MT. SAN JACINTO
COMMUNITY COLLEGE DISTRICT

SAN JACINTO, CALIFORNIA

AUDIT REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014

COSSOLIAS | WILSON
DOMINGUEZ | LEAVITT
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Mt. San Jacinto Community College District
San Jacinto, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Mt. San Jacinto Community College District, as of and for the fiscal years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Mt. San Jacinto 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.

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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 Mt. San Jacinto Community College District, as of June 30, 2015 and 2014, 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.

Emphasis of Matter

As discussed in Note 15 to the financial statements, beginning net position was restated due to the District's implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* during the year ended June 30, 2015, which established accounting and financial reporting standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for defined benefit pensions.

Restatement of the comparative financial data for the prior period presented is not practical due to the unavailability of information from the pension plan, therefore the provisions of GASB Statements No.68 and 71 were not applied to prior period. The cumulative effects of applying the provisions of GASB Statements No. 68 and 71 have been reported as a restatement of beginning net position for the year ended June 30, 2015 in accordance with the Statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis on pages 4 through 11, and the schedule of funding progress, schedule of proportionate share of the net pension liability, and the schedule of contributions on pages 58-60 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.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mt. San Jacinto 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 the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The 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 September 30, 2015 on our consideration of the Mt. San Jacinto 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 Mt. San Jacinto Community College District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
September 30, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Mt. San Jacinto Community College District
1499 N. State Street, San Jacinto, CA 92583

Roger W. Schultz, Ph.D.
Superintendent/President

Board of Trustees
Tom Ashley
Sherrie Guerrero, Ed.D.
Dorothy McGargill
Ann Motte
Bill Zimmerman

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Mt. San Jacinto Community College District (the District) as of June 30, 2015. The report consists of three basic financial statements: The Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows and provides information about the District as a whole. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with District management.

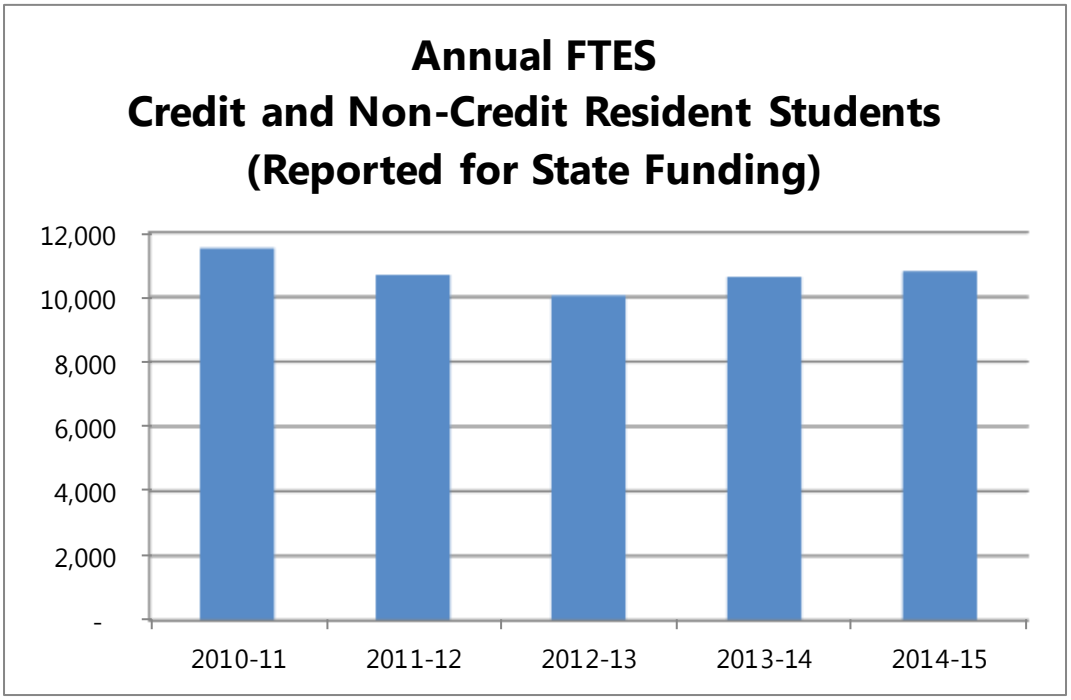
OVERVIEW OF THE FINANCIAL STATEMENTS

The Mt. San Jacinto Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements (GASB) No. 34, Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments, and No. 35, Basic Financial Statements – and Management Discussion and Analysis - for Public College and Universities. These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The entity-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statements of Net Position is designed to be similar to the bottom line results of the District. These statements combine and consolidate current financial resources with capital assets and long-term obligations. The Statements of Revenues, Expenses, and Changes in Net Position focus on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statements of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

FINANCIAL HIGHLIGHTS

The District's primary funding source is from apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). See the below chart for a historical perspective on the changes in FTES over the past 5 fiscal years.



- During the 2014-2015 fiscal year, the District provided $34,365,556 in financial aid to students attending classes at the two campuses. This aid was provided in the form of grants, scholarships, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding as shown below.

Federal Pell Grants (PELL)	$ 21,684,190
Federal Supplemental Education Opportunity Grant (FSEOG)	379,890
Federal Work Study Program (FWS)	283,650
State of California Cal Grant B and C (CALG-B and C)	1,251,273
California Community College Board of Governor's Fee Waiver	10,766,553
Total Financial Aid Provided to Students	$ 34,365,556

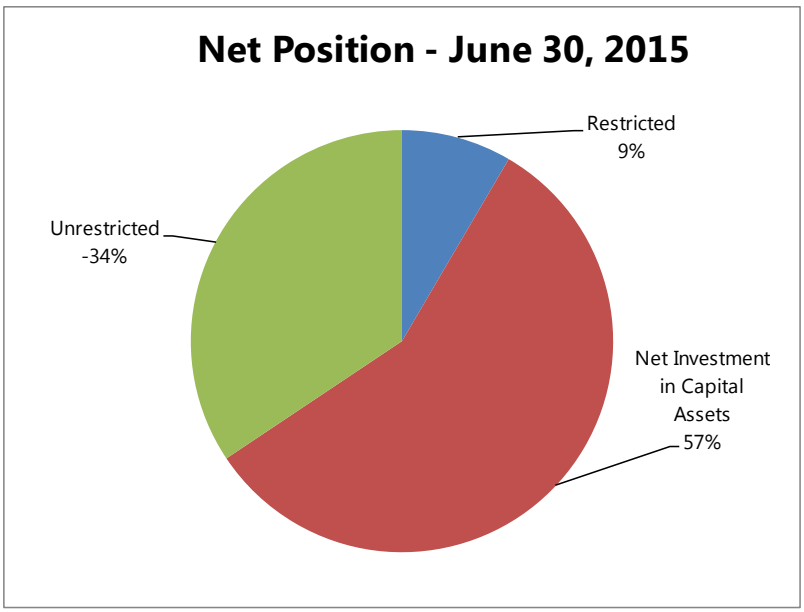
THE DISTRICT AS A WHOLE

Net Position

The District's Net Position decreased by $44.5 million due primarily to the required adoption of new pension standards. Under the new accounting standards, the District is now recognizing its proportional share of the underfunded pension systems for both the California Public Employee's Retirement System (PERS) and California State Teachers' Retirement System (STRS) contributions.

