Guru and students are not finding it useful. They are looking at other options.

**Superintendent/President's Report** – Dr. Samia Yaqub

Dr. Yaqub thanked Trustee McGinnis for his Presidency the past year. She also thanked Trustee Krepelka for his 18 years on the Foundation Board. Dr. Yaqub noted a few student events happen during finals week to keep students stress free. She mentioned a few things in Roadrunner Tracks as well as Open Education Resources saving students \$380,000 by replacing expensive books with zero costs resources. She also updated the Board on the SQL Conversion, the Public Safety Power Shutoff debrief, and the upcoming IEPI Community of Practice workshop.

**Board Comments**

Trustee Boeger was pleased to see the hiring of a fulltime Mental Health Specialist. Trustee Krepelka mentioned opportunities for mental health and trauma recovery offered by Butte Schools Self-Funded Programs. Trustee Dahlmeier attended the Kinesiology Grand Opening and observed the great detail in the project. Trustee McGinnis stated he and Dr. Yaqub presented at the CCLC conference on Leading with Civility. It was well attended and well received. Trustee Boss attended the Police Academy Graduation as well as Giving Tuesday. Both were a big success. Trustee Blacklock thanked his colleagues for entrusting him with the position of President of the Board of Trustees.

7. **Communications from the Public – Items Not on the Agenda**

There were no public comments.

8. **Contracts**

**Approval of Contracts, Item 19-7924**

It was moved by Trustee McGinnis, seconded by Trustee Massa, to approve the contracts as listed on the amended Contracts Approval Report and authorize the Superintendent/President or designee to enter into the contracts and execute necessary contract documents.

Motion carried unanimously. Student Trustee – aye.

9. **Finance**

**Review of Board Criteria for 2020-2021 Budget Development, Item 19-7925**

Dr. Yaqub stated that this is the draft 2020-21 budget criteria for Board review. Language was added to include information about being held harmless. The document has been reviewed by the President's Staff and the Planning & Budget Committee. The criteria with any recommended changes from the Trustees will return to the Board for approval at the January 29, 2020 meeting.

10. **Institutional Effectiveness**

**Review of the Draft Educational Master Plan, Item 19-7926**

Dr. Yaqub stated that this is Educational Master Plan. The Educational Master Planning Committee began the process of developing this Plan in Fall 2018. This document has been reviewed and approved by constituency groups. Suggestions for changes will be incorporated into the final version for Board approval at the January 29, 2020 meeting.

11. **Closed Session**

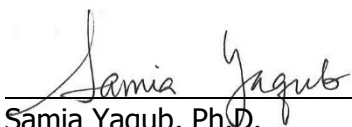
There was no closed session.

12. **Adjournment**

Board President Blacklock adjourned the meeting at 2:08 PM.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Approval of Warrants	<b>Item No:</b> 20-7927 <b>Enclosure:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Category:</b> Finance	<b>Action</b> <input checked="" type="checkbox"/> <b>Regular</b> <input type="checkbox"/> <b>Information</b> <input type="checkbox"/> <b>Consent</b> <input checked="" type="checkbox"/>
<b>Submitted By:</b> Andrew Suleski Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

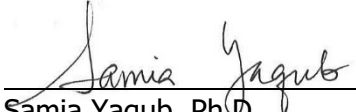
It is recommended that the Board of Trustees approve the vendor, payroll, and financial aid warrants for the period of November 23, 2019 to January 10, 2020.

<b>Type of Warrant</b>	<b>Check/Voucher Sequence</b>	<b>Total</b>
Vendor	652812 - 654161	\$ 10,031,563.54
Payroll	521522 - 522196	\$ 7,503,606.68
Financial Aid	309040 - 309231	\$ 357,018.90

Warrant registers are available for review in the Business Office.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Ratification of Contracts	<b>Item No.:</b> 20-7928 <b>Enclosure:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Category:</b> Contracts	<b>Action</b> <input checked="" type="checkbox"/> <b>Regular</b> <input type="checkbox"/> <b>Information</b> <input type="checkbox"/> <b>Consent</b> <input checked="" type="checkbox"/>
<b>Submitted By:</b> Andrew Suleski Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

Pursuant to Board Policy 6340, the Board has delegated the authority to enter into contracts on behalf of the District to the Superintendent/President or designee. Contracts made pursuant to such delegation are not enforceable obligations until the Board ratifies them.

**Status**

The attached Contracts Ratification Report represents contracts entered into on behalf of the District during the month of December 2019. The Superintendent/President or Vice President for Administration has executed the necessary documents.

**Recommendation**

It is recommended that the Board of Trustees ratify the contracts presented on the attached Contracts Ratification Report.

**CONTRACTS RATIFICATION REPORT**  
**Contracts Signed by the Superintendent/President or Vice President for Administration**  
**December 2019**

Contract Effective Date	Contract Expiration Date	Contractor	Contract Purpose	Contract Value Revenue / (Cost)	Funding Source (Fund)	Originated by: District Department	Approved by: District Administrator
12/10/19	N/A	Altacal Audubon Society	Career Work Experience Education Agreement	\$0.00	Unrestricted General	Job Placement & Cooperative Education	Renville
12/13/19	12/13/19	Bob Runyan	Tuning three pianos in the music department	(\$480.00)	Unrestricted General	Music	Guleff
10/16/19	10/16/19	Theodore Burton	DJ services for the Healthy Relationship Carnival	(\$250.00)	Foundation Agency Account	Safe Place	Renville
11/18/19	11/18/19	Art With Impact	Conduct "Movies for Mental Health" workshop	(\$3,800.00)	Restricted General	Safe Place	Renville
12/10/19	12/10/19	Aaron Fetty	Chair Massage for Students	(\$225.00)	Fiduciary	Student Life	Renville
12/10/19	12/10/19	Christine Vesta	Chair Massage for Students	(\$225.00)	Fiduciary	Student Life	Renville
12/10/19	12/10/19	Candi Williamson	Chair Massage for Students	(\$225.00)	Fiduciary	Student Life	Renville
12/3/19	12/3/19	Vanessa Esquivido	Native American Month Presentation	(\$300.00)	Restricted General	Student Equity and Achievement Program	Renville
11/26/19	11/26/19	Ali Meders Knight	Native American Month Presentation	(\$200.00)	Restricted General	Student Equity and Achievement Program	Renville
4/16/19	5/7/19	Colleen Markussen	Native American T-shirt Design	(\$100.00)	Restricted General	Student Equity and Achievement Program	Renville
12/19/19	12/19/24	Learning Questa	International Recruiting Agent MOU	(\$700.00)/student x 2 semesters	Restricted General	Recruitment & Outreach	Renville
12/19/19	12/19/24	Hoan	International Recruiting Agent MOU	(\$700.00)/student x 2 semesters	Restricted General	Recruitment & Outreach	Renville
12/19/19	12/19/24	INEDU	International Recruiting Agent MOU	(\$700.00)/student x 2 semesters	Restricted General	Recruitment & Outreach	Renville
12/19/19	12/19/24	VNIS Vietnam Co., Ltd	International Recruiting Agent MOU	(\$700.00)/student x 2 semesters	Restricted General	Recruitment & Outreach	Renville
1/1/20	6/30/22	currIQunet	Software As A Service Subscription License for META and Professional Services Course & Program w/META Catalog Module	(\$55,992.00)	Unrestricted General	Office of Instruction	Guleff
12/10/19	12/9/24	Nayax LLC	Service Agreement to provide credit card transaction processing for vending machines at	Expense based on transactions	Enterprise	Auxiliary Services	Suleski
12/19/20	12/18/23	Shift4 Payments, LLC	Merchant Processing Agreement to provide credit card transaction processing for point-of-sale machines in Dining Services	Expense based on transactions	Enterprise	Auxiliary Services	Suleski
12/19/19	6/30/20	County of Glenn Health and Human Services Agency	Letter of Agreement to establish a collaborative relationship supporting FCCE	\$0.00	Restricted General	Foster Care Kinship Education	Renville
1/1/20	12/31/21	Yuba City Community College District	Provide Emergency Vehicle Operations Course training to YCCD law enforcement academy students	\$45,600.00	Restricted General	Public Safety Education and Training Center	Guleff
1/1/20	12/31/20	YouVisit, Inc.	Change Order to Platform-As-A-Service Agreement to provide Virtual Experience Package extending annual subscription	(\$18,492.00)	Unrestricted General	Student Services	Renville
1/1/20	12/31/20	YouVisit, Inc.	Change Order to Platform-As-A-Service Agreement to provide Virtual Experience Package additional language - Portuguese	(\$1,980.00)	Unrestricted General	Student Services	Renville
8/26/19	5/29/20	Hamilton Unified School District	College and Career Access Pathways Partnership Agreement Appendix detailing Programs and Courses for SP19 & FA19	(\$400.00)/Section	Unrestricted General	Career and Technical Education	Guleff

**Butte-Glenn Community College District**

**CONTRACTS RATIFICATION REPORT**

**Contracts Signed by the Superintendent/President or Vice President for Administration  
December 2019**

<b>Contract Effective Date</b>	<b>Contract Expiration Date</b>	<b>Contractor</b>	<b>Contract Purpose</b>	<b>Contract Value Revenue / (Cost)</b>	<b>Funding Source (Fund)</b>	<b>Originated by: District Department</b>	<b>Approved by: District Administrator</b>
8/26/19	5/29/20	Willows Unified School District	College and Career Access Pathways Partnership Agreement Appendix detailing Programs and Courses for SP19 & FA19	(\$400.00)/Section	Unrestricted General	Career and Technical Education	Guleff
7/1/19	6/30/20	Hamilton Unified School District	Allocation Agreement for California Adult Education Program	(\$209,205.00)	Restricted General	Career and Technical Education	Guleff
7/1/19	6/30/20	Butte County Office of Education Career and Technical Education Department	Allocation Agreement for California Adult Education Program	(\$186,613.00)	Restricted General	Career and Technical Education	Guleff
7/1/19	6/30/20	Paradise Unified School District	Allocation Agreement for California Adult Education Program	(\$111,516.00)	Restricted General	Career and Technical Education	Guleff
7/1/19	6/30/20	Oroville Union High School District	Allocation Agreement for California Adult Education Program	(\$1,161,598.00)	Restricted General	Career and Technical Education	Guleff
7/1/19	6/30/20	Glenn County Office of Education	Allocation Agreement for California Adult Education Program	(\$493,082.00)	Restricted General	Career and Technical Education	Guleff
1/1/19	12/31/20	CA Department of Fish and Wildlife	Amendment #2 to the Student Fees Agreement extending the contract term and increasing the payable amount	\$87,492.36	Unrestricted General	Career and Technical Education	Guleff
1/1/19	12/31/20	CA Department of Fish and Wildlife	Amendment#1 to Instructional Service Agreement extending contract term and increasing payment amount	(\$88,065.00)	Unrestricted General	Career and Technical Education	Guleff
10/1/19	3/31/20	News and Review Publications	Development, publication and distribution of 12-page insert highlighting Butte-Glenn Adult Education Consortium	(\$18,853.13)	Restricted General	Career and Technical Education	Guleff
11/1/19	11/30/19	Tristin Becca Mortimer	Independent Contractor Services to provide Pathway Coordinator and Project Specialist support for Regional Directors Health, ICT/DM, and ECU	(\$6,840.00)	Restricted General	Career and Technical Education	Guleff
12/1/19	12/31/20	Lassen Community College District	Allocation Agreement for Strong Workforce Program North Far North Regional Consortium to provide funding for Projects In Common Professional Development for Faculty	(\$10,000.00)	Restricted General	Strong Workforce Program	Guleff
12/1/19	12/31/20	Lassen Community College District	Allocation Agreement for Strong Workforce Program North Far North Regional Consortium to provide funding for Projects In Common 18-19 Marketing & Outreach Efforts	(\$20,000.00)	Restricted General	Strong Workforce Program	Guleff
12/1/19	12/31/21	Lassen Community College District	Allocation Agreement for Strong Workforce Program North Far North Regional Consortium to provide funding for Projects In Common 19-20 Marketing & Outreach Efforts	(\$20,000.00)	Restricted General	Strong Workforce Program	Guleff
12/1/19	12/31/20	College of the Redwoods	Allocation Agreement for Strong Workforce Program North Far North Regional Consortium to provide funding for Projects In Common Professional Development for Faculty	(\$10,000.00)	Restricted General	Strong Workforce Program	Guleff
12/1/19	12/31/20	College of the Redwoods	Allocation Agreement for Strong Workforce Program North Far North Regional Consortium to provide funding for Projects In Common 18-19 Marketing & Outreach Efforts	(\$20,000.00)	Restricted General	Strong Workforce Program	Guleff

**Butte-Glenn Community College District**

**CONTRACTS RATIFICATION REPORT**  
**Contracts Signed by the Superintendent/President or Vice President for Administration**  
**December 2019**

<b>Contract Effective Date</b>	<b>Contract Expiration Date</b>	<b>Contractor</b>	<b>Contract Purpose</b>	<b>Contract Value Revenue / (Cost)</b>	<b>Funding Source (Fund)</b>	<b>Originated by: District Department</b>	<b>Approved by: District Administrator</b>
12/1/19	12/31/21	College of the Redwoods	Allocation Agreement for Strong Workforce Program North Far North Regional Consortium to provide funding for Projects In Common 19-20 Marketing & Outreach Efforts	(\$20,000.00)	Restricted General	Strong Workforce Program	Guleff
1/1/20	12/31/20	Los Rios Community College District	Allocation Agreement for Strong Workforce Program North Far North Regional Consortium to support Center of Excellence labor market research, technical assistance to the NFN region and CTE outcomes report summaries for Chancellor's Office priority sectors in the NFN region	(\$230,000.00)	Restricted General	Strong Workforce Program	Guleff
1/1/20	12/31/20	Shasta-Tehama-Trinity Community College District	Allocation Agreement for Strong Workforce Program North Far North Regional Consortium to support Center of Excellence labor market research, technical assistance to the NFN region and CTE outcomes report summaries for Chancellor's Office priority sectors in the NFN region	(\$200,000.00)	Restricted General	Strong Workforce Program	Guleff
10/21/19	12/31/20	Los Rios Community College District	Amendment to Allocation Agreement for Strong Workforce Program increasing Allocated Funds	(\$56,561.00)	Restricted General	Strong Workforce Program	Guleff
11/27/19	3/31/20	EVERYBODY Healthy Body	Amendment to contract extending Term	\$0.00	Restricted General	Economic Workforce Development	Guleff
12/1/19	3/31/20	Chabin Concepts, Inc.	Independent Contractor Services to update the Feasibility Study for the EVERYBODY Healthy Body Project	(\$5,000.00)	Restricted General	Economic Workforce Development	Guleff
12/31/19	6/30/20	Alliance for Workforce Development	Amendment to contract for Understanding Trauma in the Workplace Trainings extending Term	\$0.00	Restricted General	Economic Workforce Development	Guleff
11/8/19	11/9/19	Dawson & Sons, LLC	Employee training OSHA 10	\$2,250.00	Restricted General	Contract Education	Guleff
11/18/19	11/22/19	Dawson & Sons, LLC	Employee training Chainsaw, Chipper & Grounds	\$15,000.00	Restricted General	Contract Education	Guleff
11/1/19	6/30/20	Chabin Concepts, Inc.	Independent Contractor Services to provide editing and formatting for the statewide publication and supporting the statewide report	(\$25,000.00)	Restricted General	Contract Education	Guleff
11/20/19	6/30/19	Corning Elementary School District	Employee training Individual Coaching Sessions	\$2,500.00	Restricted General	Contract Education	Guleff
12/1/19	6/30/20	Abernathy-VMServices, LLC	Independent Contractor Services to provide instructional design for the Utility Line Clearance	(\$20,000.00)	Restricted General	Contract Education	Guleff
12/5/19	12/5/20	County of Butte Superior Court of California	Employee training	\$3,500.00	Restricted General	Contract Education	Guleff
1/1/20	12/31/20	Ronn Van Dusen	Independent Contractor Services to provide Business Consulting and Training	(\$60,000.00)	Restricted General	Small Business Development Center	Guleff
11/15/19	12/31/20	Marlena Sparkman	Amendment to Independent Contractor Agreement extending Term and increasing Fee	(\$9,000.00)	Restricted General	Small Business Development Center	Guleff
12/1/19	12/30/20	Messenger Publishing Group	Independent Contractor Services to provide marketing & promotion, and room rental for business consulting and trainings in Gridley	(\$3,900.00)	Restricted General	Small Business Development Center	Guleff

**Butte-Glenn Community College District**

**CONTRACTS RATIFICATION REPORT**

**Contracts Signed by the Superintendent/President or Vice President for Administration  
December 2019**

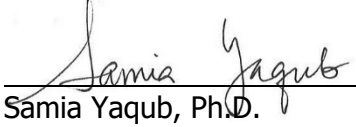
<b>Contract Effective Date</b>	<b>Contract Expiration Date</b>	<b>Contractor</b>	<b>Contract Purpose</b>	<b>Contract Value Revenue / (Cost)</b>	<b>Funding Source (Fund)</b>	<b>Originated by: District Department</b>	<b>Approved by: District Administrator</b>
1/1/20	12/31/20	Central Coast Food & Beverage	Independent Contractor Services to provide Business Consulting and Training	\$5,000.00	Restricted General	Small Business Development Center	Guleff
1/1/20	12/31/20	LMA CPA & Associates	Independent Contractor Services to provide Business Consulting and Training	(\$8,000.00)	Restricted General	Small Business Development Center	Guleff
1/1/20	12/31/20	Jeffrey Samorano	Independent Contractor Services to provide Business Consulting and Training	(\$12,000.00)	Restricted General	Small Business Development Center	Guleff
1/1/20	12/31/20	Law Offices of Ferris & Selby	Independent Contractor Services to provide Business Consulting and Training	(\$300.00)/hour	Restricted General	Small Business Development Center	Guleff
1/1/20	12/31/20	Stephen P Kay	Independent Contractor Services to provide Business Consulting and Training	(\$5,000.00)	Restricted General	Small Business Development Center	Guleff
1/1/20	12/31/20	Danie Schwartz Consulting	Independent Contractor Services to provide business outreach, assessment, marketing and promotion, intakes, referrals and other duties related to business start up, development, rebuilding, management, growth, expansion and access to capital	(\$9,000.00)	Restricted General	Small Business Development Center	Guleff
10/1/19	9/30/20	Humboldt State University Sponsored Programs Foundation	Subaward Agreement provides funding for delivery of services in GO-Biz Capital Improvement Project (CIP)	\$80,000.00	Restricted General	Small Business Development Center	Guleff
10/1/19	9/30/20	Humboldt State University Sponsored Programs Foundation	Research Subaward Agreement provides funding for delivery of services in GO-Biz Technical Assistance Expansion Program (TAEP)	\$202,000.00	Restricted General	Small Business Development Center	Guleff
11/1/19	6/30/24	Mt. San Jacinto Community College District	MOU to provide AWS Cloud Services	Cost based on AWS Services Contract	Restricted General	CCC Technology Center	Stoup
11/22/19	6/30/20	Citrus College	Subgrant Agreement for Projects Sponsored by the California Community Colleges 10Gb Broadband Connectivity Equipment Grant	(\$50,000.00)	Restricted General	CCC Technology Center	Stoup
12/2/19	6/30/20	Jessica Hartwigsen	Subcontract Agreement to provide services of Network Zone Manager for management of the Alma Network Zone bibliographic database Network Zone analytics	(\$85,000.00)	Restricted General	CCC Technology Center	Stoup
2/27/20	2/26/21	Smartsheet Inc.	Smartsheet User Agreement for Business Plan and DataMesh App Subscription Service	(\$11,400.00)	Restricted General	CCC Technology Center	Stoup
12/9/19	12/8/20	Elasticsearch, Inc.	Elastic Subscription Agreement for a distributed RESTful search and data analytics query engine	(\$6,600.00)	Restricted General	CCC Technology Center	Stoup
1/10/20	1/10/21	Lucid Software Inc.	Lucid Terms of Use for Lucidchart Team software to allow users to collaborate on drawing, revising and sharing charts and diagrams	(\$1,134.00)	Restricted General	CCC Technology Center	Stoup
4/1/20	3/31/21	The Escal Institute of Advanced Technologies, Inc. /dba SANS Institute	SANS Security Awareness License Agreement for SSA EndUser Licenses to conduct security trainings	(\$17,150.00)	Restricted General	CCC Technology Center	Stoup
10/16/19	10/30/22	JK Architecture + Engineering	Architectural Services for the Technology Building Remodel Project	(\$777,000.00)	Measure J	Facilities Planning and Management	Suleski

**CONTRACTS RATIFICATION REPORT****Contracts Signed by the Superintendent/President or Vice President for Administration  
December 2019**

<b>Contract Effective Date</b>	<b>Contract Expiration Date</b>	<b>Contractor</b>	<b>Contract Purpose</b>	<b>Contract Value Revenue / (Cost)</b>	<b>Funding Source (Fund)</b>	<b>Originated by: District Department</b>	<b>Approved by: District Administrator</b>
1/6/20	1/17/20	Tec-Com Low Voltage Solutions, Inc.	Install Cables and Conduit Stubs to Emergency PA System at Campus Center, LRC, and FPM	(\$11,935.00)	Measure J	Facilities Planning and Management	Suleski
11/18/19	5/30/20	Voltage Specialists	New fire alarm system for playfield restroom portable	(\$16,887.00)	Scheduled Maintenance	Facilities Planning and Management	Suleski
9/23/19	9/30/20	NorthStar	Engineer Services Agreement for the Design, Bidding and Construction Administration, and DSA Approval for Service Road Phase II Project	(\$139,535.00)	Measure J	Facilities Planning and Management	Suleski
12/9/19	1/24/20	McClelland Air Conditioning, Inc.	Installation of new air ductwork at Campus Center	(\$57,167.00)	Measure J	Facilities Planning and Management	Suleski
12/1/19	1/31/20	Experts In Your Home	Repaint offices and lobby in SAS	(\$5,546.00)	Unrestricted General	Facilities Planning and Management	Suleski
1/6/20	2/1/20	Tri Path Technology Group	Replace audio system in Gym	(\$36,637.81)	Foundation Agency Account	Facilities Planning and Management	Suleski
12/4/19	12/4/19	United Building Contractors	Change Order No. 4 Butte College Athletic Field House and Press Box Project: West Side Concrete Improvements for ADA compliance	(\$69,655.40)	Measure J	Facilities Planning and Management	Suleski
12/4/19	12/4/19	United Building Contractors	Change Order No. 5 Butte College Athletic Field House and Press Box Project: East Side Concrete Improvements for ADA compliance	(\$83,172.93)	Measure J	Facilities Planning and Management	Suleski
12/5/19	12/5/19	Oroville Ford Inc.	Sale Contract for 2020 Ford Transit T-230	(\$39,028.39)	Self Insurance	Facilities Planning & Management	Suleski
12/12/19	Until Terminated	Vina Groundwater Sustainability Agency	MOU for support of Sustainable Groundwater Management Act	\$0.00	Unrestricted General	Facilities Planning & Management	Suleski
1/1/20	12/31/24	City of Chico	Joint Public Safety Agreement for cooperation between the Chico Police Department and Butte College Police Department	\$0.00	Unrestricted General	College Police	Suleski

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Awarded Grants during the Quarter Ending December 31, 2019	<b>Item No:</b> 20-7929 <b>Enclosure:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Category:</b> Grants Research and Development, Institutional Effectiveness	<b>Action</b> <input type="checkbox"/> <b>Information</b> <input checked="" type="checkbox"/> <b>Regular</b> <input type="checkbox"/> <b>Consent</b> <input checked="" type="checkbox"/>
<b>Submitted By:</b> Gregory Stoup Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

Pursuant to Board Policy 3280, the Board will be informed about all grants received by the District. The Superintendent/President has set procedures for continuing and new grants to assure timely application and processing of grant applications and funds, and that grants applied for directly support the purposes of the District.