	2015	2014	Net Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Total assets	$ 181,354,876	$ 106,777,859	$ 74,577,017
Deferred outflows of resources	3,695,282	375,391	3,319,891
Total Assets and Deferred Outflows of Resources	185,050,158	107,153,250	77,896,908
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	10,516,331	8,997,657	1,518,674
Noncurrent liabilities	123,342,651	14,352,279	108,990,372
Deferred inflows of resources	11,846,934	-	11,846,934
Total Liabilities and Deferred Inflows of Resources	145,705,916	23,349,936	122,355,980
NET POSITION			
Net investment in capital assets	71,728,224	71,552,892	175,332
Restricted	10,731,812	5,455,060	5,276,752
Unrestricted	(43,115,794)	6,795,362	(49,911,156)
Total Net Position	$ 39,344,242	$ 83,803,314	$ (44,459,072)

The composition of Net Position at June 30, 2015 is reflected below:

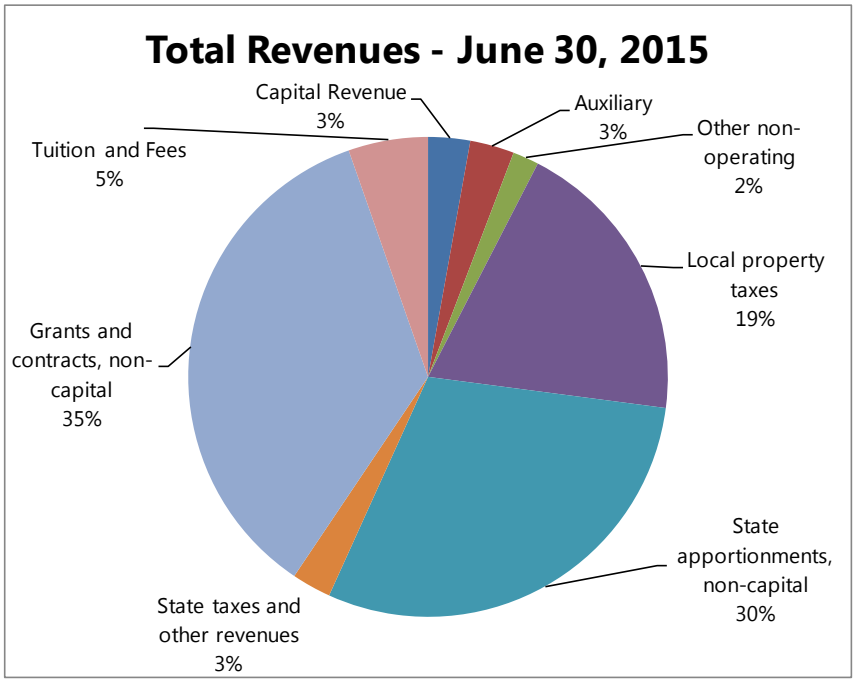


Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statements of Revenues, Expenses, and Changes in Net Position on page 13.

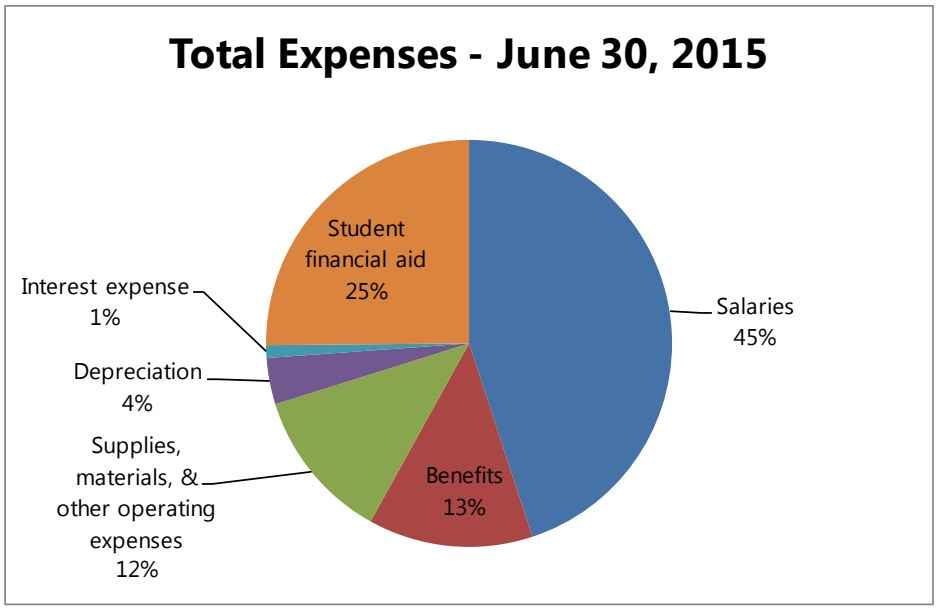
	2015	2014	Net Change
Revenues			
Net tuition and fees	$ 5,582,743	$ 4,131,501	$ 1,451,242
Other operating revenue	3,098,618	2,343,429	755,189
General revenues - property taxes	20,284,808	18,374,467	1,910,341
General revenues - federal and state grants	36,622,600	30,512,345	6,110,255
General revenues - other	38,418,044	38,359,744	58,300
Total Revenue	104,006,813	93,721,486	10,285,327
Expenses			
Operating expenses	93,833,543	90,427,792	3,405,751
Interest	1,214,719	493,574	721,145
Total Expenses	95,048,262	90,921,366	4,126,896
Change in net position	$ 8,958,551	$ 2,800,120	$ 6,158,431

The District's primary revenue is from the State apportionment, local property taxes, student enrollment fees, and grants. Property taxes levied and received from property within the County increased in 2014-2015. State apportionments increased due to system-wide increases in revenue and allocations. The composition of operating and nonoperating revenues for the year ended June 30, 2015 are reflected below:



Operating Results for the Year, continued

The District's expenses consisted primarily of employee salaries, benefits, supplies and operating items, and payments to students for financial aid. Total salaries increased $2.8 million over the prior year, due primarily to cost of living adjustment (COLA), new faculty positions and replacements for retirees. Benefits increased $0.6 million due to State contributions on behalf of District employees, and new pension accounting standards adopted during the fiscal year. Operating and nonoperating expenses are comparatively reflected below:



In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

	Salaries and Employee Benefits	Supplies material, and other expenses and services	Equipment maintenance and repairs	Financial aid	Depreciation	Total
Instructional activities	$ 25,365,909	$ 477,499	$ 109,017	$ -	$ -	$ 25,952,424
Academic support	6,381,843	677,494	43,273	-	-	7,102,610
Student services	7,916,823	546,007	14,499	257,683	-	8,735,012
Operations and maintenance	2,213,238	1,513,428	446	-	-	3,727,111
Instituitional support services	8,682,298	5,498,098	19,119	-	-	14,199,514
Community services & economic development	551,464	308,637	4,999	-	-	865,100
Ancillary services & auxiliary operations	3,464,092	1,467,083	7,072	265	-	4,938,512
Physical property & related acquisitions	80,650	763,994	145,760	-	-	990,404
Transfers, student aid, other outgo	-	317	229,635	23,633,978	-	23,863,930
Depreciation - unallocated	-	-	-	-	3,458,924	3,458,924
Total	$ 54,656,317	$ 11,252,557	$ 573,819	$ 23,891,926	$ 3,458,924	$ 93,833,543

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had $117.7 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2015, the District's net capital assets were $84.1 million. Major capital improvement projects are ongoing throughout the college campuses. These projects are primarily funded through the General Obligation Bonds issued by the District in April 2015. Projects will be accounted for within our Construction in Progress account until the project is completed at which time the cost will be recorded to the depreciable capital asset categories.

	2015	2014	Net Change
Capital assets not being depreciated	$ 20,885,579	$ 20,881,224	$ 4,355
Capital assets being depreciated	96,774,812	92,443,340	4,331,472
Accumulated depreciation	(33,585,381)	(30,157,841)	(3,427,540)
Total Capital Assets	$ 84,075,010	$ 83,166,723	$ 908,287

We present more detailed information about our capital assets in Note 5 to the financial statements.

Long-term Liabilities

At the end of the 2014-2015 fiscal year, the District had $75.8 million in General Obligation Bonds outstanding, including premium on bonds. These bonds are repaid semi-annually, utilizing District Funds, in accordance with the debt service schedules.

In addition to the General Obligation Bonds, the District is obligated for lease purchase agreements for equipment and obligations to employees of the District for vacation, load banking, and retirement benefits.

	2015	2014	Net Change
General obligation bonds	$ 75,751,234	$ -	$ 75,751,234
Lease revenue bonds	-	11,390,000	(11,390,000)
Capital leases	798,629	223,831	574,798
Compensated absences	1,220,209	1,167,933	52,276
Other long-term liabilities	1,677,852	2,796,755	(1,118,903)
Total Long-term Liabilities	$ 79,447,924	$ 15,578,519	$ 63,869,405

We present more detailed information about our long-term liabilities in Note 7 to the financial statements.

UNRESTRICTED GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget to provide for unanticipated changes in revenues and expenditures. The Board of Trustees adopted the final amendment for the budget for the 2014-2015 fiscal year on September 11, 2015.

The District's unrestricted General Fund anticipated that expenditures would exceed revenue by $4.1 million. However, the actual results for the year showed revenues exceeded expenditures by $3.1 million. This is due in large part to deferral of expenditures planned for in 2015-2016.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

The State of California approved its budget on June 24, 2015. The budget reflects a strong rebound in state revenues which have primarily benefited the Proposition 98 guarantee for schools and community colleges. California Community Colleges saw a Cost of Living Adjustment (COLA) of 1.02%, increases in general operating and categorical programs, deferred maintenance funding, $94.5 million to eliminate deferrals system wide, $632 million to pay down mandates, plus direct funding to increase the number of full-time faculty.

Mt. San Jacinto Community College has leveraged the positive state position to fully restore previous budget reductions, add budget capacity for 10 new teaching faculty (net increases), 2 new non-teaching faculty and 10 replacement faculty due to retirement/resignation. In addition, the District has designated reserves for the increases scheduled in the California Public Employee's Retirement System (PERS) and California State Teachers' Retirement System (STRS) contributions. Additionally, the District has set aside funds for the Post-Employment Benefits Other Than Pensions (OPEB) irrevocable trust payment and an additional designated reserve for future OPEB funding.

The new Growth Formula Model Factors that direct resources based on local demographic need, while considering the system's actual demand for access, align closely with the District's population. Mt. San Jacinto College has the highest constrained targeted growth rate in the state at 11.02%. While this is exceptional for the District in growth funding allocations, the District has taken a conservative approach and did not build in the entire growth funding into the budget year base for 2015-16. The Adopted Budget includes half of the constrained growth funding of 5.5 percent. As enrollments grow and FTES are earned, revenue will be adjusted accordingly.

Mt. San Jacinto Community College General Obligation Bond, Measure AA was approved during the November 4, 2014 election. A 55 percent plus one supermajority vote was required for approval. Measure AA authorizes the issuance of $295 million in bonds to fund capital improvement projects District-wide. The funds were designated to ensure school buildings are accessible for the disabled; upgrade classrooms, labs, electrical systems, and technology infrastructure and acquire, construct, and repair classrooms and facilities. Fiscal accountability will be monitored by the nine member Citizen's Oversight Committee. The first issuance of $70 million occurred in April of 2015.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Mt. San Jacinto Community College District at 1499 North State Street, San Jacinto, California 92583.

FINANCIAL SECTION

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION – PRIMARY GOVERNMENT
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 90,434,553	$ 11,876,233
Accounts receivable - net	4,651,520	9,548,982
Due from fiduciary funds - net	-	15,989
Inventories	658,849	829,732
Prepaid expenses	461,700	259,990
Total Current Assets	96,206,622	22,530,926
NONCURRENT ASSETS		
Net OPEB asset	1,073,244	730,210
Prepaid expense - non current	-	350,000
Capital assets - net of accumulated depreciation	84,075,010	83,166,723
Total Noncurrent Assets	85,148,254	84,246,933
TOTAL ASSETS	181,354,876	106,777,859
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges	3,695,282	375,391
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	4,959,298	4,961,972
Deferred revenue	4,838,121	2,809,445
Long-term debt - current portion	718,912	1,226,240
Total Current Liabilities	10,516,331	8,997,657
NONCURRENT LIABILITIES		
Net pension liability	44,613,639	-
Long-term debt - noncurrent portion	78,729,012	14,352,279
Total Noncurrent Liabilities	123,342,651	14,352,279
TOTAL LIABILITIES	133,858,982	23,349,936
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows on unrealized pension investment gains	11,846,934	-
NET POSITION		
Net investment in capital assets	71,728,224	71,552,892
Restricted for:		
Debt service	5,510,456	-
Capital projects	5,221,356	4,933,232
Other activities	-	521,828
Unrestricted	(43,115,794)	6,795,362
TOTAL NET POSITION	$ 39,344,242	$ 83,803,314