**Status**

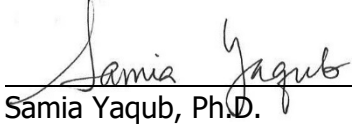
The attached Grant Awards Report represents grants awarded to the District during the following quarter: 10/1/2019 – 12/31/2019. The Superintendent/President or Vice President for Administration has executed the necessary grant agreement documents.

**Butte-Glenn Community College District  
Grant Awards Report**

<b>Grant Performance Period Start Date</b>	<b>Grant Performance Period End Date</b>	<b>Funding Agency</b>	<b>Grant Award Purpose</b>	<b>Amount Awarded</b>	<b>Originated by: District Department</b>	<b>Approved by: District Administrator</b>
7/1/2019	12/31/2020	BOG, California Community Colleges Chancellor's Office - 6870	Contract (Grant) Agreement - Integrated Technology - Shared Infrastructure Program GAN #19-075-001, RFA # 18-084	<b>\$9,450,000.00</b>	Institutional Effectiveness	Stoup
7/1/2019	12/31/2020	BOG, California Community Colleges Chancellor's Office - 6870	Contract (Grant) Agreement - Integrated Technology - Data Services Program GAN #19-074-001	<b>\$2,864,750.00</b>	Institutional Effectiveness	Stoup
1/1/2020	9/1/2020	Mentor-Connect Project, SCATE Center of Excellence, Florence-Darlington Technical College	2020 MENTOR-CONNECT Cohort Participation for Technical Assistance and Mentoring Support for John Dahlgren and Jennifer Bryant	<b>\$2,400.00</b>	Instruction	Guleff
7/1/2019	6/30/2020	BOG, California Community Colleges Chancellor's Office - 6870	Contract (Grant) Agreement - Digital Innovations and Infrastructure - CA Community Colleges Core Applications Project GAN #19-081-001	<b>\$9,218,478.00</b>	Institutional Effectiveness	Stoup
12/23/2019	12/23/2021	U.S. Department of Education	84.938T - Emergency Assistance to Institutions of Higher Education Program - GAN P938T190004	<b>\$4,259,378.00</b>	Institutional Effectiveness	Suleski / Stoup
			Total Awards for Quarter: 9/30/2019 - 12/31/2019	<b>\$25,795,006.00</b>		

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Establishment of Nonresident Tuition Fee, 2020-2021	<b>Item No:</b> 20-7930 <b>Enclosure:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Category:</b> Finance	<b>Action Regular</b> <input checked="" type="checkbox"/> <input type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>Submitted By:</b> Andrew Suleski Vice President of Administration	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

Education Code Section 76140 requires each district governing board to establish the nonresident tuition fee not later than March 1 for the succeeding fiscal year. The code specifies that one of seven options be used to establish the fee. These options include:

- A.1. District Average Cost
- A.2. District Average Cost With 10 Percent or More Noncredit FTES
- B.1. Statewide Average Cost
- B.2. Highest Statewide Average Cost – Highest cost for succeeding, current, or past 4 years
- C. Contiguous District – Not to exceed fees established by any contiguous District
- D. Between Statewide Average Expense of Education and District Expense of Education
- E. Comparable States Average - No more than 12 comparable states' average

**Status**

Based on a per unit fee of \$265, the District is projected to generate an estimated \$1,205,939 in nonresident tuition for 2019-2020. The fees paid by the nonresident students remain with the District for use in the general fund and are charged in addition to enrollment fees. No apportionment is received for nonresident students.

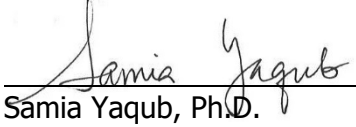
The Statewide average cost for 2018-2019 was \$290 per unit. The district average cost was \$491 which includes programs operated on a statewide basis. The Shasta-Tehama-Trinity District calculated an average cost of \$280 for the same period. The District will utilize the contiguous District rate and adopt Option C.

**Recommendation**

It is recommended that the Board of Trustees establish the nonresident tuition fee at \$280 per unit for the 2020-2021 academic year.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Authorization for Out of State Student Travel for MESA to Philadelphia, PA	<b>Item No:</b> 20-7931 <b>Enclosure:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Category:</b> Instruction	<b>Action Regular</b> <input checked="" type="checkbox"/> <input type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>Submitted By:</b> Virginia L. Guleff Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

This year the American Chemical Society Conference is being held March 21 through March 25, 2020, in Philadelphia, Pennsylvania.

The American Chemical Society is an inclusive organization dedicated to fostering the success of chemists from college students to professionals, in attaining advanced degrees, careers, and positions of leadership in STEM.

Since 1876, the American Chemical Society has been the leading chemistry organization in the country. This conference is key for all future chemists in that it introduces innovated science practices, as well as academic, professional and mentoring opportunities. More than 50 workshops, 200 exhibitors, and over 15,000 participants are expected.

**Status**

Four Butte College MESA students will be participating in the American Chemical Society Conference from March 21 through March 25, 2020, at the Philadelphia Convention Center.

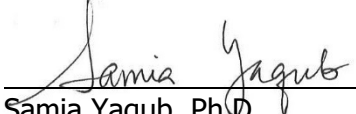
No District funds will be used for student travel. This conference will be funded with Student Equity funds.

**Recommendation**

It is recommended the Board authorize out of state travel to Philadelphia, Pennsylvania, for the MESA students accompanied by Nena Anguiano, MESA Program Director.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Authorization for Out of State Student Travel for Drama Club to Fort Collins, CO	<b>Item No:</b> 20-7932 <b>Enclosure:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Category:</b> Student Services	<b>Action Regular</b> <input checked="" type="checkbox"/> <input type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>Submitted By:</b> Al Renville Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

The Butte College Drama Club has planned a trip to Fort Collins, Colorado, to attend various workshops and performances at the Kennedy Center American College Theater Festival (KCACTF). The goal of the trip is to give students the opportunity to work with world class instructors in various fields of theatre such as musical theatre, stage lighting, directing and more. In order to further cultivate the club's passion, Butte College Drama Club would like permission of the administration and the Board of Trustees to attend the Kennedy Center American College Theater Festival (KCACTF) in Fort Collins, Colorado. Students attending will return with knowledge from a multitude of impressive speakers and immersive activities.

**Status**

Students will be traveling with Faculty Advisor Jesse Merz to attend the 2020 KCACTF conference in Fort Collins, Colorado from February 16-22, 2020. While in Fort Collins, Colorado the students will be staying at the Fort Collins Hilton. This event is five days in length and each student participating will have a specific agenda and multiple workshops that they will be attending each day.

The event is open to all Butte College Drama Club students. All students who attend will be in good standing with Butte College and the Butte College Drama Club.

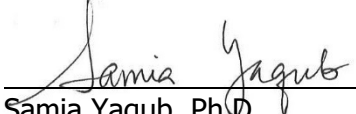
The Butte College Drama Club will host partial scholarships for students who plan on attending. The club was awarded a grant for this trip by the Associated Students which will pay for hotel and transportation expenses for club members including advisor expenses. Students will be asked to cover meals at their own expense. The trip does not require District funding.

**Recommendation**

It is recommended the Board authorize Faculty Advisor Jesse Merz and Butte College Drama Club members to travel to Fort Collins, Colorado to participate in the 2020 Kennedy Center American College Theater Festival.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Authorization for Out of State Student Travel for Global Cultures and Arts Club to Ashland, Oregon	<b>Item No:</b> 20-7933 <b>Enclosure:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Category:</b> Student Services	<b>Action Regular</b> <input checked="" type="checkbox"/> <input type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>Submitted By:</b> Al Renville Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

The Global Cultures and Arts Club has planned a trip to Ashland, Oregon, to see two different plays at the Shakespeare Festival, *The Tempest and Confederates*. The goal of this trip is to expose students to global theater and culture with the shows and world cuisine in addition to the global content and multicultural approaches to even traditionally western theater. Live theater of this quality can encourage students to physically and emotionally absorb the stories and explore diverse cultures and views that build upon themes discussed in this club and many of their Butte College courses.

**Status**

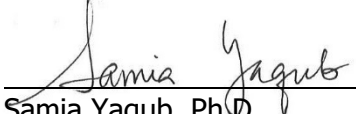
Butte College students are being given an opportunity to attend a very culturally impactful theatrical experience at the Oregon Shakespeare Festival in Ashland, Oregon, from Friday, May 29, 2020, through Saturday, May 30, 2020. The students will be accompanied by Club Advisor and English instructor, Cristina Dahl. The students will watch the plays *The Tempest and Confederates*. No District funds will be used for student travel.

**Recommendation**

It is recommended the Board authorize out-of-state travel to Ashland, Oregon, on May 29<sup>th</sup> and May 30<sup>th</sup>, for students in the Global Cultures and Arts Club to attend activities at the Oregon Shakespeare Festival with Cristina Dahl.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Authorization for Out of State Student Travel for MEChA students to Tucson, AZ	<b>Item No:</b> 20-7934 <b>Enclosure:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Category:</b> Student Services	<b>Action Regular</b> <input checked="" type="checkbox"/> <input type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>Submitted By:</b> Al Renville Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

MEChA is a Chicano/Latino student organization that focuses on empowering students through higher education, political involvement, community building, and history. We strive for a community that is free from any form of oppression, encouraging an inclusive environment at Butte College.

**Status**

Students will be traveling with advisor Yvette Zuniga to attend the MEChA National Conference in Arizona from February 28 to March 1, 2020. While in Tucson, Arizona, the students will be staying in a hotel close to the University of Arizona. This event is three days in length and each student participating will have a specific agenda and multiple workshops that they will be attending each day.

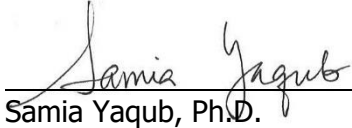
The students selected to participate in the convention are to be determined at a later date. All students who attend will be part of Butte College MEChA club. This trip is entirely funded by Student Equity Travel Conference funds; it does not require District funding for student travel expenses.

**Recommendation**

It is recommended the Board authorize advisor Yvette Zuniga and selected MEChA students (to be determined at a later date) to travel to Tucson, Arizona, to participate in the MEChA National Conference 2020.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Approval and/or Ratification of Personnel Actions	<b>Item No:</b> 20-7935 <b>Enclosure:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Category:</b> Human Resources	<b>Action Regular</b> <input checked="" type="checkbox"/> <input type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>Submitted By:</b> Andrew Suleski Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Recommendation**

It is recommended that the Board of Trustees approve and/or ratify the personnel actions as follows:

**Management\***

1. Employment of Dean of Instruction (Science, Technology, Engineering, and Mathematics (STEM)) – Joel Keebler  
Full-time, 40 hours per week, 12 months per year  
Salary: MSC - 26  
Effective: February 3, 2020
2. Employment of Supervisor, Student Services (Counseling) – Sarah Woolsey  
Full-time, 40 hours per week, 12 months per year  
Salary: MSC - 9  
Effective: February 3, 2020
3. Employment of Regional Director Employer Engagement – Energy, Construction, Utilities-North Far North Region – Orion Walker  
Full-time, 40 hours per week, 12 months per year  
Salary: MSC - 15  
Effective: January 2, 2020
4. Employee working Out-of-Class: Human Resources Specialist – Deana Sweeney  
Effective: 1/1/20 – 6/30/20
5. Employee working Out-of-Class: North Far North Regional Chair (NFNRC) – Jennifer Macarthy  
Effective: 1/6/20 – 6/30/20

**Academic\***

6. Employment of Full-Time, Tenure Track, Welding Instructor– Dakota McFall  
Status: Probationary  
Salary: Placement on the Academic Salary Schedule as determined by education and experience  
Effective: January 1, 2020

7. Employment of Full-Time, Temporary, Non-Tenure Track, Nursing – Deana Ward  
 Status: Temporary  
 Salary: Placement on the Academic Salary Schedule as determined by education and experience  
 Effective: 1/1/20 – 5/29/30
8. Employment of Temporary Academic Employees (Instructors and Student Development)  
Part-Time Faculty recommended for employment effective Fall Semester 2019  
 Chadwick Walker
9. Employment of Temporary Academic Employees (Instructors and Student Development)  
Part-Time Faculty recommended for employment effective Winter Semester 2020  
 Attachment "A".

**Classified Employees\***

10. Employment of Children’s Program Specialist (CDC – Master Teacher) – Mark Farmer  
 Full-time, 40 hours per week, 12 months per year  
 Salary: CSEA - 21  
 Effective: February 3, 2020
11. Employment of Administrative Secretary – Non Instructional (Contract Education) – Jamie Hernandez  
 Part-time, 24 hours per week, 12 months per year  
 Salary: CSEA-24  
 Effective: January 2, 2020
12. Permanent Voluntary Reassignment (Lateral Transfer to a Vacant Position) – Cynthia Gamboa  
 Full-time, 40 hours per week, 12 months per year  
 From: Student Services Assistant (Chico Center)  
 To: Admissions and Records Tech II (WC)  
 Effective: February 3, 2020
13. Employee working Out-of-Class: Administrative Secretary III (Athletics) – Amanda Matz  
 Effective: 1/1/20 – 6/30/20
14. Employee working Out-of-Class: Administrative Secretary to the Dean (SBS, SCS, FLANG, TMI, LIB, CMST, SPE, CFIE, HON) – Wendy Bocast  
 Effective: 1/1/20 – 6/30/20
15. Permanent Increase from 37 hours per week to 40 hours per week, Industrial Technology Programs Equipment Mechanic II (AET) – Kevin Bodenham, John Randy Heinke  
 Effective: January 1, 2020
16. Temporary Increase from 20 hours per week to 36 hours per week, Clerk I/Receptionist (HR) – Dan Evaro  
 Effective: 1/1/20 – 4/1/20

**Temporary Employees\***

17. **Substitutes**  
Clerk I, (SHC) – Desiree Gomez  
 Salary: \$13.75 per hour 1/1/20 - 6/30/2020  
Custodian I/FPM Assistant (FPM) – Jordan Yang  
 Salary: \$16.75/\$17.25 per hour 12/7/19 – 6/30/20

Grounds Technician I (FPM) – Matthew Atteberry  
Salary: \$16.75 per hour 12/3/19 – 6/30/20  
Clinical Assistant (SHC) – Vanessa Vargas-Briones  
Salary: \$18.00 per hour 1/1/20 – 6/30/20  
Community Service Officer/Campus Security (College Police) – Cassidy Richer  
Salary: \$17.50 per hour 1/1/20 – 6/30/20  
Administrative Secretary – Grants (CCCTC) – Amber Tamagni  
Salary: \$22.00 per hour 1/1/20 – 6/30/20  
Communication Planning/Innovation Award (IE) – Allan Bee  
Salary: \$55.00 per hour 1/1/20 – 6/30/20  
Administrative Secretary III (PSETC) – Mary Kolonay  
Salary: \$21.50 per hour 1/2/20 – 6/30/20

**18. Professional Expert**

Mental Health Specialist (SHC) – Karen Johnson  
Salary: \$70.00 per hour 12/2/19 – 6/30/2020  
Manipulative Skills/Evaluator – Austin Wiseman, Michael Mandy  
Salary: \$14.50/\$16.75 per hour 1/30/20 – 6/30/20  
Nursing – Bayleigh Fountain, Barinder Singh, Nicole Adams  
Salary: \$45.00 per hour 1/1/20 – 6/30/20  
Crime Scene Actor – Carson Smith  
Salary: \$13.00 per hour 1/30/20 – 6/30/20

**19. Short-Term/Seasonal**

Food Services Assistant 1 (Dining Services) – Stephanie Fisher  
Salary: \$14.00 per hour 1/2/20-6/30/20

**20. Volunteers/Interns**

Volunteer (Track & Field) – Kevin Young  
Intern (CAS) – Jayna Davis

**21. Retirements/Resignations**

Resignation, Information Security Officer (CCCTC) – Jeff Holden  
Effective: November 20, 2019  
Resignation, Administrative Secretary – Office Coordinator (SHC) – Teri Jo Buckman  
Effective: December 12, 2019  
Resignation, North Far North Regional Chair (NFNRC) – Karissa Morehouse  
Effective: December 17, 2019  
Resignation, Grants Manager (Mathematics & English) – Amanda Montgomery  
Effective: January 4, 2020  
Resignation, Food Assistant I (Dining Services) – Dale Katsikas  
Effective: May 30, 2020  
Retirement, EOPS Counselor – Rudolph Geary  
Effective: March 14, 2020  
Retirement, Vice President of Student Services – Allen Renville  
Effective: June 1, 2020

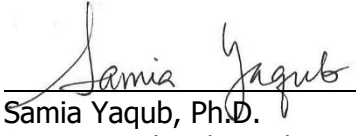
\*Contingent upon successful completion of background check. All regular salary placements will be in accordance with the rules and regulations for placement on the Board of Trustees approved salary schedules.

ATTACHMENT "A"

Alexander, Jesse	Harrington, Steven	Reinhardt, Dennis
Appel, Rolfe	Harrison, Stephen	Richardson, Robert
Baroni, Stephen	Hartley, Laurel	Robinson, Joanne
Bartine, Kevin	Hasek, Bruce	Robson, Devin
Barton, Richard	Hays, Jonathan	Sanders, Allen
Beck, Corinne	Hearne-Essary, Robyn	Sanfilippo, Dominic
Blackney, David	Heston, Koby	Schoelkopf, John
Bokavich, Casey	Hughes, Gary	Scholar, Gary
Bond, Joseph	Jackson, Jessica	Schwyzler, Cedric
Booth, Lillian	Keating, Michael	Sheldon, Jonathan
Boothe, Todd	Kelleher, John	Smith, Eva
Bootman, Scott	Kelso, John	Smith, Kenneth
Borgman, Anthony	King, Cedric	Speer, Mark
Boyd, Steve	King, Daniel	Spencer, Errin
Brindley, Peter	Kious, Randi	Spencer, Ivy
Burks, Stacey	Kongkeoviman, Bounpon	St. Cin, Denise
Candelaria, Kelly	Lara, Anthony	Strahan, Lori
Cantwell, Gary	Lara, Jose	Thomas, Michael
Carlson, Devon	Lefkowitz, Todd	Townsley, Wesley
Carrillo, John	Lemley, Jenna	Wadsworth, Mark
Conlan, Lance	Lephart, Chris	Walker, Chadwick
Connell, Sarah	Llamas, Samuel	Welton, David
Cox, Craig	Mackenzie, Scott	Wikum, Ryan
Daly, Jennifer	Marshall, Bryan	Wilkins, Valinda
Davis, Michelle	Marshall, Sheri	Willmann, Hans
Davison, Bryce	Martin, Doug	Wilson, Emilie
Deal, Joseph	Maxey, Justin	Winton, Jason
Delarocha, Dana	Meyer, Nancy	Wolfe, Matthew
Drake, Thomas	Miller, Thomas	
Duch, Andrew	Minton, Douglas	
Duitsman, Stan	Montgomery, Mark	
Durfee, Peter	Morales, Lisa	
Fedrizzi, Victor	Moravec, Steven	
Ferrin, Josiah	Mortimer, Brandon	
Ferro, Sam	Murphy, Michael	
Frazer, Cristin	Neher, Jeanine	
Fridrich, Tonia	Nicodemus, Christopher	
Fry, Chuck	O'Quin, Sharon	
Funk, Herbert	Ortiz, Antoinette	
Furry, Ashley	Parrott, James	
Garcia, Cynthia	Parsons, Sophia	
Garcia, Timothy	Peloso, Dominick	
Gee, Travis	Person, Johnny	
Golladay, Sarah	Piazza, Jason	
Goyen, Mary	Pickering, Robert	
Hannah, Michael	Pilakowski, Michael	
Hard, Keith	Porter, Ford	
	Portillo, Matthew	

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Approval of Contracts	<b>Item No:</b> 20-7936 <b>Enclosure:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Category:</b> Contracts	<b>Action Regular</b> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/> <input type="checkbox"/>
<b>Submitted By:</b> Andrew Suleski Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

Pursuant to Board Policy 6340, the Board has delegated the authority to enter into contracts on behalf of the District to the Superintendent/President or designee. Contracts for work to be done, services to be performed, or for goods, equipment, or supplies to be furnished or sold to the District that exceed the amounts specified in Public Contract Code Section 20651 require prior approval by the Board.

Pursuant to the District’s Informal Bidding Procedures under the Uniform Public Construction Cost Accounting Act, the Vice President for Administration or Director for Facilities Planning & Management are authorized to award contracts for public projects not exceeding the Informal Bid Limit prescribed by Public Contract Code Section 22032. Contracts for public projects that exceed the Informal Bid Limit require a formal bidding procedure and approval by the Board.

**Status**

The relevant amount specified in Public Contract Code Section 20651 as adjusted annually is currently \$95,200.00 for contracts to purchase equipment, materials, supplies, services, and repair. The relevant amount specified in Public Contract Code Section 22032 is \$200,000.00 for public projects contracts.

The District proposes to enter into the contract(s) described on the attached Contracts Approval Report. All contracts are put through an approval process which includes verification of funds available in the budget.

**Recommendation**

It is recommended that the Board of Trustees approve the contract(s) listed on the Contracts Approval Report and authorize the Superintendent/President or designee to enter into the contract(s) and execute necessary contract documents.

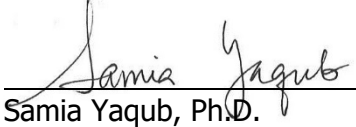
Butte-Glenn Community College District

CONTRACTS APPROVAL REPORT

Contract Effective Date	Contract Expiration Date	Contractor	Contract Purpose	Contract Value Revenue / (Cost)	Funding Source	Originated by: District Department	Approved by: District Administrator
1/1/20	12/31/20	Humboldt State University Sponsored Programs Foundation	Cooperative Agreement for the Small Business Development Center Program as a sub-recipient to the SBA Award for the delivery of services	\$150,000.00	Restricted General	Small Business Development Center	Guleff

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Approval to Purchase Information Technology Services from Veridion Security, Inc. utilizing CMAS Contract Number 3-18-70-3410B	<b>Item No:</b> 20-7937 <b>Enclosure:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Category:</b> Contracts	<b>Action Regular</b> <input checked="" type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/>
<b>Submitted By:</b> Andrew Suleski Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

The California Community Colleges Technology Center (CCCTC) requires information technology services to provide security consultants to assist with college vulnerability scanning and monitoring along with information security assessments for the California Community Colleges. Funding will be allocated from the Shared Infrastructure Program (SIP) grant.

Public Contract Code Sections 10298 and 10299 provides that the Director of General Services may establish contracts, master agreements, multiple award schedules, cooperative agreements, including agreements with entities outside the state, and other types of agreements that leverage the state’s buying power for goods, information technology goods and services, and authorizes state and local agencies to contract with suppliers awarded those contracts without further competitive bidding.

The California Multiple Award Schedules (CMAS) offers a wide variety of commodities, non-IT services, and information technology products and services at prices that have been assessed to be fair, reasonable and competitive. The use of CMAS is optional and available to state and local government agencies.

In May 2019, the Board of Trustees approved the purchase of information technology services for the California Community Colleges from Veridion Security, Inc., per the terms of the CMAS Number 3-18-70-3410B, for the term of July 1, 2019 through June 30, 2020, in the amount not to exceed \$1,162,000.

**Status**

District staff recommends the use of the awarded CMAS Contract Number 3-18-70-3410B, as a source to purchase additional required information technology services from Veridion Security, Inc., during the term July 1, 2019 through June 30, 2020, in the additional amount of \$100,000. District staff has reviewed available leveraged purchasing agreements and other formal purchasing options and found that this CMAS contract best meets the needs of the District.

**Recommendation**

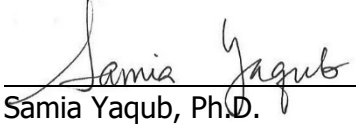
It is recommended that the Board of Trustees approve the purchase of the additional required information technology services from Veridion Security, Inc., utilizing CMAS Contract Number 3-18-70-

3410B, per the terms of the contract, for the term of July 1, 2019 through June 30, 2020, in the additional amount not to exceed \$100,000, contingent upon available funding and contingent upon successful completion of negotiation of terms with the contractor.

It is further recommended that the Board authorize District staff to execute the necessary contract documents related to the purchase of information technology goods and services from Veridion Security, Inc., in accordance with Board Policy 6340 prior to ratification by the Board at a subsequent meeting.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Adoption of the 2020-21 Budget Criteria	<b>Item No:</b> 20-7938 <b>Enclosure:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Category:</b> Finance	<b>Action Regular</b> <input checked="" type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/>
<b>Submitted By:</b> Andrew Suleski Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

Each year the Board of Trustees adopts criteria to be used in the development of the District’s annual budget. The budget document will provide an assessment as to which criteria were or were not accommodated.

**Status**

Proposed changes to the Budget Criteria recommended by the President’s Leadership Team and the Planning & Budget Committee was presented to the Board for information at their December 11, 2019 meeting, and is presented here with additional modifications requested by the Board.

**Recommendation**

It is recommended the Board of Trustees adopt the Budget Criteria for 2020-21.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
BUDGET CRITERIA  
2020-21**

The purposes of the District budget are to provide a) students a high quality, accessible learning-centered education; b) the resources and support needed to deliver effective instruction and services; c) the resources and support to facilitate the teaching-learning process; and d) the means to manage the district in an efficient and cost-effective way.

The criteria listed below are separated into categories that a) reflect philosophy; b) reflect legal, financial or statutory requirements; and c) act as procedural guides. Individual items are not listed in priority order either by category or within each category.

**Philosophy**

We seek to develop a budget that:

- maximizes state apportionment revenue via hold harmless emergency relief funding or actual Student Centered Funding Formula (SCFF) total computational revenue (TCR);
- provides adequate resources for continued improvement of student outcomes and success;
- provides adequate resources and support for high quality, innovative instructional programs and services to students;
- makes reasonable and sound projections for all the District's sources of revenue and student access, equity & success data elements;
- allocates resources to achieve goals established in the District's strategic initiatives and strategic direction as approved by the Board and the Community Colleges System's Vision for Success;
- allocate resources to maximize revenue by optimizing enrollment, supplemental funding and completion;
- improves classroom productivity, i.e., weekly student contact hours per full-time faculty equivalent, to make progress toward meeting the contractual goal of WSCH per FTEF;
- includes funding necessary to implement high priority District and system-wide goals and Board policies;
- increases and/or maintains sufficient levels of institutional effectiveness while becoming more efficient and cost effective;
- secures additional funding to supplement state apportionment and support student access, equity, success and completion;
- maximizes the employment of full-time faculty to provide a robust curriculum and instructional guidance, support and interactions essential to student success and completion and to exceed the annual faculty obligation number;
- makes every reasonable attempt to avoid layoffs and/or hold them to a minimum should layoffs ever be necessary to ensure the long-run viability of the institution;
- works to maintain technological currency and efficiency by updating and replacing equipment;
- continues to fund the District's sustainability efforts such as recycling, solar power generation, and mechanical system improvement in order to reduce the District's cost of utilities if the return on investment is reasonable;
- provides adequate resources to maintain buildings and grounds;
- provides resources to implement recommendations from the accrediting commission and make progress toward implementing accreditation planning agendas identified by the institution; and
- provides flexibility to respond to emergency situations (e.g. 2018 Camp Wildfire).

**Legal, Financial and Statutory Requirements**

We will develop a budget that:

- achieves and maintains at least a five percent (5%) contingency reserve in the General Fund;
- meets the fifty percent (50%) law, i.e., at least 50% of the current expense of education is allocated to instructional salary and benefits;
- provides for staffing levels required by the Board of Governors in relation to Title 5, Division 6, Chapter 4, Subchapter 3, Articles 1 and 2. This statute is designed to ensure that districts are making good faith attempts to achieve the long-term goal that seventy-five percent (75%) of instruction is provided by full-time faculty;
- includes reasonable provisions to cover all known or projected liabilities to the District (e.g., accumulated vacation, sick leave, retiree benefits, etc.); and
- meets all statutory and legally mandated income/expenditure requirements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
BUDGET CRITERIA  
2020-21**

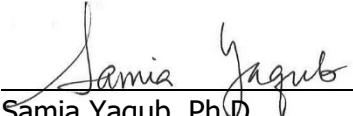
**Procedural Guides**

We will develop a budget that:

- is balanced;
- is based upon planning that reflects both current and long-term District needs and system-wide goals;
- makes steady progress toward correcting structural budget issues (e.g. declining revenue, rising costs, lack of ongoing dollars to cover ongoing expenses, etc.) through budget and enrollment strategies and collective bargaining;
- has had campus community involvement and consideration during preparation;
- includes all contractually negotiated costs and expenses;
- includes all known and projected increases in fixed costs; including step, column and longevity salary increases, medical rate increases and STRS & PERS pension rate increases
- includes salaries and benefits that do not exceed 87% of total unrestricted budgeted expenditures;
- identifies significant but unfunded items not included in the budget;
- highlights unusual items and/or provides information on substantive changes from previous budgets;
- limits annual non-trust transfer-in allocations to the unrestricted general fund of less than 2% per year of the total unrestricted expenditure budget from non-general fund sources;
- limits annual debt service payments by the unrestricted general fund to 5% of the total unrestricted expenditure budget where such funds do not have a matching revenue stream to off-set such costs; and
- creates time specific plans for the full funding of unfunded liabilities/obligations through specific trust funds and reserve accounts.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Acceptance of 2018-19 Independent Audit Report and Measure J Financial and Performance Audit Reports	<b>Item No:</b> 20-7939 <b>Enclosure:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Category:</b> Finance	<b>Action Regular</b> <input checked="" type="checkbox"/> <b>Information Consent</b> <input type="checkbox"/>
<b>Submitted By:</b> Andrew Suleski Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

Education Code Section 84040 requires that the governing board of the district provide an annual audit of all funds, books, and accounts of the district. The annual financial audit prepared by the District’s external contract auditors complies with the California Community Colleges Budget and Accounting Manual, the California Code of Regulations Section 59100, and California Education Code Section 84040.

The primary objectives of the financial audit are: to determine the District’s accountability for revenues, the propriety of expenditures, the extent to which funds have been expended in accordance with prescribed federal and California laws and regulations; to determine whether the District’s financial statements are presented fairly in accordance with generally accepted accounting principles; and to recommend appropriate actions in any areas where internal control or compliance with applicable federal and California laws and regulations could be improved.

Proposition 39 requires that the Governing Board of the District conduct annual independent financial and performance audits of the Measure J general obligation bonds to ensure that bond funds have been expended in compliance with the legal requirements of Proposition 39.

**Status**

The District’s Audit Committee consisting of Trustees Boeger and Krepelka, Dr. Yaqub and Vice Presidents Renville, Stoup and Suleski and Director for Business Services Jim Nicholas met with the District’s auditor, Ben Leavitt, Partner from the audit firm Cossolias, Wilson, Dominguez, Leavitt on January 16, 2020, to review the District’s annual audit report and the Measure J financial and performance audits for the year ended June 30, 2019. The District received an unqualified, “clean”, opinion on the financial statements. There are no current year audit findings. All issues were addressed to the trustees in attendance.

Attached for the Board’s review are the Butte-Glenn Community College District’s Financial Statements and Supplementary Information with Independent Auditors’ Report and Measure J Bond Funds Financial Statements including the Performance Audit report for the year ended June 30, 2019. Members of the public may review the audit report in the Office of the President.

**Recommendation**

It is recommended that the Board accept the Butte-Glenn Community College District's independent audit report and the independent financial and performance audit reports of the Measure J general obligation bonds for the year ending June 30, 2019.

**BUTTE-GLENN  
COMMUNITY COLLEGE DISTRICT**

**OROVILLE, CALIFORNIA**

**AUDIT REPORT**

**FOR THE YEARS ENDED  
JUNE 30, 2019 AND 2018**



**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Butte-Glenn Community College District  
Oroville, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Butte-Glenn Community College District, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Butte-Glenn Community College 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 from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Butte-Glenn Community College District, as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not 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 appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Butte-Glenn Community College District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, which is required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019 on our consideration of the Butte-Glenn Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Butte-Glenn Community College District's internal control over financial reporting and compliance.

*CWDL, Certified Public Accountants*

San Diego, California  
December 30, 2019

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**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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The California Community College system is comprised of 73 districts, 115 colleges. The Butte-Glenn Community College District (the "District") is located an hour and 10 minutes north of Sacramento on a 928 acre wildlife refuge and is a leader in sustainability efforts. The District serves students in both Butte and Glenn counties and consists of one community college located in Oroville, California, a state approved center located in Chico, California, and satellite campuses throughout the bi-county area. The District serves approximately 16,000 full and part-time, credit and non-credit students per semester.

The following discussion and analysis provides an overview of the financial position and activities of the Butte-Glenn Community College District for the years ended June 30, 2019 and 2018. Please read it in conjunction with the financial statements and notes thereto which follow this section. Responsibility for the completeness and accuracy of this information rests with the District's management.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District follows the reporting standards of Governmental Accounting Standards Board (GASB) Statement No. 34, as amended by GASB Statement No. 35. Rather than issuing fund-type financial statements, the District has adopted the Business Type Activity (BTA) model. This model requires the following components be included in the District's financial statements:

- Management's Discussion and Analysis
- Basic financial statements including Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows
- Notes to Financial Statements

Additionally, fund balance is referred to as Net Position, and the Statements of Cash Flows are presented using the direct method.

The basic financial statements are designed to provide readers with a broad overview of the District's finances using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the District's activities.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**OVERVIEW OF THE FINANCIAL STATEMENTS, continued**

The Statements of Net Position present the assets, liabilities, and net position of the District for the fiscal years ended June 30, 2019 and 2018 and are prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private sector organizations. The difference between total assets and total liabilities (net position) is one indicator of the current financial condition of the District, and a way to measure the financial health of the District.

The net position is divided into three major categories. The first category, Net Investment in Capital Assets, represents the equity amount in property, plant, and equipment owned by the District. The second category is Restricted Net Position. This net position is available for expenditure by the District, but must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of the assets. Restrictions can also be enforced through agreements, laws, regulations of creditors, other governmental agencies, imposed bylaws through constitutional provisions, or enabling legislation. The final category is Unrestricted Net Position that is available to the District for any lawful purpose. Although unrestricted, the District's Governing Board may place internal restrictions on this category of net position, but it retains the power to change, remove, or modify such restrictions.

The Statements of Revenues, Expenses, and Changes in Net Position represent the operating results of the District. The purpose of the statements is to present the revenues received by the District, both operating and non-operating, the expenses paid by the District, operating and non-operating, and any other revenues, expenses, gains, and losses. Thus, these statements present the District's results of operations.

Changes in total net position are based on the activities presented in the Statements of Revenues, Expenses, and Changes in Net Position.

Generally, operating revenues are earned for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to fulfill the mission of the District. Non-operating revenues are those received or pledged for which goods and services are not provided. For example, state appropriations are non-operating revenues because they are provided by the State Legislature to the District without the Legislature directly receiving commensurate goods and services for the revenues.

The Statements of Cash Flows provide information about cash receipts and cash payments, sources of cash, and major uses during the fiscal year. These statements also help users assess the District's ability to generate positive cash flows, meet obligations as they become due and evaluate the need for external financing.

The Statements of Cash Flows are divided into five parts. The first part reflects operating cash flows and shows the net cash provided by the operating activities of the District. The second part details cash received for non-operating, non-investing, and non-capital activities of the institution. The third section deals with the cash used for the acquisition and construction of capital and related financing activities. The fourth part provides information from investing activities. This section reflects the cash received and spent for short-term investments and any interest paid or received on those investments. The final section reconciles the net cash from operating activities to the operating loss reflected on the Statements of Revenues, Expenses, and Changes in Net Position. The net cash reconciliation is shown in the expanded version of the Statements of Cash Flows in the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

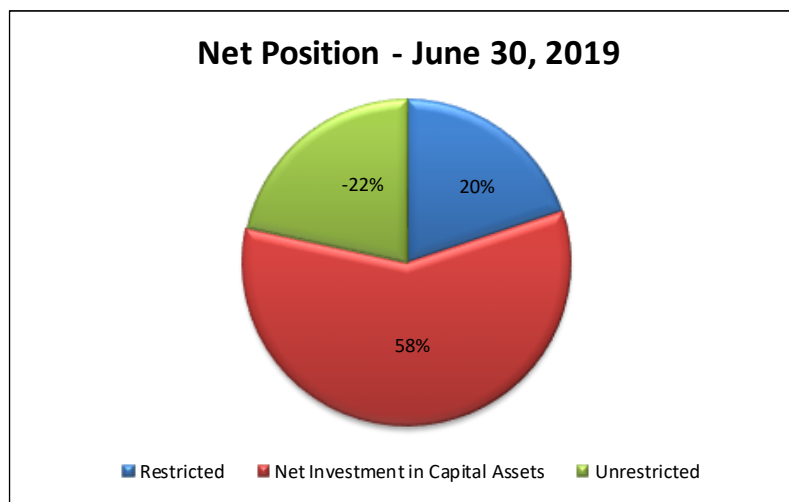
**OVERVIEW OF THE FINANCIAL STATEMENTS, continued**

The Statements of Net Position as of June 30, 2019 and 2018 are summarized below:

	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Total assets	\$ 356,132,460	\$ 354,572,980	\$ 1,559,480
Deferred outflow of resources	24,205,954	26,485,451	(2,279,497)
<b>Total Assets and Deferred Outflows of Resources</b>	<b>380,338,414</b>	<b>381,058,431</b>	<b>(720,017)</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Current liabilities	68,804,781	69,108,064	(303,283)
Non-current liabilities	190,170,532	196,792,491	(6,621,959)
Deferred inflows of resources	6,173,033	8,050,193	(1,877,160)
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>265,148,346</b>	<b>273,950,748</b>	<b>(8,802,402)</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	118,449,294	85,347,234	33,102,060
Restricted	39,984,140	59,410,908	(19,426,768)
Unrestricted	(43,398,176)	(37,650,459)	(5,747,717)
<b>Total Net Position</b>	<b>\$ 115,035,258</b>	<b>\$ 107,107,683</b>	<b>\$ 7,927,575</b>

The District's total assets and deferred outflows of resources decreased \$720 thousand or .19 percent from the previous year. This was primarily due to a decrease in deferred outflows related to subsequent pension contributions offset by an increase in non-current assets related to OPEB as a plan asset in 2018-19.

Total liabilities and deferred inflows of resources decreased \$8.80 million or 3 percent. This is related mainly to decreases the general obligation bonds and the OPEB becoming an asset in 2018-19 compared to a liability in 2017-18. Net Position is reflected by major category below:



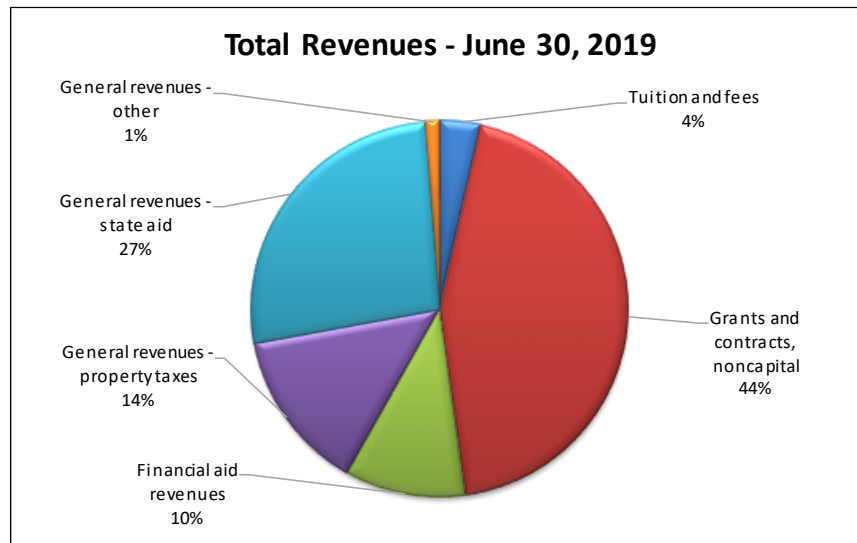
**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS, continued**

The Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2019 and 2018 are summarized below:

	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>REVENUES</b>			
Tuition and fees	\$ 7,338,492	\$ 7,718,097	\$ (379,605)
Grants and contracts, noncapital	92,007,949	84,593,392	7,414,557
Financial aid revenues	21,600,011	22,716,253	(1,116,242)
General revenues - property taxes	28,998,105	28,729,854	268,251
General revenues - state aid	55,455,222	55,519,087	(63,865)
General revenues - other	2,482,700	1,688,990	793,710
<b>Total Revenues</b>	<b>207,882,479</b>	<b>200,965,673</b>	<b>6,916,806</b>
<b>EXPENSES</b>			
Operating expenses	162,746,283	161,638,687	1,107,596
Financial aid disbursement to students	26,338,615	26,418,248	(79,633)
Interest	10,865,959	6,198,719	4,667,240
Other expenses	4,047	137,276	(133,229)
<b>Total Expenses</b>	<b>199,954,904</b>	<b>194,392,930</b>	<b>5,561,974</b>
<b>Change in Net Position</b>	<b>\$ 7,927,575</b>	<b>\$ 6,572,743</b>	<b>\$ 1,354,832</b>

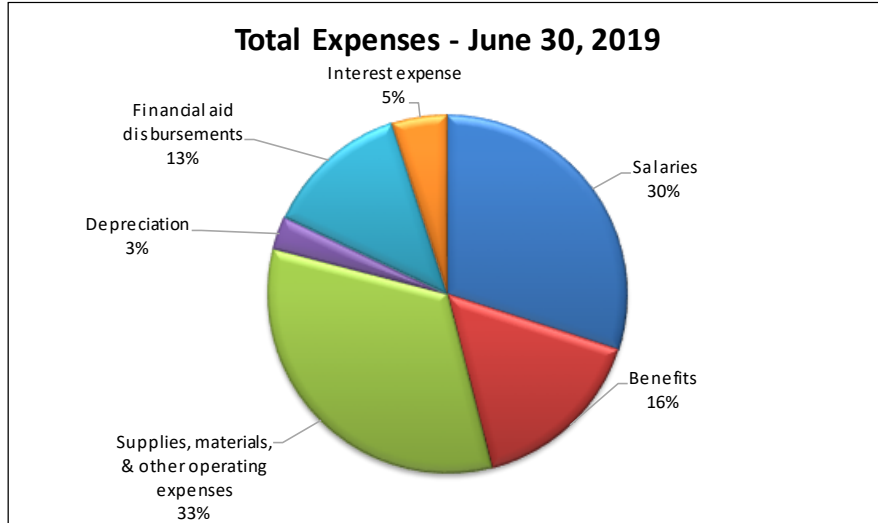
Operating and nonoperating revenues are reflected below:



**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS, continued**

Operating and nonoperating expenses are reflected below:



**District Fiduciary Responsibility**

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs, and donors for student loans and scholarships. The District's fiduciary activities are reported separately in the Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. Net position of fiduciary activities is excluded from the District's net position because the District cannot use fiduciary assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Capital Assets**

As of June 30, 2019, the District had approximately \$298.7 million invested in capital assets prior to accumulated depreciation. Capital assets consist of land and site improvements, buildings and improvements, construction in progress, equipment and vehicles that met the capitalization threshold recommended by GASB Statement No. 35. These assets have accumulated depreciation of \$77.7 million, leaving a net capital asset amount of \$221 million.

Note 5 to the financial statements provides detailed information on capital assets. A summary of capital assets net of accumulated depreciation and changes therein is presented below:

	<b>2019</b>	<b>2018</b>	<b>Change</b>
Capital Assets not being depreciated	\$ 41,858,545	\$ 18,488,635	\$ 23,369,910
Capital Assets being depreciated	256,864,355	254,962,494	1,901,861
Accumulated depreciation	(77,718,462)	(75,707,788)	(2,010,674)
<b>Total Capital Assets</b>	<b>\$ 221,004,438</b>	<b>\$ 197,743,341</b>	<b>\$ 23,261,097</b>

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**OVERVIEW OF THE FINANCIAL STATEMENTS, continued**

**Long-Term liabilities**

As of June 30, 2019, the District had approximately \$109.0 million in bonded debt, \$6.7 million in capital leases, \$81.9 million net pension liability, total other long-term liabilities of \$3.6 million, and a net OPEB asset in 2018-19 of \$1.1 million. This was a decrease of \$6.4 million from the prior year.

Notes 6, 7, and 8 to the financial statements provides detailed information on long-term liabilities. A summary of long-term liabilities and changes therein is presented below:

	<b>2019</b>	<b>2018</b>	<b>Change</b>
General obligation and revenue bonds	\$ 108,993,303	\$ 116,034,595	\$ (7,041,292)
Capital leases	6,741,343	7,642,418	(901,075)
Net OPEB liability (asset)	(1,086,752)	3,127,773	(4,214,525)
Net pension liability	81,938,206	76,086,615	5,851,591
Other long-term liabilities	3,660,240	3,774,138	(113,898)
<b>Total Long-Term Liabilities</b>	<b>\$ 200,246,340</b>	<b>\$ 206,665,539</b>	<b>\$ (6,419,199)</b>

**FINANCIAL HIGHLIGHTS**

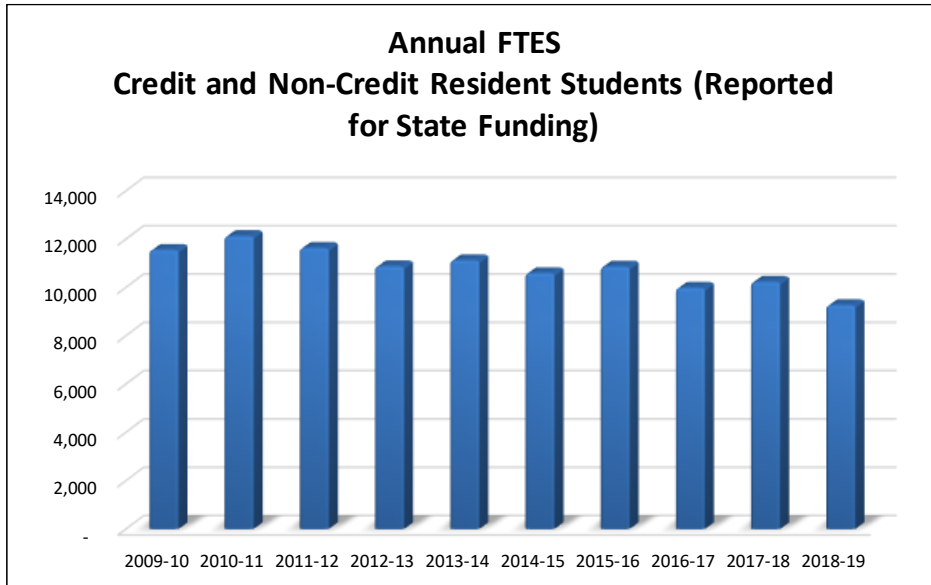
Total net position was \$115.0 million at June 30, 2019. This was an increase of \$7.9 million or 7 percent over the prior year.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**HISTORICAL FULL TIME EQUIVALENT STUDENTS (FTES) TRENDS**

In 2019 and 2018, the District reported 9,412 and 10,383, credit and non-credit resident FTES, respectively. See the below chart for a historical perspective on the changes in FTES over the past 8 fiscal years. The Camp Wildfire in 2018 has had a negative effect on the already softening enrollment trends for the District, however current funding levels have not been reduced due to an agreement with the Chancellor's Office. This agreement holds the District harmless for enrollment declines caused by the fire, and maintains funding at the 2017-18 levels through 2020-21.



**ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE**

On June 27, 2019, Governor Newsom signed the 2019-20 Budget Act, which includes \$214.8 billion in spending. General Fund revenues are estimated at \$146 billion for 2019-20, which is \$4.4 billion (or 3.1%) more than the revised 2018-19 revenues. General Fund appropriations total \$147.8 billion, a \$5.1 billion (3.6%) increase over the revised 2018-19 budget expenditures. The 2019-20 Budget sets the Proposition 98 minimum funding guarantee for K-14 at \$81.1 billion, reflecting a 3.4% increase from the prior-year level of \$78.4 billion.

Growing uncertainty related to the political and economic climates, federal policies, rising costs, and the length of the current economic expansion requires that the Budget be prudent. The current economic expansion is now the longest in post-war history. Responding to slowing economic forecasts and increasing risks of at least a moderate recession on the horizon, the state is continuing to fund the Rainy Day Fund to a target of \$16.5 billion. This is supported by state estimates that even a moderate recession could result in revenue declines of nearly \$70 billion and a budget deficit of \$40 billion over three years.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE, continued**

The 2019-20 budget amended the implementation supporting the Student Centered Funding Formula to create longer-term stability and clarify desired outcomes. The original model, where in 2019-20, distributions were to be tied to a 65/20/15 percent based model, and further step-downs to ratios of 60/20/20 in 2020-21, has been removed. 2019-20 will now emulate the 2018-19 rates where 70 percent of funding will be distributed based on enrollment, 20 percent based on enrollment of low-income students, and 10 percent based on student success metrics. The 2020-21 model has been amended to reflect the 70/20/10 split with growth added to reflect cost of living adjustments (COLA).

The formula has also amended the hold harmless provision included in the original plan. Districts will receive at least the funding levels received in 2017-18 through 2021-22, with adjustments to reflect cost-of-living adjustments. Beyond this point, districts will receive apportionment funding based on formula rates established for that year.

Significant features with respect to community college ongoing education funding for 2019-20 include the following:

- Student-Focused Funding Formula increase of \$254.7 million Proposition 98 General Fund to support the student-focused funding formula, which includes the following:
  - o An increase of \$230 million for a 3.26-percent cost-of-living adjustment for total apportionment growth.
  - o An increase of \$24.7 million for enrollment growth of 0.55 percent.
- California College Promise - \$42.6 million ongoing Proposition 98 General Fund to support a second year of free tuition for students. This is a continuation of the California College Promise, created in 2018 which waives enrollment fees for first-time, full-time students.
- Calbright College – Maintained \$20 million ongoing Proposition 98 General Fund annual operating funds for expenses tied to the California community online college.
- Rapid Rehousing - \$9 million of ongoing Proposition 98 General Fund supporting community college students who are homeless or housing insecure. This funding will provide resources as well as grants to secure or prevent the loss of housing.
- Veterans Resource Center – An ongoing increase of \$5 million of ongoing Proposition 98 General Fund to augment existing allocations which establish and enhance community college veterans resource centers.

Prominent one-time funding projects in 2019-20 include:

- Deferred Maintenance and Instructional Equipment – One-time increase of \$13.5 million Proposition 98 settle-up for deferred maintenance, instructional equipment, and water conservation projects.
- Workforce Development Programs - One-time increase of \$4.75 million Proposition 98 settle-up to support workforce development program improvements at specified colleges.
- Student Basic Needs Program – One-time increase of \$3.9 million Proposition 98 settle-up to address student basic needs, including housing and food insecurity.
- Foster Care Education Program – One-time \$400,000 Proposition 98 General Fund to maintain current funding levels for foster and relative or kinship care education and training. This is necessary due to projected decreases of federal matching funds.
- One-time increase of \$7 million Proposition 63 Funds to collaborate with county behavioral health departments to establish or improve access to mental health services and early identification or intervention programs.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE, continued**

The State is also re-focusing on facilities. The budget contains \$535 million in general obligation funds to support 39 new and 20 continuing facilities related funds. This is part of the ongoing roll out of the \$2 billion Proposition 51 voter approved bond funds. And is focused on critical campus fire and life safety issues.

On November 8, 2016, electors of the District approved issuing \$190 million of General Obligation Bonds for the purpose of constructing and upgrading buildings, infrastructure and classrooms for instructional and student service programs. The debt service for these bonds will not come from the District's general fund, but will be paid for by taxes levied on assessed values of properties in Butte and Glenn counties.

In April, 2017, the District issued the first series of bonds, totaling \$42 million. One of the bond projects tied to this first issuance is the construction of a new \$23 million welding facility that will double the capacity of the program and allow the necessary space to meet the needs of local manufacturers. In July, 2019, the District issued the second series of bonds, totaling \$49.5 million to finance the remodel of the technology building, technology upgrades, and the planning and construction of the new Science building.

By 2024, the District plans to issue a third series of bonds to continue constructing and upgrading buildings, infrastructure and classrooms for instructional and student service programs. On November 8, 2018 at approximately 6:33 a.m., a wildfire started at Camp Creek Road in Butte County that would eventually destroy 13,972 residences, 528 commercial and 4,293 other buildings. The potential decrease in assessed value from this event is still being evaluated, but based on 2019/20 tax rates, it is projected that there is enough room to absorb a tax rate increase for another issuance.

The District provides other postemployment benefits (OPEB) to its retirees. In March 2010, the District joined the California Employers' Retiree Benefit Trust (CERBT) to establish an irrevocable trust for its other postemployment benefits. According to the 2018 actuarial roll-forward calculation, \$29.1 million is required to be accumulated to fund this liability. The account balance in the trust as of June 30, 2018, was \$30.2 million, fully funding the actuarial liability for retiree medical benefits. In addition to the CERBT, the District has set aside another \$2.5 million in a retiree benefits fund with the county treasurer. These funds are not in an irrevocable trust but have been earmarked for OPEB.

**Future Budgets and Actions.** The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. The District feels confident that it has the fiscal strength and reserves to be able to absorb future adjustments to state apportionment funding due to fluctuations in enrollment and fixed cost increases. Prudent fiscal management practices will remain in place to ensure the District has adequate reserves to sustain operations and benefit students.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, you may contact the Director of Business Services, at Butte-Glenn Community College District, 3536 Butte Campus Drive, Oroville, CA 95965.

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# **FINANCIAL SECTION**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 117,783,122	\$ 138,635,393
Accounts receivable, net	15,026,011	16,904,842
Inventory	137,709	325,396
Due from fiduciary funds, net	13,941	17,175
Prepaid expenditures and other assets	1,080,487	946,833
Total Current Assets	<u>134,041,270</u>	<u>156,829,639</u>
Noncurrent Assets:		
Net OPEB asset	1,086,752	-
Capital assets, net	221,004,438	197,743,341
Total Noncurrent Assets	<u>222,091,190</u>	<u>197,743,341</u>
<b>TOTAL ASSETS</b>	<u>356,132,460</u>	<u>354,572,980</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	1,772,213	1,933,323
Deferred outflows - OPEB	-	2,777,203
Deferred outflows - pensions	22,433,741	21,774,925
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 380,338,414</u>	<u>\$ 381,058,431</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 13,543,795	\$ 11,388,327
Unearned revenue	44,098,426	47,846,689
Compensated absences, current portion	3,382,560	1,414,039
Long-term debt, current portion	7,780,000	8,459,009
Total Current Liabilities	<u>68,804,781</u>	<u>69,108,064</u>
Noncurrent Liabilities:		
Compensated absences	-	2,028,524
Net OPEB liability	-	3,127,773
Net pension liability	81,938,206	76,086,615
Long-term debt, non-current portion	108,232,326	115,549,579
Total Noncurrent Liabilities	<u>190,170,532</u>	<u>196,792,491</u>
<b>TOTAL LIABILITIES</b>	<u>258,975,313</u>	<u>265,900,555</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - OPEB	154,810	-
Deferred inflows - pensions	6,173,033	8,050,193
<b>NET POSITION</b>		
Net investment in capital assets	118,449,294	85,347,234
Restricted for:		
Debt service	23,590,459	21,562,217
Capital projects	13,324,906	35,654,706
Other special purposes	3,068,775	2,193,985
Unrestricted	(43,398,176)	(37,650,459)
<b>TOTAL NET POSITION</b>	<u>115,035,258</u>	<u>107,107,683</u>

See accompanying notes to the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 14,213,159	\$ 14,374,569
Less: Scholarship discounts and allowances	(6,874,667)	(6,656,472)
Net tuition and fees	<u>7,338,492</u>	<u>7,718,097</u>
Grants and contracts, noncapital:		
Federal	2,037,907	1,878,243
State	84,754,494	78,058,085
Local	1,681,244	736,234
Auxiliary enterprise sales and charges	3,534,304	3,920,830
<b>TOTAL OPERATING REVENUES</b>	<u>99,346,441</u>	<u>92,311,489</u>
<b>OPERATING EXPENSES</b>		
Salaries	59,009,734	54,738,030
Employee benefits	31,774,650	28,593,993
Supplies, materials, and other operating expenses and services	65,919,048	72,564,110
Student aid	26,338,615	26,418,248
Depreciation	6,042,851	5,742,554
<b>TOTAL OPERATING EXPENSES</b>	<u>189,084,898</u>	<u>188,056,935</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(89,738,457)</u>	<u>(95,745,446)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State apportionments, noncapital	35,924,990	40,372,031
Local property taxes	22,875,080	22,742,999
State taxes and other revenues	14,841,319	13,013,781
Federal student aid revenue	21,600,011	22,716,253
Investment income - noncapital	2,432,393	1,620,219
Interest expense on capital asset-related debt	(10,865,959)	(6,198,719)
Gain (loss) on disposal of fixed assets	(4,047)	(137,276)
Other non-operating revenues	4,688,913	2,133,275
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>91,492,700</u>	<u>96,262,563</u>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	<u>1,754,243</u>	<u>517,117</u>
State apportionments, capital	50,307	68,771
Local property taxes and revenues, capital	<u>6,123,025</u>	<u>5,986,855</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>7,927,575</u>	<u>6,572,743</u>
<b>NET POSITION -- BEGINNING OF YEAR</b>	<u>107,107,683</u>	<u>117,212,286</u>
<b>PRIOR YEAR ADJUSTMENT</b>	-	(16,677,346)
<b>NET POSITION -- END OF YEAR</b>	<u>\$ 115,035,258</u>	<u>\$ 107,107,683</u>

See accompanying notes to the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 7,338,492	\$ 7,718,097
Grants and contracts	86,604,213	117,736,190
Payments to or on behalf of employees	(88,811,284)	(80,526,326)
Payments to vendors for supplies and services	(66,293,849)	(76,785,686)
Payments to students	(26,335,381)	(26,419,302)
Auxiliary enterprise sales and charges	3,534,304	3,920,830
Net Cash Used by Operating Activities	<u>(83,963,505)</u>	<u>(54,356,197)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
State apportionments	35,924,990	40,372,031
Property taxes	22,875,080	22,742,999
State taxes and other revenues	14,841,319	13,013,781
Financial aid revenues	21,600,011	22,716,253
Other nonoperating	4,688,913	2,133,275
Net Cash Provided by Non-capital Financing Activities	<u>99,930,313</u>	<u>100,978,339</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(29,303,948)	(12,422,882)
Local property tax, capital projects	6,173,332	6,055,626
Loss on disposal of capital assets	(4,047)	(137,276)
Principal paid on capital debt	(7,044,970)	(1,624,500)
Interest paid on capital debt	(9,071,839)	(6,444,635)
Net Cash Provided (Used) by Capital Financing Activities	<u>(39,251,472)</u>	<u>(14,573,667)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	2,432,393	1,620,219
Net Cash Provided by Investing Activities	<u>2,432,393</u>	<u>1,620,219</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<u>(20,852,271)</u>	<u>33,668,694</u>
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>138,635,393</u>	<u>104,966,699</u>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 117,783,122</u>	<u>\$ 138,635,393</u>

See accompanying notes to the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (89,738,457)	\$ (95,745,446)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation expense	6,042,851	5,742,554
Changes in Assets and Liabilities:		
Receivables, net	1,882,065	19,156,671
Inventory	187,687	(25,978)
Prepaid items	(133,654)	(774,752)
Net OPEB liability (asset)	(4,214,525)	541,314
Deferred outflows of resources	2,118,387	(10,951,646)
Accounts payable and accrued liabilities	(428,834)	(3,420,846)
Deferred revenue	(3,748,263)	17,905,903
Net pension liability	5,851,591	11,087,453
Compensated absences	(60,003)	273,517
Deferred inflows of resources	(1,722,350)	1,855,059
Total Adjustments	5,774,952	41,389,249
<b>Net Cash Flows From Operating Activities</b>	<b>\$ (83,963,505)</b>	<b>\$ (54,356,197)</b>

See accompanying notes to the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 STATEMENTS OF NET ASSETS – COMPONENT UNIT – FOUNDATION  
 JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 762,519	\$ 581,840
Investments - current	923,606	870,584
<b>Other Assets</b>		
Investments - noncurrent	4,449,861	4,202,616
Contributions receivable	75,000	75,000
Assets held by others	46,482	46,144
Prepaid expense	3,500	-
<b>Total Assets</b>	<u>6,260,968</u>	<u>5,776,184</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	228,987	62,371
Amounts held for pass-through donors	277,091	112,579
Depository liability	549,815	502,559
<b>Total Liabilities</b>	<u>1,055,893</u>	<u>677,509</u>
<b>NET ASSETS</b>		
Without donor restriction	441,263	520,029
With donor restriction	4,763,812	4,578,646
<b>Total Net Assets</b>	<u>5,205,075</u>	<u>5,098,675</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 6,260,968</u>	<u>\$ 5,776,184</u>

See accompanying notes to the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF ACTIVITIES – COMPONENT UNIT - FOUNDATION  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>Net Assets Without Donor Restriction</b>	<b>Net Assets With Donor Restriction</b>	<b>2019 Total</b>	<b>2018 Total</b>
<b>SUPPORT AND REVENUES</b>				
Contributions:				
Public support	\$ 3,811	\$ 851,152	\$ 854,963	\$ 319,931
Value of services provided by Butte- Glenn	-	-	-	321,473
Endowment fund contributions	-	135,180	135,180	1,568,525
Special events revenue:				
Spring Gala	147,042	-	147,042	104,395
Other special events revenue	262,331	-	262,331	-
Other revenues, gains, and support:				
Investment return - net of investment fees	55,214	321,513	376,727	86,116
Other revenues	-	224,106	224,106	577,796
Net assets released from restrictions	1,346,785	(1,346,785)	-	-
<b>Total Support and Revenues after Net Assets Released from Restriction</b>	<b>1,815,183</b>	<b>185,166</b>	<b>2,000,349</b>	<b>2,978,236</b>
<b>OPERATING EXPENSES</b>				
Program services:				
Scholarships	393,798	-	393,798	544,693
Programs and grants	788,474	-	788,474	252,213
Transfers to related party	164,513	-	164,513	-
Supporting services:				
Management and general	293,121	-	293,121	160,076
Management and general in-kind	225,000	-	225,000	321,473
Spring Gala expenses	29,043	-	29,043	26,532
<b>Total Operating Expenses</b>	<b>1,893,949</b>	<b>-</b>	<b>1,893,949</b>	<b>1,304,987</b>
<b>CHANGE IN NET ASSETS</b>	<b>(78,766)</b>	<b>185,166</b>	<b>106,400</b>	<b>1,673,249</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>520,029</b>	<b>4,578,646</b>	<b>5,098,675</b>	<b>3,430,101</b>
<b>RESTATEMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,675)</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 441,263</b>	<b>\$ 4,763,812</b>	<b>\$ 5,205,075</b>	<b>\$ 5,098,675</b>

See accompanying notes to the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS – COMPONENT UNIT – FOUNDATION  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 106,400	\$ 1,673,249
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Total investment return - net of investment fees	(300,267)	(86,116)
Changes in:		
Assets held by others	(338)	9,350
Contributions receivable	-	1,352
Prepaid expense	(3,500)	-
Accounts payable	166,616	62,371
Amounts held for pass-through donors	164,512	-
Depository liability	47,256	39,954
<b>Net Cash Used by Operating Activities</b>	<u>180,679</u>	<u>1,700,160</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(2,849,331)	(3,684,729)
Proceeds from the sale of investments	2,849,331	2,425,247
<b>Net Cash Provided by Investing Activities</b>	<u>-</u>	<u>(1,259,482)</u>
Net increase (decrease) in cash and cash equivalents	180,679	440,678
<b>Cash and Cash Equivalents - Beginning of Year</b>	581,840	141,162
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 762,519</u>	<u>\$ 581,840</u>

See accompanying notes to the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**STATEMENTS OF NET POSITION – FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	Associated Students	Student Representation Fee Trust	Scholarship and Loan Fund	Other Trust and Agency	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 413,677	\$ 75,772	\$ 48,616	\$ 118,606	\$ 656,671
Accounts receivable, net	1,806	308	-	1,043	3,157
Prepaid Assets	41	-	-	-	41
<b>Total Assets</b>	<b>415,524</b>	<b>76,080</b>	<b>48,616</b>	<b>119,649</b>	<b>659,869</b>
<b>LIABILITIES</b>					
Accounts payable	2,146	18,803	-	58,773	79,722
Deferred revenue	-	1,504	-	-	1,504
Due to other funds	13,944	-	-	-	13,944
<b>Total Liabilities</b>	<b>16,090</b>	<b>20,307</b>	<b>-</b>	<b>58,773</b>	<b>95,170</b>
<b>NET POSITION</b>					
Held in Trust for Student Groups	399,434	55,773	-	-	455,207
Unrestricted (deficit)	-	-	48,616	60,876	109,492
<b>Total Net Position</b>	<b>\$ 399,434</b>	<b>\$ 55,773</b>	<b>\$ 48,616</b>	<b>\$ 60,876</b>	<b>\$ 564,699</b>

See accompanying notes to the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**STATEMENTS OF CHANGES IN NET POSITION – FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Associated Students	Student Representation Fee Trust	Scholarship and Loan Fund	Other Trust and Agency	Total
<b>OPERATING REVENUES:</b>					
Local revenue	\$ 326,777	\$ 38,855	\$ -	\$ 31,132	\$ 396,764
<b>Total Operating Revenues</b>	<b>326,777</b>	<b>38,855</b>	<b>-</b>	<b>31,132</b>	<b>396,764</b>
<b>OPERATING EXPENSES:</b>					
Salaries	93,355	-	-	-	93,355
Employee benefits	29,964	-	-	-	29,964
Supplies, materials, and other outgo	136,447	32,697	-	32,303	201,447
<b>Total Operating Expenses</b>	<b>259,766</b>	<b>32,697</b>	<b>-</b>	<b>32,303</b>	<b>324,766</b>
<b>Net Change in Net Position</b>	<b>67,011</b>	<b>6,158</b>	<b>-</b>	<b>(1,171)</b>	<b>71,998</b>
<b>NET POSITION:</b>					
<b>Beginning of Year</b>	332,423	49,615	48,616	62,047	492,701
<b>End of Year</b>	<b>\$ 399,434</b>	<b>\$ 55,773</b>	<b>\$ 48,616</b>	<b>\$ 60,876</b>	<b>\$ 564,699</b>

See accompanying notes to the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 1 – ORGANIZATION**

The Butte-Glenn Community College District (the "District") is a political subdivision of the State of California and is governed by an elected seven-member Board of Trustees. The District provides educational services to the local residents of the surrounding area. The District consists of one community college located in Oroville, California, a state approved center located in Chico, California, and satellite campuses throughout the bi-county area.

**Financial Reporting Entity**

The District has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles and GASB Statement No. 14 and Statement No. 39. The basic, but not the only criterion for including a potential component unit within the reporting entity is the Board of Trustees' ability to exercise oversight responsibility. A second criterion used in evaluating potential component units is the scope of public service. A third criterion used to evaluate potential component units is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

For financial reporting purposes, the District includes all funds, agencies, and authorities that are controlled by or are dependent on the District's executive and legislative branches. Control by or dependence on the District was determined on the basis of budget adoption, taxing, authority, outstanding debt secured by revenues or general obligations of the District, obligations of the District to finance any deficits that may occur, or receipt of significant subsidies from the District.

As a result, the financial statements of the District include the financial activities of the District and the combined totals of the trust and agency funds, which represent the various scholarships and student organizations within the District.

The District and the Butte Community College Foundation (the "Foundation") have financial and operational relationships that require analysis to determine whether the Foundation meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) for inclusion as a component unit of the District. After analysis, the Foundation was determined to have met these criteria. Accordingly, the financial activities of the Foundation have been included in the financial statements of the District. The separately audited financial statements of the Foundation may be obtained from the District.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 1 – ORGANIZATION, continued**

**Financial Reporting Entity, continued**

The following are those aspects of the relationship between the District and the component unit that satisfies the GASB:

*Scope of Public Service:* The Foundation is a nonprofit, public benefit corporation incorporated under the laws of the State of California, and the Foundation was formed to promote and assist the educational services of the District.

*Discrete Presentation:* For financial presentation purposes, the financial activities of the Foundation have been discretely presented with the financial activities of the District.

**Joint Powers Agencies and Public Entity Risk Pools**

The District is associated with five joint powers agencies (JPAs). These organizations do not meet the criteria for inclusion as component units of the District. The JPAs are the Northern California Community Colleges Self-Insurance Authority (NCCCSIA), the Statewide Association of Community Colleges (SWACC), the Schools Association for Excess Risk (SAFER), the Protected Insurance Program for Schools (PIPS), and the Butte Schools Self-funded Program (BSSP). See Note 9 for more information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37 and No. 38. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency and intra-fund transactions have been eliminated.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place and amounts are available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include state apportionments, property taxes, certain grants, entitlements, and donations. Revenue from state apportionments is generally recognized in the fiscal year in which it is apportioned from the state. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to colleges and universities, as well as those prescribed by the California Community Colleges Chancellor's Office.

The District reports are based on all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, now codified in the FASB Accounting Standards Codification, unless those pronouncements conflict with or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The budgetary and financial accounts of the District are maintained in accordance with the State Chancellor's Office Budget and Accounting Manual.

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

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

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and all highly liquid investments with an original maturity of three months or less. Cash equivalents also include cash with county treasury balances.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair market value. Fair market value is estimated based on published market prices at year-end. Investments for which there are no quoted market prices are not material.

**Accounts Receivable - net**

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of California. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursements of allowable expenditures made pursuant to the District's grants and contracts. The District utilizes the allowance method with respect to its accounts receivable. The allowance was \$4,159,696 and \$3,819,349 at June 30, 2019 and 2018, respectively.

**Prepaid Expenditures**

Prepaid expenditures or expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

**Inventory**

Inventory, primarily bookstore merchandise, is carried at the lower of cost or market using the first-in, first-out (FIFO) method.

**Capital Assets and Depreciation**

Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings and improvements, vehicles, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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. Major outlays for capital improvements are capitalized as construction-in-progress as the projects are constructed. Routine repairs and maintenance that do not extend the life of the building or equipment are charged as operating expenses in the year the expense is incurred.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements, 20 to 65 years; equipment, 5 to 20 years; library books, 5 years; technology equipment, 5 years. Land and construction in progress are considered nondepreciable capital assets; therefore, no depreciation is computed.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Accrued Liabilities and Long-Term Obligations**

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

**Deferred Insurance Costs, Premiums, and Discounts**

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. In accordance with GASB Statement No. 65, underwriters' discounts are expensed when incurred.