See accompanying notes to the financial statements.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PRIMARY GOVERNMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
OPERATING REVENUES		
Student tuition and fees	$ 16,349,296	$ 13,734,139
Less: Scholarship discount & allowance	10,766,553	9,602,638
Net tuition & fees	5,582,743	4,131,501
Auxiliary enterprise sales and charges	3,098,618	1,990,979
Other operating revenue	-	352,450
Subtotal	3,098,618	2,343,429
TOTAL OPERATING REVENUES	8,681,361	6,474,930
OPERATING EXPENSES		
Salaries	42,714,438	39,952,644
Benefits	11,941,879	11,350,512
Supplies, materials, & other operating expenses	10,899,650	13,189,537
Student financial aid	23,891,926	22,188,450
Other outgo	926,726	745,137
Depreciation	3,458,924	3,001,512
TOTAL OPERATING EXPENSES	93,833,543	90,427,792
OPERATING LOSS	(85,152,182)	(83,952,862)
NONOPERATING REVENUES/(EXPENSES)		
State apportionments - non-capital	30,884,324	30,590,382
Local property taxes	20,284,808	18,374,467
State taxes & other revenues	2,759,147	3,309,104
Grants:		
Federal	25,541,263	24,403,639
State	11,081,337	6,108,706
Investment income - non-capital	48,290	46,219
Other nonoperating revenues	1,783,833	3,546,782
Interest expense	(1,214,719)	(493,574)
TOTAL NONOPERATING REVENUES	91,168,283	85,885,725
INCOME (LOSS) BEFORE OTHER REVENUES AND GAINS	6,016,101	1,932,863
OTHER REVENUES AND GAINS/(LOSSES)		
State revenues, capital	2,133,752	54,664
Local revenues, capital	808,698	812,593
TOTAL OTHER REVENUES AND GAINS	2,942,450	867,257
CHANGE IN NET POSITION	8,958,551	2,800,120
NET POSITION, BEGINNING OF YEAR	83,803,314	81,003,194
ADJUSTMENT FOR RESTATEMENT (see Note 15)	(53,417,623)	-
NET POSITION, BEGINNING OF YEAR, AS RESTATED	30,385,691	81,003,194
NET POSITION, END OF YEAR	$ 39,344,242	$ 83,803,314

See accompanying notes to the financial statements.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS – PRIMARY GOVERNMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 5,732,122	$ 4,563,359
Payments to or on behalf of employees	(51,564,797)	(51,528,940)
Payments to vendors and operating expenses	(12,102,534)	(19,187,966)
Payments to students	(23,855,076)	(22,291,714)
Other receipts	3,098,618	2,955,691
Net Cash Used by Operating Activities	(78,691,667)	(85,489,570)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State apportionments	30,189,376	30,688,877
Grants and contracts	36,357,216	30,241,605
Property taxes	20,245,520	17,676,682
State taxes and other revenues	3,165,409	3,318,333
Other nonoperating	1,667,714	3,550,085
Net Cash Provided by Non-capital Financing Activities	91,625,235	85,475,582
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(4,295,710)	(2,623,528)
Proceeds from debt issuance	69,690,573	-
State revenue - capital projects	2,133,752	54,664
Local revenue - capital	808,698	812,593
Principal paid on capital debt	(1,546,132)	(456,870)
Interest paid on capital debt	(1,214,719)	(493,574)
Deferred charges on lease revenue bonds	-	18,705
Net Cash Used by Capital Financing Activities	65,576,462	(2,688,010)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	48,290	19,074
Net Cash Provided by Investing Activities	48,290	19,074
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	78,558,320	(2,682,924)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	11,876,233	14,559,157
CASH & CASH EQUIVALENTS, END OF YEAR	$ 90,434,553	$ 11,876,233

See accompanying notes to the financial statements.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS – PRIMARY GOVERNMENT
FOR THE FISCAL YEARS Ended June 30, 2015 and 2014

	2015	2014
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$ (85,152,182)	$ (83,952,862)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation expense	3,458,924	3,001,512
Changes in Assets and Liabilities:		
Receivables - net	412,503	508,998
Inventory	170,883	(361,873)
Prepaid items	(201,710)	(15,958)
Accounts payable and accrued liabilities	1,594,273	(5,375,661)
Deferred revenue	2,028,676	934,652
Accrued interest payable	-	(2,594)
Net OPEB asset	(1,003,034)	(225,784)
Total Adjustments	6,460,515	(1,536,708)
Net Cash Flows From Operating Activities	$ (78,691,667)	$ (85,489,570)

See accompanying notes to the financial statements.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2015 AND 2014

	2015	2014
	Trust	Trust
ASSETS		
Cash and cash equivalents	$ 198,912	$ 156,278
Accounts receivable, net	-	95
Prepaid expenses	-	538
Due from primary government	358	-
Total Assets	199,270	156,911
LIABILITIES		
Accounts payable	4,689	1,562
Due to primary government	22,661	15,989
Total Liabilities	27,350	17,551
NET POSITION		
Held in Trust for Student Groups	171,920	139,360
Total Net Position	$ 171,920	$ 139,360

See accompanying notes to the financial statements.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
	Trust	Trust
ADDITIONS		
Local revenues	$ 169,988	$ 156,420
Total Additions	169,988	156,420
DEDUCTIONS		
Books and supplies	60,502	71,610
Services and operating expenditures	76,926	73,973
Capital outlay	-	547
Total Deductions	137,428	146,130
OTHER FINANCING SOURCES (USES)		
Other sources	13,752	-
Other uses	(13,752)	(1,800)
Total Other Financing Sources (Uses)	-	(1,800)
Change in Net Position	32,560	8,490
NET POSITION		
Beginning of Year	139,360	130,870
End of Year	$ 171,920	$ 139,360

See accompanying notes to the financial statements.

NOTE 1 – ORGANIZATION

The Mt. San Jacinto Community College District (the District) was established in 1962 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, capital project funds, and proprietary funds, but these budgets are managed at the department level. Currently, the District consists of a single college with one center and two other offsite locations located within Riverside County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District has considered all potential component units in determining how to define the reporting entity using criteria set forth in accounting principles generally accepted in the United States of America. The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled, or has the ability to otherwise access, are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The District identified no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted GASB Statement No. 61, Determining Whether Certain Organizations are Component Units. This statement amends 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. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, the District. Management has reviewed the following potential component units and has determined the established criteria has not been met, and the financial activity has been excluded from the District's reporting entity:

> Mt. San Jacinto Community College Foundation - The Foundation is a legally separate not-for-profit corporation. The Board of Directors is elected by their own Board and independent of any District Board of Trustees appointments. The Board is responsible for approving its own audit and accounting and finance related activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office Budget and Accounting Manual. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Mt. San Jacinto Community College District, operating revenues consist primarily of student fees and auxiliary activities through the bookstore and cafeteria.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain Federal and State grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred; when goods are received or services are rendered.