**Deferred Loss on Refunding**

The deferred loss on refunding is amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective-interest method. Amortization expense was \$161,110 for both the fiscal years ended June 30, 2019 and 2018, and was reported as part of interest expense in the statement of revenues, expenses, and changes in net position in accordance with GASB Statement No. 65.

**Deferred Revenue**

Deferred revenue includes advances from grantors and advances from students. Advances from grantors include amounts received from grant and contract sponsors that have not yet been earned. Advances from students include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year that relate to the subsequent accounting period.

**Compensated Absences**

Compensated absence costs are accrued when earned by employees. Accumulated and vested unpaid employee vacation benefits and compensatory time are recognized as liabilities of the District as the benefits are earned. The District has a load banking program for eligible faculty employees whereby the employee may accrue overload service toward paid leave.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

**Long-Term Liabilities**

Bond premiums and discounts are amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**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.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditures) until then. The District has two items that qualify for reporting in this category, which are the deferred loss on refunding and deferred pension contributions. A deferred loss 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 shortened life of the refunded or refunding debt. The deferred pension activity will be recognized as pension expense in subsequent periods.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has reported deferred inflows related to pensions including differences between projected and actual earnings on plan investments, differences between expected and actual experience, and changes in assumptions.

**Net Position**

Net position represents the difference between total assets and deferred outflows of resources, less liabilities. The District's net position is classified as follows:

**Net investment in Capital Assets** – Represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

**Restricted Net Position** – Includes resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

**Unrestricted Net Position** – Represents resources derived from student tuition and fees, state apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources and then towards unrestricted resources.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Classification of Revenues**

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

**Operating revenues** – Operating revenues include activities that have the characteristics of exchange transactions, such as, (1) student tuition and fees, net of scholarship discounts and allowances, (2) internal service – self-insurance charges, (3) most federal, state, and local grants and contracts, and (4) interest on institutional student loans.

**Nonoperating revenues** – Activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues, such as: (1) state appropriations; (2) investment income; and (3) federal and state financial aid, scholarship, and loan trust receipts, according to GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*; and GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*.

**Scholarship Discounts and Allowances**

Scholarship Discounts and Allowances Student tuition and fee revenues are reported net of scholarship discounts and allowances in the statements of revenues, expenses and changes in net position. The District offers Board of Governors’ Waivers (BOGW) to qualified students, and these tuition waivers are reported as scholarship discounts.

Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as nonoperating revenues (financial aid revenues) and nonoperating expenses in the District’s financial statements.

**Risk Management**

The District retains risk for liability and property damage on the first \$1,000 of each claim. The District retains no risk for liability or workers’ compensation claims, and coverage is provided by pooled insurance as a member of a joint powers authority.

Certain property damage coverage in excess of \$1,000,000 and up to \$250,000,000 and certain liability coverage in excess of \$1,000,000 and up to \$25,000,000 is provided by pooled insurance as a member of a joint powers authority of California community colleges and school districts.

**Estimates Used in Financial Reporting**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements as well as revenues and expenses during the reporting period. Actual results could differ from those estimates. The District’s largest sources of revenues are enrollment fees, grants and contracts from federal, state and local agencies, state revenues and property taxes. Each of these revenue types is subject to some estimation at the date of the financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Budget and Budgetary Accounting**

By state law, the District's governing board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15th of each year. A hearing must be conducted for public comments prior to adoption. The District's governing board satisfied these requirements.

The budget is revised during the year to incorporate categorical funds that are awarded during the year and miscellaneous changes to the spending plans. The District's governing board approves revisions to the budget.

**State Apportionments**

Certain current-year apportionments from the State are based on various financial and statistical information of the previous year as well as State budgets and other factors outside the District's control. In February, subsequent to the year end, the State performs a recalculation based on actual financial and statistical information for the year just completed. The District's policy is to estimate the recalculation correction to apportionment, if any, based on factors it can reasonably determine such as local property tax revenue received and reductions in full-time equivalent students (FTES). Any additional corrections determined by the State are recorded in the year computed by the State.

**On-Behalf Payments**

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, 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 expenditure by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers Retirement Systems (STRS) and Public Employees Retirement Systems (PERS) on behalf of all Community Colleges in California. This amount has been reflected in the basic financial statements as a component of other state revenue and employee benefit expense.

**Estimates**

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

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**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 and become delinquent if paid after December 10th and April 10th. Unsecured property taxes are payable in one installment on or before August 31st. The respective counties bill and collect the taxes for the District.

**Property Taxes, continued**

Secured property taxes are recorded as revenue when apportioned in the fiscal year of the levy. The counties apportion secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1st of each year.

**Reclassifications**

Certain reclassifications have been made to prior-year amounts to conform with current-year presentation.

**Interfund Activity**

Exchange transactions between funds of the District are reported as revenues and expenses within the statement of Revenues, Expenses, and Changes in Net Position. Flows of cash or goods from one fund to another without a requirement for repayment are recognized as interfund transfers within the District's fund financial statements. Amounts owing between funds for both exchange and non-exchange transactions are recorded as interfund receivables and payables within the District's fund financial statements. Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the entity-wide financial statements.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**New Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations.

**GASB Statement No. 83** – Certain Asset Retirement Obligations. The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations. The Statement is effective for periods beginning after June 15, 2018. The District has implemented GASB Statement No. 83 as of June 30, 2019.

**GASB Statement No. 84** – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement is effective for periods beginning after December 15, 2018. The District has not determined the impact as of June 30, 2019.

**GASB Statement No. 87** – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement is effective for periods beginning after December 15, 2019. The District has not determined the impact as of June 30, 2019.

**GASB Statement No. 88** – Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarified which liabilities government should include when disclosing information related to debt. The Statement is effective for periods beginning after June 15, 2018. The District has implemented GASB Statement No. 88 as of June 30, 2019.

**GASB Statement No. 89** – Accounting for Interest Cost Incurred before the End of a Construction Period - Interest cost incurred before the end of a construction period will be expensed rather than included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The District has implemented GASB Statement No. 89 as of June 30, 2019.

**GASB Statement No. 90** – Accounting for Interest Cost Incurred before the End of a Construction Period. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for periods beginning after December 15, 2018. The District has not determined the impact as of June 30, 2019.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION**

The Foundation is an auxiliary organization of the District. The purpose of the Foundation is to accumulate funds to award scholarships and loans to assist students within Butte and Glenn counties while attending the District, and for designated projects. A substantial portion of the Foundation's revenue is from community donations.

**New Accounting Pronouncement**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for Profit Entities whereby significant changes were proposed in seven areas: net asset classes, liquidity and availability of resources, classification and disclosure of underwater endowment funds, expense reporting, statement of cash flows, investment return, and release of restrictions on capital assets. The amendments in ASU No. 2016-14 are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The Foundation has implemented the changes to the financial statements.

The new standard changes the following aspects of the Auxiliary's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been predominantly combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been transferred into net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 3).

**Basis of Presentation and Accounting**

These financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net position and transactions into the following categories:

- Net assets without donor restrictions are those resources that are currently available for operations.
- Net assets with donor restrictions are those resources which are stipulated by donors for various scholarships or other programmatic uses

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued**

**Income Taxes**

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Foundation has been classified as an organization that is not a private foundation under Section 509(a)(2). The Foundation has not entered into any activities that would jeopardize its tax-exempt status. Accordingly, no provision for income taxes is required.

The Foundation files exempt organization returns in the U.S. federal and California jurisdictions. The federal returns for tax years 2009 and beyond, and the California returns for tax years 2008 and beyond, remain subject to examination by the taxing authorities.

The Foundation accounts for income taxes in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes, which clarifies the accounting for uncertainty in income taxes and how an uncertain tax position is recognized in financial statements. The Foundation analyzes tax positions taken in previously filed returns and tax positions expected to be taken in future returns. Based on this analysis, a liability is recorded if uncertain tax benefits have been received. The Foundation's practice is to recognize interest and penalties, if any, related to uncertain tax positions as tax expense. There were no uncertain tax positions identified or related interest and penalties recorded as of June 30, 2019, and the Foundation does not expect this to change significantly over the next 12 months.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash in bank and short-term investments with a maturity, at date of purchase, of three months or less. At times, the account balances at a financial institution may exceed the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit; and as a result, there is a concentration of credit risk related to amounts in excess of FDIC insurance coverage. Cash and short-term investments held in a bank money market account are reported as investments instead of cash because the Foundation holds those funds as an endowment.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued**

**Investments**

The Foundation invests in bond and equity mutual funds and certificates of deposits. Investments are reported at fair value based on quoted market prices with realized and unrealized gains or losses reported in the statement of activities.

**Accounts Receivable**

The Foundation utilizes the allowance method of accounting for uncollectible accounts receivable. No allowance was necessary at June 30, 2019 and 2018, respectively. There was no bad debt expense at June 30, 2019 and 2018.

**Assets Held by Others**

The Foundation transfers funds to the Foundation for California Community Colleges (FCCC) in accordance with a partnership agreement dated March 2009 with the California Community Colleges Scholarship Endowment (the Endowment). The endowment began in May 2008 with an initial \$25 million gift from the Bernard Osher Foundation (Osher). Under the agreement, the California Community Colleges and FCCC had until June 2011 to raise \$50 million, for which Osher would provide a 50% match up to \$25 million. The Foundation estimates that it will receive an annual distribution of 5% to be used for scholarships in accordance with the agreement. The FCCC retains control over the distributions, and the Foundation has no control or access to the principal; therefore, the matching portion of the endowment is not recorded on the Foundation's financial statements. These funds are recorded as permanently restricted assets. At June 30, 2019 and 2018, the amount contributed to the FCCC and its investment earnings net of scholarship distributions totaled \$46,482 and \$46,144, respectively.

**Depository Liabilities**

The Foundation administers funds for the District and District sanctioned clubs as well as individuals and entities that desire to benefit the District. Depository liabilities represent the amount of these funds held.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued**

**Fair Value Measurements**

The Foundation accounts for certain assets and liabilities in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures. FASB ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosures about fair value measurement.

The Foundation classifies its fair value assets and liabilities into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine fair value. The asset or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement.

Valuations within the hierarchy levels are based upon the following:

**Level 1** - Quoted market prices for identical instruments traded in active exchange markets.

**Level 2** - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

**Level 3** - Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Foundation's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management's judgment and estimation which may be significant.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the fiscal years ended June 30, 2019 and 2018.

**Mutual Funds** - Each investor in the mutual fund will typically receive units of participation in the mutual fund. These units are valued daily, based on the underlying securities owned by the mutual fund.

**Pooled Income Fund** - Each income beneficiary in the pooled income fund is assigned units based on the fair market value of the assets at the time they are transferred to the trustee. Shares in the fund are valued daily based on the underlying securities owned. The fund is primarily made up of fixed income funds and equity securities.

**Annuities** - Valued at contract value which included an adjustment for the time value of money, interest rate and future value.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued**

**Endowment Investment and Spending Policy**

The Foundation's endowment consists of approximately 105 individual donor-restricted funds, the majority of which are established for scholarships, with approximately four established for other specified purposes benefiting the District. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as enacted by the State of California, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Foundation classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

**Investment Return Objectives, Risk Parameters, and Strategies** - The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return, over time, of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

**Spending Policy** - The Foundation has a policy of appropriating for distribution the amount of funds needed to finance current-year scholarship distributions. In establishing this policy, the Foundation considers the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 2% annually, which is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued**

**Related Entity**

The District provides office space and administrative services for the Foundation. Certain services are not reflected in these statements since they are not susceptible to an objective measurement or valuation. Services susceptible to measurement have been recorded and amounted to \$225,000 and \$321,473 for the fiscal years ended June 30, 2019 and 2018, respectively. These services relate to District employees whose time benefits the Foundation.

**Contributions**

The Foundation recognizes contributions from unconditional promises to give when such promises are made if the amounts can be reasonably determined. The contribution receivable of \$75,000 is a beneficial interest in an irrevocable family trust. The amount is estimated to be collected within ten years. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions are available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give that are to be received in future years are discounted at the Foundation's risk-free rate of return.

**Donated Assets**

Donated marketable securities and other noncash donations (gift annuities) are recorded as contributions at their estimated fair values at the date of donation.

**Donated Services**

Donated services are recognized as contributions in accordance with FASB ASC Subtopic 958-605, Not-for-Profit Entities–Revenue Recognition, if the services: (a) create or enhance nonfinancial assets; or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Donated services are reflected in the financial statements as contributions in the accompanying statements at their estimated values at the date of the receipt. No amounts have been reflected in the statements for volunteer services as they do not meet the criteria for recognition. The Foundation pays for most services requiring specific expertise.

**Scholarships**

The Foundation recognizes unconditional scholarships awarded when such awards are made if the amounts can be reasonably determined. Conditional scholarships awarded are recognized when the conditions on which they depend are substantially met.

**Reclassifications**

Certain reclassifications have been made to prior-year amounts to conform with current-year presentation.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**DISCRETELY PRESENTED COMPONENT UNIT – FOUNDATION, continued**

**Date of Management Evaluation**

Management has evaluated subsequent events through December 30, 2019, the date on which the financial statements were available to be issued.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

**Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; medium term corporate notes; certificates of participation; obligations with first priority security; and collateralized mortgage obligations.

**Investment in County Treasury** – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with the County Treasurer (Education Code Section 41001). The fair market value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair market value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**General Authorizations**

**Primary Institution – Credit Risk**

*California Government Code*, Section 53601, limits investments in commercial paper to "prime" quality of the highest ranking, or of the highest letter and numerical rating as provided by nationally recognized statistical rating organizations (NRSRO), and limits investments in medium-term notes to a rating of A or better. Individual securities must be backed by the federal government or rated AAA, AA, or A by Standard & Poor's or Aaa, Aa, or A by Moody's indices. The District's investment policy established safety of principal as of primary investment objective. The District's investments in the County investment pool is unrated.

**Component Unit – Credit Risk**

The Component Unit's investment policies allow for investment in equity securities and fixed income instruments. Any corporate obligations must be rated BBB or a better rating by Standard & Poor's or a similar rating agency. The Component Units' investments are rated at least BBB or better by Standard & Poor's as of June 30, 2019.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 3 – CASH AND CASH EQUIVALENTS, continued**

**General Authorizations, continued**

**Component Unit – Credit Risk, continued**

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	40%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 3 – CASH AND CASH EQUIVALENTS, continued**

**Authorized Under Debt Agreements**

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

**Summary of Cash and Cash Equivalents**

Cash and investments as of June 30, 2019, consist of the following:

**Governmental Funds:**

Cash in County Treasury	\$	115,310,455
Cash on hand and in banks		2,472,667
Total cash and cash equivalents	\$	<u>117,783,122</u>

**Fiduciary Funds:**

Cash in County Treasury	\$	606,324
Cash on hand and in banks		50,347
Total cash and cash equivalents	\$	<u>656,671</u>

**Interest Rate Risk**

Interest rate risk is risk to the earnings or market value of a portfolio due to uncertain future interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. The District manages its exposure to interest rate risk by primarily investing in the County Investment Pool and in other investment agreements.

**Specific Identification**

Information about the sensitivity of the fair market values of the District's investments to market interest rate fluctuations is indicated by the 669 day weighted average maturity for the District's deposits of \$115,310,455 book value and \$115,814,477 fair value held with the County Treasurer.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the County pool is not required to be rated, nor has it been rated as of June 30, 2019.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 3 – CASH AND CASH EQUIVALENTS, continued**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2019, the District’s bank balance was not exposed to custodial credit risk because the balance was comprised of accounts that were individually below \$250,000 and as such, was covered under the FDIC insurance limit.

**NOTE 4 – ACCOUNTS RECEIVABLE**

Receivables for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources. At June 30, 2019 accounts receivable totaled \$15,026,011. All receivables accrued are considered collectible in full.

**NOTE 5 – CAPITAL ASSETS**

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

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Capital Assets not being Depreciated				
Land	\$ 4,477,420	\$ -	\$ -	\$ 4,477,420
Construction in progress	14,011,215	24,843,316	1,473,406	37,381,125
Total Capital Assets not being Depreciated	18,488,635	24,843,316	1,473,406	41,858,545
Capital Assets being Depreciated				
Site improvements	1,560,195	-	-	1,560,195
Buildings & improvements	227,279,734	4,641,631	-	231,921,365
Equipment	22,200,909	1,195,821	4,036,224	19,360,506
Vehicles	3,921,656	100,633	-	4,022,289
Total Capital Assets being Depreciated	254,962,494	5,938,085	4,036,224	256,864,355
Total Capital Assets	273,451,129	30,781,401	5,509,630	298,722,900
Less Accumulated Depreciation	75,707,788	6,042,851	4,032,177	77,718,462
Net Capital Assets	\$ 197,743,341	\$ 24,738,550	\$ 1,477,453	\$ 221,004,438

Depreciation expense for the year was \$6,042,851.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 5 – CAPITAL ASSETS, continued**

Capital asset activity for the District for the fiscal year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Deductions	Transfers	Balance June 30, 2018
Capital Assets not being Depreciated					
Land	\$ 4,477,420	\$ -	\$ -	\$ -	\$ 4,477,420
Construction in progress	5,340,275	8,740,204	69,264	-	14,011,215
Total Capital Assets not being Depreciated	9,817,695	8,740,204	69,264	-	18,488,635
Capital Assets being Depreciated					
Site improvements	1,664,281	-	-	(104,086)	1,560,195
Buildings & improvements	225,155,231	2,020,417	-	104,086	227,279,734
Equipment	21,142,309	1,764,913	659,675	(46,638)	22,200,909
Vehicles	3,771,313	113,142	9,437	46,638	3,921,656
Total Capital Assets being Depreciated	251,733,134	3,898,472	669,112	-	254,962,494
Total Capital Assets	261,550,829	12,638,676	738,376	-	273,451,129
Less Accumulated Depreciation	70,566,334	5,742,554	601,100	-	75,707,788
Net Capital Assets	\$ 190,984,495	\$ 6,896,122	\$ 137,276	\$ -	\$ 197,743,341

Depreciation expense for the year was \$5,742,554

**NOTE 6 – LONG-TERM LIABILITIES**

**Summary**

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

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
<b>Long-Term Liabilities</b>					
General obligation bonds	\$ 102,248,079	\$ 260,236	\$ 6,090,000	\$ 96,418,315	\$ 7,780,000
Premium on bonds	13,786,516	-	1,211,528	12,574,988	-
Capital lease obligations	7,642,418	-	901,075	6,741,343	-
California Energy Conservation loan	331,575	-	53,895	277,680	-
Compensated absences	3,442,563	-	60,003	3,382,560	-
Totals	\$ 127,451,151	\$ 260,236	\$ 8,316,501	\$ 119,394,886	\$ 7,780,000

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 6 – LONG-TERM OBLIGATIONS, continued**

**Summary, continued**

The changes in the District’s long-term liabilities for the 2018 fiscal year consisted of the following:

	Balance			Balance	
	July 1, 2017	Additions	Deductions	June 30, 2018	Due Within One Year
<b>Long-Term Liabilities</b>					
General obligation bonds	\$ 106,254,029	\$ 16,044,050	\$ 20,050,000	\$ 102,248,079	\$ 6,090,000
Premium on bonds	11,622,551	3,692,432	1,528,467	13,786,516	-
Capital lease obligations	8,493,089	-	850,671	7,642,418	901,075
California Energy Conservation loan	384,935	-	53,360	331,575	53,895
Compensated absences	3,169,046	273,517	-	3,442,563	1,414,039
Totals	\$ 129,923,650	\$ 20,009,999	\$ 22,482,498	\$ 127,451,151	\$ 8,459,009

**Description of Debt**

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax collections. The General Fund makes payments for the revenue bonds, compensated absences, other postemployment benefits and the supplemental employee retirement plan. Accrued vacation will be paid by the fund for which the employee worked.

Original issuance premiums and issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

**Bonded Debt**

The outstanding general obligation bonded debt as of June 30, 2019 is as follows:

Series	Issue Date	Yield	Maturity Date	Bonds			Bonds Outstanding June 30, 2019	Due Within One Year
				Outstanding July 1, 2018	Additions	Redeemed		
2002 Series A	5/23/2002	1.60-5.80%	8/1/2027	\$ 1,562,417	\$ 129,406	\$ -	\$ 1,691,823	\$ -
2002 Series B	6/22/2005	2.52-4.99%	8/1/2029	2,620,662	130,830	-	2,751,492	-
2012 Refunding	1/18/2012	0.32-2.77%	8/1/2026	16,550,000	-	1,315,000	15,235,000	1,440,000
2015 Refunding	1/21/2015	1.49-2.16%	8/1/2027	23,715,000	-	1,145,000	22,570,000	1,360,000
2016 Series A	4/16/2017	0.92-3.90%	8/1/2046	42,000,000	-	3,630,000	38,370,000	4,980,000
2017 Refunding	12/20/2017	2.08-2.28%	8/1/2031	15,800,000	-	-	15,800,000	-
			Total	\$ 102,248,079	\$ 260,236	\$ 6,090,000	\$ 96,418,315	\$ 7,780,000

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 6 – LONG-TERM OBLIGATIONS, continued**

**Bonded Debt, continued**

**Election of 2002 General Obligation Bonds, Series A**

During May 2002, the District issued the Election of 2002 General Obligation Bonds, Series A in the amount of \$29,999,445. The bonds issued consisted of \$21,680,000 of current interest serial bonds, \$7,885,000 of current interest term bonds and \$434,445 in capital appreciation bonds. The bonds mature beginning on August 1, 2003 through August 1, 2027, with interest yields ranging from 1.60 percent to 5.80 percent. At June 30, 2019, the principal balance outstanding (including accreted interest to date) was \$1,691,823.

Fiscal Year	Principal	Interest	Accreted Interest	Total
2020	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025-2027	434,445	-	2,660,555	3,095,000
Accretion	1,257,378	-	(1,257,378)	-
Total	\$ 1,691,823	\$ -	\$ 1,403,177	\$ 3,095,000

**Election of 2002 General Obligation Bonds, Series B**

During June 2005, the District issued the Election of 2002 General Obligation Bonds, Series B in the amount of \$36,998,634. The bonds issued consisted of \$27,210,000 of current interest serial bonds, \$8,420,000 of current interest term bonds and \$1,368,634 in capital appreciation bonds. The bonds mature beginning on August 1, 2006 through August 1, 2029, with interest yields ranging from 2.52 percent to 4.99 percent. At June 30, 2019, the principal balance outstanding (including accreted interest to date) was \$2,751,492.

Fiscal Year	Principal	Interest	Accreted Interest	Total
2020	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025-2029	-	-	-	-
2030-2034	1,368,634	-	3,106,366	4,475,000
Accretion	1,382,858	-	(1,382,858)	-
Total	\$ 2,751,492	\$ -	\$ 1,723,508	\$ 4,475,000

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 6 – LONG-TERM OBLIGATIONS, continued**

**Bonded Debt, continued**

**2012 General Obligation Refunding Bonds**

Proceeds from the 2012 General Obligation Refunding Bonds of \$21,755,000, issued in January 2012, were used to advance refund a portion of the outstanding Election of 2002 General Obligation Bonds, Series A. Investments backed by the U.S. government were purchased and placed in an irrevocable trust with an escrow agent. The investments and fixed earnings on the investments are sufficient to fully provide for all future debt service on the refunded bonds, and accordingly the refunding transaction met the criteria for an in-substance defeasance. The liabilities related to the refunded bonds were removed from the District’s financial statements for the fiscal year ended June 30, 2012.

The bonds issued consisted entirely of current interest serial bonds. The bonds mature beginning on August 1, 2013 through August 1, 2026, with interest yields ranging from 0.32 percent to 2.77 percent. At June 30, 2019, the principal balance outstanding was \$15,235,000.