The District reports are based on all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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:
- Statement of Net Position - Primary Government
    - Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
    - Statement of Cash Flows - Primary Government
    - Financial Statements for the Fiduciary Funds including:
        - Statement of Fiduciary Net Position
        - Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments held at June 30, 2015 and 2014, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $84,893 for the year ended June 30, 2015.

Prepaid Expenses

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

Inventories

Inventories consist primarily of bookstore supplies held for resale to the students and faculty of the college. Inventories are stated at cost, utilizing the weighted average method. The cost is recorded as an expense as the inventory is sold.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $2,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 15 to 50 years; improvements, 20 years; equipment, 5 to 20 years.

Accrued Liabilities and Long-Term Obligations

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Debt Issuance Costs, Premiums, and Discounts

Issuance costs related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, all other costs related to debt issuance are expensed when incurred.

Deferred Gain/Loss on Refunding

Deferred gain/loss on refunding is amortized using the straight-line method over the lessor of the remaining life of the debt or the remaining life of the refunded debt.

Pensions

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

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The amounts have been recorded in the fund from which the employees, who have accumulated the leave, are paid. The District also participates in "load-banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is available to all full-time employees based on the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) criteria.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met are recorded as unearned revenue.

Noncurrent Liabilities

Noncurrent liabilities include lease revenue bonds, compensated absences, load banking, capital lease obligations, golden handshake, and OPEB obligations with maturities greater than one year.

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent the difference between assets and liabilities. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

> **Net Investment in Capital Assets** consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component invested in capital assets – net of related debt.
>
> **Restricted:** Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.
>
> None of the District's restricted net position has resulted from enabling legislation adopted by the District.
>
> **Unrestricted:** Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

State Apportionments

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

Property Taxes

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

Board of Governors Grants (BOGG) and Fee Waivers

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through BOGG fee waivers in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf. To the extent that fee waivers have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the related Compliance Supplement.

On Behalf Payments

GASB Statement No. 24 requires direct on behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees for another legally separate entity be recognized as revenues and expenditures by the employer entity. The State of California makes direct on behalf payments to CalSTRS and CalPERS on behalf of all community colleges in California. The amount of the on behalf payments made for the District for the year ended June 30, 2015, was $1,129,775 for CalSTRS and $0 for CalPERS. These amounts are reflected in the District's audited financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Estimates

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

Interfund Activity

Interfund transfers and interfund receivables and payables for governmental activities are eliminated during the consolidation process in the entity-wide financial statements.

Change in Accounting Principles

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Change in Accounting Principles, continued

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

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

- Single employers are those whose employees are provided with defined benefit pensions through single employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).
- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes, but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

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

This Statement is effective for fiscal years beginning after June 15, 2014. Early implementation is encouraged.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Change in Accounting Principles, continued

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

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

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

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements, continued

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

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

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

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

The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The new information will enhance the decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan. The comparability of the reported information for similar types of OPEB plans will be improved by the changes related to the attribution method used to determine the total OPEB liability. The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison with actuarially determined rates, if such rates are determined. In addition, new information about rates of return on OPEB plan investments will inform financial report users about the effects of market conditions on the OPEB plan's assets over time and provide information for users to assess the relative success of the OPEB plan's investment strategy and the relative contribution that investment earnings provide to the OPEB plan's ability to pay benefits to plan members when they come due.

This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements, continued

In June 2015, the GASB issued Statement No. 75*, Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

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

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

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

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

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

This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Comparative Financial Information

Comparative financial information for the prior year has been presented for additional analysis; certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 3 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section (ECS) 41001). The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The County Treasurer also holds investments in a separate investment agreement account other than the County Pooled Investment noted above on behalf of the District.

NOTE 3 - DEPOSITS AND INVESTMENTS, continued

General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

NOTE 3 - DEPOSITS AND INVESTMENTS, continued

Summary of Deposits and Investments

Deposits and investments of the Primary Government as of June 30, 2015, consist of the following:

	Primary Government
Cash on hand and in banks	$ 1,314,904
Cash in revolving	32,553
Cash collections awaiting deposit	6,682
Investments	82,501,592
Cash with fiscal agents	6,578,822
Total Deposits and Investments	$ 90,434,553

Deposits and investments of the Fiduciary Funds as of June 30, 2015, consist of the following:

	Fiduciary Funds
Cash on hand and in banks	$ 198,912

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Specific Identification

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

Investment Type	Fair Market Value	Weighted Average of Maturity in Days
Riverside County Treasury Pooled Investment	$ 82,508,605	402

NOTE 3 - DEPOSITS AND INVESTMENTS, continued

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Riverside County Treasury pool are rated Aaa/AAA by Moody's Investors Service and Fitch ratings as of June 30, 2015.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2015, the District's bank balance was fully collateralized with eligible collateral in accordance with California Government Code Section 53651.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The cash held in the County Treasury is uncategorized and the fair value approximates carrying value are shown above in the credit risk schedule. Deposits with the County Treasury are not categories because they do not represent securities which exist in physical or book entry form. The deposits with the County Treasury are valued using the amortized cost method (which approximates fair value). The fair values are provided by the County Treasurer. As of June 30, 2015, $82,501,592 is invested in the Riverside County Treasurer's Pooled Investment Fund.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources. As of June 30, 2015 accounts receivable amounted to $4,651,520. By September 30, 2015, the date of this audit report, $3,012,003 had been collected and all remaining balances appear collectible.

NOTE 5 - CAPITAL ASSETS

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

	Beginning Balance July 1, 2014	Additions	Deductions	Beginning Balance June 30, 2015
Capital assets not being depreciated				
Land	$ 6,809,952	$ -	$ -	$ 6,809,952
Construction in progress	14,071,272	4,355	-	14,075,627
Total capital assets not being depreciated	20,881,224	4,355	-	20,885,579
Capital assets being depreciated				
Land improvements	10,455,359	154,975	-	10,610,334
Buildings & improvements	64,430,352	1,841,694	-	66,272,046
Furniture and equipment	17,557,629	3,292,913	958,110	19,892,432
Total capital assets being depreciated	92,443,340	5,289,582	958,110	96,774,812
Total capital assets	113,324,564	5,293,937	958,110	117,660,391
Less accumulated depreciation				
Land improvements	3,670,692	511,927	-	4,182,619
Buildings & improvements	15,492,288	1,875,665	-	17,367,953
Furniture and equipment	10,994,861	1,071,332	31,384	12,034,809
Total accumulated depreciation	30,157,841	3,458,924	31,384	33,585,381
Net Capital Assets	$ 83,166,723	$ 1,835,013	$ 926,726	$ 84,075,010

Depreciation expense for the year was $3,458,924. At June 30, 2015, the District had capital assets acquired from capital leases with a net book value of $798,629.