Fiscal Year	Principal	Interest	Total
2020	\$ 1,440,000	\$ 572,874	\$ 2,012,874
2021	1,575,000	517,187	2,092,187
2022	1,670,000	462,012	2,132,012
2023	1,810,000	388,062	2,198,062
2024	1,955,000	310,500	2,265,500
2025-2027	6,785,000	419,700	7,204,700
Total	\$ 15,235,000	\$ 2,670,335	\$ 17,905,335

**2015 General Obligation Refunding Bonds**

Proceeds from the 2015 General Obligation Refunding Bonds, issued in January 2015, were used to advance refund a portion of the outstanding Election of 2002 General Obligation Bonds, Series B. Investments backed by the U.S. government were purchased and placed in an irrevocable trust with an escrow agent. The investments and fixed earnings on the investments are sufficient to fully provide for all future debt service on the refunded bonds, and accordingly the refunding transaction met the criteria for an in-substance defeasance. The liabilities related to the refunded bonds were removed from the District’s financial statements for the fiscal year ended June 30, 2015. The bonds issued consisted entirely of current interest serial bonds. The bonds mature beginning on August 1, 2015 through August 1, 2027, with interest yields ranging from 1.49 percent to 2.16 percent. At June 30, 2019, the principal balance outstanding was \$22,570,000.

Fiscal Year	Principal	Interest	Total
2020	\$ 1,360,000	\$ 1,094,500	\$ 2,454,500
2021	1,595,000	1,020,625	2,615,625
2022	1,855,000	934,375	2,789,375
2023	2,130,000	834,750	2,964,750
2024	2,435,000	720,625	3,155,625
2025-2028	13,195,000	1,409,375	14,604,375
Total	\$ 22,570,000	\$ 6,014,250	\$ 28,584,250

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 6 – LONG-TERM OBLIGATIONS, continued**

**Bonded Debt, continued**

**Election of 2016 General Obligation Bonds, Series A**

During April 2017, the District issued the Election of 2016 General Obligation Bonds, Series A in the amount of \$42,000,000. The bonds issued consisted entirely of current interest serial bonds. The bonds mature beginning on August 1, 2018 through August 1, 2046, with interest yields ranging from 0.92 percent to 3.90 percent. At June 30, 2019, the principal balance outstanding was \$38,370,000.

Fiscal Year	Principal	Interest	Total
2020	\$ 4,980,000	\$ 1,777,425	\$ 6,757,425
2021	-	1,578,225	1,578,225
2022	-	1,578,225	1,578,225
2023	-	1,578,225	1,578,225
2024	-	1,578,225	1,578,225
2025-2029	1,550,000	7,774,875	9,324,875
2030-2034	3,825,000	7,235,575	11,060,575
2035-2039	6,925,000	6,206,775	13,131,775
2040-2044	11,420,000	4,176,312	15,596,312
2045-2047	9,670,000	1,044,751	10,714,751
Total	\$ 38,370,000	\$ 34,528,613	\$ 72,898,613

**Bonded Debt, continued**

2017 General Obligation Refunding Bonds proceeds, issued in December 2017, were used to advance refund the outstanding Election of 2002 General Obligation Bonds, Series C. Investments backed by the U.S. government were purchased and placed in an irrevocable trust with an escrow agent. The investments and fixed earnings on the investments are sufficient to fully provide for all future debt service on the refunded bonds, and accordingly the refunding transaction met the criteria for an in-substance defeasance. The liabilities related to the refunded bonds were removed from the District's financial statements for the fiscal year ended June 30, 2019. The bonds issued consisted entirely of current interest serial bonds. The bonds mature beginning on August 1, 2018 through August 1, 2031, with interest yields ranging from 2.08 percent to 2.28 percent. At June 30, 2019, the principal balance outstanding was \$15,800,000.

Fiscal Year	Principal	Interest	Total
2020	\$ -	\$ 779,050	\$ 779,050
2021	-	779,050	779,050
2022	-	779,050	779,050
2023	-	779,050	779,050
2024	-	779,050	779,050
2025-2029	-	3,895,250	3,895,250
2030-2031	15,800,000	1,011,600	16,811,600
	\$ 15,800,000	\$ 8,802,100	\$ 24,602,100

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 – LONG-TERM OBLIGATIONS, continued**

**Compensated Absences**

Compensated absences refer to accumulated unpaid employee vacation benefits that are accrued as a liability as the benefits are earned. At June 30, 2019, the balance outstanding was \$3,382,560.

**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

In addition to the pension benefits described above, the District provides certain health care benefits for eligible employees, and their dependents, who have retired from service with the District. Classified employees hired before July 1, 1987, and management and academic employees hired before July 1, 1988, receive lifetime benefits. Classified employees hired after July 1, 1987, and management and academic employees hired after July 1, 1988, can receive retiree health benefits until age 65. To be eligible for benefits, the employees must have been employed by the District for at least 10 continuous years and be at least 55 years of age. Academic, classified, and management employees hired after July 1, 2018 can receive retiree health benefits until age 65 if they have been employed by the District for at least 15 years and be at least 55 years of age.

The District provides benefits through the Butte-Glenn Community College District Health Plan (the Plan), a single-employer defined benefit healthcare plan administered by the District. The Plan does not issue a publicly available report.

**Funding Policy**

The District’s agreement with employees is for monthly contributions for members who meet the eligibility criteria of their collective bargaining agreement and who retire during the term of the contract. The contribution requirements of plan members and the District are established and may be amended by the District’s Board of Trustees through the collective bargaining process. The members receiving benefit contributions vary depending on the level of coverage selected.

The following is a summary of the current employee retiree benefit plan:

	Faculty	Classified	Management
Benefit types provided	Medical only	Medical only	Medical only
Duration of Benefits	To age 65*	To age 65*	To age 65*
Required Service	10 years	10 years	10 years
Minimum Age	55	55	55
Dependent Coverage	Yes	Yes	Yes
College Contribution %	100%	100%	100%
College Cap	None	None	None

\*Classified employees hired before July 1, 1987 and non-classified employees hired before July 1, 1988 receive lifetime benefits

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued**

**Employees Covered by Benefit Term**

The following is a table of plan participants as of the June 30, 2018 measurement date:

	Number of Participants
Inactive Employees Receiving Benefits	216
Participating Active Employees	504
	<u>720</u>

**Contribution Information**

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2018-2019, the District made no contributions to the Plan. The District had a net OPEB asset of \$1,086,752 as of June 30, 2019.

**OPEB Plan Investments**

The plan discount rate of 7.0% was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
U.S. Large Cap	43%	7.795%
U.S. Small Cap	23%	7.795%
Long-Term Corporate Bonds	12%	5.295%
Long-Term Government Bonds	6%	4.500%
Treasury Inflation Protected Securiti	5%	7.795%
U.S. Real Estate	8%	7.795%
All Commodities	3%	7.795%
Total	<u>100%</u>	

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
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**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued**

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.75%
Investment rate of return	7.00%
Discount rate	7.00%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2009 CalSTRS mortality tables were used. For classified employees the 2014 CalPERS active mortality for miscellaneous employees were used.

**Changes in the Net OPEB Liability**

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance July 1, 2017	\$ 28,557,063	\$ 25,429,290	\$ 3,127,773
Changes for the year:			
Service cost	899,189	-	899,189
Interest	1,951,138	-	1,951,138
Employer contributions	-	5,043,731	(5,043,731)
Expected Investment income	-	1,875,574	(1,875,574)
Investment gains/losses	-	193,513	(193,513)
Administrative expense	-	(47,966)	47,966
Expected benefit payments	(2,266,528)	(2,266,528)	-
Net change	583,799	4,798,324	(4,214,525)
Balance June 30, 2018	\$ 29,140,862	\$ 30,227,614	\$ (1,086,752)

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
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**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued**

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the District recognized OPEB expense of \$(1,282,512). At June 30, 2019, the District did not report any deferred outflows of resources and reported \$154,810 of deferred inflows of resources related to investment gains and losses.

The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	\$ (38,703)
2021	(38,703)
2022	(38,703)
2023	(38,701)
	\$ (154,810)

**Sensitivity of the net pension liability to assumptions**

The following presents the net OPEB liability calculated using the discount rate of 7.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (6.00 percent) and 1 percent higher (8.00):

	Discount Rate 1% Lower (6.00%)	Current Discount Rate (7.00%)	Discount Rate 1% Higher (8.00%)
Net OPEB liability	\$ 1,156,324	\$ (1,086,752)	\$ (3,057,858)

The following table presents the net OPEB liability calculated using the health care cost trend rate of 4.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent):

	Trend Rate 1% Lower (3.00%)	Current Trend Rate (4.00%)	Trend Rate 1% Higher (5.00%)
Net OPEB liability	\$ (3,378,217)	\$ (1,086,752)	\$ 1,474,299

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 8 – NET PENSION LIABILITY**

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are member of the California State Teachers’ Retirement System (CalSTRS), and Classified employees are members of the California Public Employees’ Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 39,502,758	\$ 10,187,201	\$ 5,973,815	\$ 3,157,730
CalPERS	42,435,448	12,246,540	199,218	8,337,241
Total	\$ 81,938,206	\$ 22,433,741	\$ 6,173,033	\$ 11,494,971

**Pension Plans – California Public Employees’ Retirement System (CalPERS)**

**General Information about the Pension Plan**

**Plan Description** – Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016 annual actuarial valuation report, Schools Pool Actuarial Valuation, 2013. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

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

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018**

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**NOTE 8 – NET PENSION LIABILITY, continued**

**Pension Plans – California Public Employees’ Retirement System (CalPERS), continued**

***General Information about the Pension Plan, continued***

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

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.000%	6.500%
Required employer contribution rate	18.062%	18.062%

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the total District contributions were \$4,251,140.

**On-Behalf Payments** - The District was the recipient of on-behalf payments made by the State of California to CalPERS for community college education. These payments consist of state general fund contributions of approximately \$1,438,716 to CalPERS.

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$42,435,448. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively was 0.159 percent and 0.153 percent, resulting in a net increase in the proportionate share of 0.006 percent.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 8 – NET PENSION LIABILITY, continued**

**Pension Plans – California Public Employees’ Retirement System (CalPERS), continued**

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

For the year ended June 30, 2019, the District recognized a pension expense of \$8,337,241. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 348,066	\$ -
Differences between expected and actual experience	2,781,912	-
Changes in assumptions	4,236,992	-
Net changes in proportionate share of net pension liability	628,430	199,218
District contributions subsequent to the measurement date	4,251,140	-
Total	\$ 12,246,540	\$ 199,218

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	\$ 4,479,579
2021	3,369,389
2022	134,537
2023	(187,323)
	\$ 7,796,182

**Actuarial Assumptions** – For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 and the June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 1997, through June 30, 2011
Actuarial cost method	Entry Age Normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 8 – NET PENSION LIABILITY, continued**

**Pension Plans – California Public Employees’ Retirement System (CalPERS), continued**

**Actuarial Assumptions, continued**

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses:

<b>Asset Class*</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10**</b>	<b>Real Return Years 11+***</b>
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
	100%		

\*In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

\*\*An expected inflation of 2.0% used for this period

\*\*\*An expected inflation of 2.92% used for this period

**Discount Rate** - The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS' website.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018**

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**NOTE 8 – NET PENSION LIABILITY, continued**

**Pension Plans – California Public Employees’ Retirement System (CalPERS), continued**

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate -**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is in the following table:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Plan's net pension liability	\$ 61,783,982	\$ 42,435,448	\$ 26,383,068

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS CAFR at <https://www.calpers.ca.gov>.

**Pension Plans – California State Teachers’ Retirement System (CalSTRS)**

**General Information about the Pension Plan**

**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.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publically available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

**Benefits Provided** - The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018**

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**NOTE 8 – NET PENSION LIABILITY, continued**

**Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued**

**Benefits Provided, continued**

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans. The STRP provision and benefits in effect as June 30, 2018 are summarized as follows:

	STRP Defined Benefit Plan	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	9.205%*
Required employer contribution rate	16.28%	16.28%
Required state contribution rate	9.328%	9.328%

\*The rate imposed on CalSTRS 2% at 62 members assuming no change in the normal cost of benefits.

**Contributions** - Required member, District and State of California contributions 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. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the District's total contributions were \$3,928,216.

**On-Behalf Payments** - The District was the recipient of on-behalf payments made by the State of California to CalSTRS for community college education. These payments consist of state general fund contributions of approximately \$3,408,342 to CalSTRS.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 – NET PENSION LIABILITY, continued**

**Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued**

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including state share:

District's proportionate share of the net pension liability	\$	39,502,758
State's proportionate share of the net pension liability associated with the District		22,618,264
Total	\$	<u>62,121,022</u>

The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively, was 0.0430 percent and 0.0428 percent, resulting in a net increase in the proportionate share of 0.0002 percent.

For the year ended June 30, 2019, the District recognized pension expense of \$3,787,339. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 1,520,763
Differences between expected and actual experience	122,495	573,248
Changes in assumptions	6,136,490	-
Net changes in proportionate share of net pension liability	-	3,879,804
District contributions subsequent to the measurement date	3,928,216	-
Total	<u>\$ 10,187,201</u>	<u>\$ 5,973,815</u>

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 – NET PENSION LIABILITY, continued**

**Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued**

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	\$ (69,911)
2021	(639,842)
2022	(950,032)
2023	704,702
2024	1,246,025
Thereafter	(5,772)
	<u>\$ 285,170</u>

**Actuarial Assumptions** – The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 2010, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 – NET PENSION LIABILITY, continued**

**Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued**

**Actuarial Assumptions, continued**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant. 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 expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation is based on Teachers' Retirement Board of the California State Teachers' Retirement System (board) policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 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:

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-term Expected Real Rate of Return*</b>
Global Equity	47%	6.30%
Fixed Income	12%	0.30%
Real Estate	13%	5.20%
Private Equity	13%	9.30%
Cash/Liquidity	2%	-1.00%
Risk Mitigating Strategies	9%	2.90%
Inflation Sensitive	4%	3.80%
	100%	

\*20-year geometric average

**Discount rate** - The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per Assembly Bill 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019 AND 2018**

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**NOTE 8 – NET PENSION LIABILITY, continued**

**Pension Plans – California State Teachers’ Retirement System (CalSTRS), continued**

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate -**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10% percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 57,866,918	\$ 39,502,758	\$ 24,277,088

**Pension plan fiduciary net position** - Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS CAFR at <http://www.calstrs.com/comprehensive-annual-financial-report>.

**NOTE 9 – RISK MANAGEMENT**

The District is a member of the Northern California Community Colleges Self-Insurance Authority (NCCCSIA), a joint powers authority (JPA), for the purpose of establishing, operating and maintaining programs for risk pooling, insurance, and risk management for liability, property and workers’ compensation. NCCCSIA self-insures its liability and property exposures through the Statewide Association of Community Colleges Joint Powers Authority (SWACC) and Schools Association for Excess Risk (SAFER) and its workers’ compensation exposures through the Protected Insurance Program for Schools and Community Colleges Joint Power Authority (PIPS).

The District participates in a health insurance benefits program organized by the Butte Schools Self-Funded Program (BSSP), a joint powers authority, created to provide self-insurance programs for school districts. BSSP limits health benefit costs by contracting with Self-Insured Schools of California (SISC), which is the largest school-focused purchasing pool in California.

The JPA’s are independently accountable for their fiscal matters, and as such, are not component units of the District for financial reporting purposes.

Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the programs. There has been no significant reduction in any of the insurance coverages from the prior year. Settled claims resulting from these programs have not exceeded insurance coverage in each of the past three fiscal years.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

**Grants**

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

**Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2019.

The District has filed a lawsuit against PG&E seeking to recover damages related to the November 2018 Camp Wildfires. The District is seeking compensation for costs incurred related to repair or replacement of damaged or destroyed property and loss of wages. Due to ongoing investigations and the utility company's bankruptcy filing, any recoverable amounts are unknown at this time.

**NOTE 11 – RELATED PARTY TRANSACTIONS**

As described in Note 1, the Foundation is a supporting organization of the District and the College; therefore, transactions between the Foundation and the District, District personnel, students at the College, and programs of the College, are expected. Per the Foundation's Bylaws, the College President is responsible for Foundation operations and District and College personnel serve in ex-officio and voting capacities on the Foundation's Board.

During the year ended June 30, 2019, the Foundation indirectly supported the District by providing grants to students of the College, paying programmatic expenditures, and/or reimbursing District personnel and departments for programmatic costs.

The Foundation was further supported by the involvement of College and District personnel in the Foundation's events and programs. The total amount of these contributions has not been segregated from the non-District affiliated contributions.

**NOTE 12 – SUBSEQUENT EVENTS**

The District evaluated subsequent events from June 30, 2019 through December 30, 2019, the date the financial statements were issued. The following items were noted:

In July 2019, the District received \$49,500,000 of Election 2016, Series B General Obligation Bonds. The bonds are used to finance the acquisition, construction, modernization and equipping the District sites and facilities. The bonds yield interest between 3.00-4.00% and mature on August 1, 2039.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018
Total OPEB liability		
Service cost	\$ 899,189	\$ 804,135
Interest	1,951,138	1,937,161
Benefit payments	(2,266,528)	(2,933,900)
Net change in total OPEB liability	583,799	(192,604)
Total OPEB liability, beginning of year	28,557,063	28,749,667
Total OPEB liability, end of year (a)	\$ 29,140,862	\$ 28,557,063
Plan fiduciary net position		
Employer contributions	\$ 5,043,731	\$ 7,199,445
Expected Investment income	1,875,574	2,211,375
Investment gains/losses	193,513	-
Administrative expense	(47,966)	(11,393)
Expected benefit payments	(2,266,528)	(2,933,900)
Change in plan fiduciary net position	4,798,324	6,465,527
Fiduciary trust net position, beginning of year	25,429,290	18,963,763
Fiduciary trust net position, end of year (b)	\$ 30,227,614	\$ 25,429,290
Net OPEB liability (asset), ending (a) - (b)	\$ (1,086,752)	\$ 3,127,773
Covered payroll	\$ 37,318,424	\$ 34,377,883
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	104%	89%
Net OPEB liability (asset) as a percentage of covered payroll	-3%	9%

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

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF CONTRIBUTIONS - OPEB  
 FOR THE YEAR ENDED JUNE 30, 2019**

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	2019		2018
Actuarially determined contribution	\$ 2,237,440	\$	2,266,528
Contributions in relations to the actuarially determined contribution	3,092,035		5,198,262
Contribution deficiency (excess)	\$ (854,595)	\$	(2,931,734)
Covered-employee payroll	\$ 37,318,424	\$	34,377,883
Contribution as a percentage of covered-employee payroll	8%		15%

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

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>CalSTRS</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability	0.043%	0.043%	0.044%	0.049%	0.046%
District's proportionate share of the net pension liability	\$ 39,502,758	\$ 39,558,965	\$ 35,933,488	\$ 32,726,520	\$ 26,907,952
State's proportionate share of the net pension liability associated with the District	22,618,264	23,402,940	20,459,305	17,308,674	16,478,960
Total	\$ 62,121,022	\$ 62,961,905	\$ 56,392,793	\$ 50,035,194	\$ 43,386,912
District's covered - employee payroll	\$ 24,129,091	\$ 23,214,359	\$ 22,783,029	\$ 26,985,380	\$ 32,097,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	163.7%	170.4%	157.7%	121.3%	83.8%
Plan fiduciary net position as a percentage of the total pension liability	71.0%	69.0%	70.0%	74.0%	76.5%
<b>CalPERS</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability	0.159%	0.153%	0.147%	0.151%	0.156%
District's proportionate share of the net pension liability	\$ 42,435,448	\$ 36,527,650	\$ 29,065,674	\$ 22,328,567	\$ 17,456,784
District's covered - employee payroll	\$ 23,536,375	\$ 23,781,224	\$ 19,821,037	\$ 18,052,908	\$ 12,723,907
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	180.3%	153.6%	146.6%	123.7%	137.2%
Plan fiduciary net position as a percentage of the total pension liability	70.8%	71.9%	73.9%	79.4%	83.4%

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

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF CONTRIBUTIONS - PENSIONS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>CaSTRS</b>	<b>Reporting Fiscal Year</b>				
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 3,928,216	\$ 3,349,832	\$ 2,866,105	\$ 2,417,462	\$ 1,995,120
District's contributions in relation to the statutorily required contribution	3,928,216	3,349,832	2,866,105	2,417,462	1,995,120
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 24,129,091	\$ 23,214,359	\$ 22,783,029	\$ 22,529,935	\$ 12,723,907
District's contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	15.68%

<b>CaPERS</b>	<b>Reporting Fiscal Year</b>				
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 4,251,140	\$ 3,303,212	\$ 2,753,142	\$ 2,138,728	\$ 1,817,802
District's contributions in relation to the statutorily required contribution	4,251,140	3,303,212	2,753,142	2,138,728	1,817,802
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 23,536,375	\$ 23,781,224	\$ 19,821,037	\$ 18,052,908	\$ 15,756,972
District's contributions as a percentage of covered-employee payroll	18.06%	13.89%	13.89%	11.85%	11.54%

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

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**SUPPLEMENTARY  
INFORMATION**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
DISTRICT ORGANIZATIONAL STRUCTURE  
JUNE 30, 2019**

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The Butte-Glenn Community College District (the District) is a political subdivision of the State of California and is governed by an elected seven-member Board of Trustees. The District provides educational services to the local residents of the surrounding area. The District consists of one community college located in Oroville, California, a state approved center located in Chico, California, and satellite campuses throughout the bi-county area.

**GOVERNING BOARD**

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<b>MEMBER</b>	<b>OFFICE</b>	<b>TERM EXPIRES</b>
Mr. William G. McGinnis	President	2020
Mr. John Blacklock	Vice President	2022
Mr. John Dahlmeier	Clerk	2020
Mr. Michael Boeger	Member	2022
Mr. Rick Krepelka	Member	2020
Mr. Eugene Massa	Member	2020
Julie Boss	Member	2022
Mr. Ben Savercool	Student Member - (Non voting)	2019

**DISTRICT ADMINISTRATION**

Dr. Samia Yaqub  
*Superintendent/President*

Mr. Andrew Suleski  
*Vice President, Administration/CBO*

Mrs. Virginia Guleff  
*Vice President, Instruction*

Mr. Allen Renville  
*Vice President, Student Services*

Mr. Lester Jauron  
*Vice President, Planning, Research and Organizational Development*

Mr. Jim Nicholas  
*Director, Business Services*

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<b>U.S. Department of Education</b>			
Direct			
Student Financial Assistance Cluster			
Federal Supplemental Education Opportunity Grants	84.007	N/A	\$ 342,232
Federal Work Study Program	84.033	N/A	335,021
Federal Direct Student Loans	84.268	N/A	3,964,219
Federal Pell Grant Program	84.063	N/A	17,293,561
Total Student Financial Assistance Cluster			<u>21,935,033</u>
Adult Education	84.002	N/A	44,312
Childcare Access Means Parents in School	84.335A	N/A	231,116
Passed Through California Department of Education			
Vocational Education - Basic Grants to States	84.048	15-150-001	370,000
Vocational Education - Basic Grants to States - Title I-C	84.048	15-C01-004	473,916
Career and Technical Education - Basic Grants to States	84.048	15-112-004	41,377
Total U.S. Department of Education			<u>23,095,754</u>
<b>U.S. Department of Agriculture</b>			
Passed Through Butte County Office of Education			
Child and Adult Care Food Program	10.558	N/A	15,085
Forest Reserve	10.665	N/A	53,861
Total U.S. Department of Agriculture			<u>68,946</u>
<b>Corporation for National and Community Service</b>			
Passed Through California Community Colleges Chancellor's Office			
AmeriCorps	94.006	N/A	29,109
<b>U.S. Department of the Interior</b>			
Passed Through Bureau of Indian Affairs			
Indian Loans - Economic Development	15.124	N/A	17,932
Total U.S. Department of the Interior			<u>17,932</u>
<b>U.S. Department of Commerce</b>			
Passed Through California Manufacturing Technology Consulting			
National Institute of Standards and Technology	11.611	N/A	60,372
Total U.S. Department of the Commerce			<u>60,372</u>
<b>Small-Business Administration</b>			
Passed Through CSU, Chico Research Foundation			
Small Business Development - 2018	59.037	F-0241	108,150
Small Business Development - 2019	59.037		74,806
Total Small-Business Administration			<u>182,956</u>
<b>U.S. Department of Veterans Affairs</b>			
Veterans Education			
Veterans Education	64.117	N/A	3,718
Total U.S. Department of Veterans Affairs			<u>3,718</u>
<b>U.S. Department of Health and Human Services</b>			
Passed Through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families	93.558	N/A	15,828
Foster Care Title IV-E	93.658	N/A	101,173
Passed Through Foundation for California Community Colleges			
Chafee Foster Care Independence Program	93.674	N/A	17,500
Medi-Cal Administrative Activities	93.778		2,789
Total U.S. Department of Health and Human Services			<u>137,290</u>
<b>U.S. Environmental Protection Agency</b>			
Office of Research and Development			
National Student Design Competition for Sustainability	66.516	N/A	31,841
Total U.S. Environmental Protection Agency			<u>31,841</u>
<b>U.S. Department of Transportation</b>			
Dwight D. Eisenhower Transportation Fellowship Program			
Dwight D. Eisenhower Transportation Fellowship Program	20.215	N/A	10,000
Total U.S. Department of Justice			<u>10,000</u>
<b>Total Federal Programs</b>			<u>\$ 23,637,918</u>

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF REVENUES AND EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

Program Title	Total Entitlement	Program Revenues				Total Revenue	Total Program Expenditures
		Prior balance	Cash Received	Accounts Receivable	Grantor Advances		
Basic Skills	\$ 1,111,633	\$ (802,136)	\$ 12,701	\$ 71,219	\$ -	\$ 886,056	\$ 886,056
Cal Works	379,340	9,157	380,219	9,157	-	380,219	380,219
Extended Opportunity Programs and Service:	1,418,463	-	1,418,463	-	-	1,418,463	1,418,463
Cooperative Agencies Resources for Educatic	1,099,716	(265,088)	834,626	-	5,091	1,094,623	1,094,623
Disabled Students Programs and Services	724,487	-	724,487	-	-	724,487	724,487
Student Equity	4,867,602	(605,338)	4,262,264	-	2,785,872	2,081,730	2,081,730
Board Financial Assistance Programt	507,501	(26,000)	481,501	-	15,794	491,707	491,707
Online Ed Initiative	788,153	3,099,891	3,886,785	1,259	-	788,153	788,153
Ed Futures	2,596,029	777,164	2,588,529	764,358	-	2,575,723	2,575,723
Temporary Assistance for Needy Families	51,510	-	51,510	-	-	51,510	51,510
TTIP/CENIC	19,906,371	(19,906,371)	-	-	6,218,285	13,688,086	13,688,086
Common Assessment Initiative	904,000	296,000	1,200,000	-	-	904,000	904,000
Technology Center	4,357,555	(855,142)	1,528,084	1,974,330	-	4,357,556	4,357,556
E.P.P	1,470,971	(279)	-	1,470,692	-	1,470,971	1,470,971
Restricted Lottery	620,356	-	620,356	-	-	620,356	620,356
SSSP	1,372,677	(1,372,677)	-	-	-	1,372,677	1,372,677
Strongwork Force	37,917,513	(12,224,378)	25,825,686	-	22,205,935	15,844,129	15,844,129
Child Development Center	7,500	2,649	8,750	1,399	-	7,500	7,500
Adult Education Block Grant	2,270,370	(95,879)	2,223,726	-	119,824	2,199,781	2,199,781
DSN	477,397	107,697	331,399	-	16,219	207,483	207,483
Core Applications Program	6,852,449	-	6,167,204	-	597,001	5,570,203	5,570,203
Data Services Program	2,579,000	-	1,269,000	1,118,529	-	2,387,529	2,387,529
Shared Infrastructure	16,704,225	-	15,033,803	-	2,305,099	12,728,704	12,728,704
All other State Programs	9,872,654	3,040,683	10,010,926	-	781,279	6,188,964	6,188,964
<b>Total State District Funding</b>	<b>\$ 118,857,472</b>	<b>\$ (28,820,047)</b>	<b>\$ 78,860,019</b>	<b>\$ 5,410,943</b>	<b>\$ 35,050,399</b>	<b>\$ 78,040,610</b>	<b>\$ 78,040,610</b>

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT -  
ANNUAL/ACTUAL ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>CATEGORIES</b>	Reported Data	Audit Adjustments	Audited Data
<b>A. Summer Intersession (Summer 2018 only)</b>			
1. Noncredit	10.83	-	10.83
2. Credit	173.61	-	173.61
<b>B. Summer Intersession (Summer 2019 - Prior to July 1, 2019)</b>			
1. Noncredit	3.22	-	3.22
2. Credit	367.24	-	367.24
<b>C. Primary Terms (Exclusive of Summer Intersession)</b>			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	5,855.80	-	5,855.80
(b) Daily Census Contact Hours	403.48	-	403.48
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	841.35	-	841.35
(b) Credit	721.30	-	721.30
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	796.85	-	796.85
(b) Daily Census Contact Hours	96.96	-	96.96
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
<b>D. Total FTES</b>	9,270.64	-	9,270.64
<b>Supplemental Information (subset of above information)</b>			
<b>E. In-service Training Courses</b>	423.28	-	423.28
<b>F. Basic Skills Courses and Immigrant Education</b>			
1. Credit	46.91	-	46.91
2. Noncredit	158.24	-	158.24
Total Basic Skills FTES	205.15	-	205.15

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2019.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2019**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<b>Academic Salaries</b>							
Instructional Salaries							
Contract or Regular	1100	13,042,989	-	13,042,989	13,042,989	-	13,042,989
Other	1300	8,455,514	-	8,455,514	8,456,474	-	8,456,474
Total Instructional Salaries		21,498,503	-	21,498,503	21,499,463	-	21,499,463
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	4,739,217	-	4,739,217
Other	1400	-	-	-	699,673	-	699,673
Total Non-Instructional Salaries		-	-	-	5,438,890	-	5,438,890
Total Academic Salaries		21,498,503	-	21,498,503	26,938,353	-	26,938,353
<b>Classified Salaries</b>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	11,630,465	-	11,630,465
Other	2300	-	-	-	1,003,599	-	1,003,599
Total Non-Instructional Salaries		-	-	-	12,634,064	-	12,634,064
Instructional Aides							
Regular Status	2200	1,204,726	-	1,204,726	1,209,329	-	1,209,329
Other	2400	479,405	-	479,405	484,945	-	484,945
Total Instructional Aides		1,684,131	-	1,684,131	1,694,274	-	1,694,274
Total Classified Salaries		1,684,131	-	1,684,131	14,328,338	-	14,328,338
Employee Benefits	3000	10,087,979	-	10,087,979	17,956,417	-	17,956,417
Supplies and Materials	4000	-	-	-	913,923	-	913,923
Other Operating Expenses	5000	879,134	-	879,134	4,094,761	-	4,094,761
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		34,149,747	-	34,149,747	64,231,792	-	64,231,792
<b>Exclusions</b>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	1,097,722	-	1,097,722	1,097,722	-	1,097,722
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	1,041,514	-	1,041,514
Object to Exclude							
Rents and Leases	5060	-	-	-	700,501	-	700,501
Lottery Expenditures		-	-	-	-	-	-
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	71,602	-	71,602
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	71,602	-	71,602
Other Operating Expenses and Services	5000	-	-	-	1,364,059	-	1,364,059
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	105,394	-	105,394
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	1,101,421	-	1,101,421
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	1,101,421	-	1,101,421
Total Capital Outlay		-	-	-	1,206,815	-	1,206,815
Other Outgo	7000	-	-	-	(51,064)	-	(51,064)
Total Exclusions		\$ 1,097,722	\$ -	\$ 1,097,722	\$ 5,431,149	\$ -	\$ 5,431,149
Total for ECS 84362, 50% Law		\$ 33,052,025	\$ -	\$ 33,052,025	\$ 58,800,643	\$ -	\$ 58,800,643
Percent of CEE (Instructional Salary Cost/Total CEE)		56.21%	0.00%	56.21%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 29,400,322	\$ -	\$ 29,400,322

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 DETAILS OF THE EDUCATION PROTECTION ACCOUNT  
 FOR THE YEAR ENDED JUNE 30, 2019**

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EPA Revenue	9,768,729
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	9,768,729	-	-	9,768,729
Total		9,768,729	-	-	9,768,729

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
COMBINING BALANCE SHEET  
JUNE 30, 2019**

June 30, 2019	General Fund	Bond Interest and Redemption Fund	Child Development Fund	Other Special Revenue Fund	Capital Outlay Projects Fund	Bond Construction Fund	Balance Forward
<b>ASSETS</b>							
Cash and equivalents	\$ 71,097,428	\$ 20,491,949	\$ 303,818	\$ 3,571,126	\$ 4,665,946	\$ 12,618,203	\$ 112,748,470
Accounts receivable, net	13,699,250	162,991	57,969	14,751	46,117	122,959	14,104,037
Inventory	-	-	-	-	-	-	-
Prepaid assets	1,062,597	-	480	-	-	-	1,063,077
Due from other funds	1,000,337	2,935,519	-	-	657,674	-	4,593,530
<b>Total Assets</b>	<b>\$ 86,859,612</b>	<b>\$ 23,590,459</b>	<b>\$ 362,267</b>	<b>\$ 3,585,877</b>	<b>\$ 5,369,737</b>	<b>\$ 12,741,162</b>	<b>\$ 132,509,114</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 10,640,364	\$ -	\$ 11,988	\$ -	\$ 12,345	\$ 107,702	\$ 10,772,399
Deferred revenue	43,689,201	-	-	-	-	-	43,689,201
Compensated absences	3,382,560	-	-	-	-	-	3,382,560
Due to other funds	5,117,220	-	503	992,255	-	-	6,109,978
<b>Total Liabilities</b>	<b>62,829,345</b>	<b>-</b>	<b>12,491</b>	<b>992,255</b>	<b>12,345</b>	<b>107,702</b>	<b>63,954,138</b>
<b>FUND EQUITY</b>							
Retained earnings	-	-	-	-	-	-	-
Fund balance:							
Restricted	-	23,590,459	-	-	-	12,633,460	36,223,919
Committed	-	-	-	-	5,357,392	-	5,357,392
Assigned	-	-	-	-	-	-	-
Uncommitted	24,030,267	-	349,776	2,593,622	-	-	26,973,665
<b>Total Fund Equity</b>	<b>24,030,267</b>	<b>23,590,459</b>	<b>349,776</b>	<b>2,593,622</b>	<b>5,357,392</b>	<b>12,633,460</b>	<b>68,554,976</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 86,859,612</b>	<b>\$ 23,590,459</b>	<b>\$ 362,267</b>	<b>\$ 3,585,877</b>	<b>\$ 5,369,737</b>	<b>\$ 12,741,162</b>	<b>\$ 132,509,114</b>

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
COMBINING BALANCE SHEET  
JUNE 30, 2019**

June 30, 2019	Balance Brought Forward	Farm Operations Fund	Bookstore Fund	Cafeteria Fund	Self Insurance Fund	Retiree Benefit Fund	Financial Aid Fund	Total
<b>ASSETS</b>								
Cash and equivalents	\$ 112,748,470	\$ 31,413	\$ 67,254	\$ 44,604	\$ 2,863,383	\$ 1,014,437	\$ 1,013,561	\$ 117,783,122
Accounts receivable, net	14,104,037	(219)	262,135	16,058	549,423	4,744	89,833	15,026,011
Inventory	-	-	118,300	19,409	-	-	-	137,709
Prepaid assets	1,063,077	-	3,763	-	-	-	13,647	1,080,487
Due from other funds	4,593,530	-	1,678	26,534	992,255	1,500,000	(720)	7,113,277
<b>Total Assets</b>	<b>\$ 132,509,114</b>	<b>\$ 31,194</b>	<b>\$ 453,130</b>	<b>\$ 106,605</b>	<b>\$ 4,405,061</b>	<b>\$ 2,519,181</b>	<b>\$ 1,116,321</b>	<b>\$ 141,140,606</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 10,772,399	\$ 60	\$ 86,263	\$ 1,060	\$ 3,803	\$ -	\$ 95,908	\$ 10,959,493
Deferred revenue	43,689,201	-	118,052	96,767	-	-	194,406	44,098,426
Long-term obligations	3,382,560	-	-	-	-	-	-	3,382,560
Due to other funds	6,109,978	-	163,350	-	-	-	826,008	7,099,336
<b>Total Liabilities</b>	<b>63,954,138</b>	<b>60</b>	<b>367,665</b>	<b>97,827</b>	<b>3,803</b>	<b>-</b>	<b>1,116,322</b>	<b>65,539,815</b>
<b>FUND EQUITY</b>								
Retained earnings	-	31,134	85,465	8,778	-	2,519,181	(1)	2,644,557
Fund balance:								
Restricted	36,223,919	-	-	-	-	-	-	36,223,919
Committed	5,357,392	-	-	-	-	-	-	5,357,392
Assigned	-	-	-	-	4,401,258	-	-	4,401,258
Uncommitted	26,973,665	-	-	-	-	-	-	26,973,665
<b>Total Fund Equity</b>	<b>68,554,976</b>	<b>31,134</b>	<b>85,465</b>	<b>8,778</b>	<b>4,401,258</b>	<b>2,519,181</b>	<b>(1)</b>	<b>75,600,791</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 132,509,114</b>	<b>\$ 31,194</b>	<b>\$ 453,130</b>	<b>\$ 106,605</b>	<b>\$ 4,405,061</b>	<b>\$ 2,519,181</b>	<b>\$ 1,116,321</b>	<b>\$ 141,140,606</b>

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY  
FOR THE YEAR ENDED JUNE 30, 2019**

June 30, 2019	General Fund	Bond Interest and Redemption Fund	Child Development Fund	Other Special Revenue Fund	Capital Outlay Projects Fund	Bond Construction Fund	Balance Forward
<b>REVENUES</b>							
Federal	\$ 1,992,434	\$ -	\$ 15,085	\$ -	\$ 2,789	\$ -	\$ 2,010,308
State	126,588,854	42,232	190,710	-	-	-	126,821,796
Local	26,601,591	12,467,664	229,017	1,184,718	75,659	642,138	41,200,787
Cost of sales	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>155,182,879</b>	<b>12,509,896</b>	<b>434,812</b>	<b>1,184,718</b>	<b>78,448</b>	<b>642,138</b>	<b>170,032,891</b>
<b>EXPENDITURES</b>							
Academic salaries	31,551,755	-	-	-	-	-	31,551,755
Classified salaries	26,124,268	-	161,386	-	20,439	-	26,306,093
Employee benefits	24,358,562	-	108,272	-	1,510	-	24,468,344
Supplies and materials	2,309,595	-	20,838	-	10,392	539	2,341,364
Other operating expenses	59,000,642	-	24,740	-	62,624	15,373	59,103,379
Capital outlay	4,217,663	-	2,828	-	3,499,948	23,008,753	30,729,192
<b>Total Expenditures</b>	<b>147,562,485</b>	<b>-</b>	<b>318,064</b>	<b>-</b>	<b>3,594,913</b>	<b>23,024,665</b>	<b>174,500,127</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>							
	7,620,394	12,509,896	116,748	1,184,718	(3,516,465)	(22,382,527)	(4,467,236)
<b>OTHER FINANCING SOURCES</b>							
	1,312,587	-	-	-	6,529,973	-	7,842,560
<b>OTHER OUTGO</b>							
	(8,149,891)	(10,481,654)	-	-	-	-	(18,631,545)
<b>NET CHANGE IN FUND BALANCE</b>							
	783,090	2,028,242	116,748	1,184,718	3,013,508	(22,382,527)	(15,256,221)
<b>BEGINNING FUND BALANCE</b>							
	23,247,177	21,562,217	233,028	1,408,904	2,343,884	35,015,987	83,811,197
<b>ENDING FUND BALANCE</b>							
	\$ 24,030,267	\$ 23,590,459	\$ 349,776	\$ 2,593,622	\$ 5,357,392	\$ 12,633,460	\$ 68,554,976

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY  
FOR THE YEAR ENDED JUNE 30, 2019**

June 30, 2019	Balance Brought Forward	Farm Operations Fund	Bookstore Fund	Cafeteria Fund	Self Insurance Fund	Retiree Benefit Fund	Financial Aid Fund	Total
<b>REVENUES</b>								
Federal	\$ 2,010,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,627,610	\$ 23,637,918
State	126,821,796	-	-	-	-	-	3,930,860	130,752,656
Local	41,200,787	23,113	1,983,540	1,616,565	681,383	67,816	780,144	46,353,348
Cost of sales	-	-	(1,752,365)	(870,473)	-	-	-	(2,622,838)
<b>Total Revenues</b>	<b>170,032,891</b>	<b>23,113</b>	<b>231,175</b>	<b>746,092</b>	<b>681,383</b>	<b>67,816</b>	<b>26,338,614</b>	<b>198,121,084</b>
<b>EXPENDITURES</b>								
Academic salaries	31,551,755	-	-	-	-	-	-	31,551,755
Classified salaries	26,306,093	3,468	538,885	592,270	17,263	-	-	27,457,979
Employee benefits	24,468,344	35	249,513	203,946	1,255	-	-	24,923,093
Supplies and materials	2,341,364	5,390	(394,358)	(17,111)	-	-	-	1,935,285
Other operating expenses	59,103,379	1,139	132,022	110,713	572,551	-	-	59,919,804
Capital outlay	30,729,192	-	14,863	5,061	-	-	-	30,749,116
<b>Total Expenditures</b>	<b>174,500,127</b>	<b>10,032</b>	<b>540,925</b>	<b>894,879</b>	<b>591,069</b>	<b>-</b>	<b>-</b>	<b>176,537,032</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,467,236)</b>	<b>13,081</b>	<b>(309,750)</b>	<b>(148,787)</b>	<b>90,314</b>	<b>67,816</b>	<b>26,338,614</b>	<b>21,584,052</b>
<b>OTHER FINANCING SOURCES</b>	<b>7,842,560</b>	<b>-</b>	<b>14,280</b>	<b>4,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,861,340</b>
<b>OTHER OUTGO</b>	<b>(18,631,545)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,170,522)</b>	<b>(26,338,615)</b>	<b>(50,140,682)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(15,256,221)</b>	<b>13,081</b>	<b>(295,470)</b>	<b>(144,287)</b>	<b>90,314</b>	<b>(5,102,706)</b>	<b>(1)</b>	<b>(20,695,290)</b>
<b>BEGINNING FUND BALANCE</b>	<b>83,811,197</b>	<b>18,053</b>	<b>380,935</b>	<b>153,065</b>	<b>4,310,944</b>	<b>7,621,887</b>	<b>-</b>	<b>96,296,081</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 68,554,976</b>	<b>\$ 31,134</b>	<b>\$ 85,465</b>	<b>\$ 8,778</b>	<b>\$ 4,401,258</b>	<b>\$ 2,519,181</b>	<b>\$ (1)</b>	<b>\$ 75,600,791</b>

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF FUND EQUITY TO NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019**

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<b>Total Fund Equity - District Funds Included in the Reporting Entity</b>		\$ 75,600,791
Assets recorded within the statements of net position not included in the District fund financial statements:		
Nondepreciable capital assets	\$ 41,858,545	
Depreciable capital assets	256,864,355	
Accumulated depreciation	<u>(77,718,462)</u>	221,004,438
Net OPEB Asset		1,086,752
Deferred outflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred loss on refunding		1,772,213
Deferred inflows related to pensions		22,433,741
Liabilities recorded within the statements of net position not recorded in the District fund financial statements:		
Net pension liability		(81,938,206)
Long-term debt		(116,012,326)
Unmatured Interest		(2,584,302)
Deferred inflows recorded within the statement of net position not included in the District fund financial statements:		
Deferred inflows related to OPEB		(154,810)
Deferred inflows related to pensions		<u>(6,173,033)</u>
<b>Net Position Reported Within the Statements of Net Position</b>		<u>\$ 115,035,258</u>

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF CHANGE IN FUND EQUITY TO CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019**

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<b>Change in Fund Equity - District Funds Included in the Reporting Entity</b>	\$ (20,695,290)
Depreciation expense	(6,042,851)
Accretion of general obligation bonds	(260,236)
Accrued interest reported	(440,281)
Amortization of bond premiums	1,211,528
Interest expense from deferred loss on refunding	(161,110)
Capital outlay expense	29,307,995
Pension related activity	(3,315,615)
Other postemployment benefits	1,282,512
Principal Payments on debt	7,044,970
Loss on disposal of fixed assets	(4,047)
<b>Change in Net Position Reported Within the Statement of Revenues, Expenses, and Changes in Net Position</b>	<u>\$ 7,927,575</u>

See accompanying note to the supplementary information.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**A. District Organizational Structure**

This schedule provides information about the District's boundaries and schools operated members of the governing board, and members of the administration.

**B. Schedule of Expenditures of Federal Awards**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The District has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**C. Schedule of Revenues and Expenditures of State Awards**

The accompanying schedule of expenditures of state awards includes the state grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**D. Schedule of Workload Measures for State General Apportionment – Annual/Actual Attendance**

Full-Time Equivalent Students (FTES) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to community college districts. This schedule provides information regarding the attendance of students throughout the District.

**E. Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements**

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

**F. Reconciliation of the ECS 84362 (50 Percent Law) Calculation**

This schedule reports any audit adjustments made to the reported data to ensure that a minimum of 50 percent of the District's current expense of education is expended for salaries of classroom instructors.

**G. Details of the Education Protection Account**

This schedule reports the District revenue and expenditure classification of the Proposition 30 Education Protection Account funds.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 1 – PURPOSE OF SCHEDULES, continued**

**H. Combining Balance Sheet**

This schedule provides a balance sheet detail of all District funds included in the government-wide financial reporting entity.

**I. Combining Statement of Revenues, Expenditures and Changes in Fund Equity**

This schedule provides revenues, expenditures, and changes in fund equity detail for all District funds included in the government-wide financial reporting entity.

**J. Reconciliation of Fund Equity to Net Position**

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

**K. Reconciliation of Change in Fund Equity to Change in Net Position**

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

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**OTHER INDEPENDENT  
AUDITORS' REPORTS**

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

The Board of Trustees  
Butte-Glenn Community College District  
Oroville, California

We have audited, in accordance with the 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 Butte-Glenn Community College District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Butte-Glenn Community College District's basic financial statements, and have issued our report thereon dated December 30, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Butte-Glenn Community College 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 Butte-Glenn Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Butte-Glenn Community College 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Butte-Glenn Community College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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.

*CWDL, Certified Public Accountants*

San Diego, California  
December 30, 2019



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

The Board of Trustees  
Butte-Glenn Community College District  
Oroville, California

### **Compliance**

We have audited Butte-Glenn Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Butte-Glenn Community College District's major federal programs for the year ended June 30, 2019. Butte-Glenn Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Butte-Glenn Community College 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 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 Butte-Glenn Community College 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 Butte-Glenn Community College District's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Butte-Glenn Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

Management of Butte-Glenn Community College 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 Butte-Glenn Community College 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 Butte-Glenn Community College District's internal control over compliance.