NOTE 5 - CAPITAL ASSETS, continued

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Beginning Balance July 1, 2013	Additions	Deductions	Beginning Balance June 30, 2014
Capital assets not being depreciated				
Land	$ 6,809,952	$ -	$ -	$ 6,809,952
Construction in progress	24,620,080	-	10,548,808	14,071,272
Total capital assets not being depreciated	31,430,032	-	10,548,808	20,881,224
Capital assets being depreciated				
Land improvements	10,184,304	271,055	-	10,455,359
Buildings & improvements	52,316,949	12,113,403	-	64,430,352
Furniture and equipment	17,191,726	787,878	421,975	17,557,629
Total capital assets being depreciated	79,692,979	13,172,336	421,975	92,443,340
Total capital assets	111,123,011	13,172,336	10,970,783	113,324,564
Less accumulated depreciation				
Land improvements	3,164,577	506,115	-	3,670,692
Buildings & improvements	14,061,066	1,431,222	-	15,492,288
Furniture and equipment	10,349,358	1,064,175	418,672	10,994,861
Total accumulated depreciation	27,575,001	3,001,512	418,672	30,157,841
Net Capital Assets	$ 83,548,010	$ 10,170,824	$10,552,111	$ 83,166,723

Depreciation expense for the year was $3,001,512. At June 30, 2014, the District had capital assets acquired from capital leases with a net book value of $223,831.

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2015 and 2014, the amounts owed between the primary government and the fiduciary funds were $22,303 and $15,989, respectively.

NOTE 6 - INTERFUND TRANSACTIONS, continued

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2015 and 2014, there were no transfers made between the primary government and the fiduciary funds.

NOTE 7 - LONG-TERM OBLIGATIONS

Long-Term Obligations Summary

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

	Balance July 1, 2014	Additions	Payments and Reductions	Balance June 30, 2015	Due Within One Year
General obligation bonds					
Series A	$ -	$ 70,000,000	$ -	$ 70,000,000	$ -
Unamortized premium	-	5,786,956	35,722	5,751,234	-
Total general obligation bonds	-	75,786,956	35,722	75,751,234	-
Lease revenue bonds					
Series 2003	5,980,000	-	5,980,000	-	-
Series 2008A	5,410,000	-	5,410,000	-	-
Total lease revenue bonds	11,390,000	-	11,390,000	-	-
Total bonds payable	11,390,000	75,786,956	11,425,722	75,751,234	-
Other liabilities					
Compensated absences	1,167,933	52,276	-	1,220,209	-
Capital leases	223,831	958,063	383,265	798,629	253,229
Golden handshake	1,506,406	-	907,188	599,218	210,004
Supplemental early retirement plan	1,022,716	-	255,679	767,037	255,679
Load banking	267,633	43,964	-	311,597	-
Total other liabilities	4,188,519	1,054,303	1,546,132	3,696,690	718,912
Total long-term obligations	$ 15,578,519	$ 76,841,259	$ 12,971,854	$ 79,447,924	$ 718,912

NOTE 7 - LONG-TERM OBLIGATIONS, continued

Long-Term Obligations Summary, continued

The changes in long-term obligations during the 2014 fiscal year consisted of the following:

	Balance July 1, 2013	Additions	Payments and Reductions	Balance June 30, 2014	Due Within One Year
Lease revenue bonds					
Series 2003	$ 6,185,000	$ -	$ 205,000	$ 5,980,000	$ 215,000
Series 2008A	5,490,000	-	80,000	5,410,000	85,000
Total bonds payable	11,675,000	-	285,000	11,390,000	300,000
Other liabilities					
Compensated absences	1,271,536	-	103,603	1,167,933	-
Capital leases	395,701	-	171,870	223,831	171,869
Golden handshake	2,590,474	-	1,084,068	1,506,406	498,692
Supplemental early retirement plan	-	1,278,395	255,679	1,022,716	255,679
Load banking	328,462	-	60,829	267,633	-
Total other liabilities	4,586,173	1,278,395	1,676,049	4,188,519	926,240
Total long-term obligations	$ 16,261,173	$ 1,278,395	$ 1,961,049	$ 15,578,519	$ 1,226,240

Description of Debt

Payments on the general obligation bonds and lease revenue bonds are made by the Capital Outlay fund. The capital lease payments are made by the General Fund and Capital Outlay fund. The compensated absences are made by the fund for which the employees' salaries are paid from. The District's General Fund makes payments for the golden handshake, supplemental early retirement plan, and load banking obligations from the General Fund.

Bonds Payable

The outstanding bonded debt is as follows:

Series	Issue Date	Yield	Maturity Date	Bonds Outstanding July 1, 2014	Additions	Redeemed	Bonds Outstanding June 30, 2015	Due Within One Year
Series A	4/28/2015	2.00-5.00%	8/1/2040	$ -	$ 70,000,000	$ -	$ 70,000,000	$ -
		Total General Obligation Bonds		-	70,000,000	-	70,000,000	-
Series 2003	6/12/2003	3.00-4.25%	6/1/2033	5,980,000	-	5,980,000	-	-
Series 2008A	5/22/2008	3.50-5.00%	5/1/2038	5,410,000	-	5,410,000	-	-
		Total Lease Revenue Bonds		11,390,000	-	11,390,000	-	-
			Total Bonded Debt	$ 11,390,000	$ 70,000,000	$ 11,390,000	$ 70,000,000	$ -

NOTE 7 - LONG-TERM OBLIGATIONS, continued

Bonds Payable, continued

General Obligation Bonds

During November 2014, voters of the District supported Measure AA, which authorized the issuance and sale of general obligation bonds in the amount of $295,000,000. As a result of the authorization, on April 28, 2015, the District issued General Obligation Bond Series A. At June 30, 2015, the principal outstanding was $70,000,000.

Series A bonds were issued in the aggregate principal amount of $70,000,000 with interest rates ranging from 2.00 to 5.00 percent. Series A bonds were used to finance the acquisition, construction, and modernization of property and school facilities, to refund outstanding lease revenue bonds, and to pay certain costs of the bond issue. The refunded lease revenue bonds are considered defeased.

Debt service requirements to maturity - Series A General Obligation Bonds matures through 2040 as follows:

Fiscal Year	Principal	Interest	Total
2016	$ -	$ 2,034,036	$ 2,034,036
2017	6,050,000	2,868,512	8,918,512
2018	6,185,000	2,684,312	8,869,312
2019	5,115,000	2,432,737	7,547,737
2020	390,000	2,295,112	2,685,112
2021-2025	3,860,000	11,013,560	14,873,560
2026-2030	8,015,000	9,558,690	17,573,690
2031-2035	13,760,000	7,058,408	20,818,408
2036-2040	21,285,000	3,351,576	24,636,576
2041	5,340,000	106,800	5,446,800
	$ 70,000,000	$ 43,403,743	$ 113,403,743

Lease Revenue Bonds

On June 12, 2003, the District issued Series 2003 Lease Revenue Bonds through the California Community College Financial Authority consisting of Current Interest Bonds in the amount of $8,000,000. The bonds bear variable interest rates from 3.0 percent to 4.25 percent.

On May 22, 2008, the District issued Series 2008A Lease Revenue Bonds through the California Community College Financial Authority consisting of Current Interest Bonds in the amount of $5,860,000. The bonds bear variable interest rates from 3.5 percent to 5.0 percent.

During the 2015 fiscal year, a portion of the proceeds from the Series A general obligation bond issuance were placed into escrow accounts to refund 100% of the outstanding lease revenue bonds, resulting in the in-substance defeasance of the lease revenue bonds. As a result, outstanding lease revenue bond payments and the corresponding funds committed in escrow accounts are not reflected in the District's financial statements.

NOTE 7 - LONG-TERM OBLIGATIONS, continued

Capital Leases

The District has entered into various capital lease arrangements for equipment. The lease agreements do not carry a stated interest rate, and no interest has been input.

	Capital Lease
Balance, July 1, 2014	$ 223,831
Additions	958,063
Payments	(383,265)
Balance, June 30, 2015	$ 798,629

The District's principal obligations on lease agreements with options to purchase are summarized below:

Year Ending June 30,	Lease Payment
2016	$ 253,229
2017	221,529
2018	168,058
2019	155,813
Total	$ 798,629

Amortization of the leased equipment under capital leases is included with depreciation expenses.

CalSTRS/CalPERS Golden Handshake Agreement

The District has adopted an early retirement incentive program pursuant to Education Code Sections 22714 and 87488, whereby the service credit to eligible employees is increased by two years (and age is increased by two years). Eligible employees must have five or more years of service under the California State Teachers' Retirement System and retire during a period of not more than 120 days or less than 60 days from the date of the formal action taken by the District (retire during the window period in the formal action taken by the District's governing board). The approximate accumulated future liabilities for all the golden handshakes combined at June 30, 2015, are $599,218.

NOTE 7 - LONG-TERM OBLIGATIONS, continued

Supplemental Early Retirement Plan (SERP)

The Board of Trustees of the District established a retirement plan for certain eligible employees of the District effective July 1, 2013. The eligibility requirements for employees to participate in such a plan are:

a. Faculty, Classified, Management, and Confidential employees of the District.
b. Employee must be at least 55 years of age by June 30, 2013 (Group 1) or December 31, 2013 (Group II).
c. Employee must have five years service with the District by date of retirement.
d. Employee must declare intention to retire during the window period of February 14, 2013 through April 9, 2013.

The plan provided one option as follows:

The benefit under this plan was based on a formula of 66 percent of salary funded over a five-year period.

Supplemental Early Retirement Plan (SERP), continued

On June 30, 2015, there were 25 participants that elected early retirement under this plan. Future minimum annual payments are as follows:

Year Ending June 30,	SERP Payment
2016	$ 255,679
2017	255,679
2018	255,679
Total	$ 767,037

Other Obligations

The compensated absences balance at June 30, 2015, was $1,220,209.

The amount owed to employees for load banking balances at June 30, 2015, was $311,597.

NOTE 8 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) ASSET

The District provides postemployment health care benefits for retired employees in accordance with approved Board policy.

Plan Description

The Mt. San Jacinto Community College District has established a GASB Statement No. 43 trust with California Employers' Retirement Benefit Trust to fund future OPEB obligations. As of June 30, 2015, the value of the Plan assets was $2,915,987.

The Mt. San Jacinto Community College District Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical benefits to eligible retirees and their spouses. Membership of the Plan consists of 63 retirees and retiree beneficiaries currently receiving benefits and 422 active plan members.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. Currently, plan members do not make contributions. The District provides 100 percent of the contribution. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2014-2015, the District contributed $332,712 of which $500,000 was contributed to the Irrevocable Trust and $327,712 was used for current year premiums.

Annual OPEB Cost and Net OPEB Asset

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

Annual Required Contribution (ARC)	$ 743,279
Annual OPEB Cost	743,279
District contributions made	327,712
Contributions made to irrevocable trust	500,000
Changes in value of irrevocable trust	258,601
Increase in net OPEB asset	343,034
Net OPEB asset - July 1, 2014	730,210
Net OPEB asset - June 30, 2015	$ 1,073,244

NOTE 8 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) ASSET, continued

Trend Information

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

Year Ended	Annual OPEB Cost	Actual Employer Contributions	Percentage Contributed	Net Ending OPEB Asset
June 30, 2015	$ 743,279	$ 827,712	111%	$ 1,073,244
June 30, 2014	$ 607,503	$ 218,438	36%	$ 730,210
June 30, 2013	$ 496,244	$ 252,077	51%	$ 702,968

Funding Status and Funding Progress

The funded status of the OPEB Plan as of June 30, 2015, is as follows:

Actuarial Valuation Date	Value of Assets*	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2015	$ 2,915,987	$ 7,228,287	$ 4,312,300	40%	$ 35,966,974	11.99%
July 1, 2013	2,657,386	5,812,306	3,154,920	46%	35,385,588	8.92%
July 1, 2011	2,241,079	3,948,140	1,707,061	57%	34,887,743	4.89%

*Asset valuation as of June 30, 2015.

The above noted actuarial accrued liability was based on the July 1, 2015, actuarial valuation. Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Other Postemployment Benefits Funding Progress, presented as required supplementary information, follows the notes to the financial statements and presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 8 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) ASSET, continued

Actuarial Methods and Assumptions

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

In the July 1, 2015, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.00 percent investment rate of return (net of administrative expenses), based on the Plan being funded in an irrevocable employee benefit trust fund invested in a long-term fixed income portfolio. The UAAL is being amortized at a level dollar method. The remaining amortization period at June 30, 2015, was 30 years. The actuarial value of assets amounted to $2,915,987 which consisted of deposits held in Trust with CalPERS.