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

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

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

*CWDL, Certified Public Accountants*

San Diego, California  
December 30, 2019



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

The Board of Trustees  
Butte-Glenn Community College District  
Oroville, California

### **Report on State Compliance**

We have audited Butte-Glenn Community College District's compliance with the types of compliance requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2018-19*, issued by the California Community Colleges Chancellor's Office for the year ended June 30, 2019.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on Butte-Glenn Community College District's compliance with the 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 *California Community Colleges Contracted District Audit Manual (CDAM) 2018-19*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about Butte-Glenn Community College 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 with the requirements referred to above. However, our audit does not provide a legal determination of Butte-Glenn Community College District's compliance with those requirements.

## **Opinion on State Compliance**

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

## **Procedures Performed**

In connection with the audit referred to above, we selected and tested transactions and records to determine Butte-Glenn Community College District's compliance with the state laws and regulations applicable to the following items:

- Section 421 – Salaries of Classroom Instructors (50 Percent Law)
- Section 423 – Apportionment for Activities Funded From Other Sources
- Section 424 – State General Apportionment Funding System
- Section 425 – Residency Determination for Credit Courses
- Section 426 – Students Actively Enrolled
- Section 427 – Dual Enrollment (CCAP and Non-CCAP)
- Section 430 – Scheduled Maintenance Program
- Section 431 – Gann Limit Calculation
- Section 435 – Open Enrollment
- Section 439 – Proposition 39 Clean Energy
- Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
- Section 475 – Disabled Student Programs and Services (DSPS)
- Section 479 – To Be Arranged Hours (TBA)
- Section 490 – Proposition 1D and 51 State Bond Funded Projects
- Section 491 – Proposition 55 Education Protection Account Funds

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2018-19*. Accordingly, this report is not suitable for any other purpose.

*CWDL, Certified Public Accountants*

San Diego, California  
December 30, 2019

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**SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**Section I – Summary of Auditors’ Results**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

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

<u>CFDA Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.007, 84.268, 84.033 84.063</u>	<u>Student Financial Aid Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

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

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**Section II – Financial Statement Findings**

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

***There were no financial statement findings or questioned costs identified during 2018-19.***

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**Section III – Federal Award Findings and Questioned Costs**

This section identifies the audit findings required to be reported by Uniform Guidance.

***There were no federal award findings or questioned costs identified during 2018-19.***

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**Section IV – State Award Findings and Questioned Costs**

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

***There were no state award findings or questioned costs identified during 2018-19.***

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

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*There were no findings or questioned costs identified during 2017-18.*

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**

**MEASURE J GENERAL OBLIGATION BONDS**

**FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019



**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**MEASURE J GENERAL OBLIGATION BONDS**  
**CITIZENS' BOND OVERSIGHT COMMITTEE MEMBERS**  
**June 30, 2019**

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The Board of Trustees of the Butte-Glenn Community College District established the Citizens' Bond Oversight Committee. The Committee shall perform the following duties: (1) inform the public concerning the District's expenditure of bond proceeds, (2) review expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in the Measure; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses and (3) present to the Board, in public session, an annual written report which shall include the following: a statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and a summary of the Committee's proceedings and activities for the preceding year.

The Citizens' Bond Oversight Committee for Measure J for the fiscal year ended June 30, 2019 was composed of the following members:

<b>Members</b>	<b>Representing</b>	<b>Term Expires</b>
Mike Boss	Business Community	6/30/2019
Trish Dunlap	Support Organization	6/30/2019
Gilbert Houston	Taxpayer's Association	6/30/2019
Orval Hughes	Senior Citizen's Organization	6/30/2019
Tom Lando	Business Community	6/30/2020
John Nock	Business Community	6/30/2019
Vacant*	Student active in a Community College	N/A

\*The District is actively soliciting to fill the noted vacancy.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
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June 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Butte-Glenn Community College District  
Oroville, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Butte-Glenn Community College District (the "District") Measure J General Obligation Bonds activity included in the Measure J General Obligation Bond Funds (the "Measure J Bond Funds") of the District as of and for the year ended June 30, 2019, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure J Bond Funds of Butte-Glenn Community College District, as of June 30, 2019, and the changes in financial position 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 1, the financial statements present only the District's Measure J Bond Funds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2019, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matters**

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Butte-Glenn Community College District's Measure J General Obligation Bond Funds. The Purpose of Bond Issuance on pages 9 and 10 of this report and the Citizen's Bond Oversight Committee Members are presented for purposes of additional analysis and are not a required part of the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the 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 January 8, 2020 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and other matters for the Measure J Bond Funds. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance for the Bond Funds. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Butte-Glenn Community College District's internal control over financial reporting and compliance for the Bond Funds.

*CWDL, Certified Public Accountants*

San Diego, California  
January 8, 2020

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## **FINANCIAL SECTION**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
Balance Sheet  
June 30, 2019**

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<b>ASSETS</b>	
Cash and cash equivalents	\$ 12,618,203
Receivables	<u>122,959</u>
<b>Total Assets</b>	<u>\$ 12,741,162</u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	<u>\$ 107,702</u>
<b>Total Liabilities</b>	<u>107,702</u>
<b>Fund Balance</b>	
Restricted for capital projects	<u>12,633,460</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 12,741,162</u>

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 MEASURE J GENERAL OBLIGATION BONDS  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Fiscal Year Ended June 30, 2019**

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**REVENUES**

Interest income	\$ 642,138
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<b>Total Revenues</b>	<u>642,138</u>
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**EXPENDITURES**

Supplies, materials and other operating expenses	15,914
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Capital outlay	<u>23,008,753</u>
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<b>Total Expenditures</b>	<u>23,024,667</u>
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<b>Net Change in Fund Balance</b>	(22,382,529)
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<b>Restricted Fund Balance, July 1, 2018</b>	<u>35,015,989</u>
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<b>Restricted Fund Balance, June 30, 2019</b>	<u>\$ 12,633,460</u>
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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**MEASURE J GENERAL OBLIGATION BONDS**  
**Notes to Financial Statements**  
**June 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Butte-Glenn Community College District (the "District") accounts for its Measure J General Obligation Bond Funds' ("Bond Funds") financial transactions in accordance with policies and procedures of the State Chancellor's Office's California Community Colleges Budget and Accounting Manual. The accounting policies of the Measure J Bond Funds conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

Financial Reporting Entity: The financial statements include only the Bond Funds' Measure J General Obligation Bond Resources of the District. The funds were established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds (Election of 2016, Series A). The authorized issuance amount of the bonds is \$190,000,000. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

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.

The financial statements represent the Measure J General Obligation Bond Funds of the District and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Cash and Cash Equivalents: For the purpose of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Butte County Treasury are considered cash equivalents.

Restricted Fund Balance: Restricted fund balance includes resources which are legally or contractually restricted by external third parties. Fund balance is restricted for capital projects of the Measure J Bond Funds in accordance with the Bond Project List for Measure J General Obligation Bonds.

Accounting Estimates: The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**MEASURE J GENERAL OBLIGATION BONDS**  
**Notes to Financial Statements**  
**June 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Encumbrances: Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at June 30, 2019 consisted of \$12,618,203 held in the County Treasury investment pool.

Credit Risk: In accordance with Education Code Section 41001, the Bond Funds maintain all of their cash in the Butte County Treasury. The County Treasurer of Butte County acts as the Measure J General Obligation Bonds Fiscal Agent. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the Bond Funds' deposits are maintained in a recognized pooled investment fund under the care of a third party and the Bond Funds' share of the pooled investment fund does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable State laws, the Butte County Treasurer may invest in derivative securities. However, at June 30, 2019, the Butte County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Investments Authorized by Debt Agreements: Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
County Pooled Investment Fund	None	None	None

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
 MEASURE J GENERAL OBLIGATION BONDS  
 Notes to Financial Statements  
 June 30, 2019**

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**NOTE 2 – CASH AND CASH EQUIVALENTS, continued**

Disclosures Relating to Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

Investment Type	Weighted Average Maturity (in Days)
Butte County Investment Pool	669

Concentration of Credit Risk: The District's investment policy places limits on the amount it may invest in any one issuer. At June 30, 2019, the District had no concentration of credit risk.

**NOTE 3 – PURPOSE OF BOND ISSUANCE**

Bond Authorization: By approval of the proposition for Measure J by at least 55% of the registered voters voting on the proposition at the election held on November 8, 2016, Butte-Glenn Community College District was authorized to issue and sell bonds of up to \$190,000,000 in aggregate principal amount.

Purpose of Bonds: The proceeds of the Bonds may be used:

“To upgrade classrooms to improve safety and prepare students/ veterans for university transfer/careers, such as nursing, welding, emergency response by upgrading aging classrooms/ technology, removing asbestos/ unsafe gas lines, improving water conservation, electrical wiring, security, constructing science, welding, public safety, Veterans facilities, and repairing, acquiring, constructing property, facilities/ equipment, shall Butte-Glenn Community College District issue \$190,000,000 in bonds at legal rates, requiring independent audits, citizen oversight, all funds spent locally?”

As required by the California Constitution, the proceeds from the sale of bonds will be used only for the construction, reconstruction, rehabilitation or replacement of school facilities including the furnishing and equipping of school facilities and not for any other purpose, including teacher and administrative salaries and other school operating expense

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**MEASURE J GENERAL OBLIGATION BONDS**  
**Notes to Financial Statements**  
**June 30, 2019**

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**NOTE 4 – GENERAL OBLIGATION BOND ISSUANCES**

The Bonds represent an obligation of the District payable solely from ad valorem property taxes levied and collected by Butte County and Glenn County on properties within the District. The Boards of Supervisors of Butte County and Glenn County have power and are 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 as to certain personal property which is taxable at limited rates.

In April 2017, the District issued the Measure J General Obligation Bonds, Series A in the amount of \$42,000,000. The bonds mature beginning on August 1, 2018 through August 1, 2046, with interest yields ranging from 0.92 percent to 3.9 percent.

The general long-term liabilities maturity schedules for the Measure J General Obligation Bonds Series A are as follows:

**2016 Series A General Obligation Bonds**

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Fiscal Year	Principal	Interest	Total
2020	\$ 4,980,000	\$ 1,777,425	\$ 6,757,425
2021	-	1,578,225	1,578,225
2022	-	1,578,225	1,578,225
2023	-	1,578,225	1,578,225
2024	-	1,578,225	1,578,225
2025-2029	1,550,000	7,774,875	9,324,875
2030-2034	3,825,000	7,235,575	11,060,575
2035-2039	6,925,000	6,206,775	13,131,775
2040-2044	11,420,000	4,176,312	15,596,312
2045-2047	9,670,000	1,044,751	10,714,751
Total	\$ 38,370,000	\$ 34,528,613	\$ 72,898,613

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## **SUPPLEMENTARY INFORMATION SECTION**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
Purpose of Bond Issuance  
June 30, 2019**

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**LEGISLATIVE HISTORY**

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, MEASURE J**

The Butte-Glenn Community College District, Butte County and Glenn County, California Election of 2016 General Obligation Bonds, Measure J were authorized at an election of the registered voters of the Butte-Glenn Community College District held on November 8, 2016 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$190,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from ad valorem property taxes. A summary of the text of the ballot language was as follows:

"To upgrade classrooms to improve safety and prepare students/ veterans for university transfer/careers, such as nursing, welding, emergency response by upgrading aging classrooms/ technology, removing asbestos/ unsafe gas lines, improving water conservation, electrical wiring, security, constructing science, welding, public safety, Veterans facilities, and repairing, acquiring, constructing property, facilities/ equipment, shall Butte-Glenn Community College District issue \$190,000,000 in bonds at legal rates, requiring independent audits, citizen oversight, all funds spent locally?"

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
Purpose of Bond Issuance  
June 30, 2019**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, MEASURE J,  
continued**

The District's Board of Trustees developed the following Bond Project List for the Measure J Bonds:

- Upgrade classrooms for job and career pathways in fields like nursing, law enforcement and welding.
- Repair classrooms to better prepare returning veterans for high-paying jobs.
- Provide facilities to prepare students to transfer to four-year colleges and universities.
- Improve vocational education to prepare students for careers.
- Provide a permanent Veterans Resource Center.
- Build a new welding facility.
- Provide a science, technology and engineering center for instruction in high-tech fields.
- Improve water conservation.
- Replace deteriorating gas, electrical and sewer lines and leaky roofs.
- Remove asbestos.
- Meet current building safety codes.

**FURTHER SPECIFICATIONS**

No Administrator Salaries: Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

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## **OTHER REPORTS**

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

To the Board of Trustees  
Butte-Glenn Community College District  
Oroville, California

We have audited, in accordance with the 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 Butte-Glenn Community College District (the "District") Measure J General Obligation Bond Funds (the "Measure J Bond Funds") as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated January 8, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over Measure J Bond Fund financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Measure J Bond Funds.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Butte-Glenn Community College District's Measure J Bond Funds' financial statements are free of material misstatement, we performed tests of the Bond Funds' compliance with certain provisions of laws, regulations, and contracts, 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 over financial reporting 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 for the Bond Funds. 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 for the Bond Fund. Accordingly, this communication is not suitable for any other purpose.

*CWDL, Certified Public Accountants*

San Diego, California  
January 8, 2020

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## **FINDINGS AND RESPONSES SECTION**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
Financial Statement Findings  
For the Fiscal Year Ended June 30, 2019**

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

***There were no financial statement findings or questioned costs identified during 2018-19.***

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2019**

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*There were no financial statement findings or questioned costs identified during 2017-18.*

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**

**MEASURE J GENERAL OBLIGATION BONDS  
PERFORMANCE AUDIT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**



**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
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June 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Butte-Glenn Community College District  
Oroville, California

We have conducted a performance audit of the Butte-Glenn Community College District (the "District") Measure J General Obligation Bond funds for the year ended June 30, 2019.

We conducted our performance audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 4 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Measure J General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for Butte-Glenn Community College District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of Butte-Glenn Community College District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that, in all significant respects, Butte-Glenn Community College District expended Measure J General Obligation Bond funds for the year ended June 30, 2019 only for specific projects developed by the District's Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

*CWDL, Certified Public Accountants*

San Diego, California  
January 8, 2020

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# **BACKGROUND**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
Background Information  
June 30, 2019**

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**LEGISLATIVE HISTORY**

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts or county offices of education "for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT MEASURE J GENERAL OBLIGATION BONDS**

The Butte-Glenn Community College District, Butte County and Glenn County, California Election of 2016 General Obligation Bonds, Measure J were authorized at an election of the registered voters of the Butte-Glenn Community College District held on November 8, 2016 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$190,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. A summary of the text of the ballot language was as follows:

"To upgrade classrooms to improve safety and prepare students/ veterans for university transfer/careers, such as nursing, welding, emergency response by upgrading aging classrooms/ technology, removing asbestos/ unsafe gas lines, improving water conservation, electrical wiring, security, constructing science, welding, public safety, Veterans facilities, and repairing, acquiring, constructing property, facilities/ equipment, shall Butte-Glenn Community College District issue \$190,000,000 in bonds at legal rates, requiring independent audits, citizen oversight, all funds spent locally?"

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
Background Information  
June 30, 2019**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT MEASURE J GENERAL OBLIGATION BONDS,  
continued**

The District's Board of Trustees developed the following Bond Project List for the Measure J Bonds:

- Upgrade classrooms for job and career pathways in fields like nursing, law enforcement and welding.
- Repair classrooms to better prepare returning veterans for high-paying jobs.
- Provide facilities to prepare students to transfer to four-year colleges and universities.
- Improve vocational education to prepare students for careers.
- Provide a permanent Veterans Resource Center.
- Build a new welding facility.
- Provide a science, technology and engineering center for instruction in high-tech fields.
- Improve water conservation.
- Replace deteriorating gas, electrical and sewer lines and leaky roofs.
- Remove asbestos.
- Meet current building safety codes.

In November 2016, the constituents of the District approved Measure J authorizing the District to issue \$190,000,000 in general obligation bonds. As of June 30, 2019, the District has issued \$42,000,000 of the Measure J bonds.

In April 2017, the District issued the 2016 General Obligation Bonds, Series A in the amount of \$42,000,000. The bonds mature beginning on August 1, 2018 through August 1, 2046, with interest yields ranging from 0.92 percent to 3.9 percent.

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# **PERFORMANCE AUDIT**

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**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**MEASURE J GENERAL OBLIGATION BONDS**  
**Objectives, Scope, Methodology and Conclusions**  
**June 30, 2019**

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**OBJECTIVES**

The objective of our performance audit was to determine that the District expended Measure J General Obligation Bond funds for the year ended June 30, 2019 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

**SCOPE**

The District provided to us a list of all Measure J General Obligation Bond project expenditures for the year ended June 30, 2019 (the "List"). The List represented \$23,024,667 in expenditures from July 1, 2018 through June 30, 2019.

**METHODOLOGY**

We performed the following procedures to the List of Measure J General Obligation Bond project expenditures for the year ended June 30, 2019:

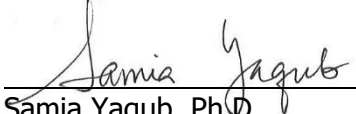
- Interviewed District management related to controls over planning, bidding, contracting, expenditure of bond funds and financial reporting and determined that controls have been put in place and are working as documented.
- Documented District procedures and controls over planning, bidding, contracting, expenditure of bond funds and financial reporting.
- Performed tests to determine that the District controls over planning, bidding, contracting, expenditure of bond funds and financial reporting have been put in place and are working as documented.
- Verified the mathematical accuracy of the List.
- Reconciled the List to total bond expenditures as reported by the District in the District's audited financial statements for the year ended June 30, 2019, presented as the Measure J General Obligation Bond funds.
- We selected a sample of 40 expenditures totaling \$12,758,008. The sample was selected to provide a representation across specific projects, vendors and expenditure amounts. The sample represented 55% of the total expenditure value. Verified that the expenditures were for the approved projects and were expended for the upgrading, acquiring, constructing and equipping of school facilities, including building art, science and math classrooms and labs, or expanding healthcare job training facilities.

**CONCLUSION**

The results of our tests indicated that, in all significant respects, Butte-Glenn Community College District expended Measure J General Obligation Bond funds for the year ended June 30, 2019 only for the specific projects developed by the District's Governing Board and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Approval of Educational Master Plan	<b>Item No:</b> 20-7940 <b>Enclosure:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Category:</b> Institutional Effectiveness	<b>Action</b> <input checked="" type="checkbox"/> <b>Regular</b> <input checked="" type="checkbox"/> <b>Information</b> <input type="checkbox"/> <b>Consent</b> <input type="checkbox"/>
<b>Submitted By:</b> Gregory Stoup. Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

As part of its process of continuous improvement the District has developed a draft Educational Master Plan. This plan is an outgrowth of the planning process that began with the Strategic Planning Retreat in January, 2018. In June 2018, members of the Educational Master Planning Committee met to refine the Strategic Direction and established institutional theme priorities for focusing effort on specific elements in the 2019-2020 Strategic Direction.

The Educational Master Planning Committee began its work to develop a draft Educational Master Plan in fall 2018. The draft plan includes information on who we are, who we serve, what students face, what we are directed to do, where we are, what we will do, and how we will do it. Woven throughout the document are student, alumni and faculty/staff success stories.

**Status**

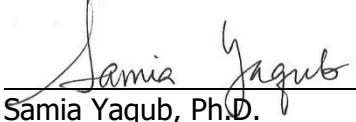
The constituent groups approved the draft Educational Master Plan in November 2019. The Board reviewed the plan in December 2019. Suggested changes, including front and back pages have been incorporated into the final version.

**Recommendation**

It is recommended that the Board approve the Educational Master Plan.

**Butte-Glenn Community College District  
Meeting of the Board of Trustees**

**January 29, 2020**

<b>Subject:</b> Approval of Resolution 786: Authorization to Amend California State Preschool Program (CSPP) Contract	<b>Item No:</b> 20-7941 <b>Enclosure:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Category:</b> Instruction	<b>Action</b> <input checked="" type="checkbox"/> <b>Regular</b> <input checked="" type="checkbox"/> <b>Information</b> <input type="checkbox"/> <b>Consent</b> <input type="checkbox"/>
<b>Submitted By:</b> Virginia L. Guleff Vice President	<b>Approved By:</b>  Samia Yaqub, Ph.D. Superintendent/President

**Background**

In September and October 2019 the Butte College Child Development Center was effected by an emergency closure of our California State Preschool program due to the Public Safety Power Shut-off by the utility company, Pacific Gas & Electric Company. Our days of services were reduced which will affect our annual contracted days. The California Department of Education with which we contract has provided us with a management bulletin 10-09 with action steps needed to take to reconcile our eight missing days in the program.

**Status**

The Management Bulletin 10-09 states:

Whenever a contractor's days of operation are reduced for any circumstances beyond the control of the contractor and the reduction in days of operation did not require the contractor to reduce staff through layoffs or unpaid furloughs, the contractor's governing board must adopt a resolution that clearly and fully describes the nature of the emergency condition as well as the specific effect on program operations. The resolution should include:

- Dates program was suspended: 9/25, 10/9, 10/10, 10/11, 10/24, 10/28, 10/29, and 10/30/2019.
- Daily attendance for both certified and non-certified children for the week prior to the date operations was suspended or reduced.

**Recommendation**

It is recommended the Board adopt Resolution 786 to amend the contract between Butte College Child Development Center and California State Preschool Program, reducing the original contract days due to emergency closure.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT**  
**Meeting of the Board of Trustees**

**January 29, 2020**

**RESOLUTION NO. 786**

**APPROVAL OF Emergency Closure Dates for the California State Preschool Program**

**WHEREAS**, the Butte-Glenn Community College District was closed due to the Public Safety Power shut off on September 25, October 9<sup>th</sup>-11<sup>th</sup>, October 24, and October 28<sup>th</sup>-30<sup>th</sup>.  
Totaling eight days.

**WHEREAS**, the Butte-Glenn Community College District was closed due to the Public Safety Power shut off on September 25, October 9<sup>th</sup>-11<sup>th</sup>, October 24, and October 28<sup>th</sup>-30<sup>th</sup>. This included the Butte College Child Development Center. We could not serve children and families under our CSPP contract during these closure dates.

**WHEREAS**, the Board of Trustees of the Butte-Glenn Community College District is requesting that the California Department of Education grant these dates to be included in their days of operation so that the Butte College Child Development Center may stay in compliance with its contracted days of service.

- Dates program was suspended: 9/25/19, 10/9-11/19, 10/24/19, & 10/28-30/19
- Daily attendance for both certified and non-certified children for the week prior to the dates
- Operation for the week prior to the date of operation was suspended or reduced

Emergency Closure Days 9/25/19 (1 Day)

Week of 9/16-9/20/19	Full-Time	¾ time	½ time
Certified Children	81	4	6
Non-certified children	57	0	4

Emergency Closure Days 10/9-10/11/19 (3 Days)

Week of 9/30-10/4/19	Full-Time	¾ time	½ time
Certified Children	80	8	6
Non-certified children	53	0	4

Emergency Closure Day 10/24/19 (1 Day)

Week of 10/14-10/18/19	Full-Time	¾ time	½ time
Certified Children	76	9	6
Non-certified children	46	0	3

Emergency Closure Day 10/28-10/30/19 (3 days)

10/21-10/25/19	Full-Time	¾ time	½ time
Certified Children	56	4	4
Non-certified children	32	0	2

**NOW THEREFORE BE IT RESOLVED**, that the Butte-Glenn Community College District Board of Trustees hereby authorize the District to submit the above attendance days for weeks prior to Public Safety Power shut off days to the California Department of Education as per Management Bulletin 10-09.

The foregoing resolution was introduced by Board Member \_\_\_\_\_ who moved its adoption, seconded by Board Member \_\_\_\_\_, and adopted on, January 29, 2020 by the following roll call vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

**SO ORDERED:**

\_\_\_\_\_  
John Blacklock  
President, Board of Trustees

**ATTEST:**

\_\_\_\_\_  
Samia Yaqub, Ph.D.  
Secretary, Board of Trustees