NOTE 9 – PENSION PLANS

Pension Plans – California Public Employees' Retirement System (CalPERS)

General Information about the Pension Plan

Plan Description – The schools cost-sharing multiple-employer defined benefit pension plan (the Plan) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California. The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute.

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 credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015 are established by statute.

NOTE 9 – PENSION PLANS, continued

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

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. 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 Local Government is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014 (the measurement date), the average active employee contribution rate is 6.974 percent of annual pay, and the employer's contribution rate is 11.442 percent of annual payroll. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

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

At June 30, 2015, the District reported a liability of $15,632,303 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.138%. For the year ended June 30, 2015, the District recognized pension expense of $1,389,392. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 3,963,237
District contributions subsequent to the measurement date	1,233,458	-
Total	$ 1,233,458	$ 3,963,237

The $1,233,458 reported as deferred outflows of resources related to pensions resulted from District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The $3,963,237 reported as deferred inflows of resources related to pensions will be recognized in pension expense over the next four years.

NOTE 9 – PENSION PLANS, continued

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

Actuarial assumptions. For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection allowance Floor on Purchasing Power applies, 2.75% thereafter

[1]The mortality table used was developed based on CalPERS specific data.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

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.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for 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.

NOTE 9 – PENSION PLANS, continued

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

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.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10[1]	Real Return Years 11+[2]
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)
	100%		

[1]An expected inflation of 2.5% used for this period
[2]An expected inflation of 3.0% used for this period

NOTE 9 – PENSION PLANS, continued

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

Discount Rate - The discount rate used to measure the total pension liability was 7.50 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.

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 7.50 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:

	Discount Rates		
	-1% (6.5%)	(7.5%)	1% (8.5%)
Plan's net pension liability	$ 27,422,627	$ 15,632,303	$ 5,780,298

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/docs/forms-publications/cafr-2014.pdf.

Pension Plans – California State Teachers' Retirement System (CalSTRS)

General Information about the Pension Plan

Plan Description – CalSTRS provides pension benefits to California full-time and part-time public school teachers from pre-kindergarten through community college and certain other employees of the public school system. The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established these plans and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation.

Benefits Provided - The State Teachers' Retirement Plan (STRP) is a multiple-employer, cost-sharing defined benefit plan 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.

NOTE 9 – PENSION PLANS, continued

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

Benefits Provided, continued

The Plans' provisions and benefits in effect at June 30, 2015 are established by statute.

The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

Under California law, the DB Program receives contributions from members and employers set as a percentage of members' earnings, in addition to contributions from the state's General Fund and other sources. CalSTRS investment earnings finance the cost of administering the plan and offset the amount of contributions required to fund benefits. Unlike most other pension plans in California, the board does not have broad authority to raise contribution rates. Because contribution rates are set in statute, the authority to adjust them rests with the Legislature and the Governor.

NOTE 9 – PENSION PLANS, continued

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

Plan Contributions

		FY 2014-15 Rate	Ultimate Rate	Equivalent Rate [1]
EC § 22901 & § 22901.7	Members	8.15% / 8.15%	10.25% / 9.205%	9.654%
EC §22950 & § 22951	Employers	8.25%	8.25%	8.250%
EC § 22950.5(a)	Employers – Supplemental [2]	0.63%	10.85%	8.662%
EC §22950(c)	Employers for THBF [3]	0.00%	*as needed*	0.000%
EC § 22955.1(a)	State [4]	2.017%	2.017%	1.868%
EC § 22955.1(b)	State – Supplemental	1.437%	4.311%	3.794%
	Equivalent Level Contribution Rate through June 30, 2046			**32.228%**

[1] Equivalent level contribution rate payable through June 30, 2046.
[2] Graded increases per schedule defined in the Education Code. The ultimate contribution will vary depending on the funded status. For purposes of this exhibit, it is assumed the ultimate rate specified in the graded schedule will not change in the future.
[3] The Teachers' Health Benefit Fund is financed by a redirection of employer contributions. The Teachers' Retirement Board has set aside DB Program assets to finance these future costs. This is reflected in the valuation by adding the unfunded obligation for future THBF benefits to the Actuarial Obligation of the DB Program.
[4] The State's contribution of 2.017% is paid quarterly based on second prior fiscal year salaries.

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability totaled $26,296,650.

NOTE 9 – PENSION PLANS, 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 net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's proportionate share of total CalSTRS calculated employer contributions, including the State. At June 30, 2014, the District's proportion was 0.045%.

The components of the net pension liability of the STRP as of June 30, 2014 and 2013, are as follows:

	Discount Rates		
	-1% (6.5%)	(7.5%)	1% (8.5%)
Plan's net pension liability	$ 40,989,600	$ 26,296,650	$ 14,045,400

For the year ended June 30, 2015, the District recognized pension expense of $1,129,775 and revenue of the same amount for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 6,475,500
District contributions subsequent to the measurement date	1,902,359	-
Total	$ 1,902,359	$ 6,475,500

The $1,902,359 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The $6,475,500 reported as deferred inflows of resources related to pensions will be amortized over the next four years as a pension expense.

NOTE 9 – PENSION PLANS, continued

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

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, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Discount rate	7.60%
Investment rate of return	7.60 %, net of investment expenses, but gross of administrative expenses. CalSTRS uses a 7.50 % assumed investment rate of return for funding purposes, which is net of administrative expenses.
Consumer price inflation	3.00%
Wage growth	3.75%
Post-retirement benefit increases	2.00% simple for DB Not applicable for DBS/CBB

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance - PCA) as an input to the process. Based on the model from CalSTRS consulting actuary's (Milliman) investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that 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 by PCA is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board.

		Time-Weighted Performance Returns			
Asset Class	**Actual Allocation as of June 30, 2014**	**1 Yr**	**3 Yr**	**5 Yr**	**10 Yr**
Global Equity	57.30%	24.73%	13.00%	16.80%	8.30%
Fixed Income	15.50%	5.80%	4.60%	6.30%	5.50%
Real Estate	11.70%	14.50%	12.60%	8.00%	7.40%
Private Equity	11.50%	19.60%	13.00%	16.60%	13.80%
Cash/Liquidity	2.50%	0.60%	2.40%	5.60%	2.00%
Inflation Sensitive	0.70%	10.50%	5.80%	-	-
Absolute Return	0.80%	0.10%	0.30%	-	-
Total	100.00%	18.70%	11.20%	13.70%	7.70%

NOTE 9 – PENSION PLANS, continued

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

Discount rate - The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed 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 (7.60 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.

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 7.50% 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	Discount Rates		
	-1% (6.5%)	(7.5%)	1% (8.5%)
Plan's net pension liability	$ 40,989,600	$ 26,296,650	$ 14,045,400

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 10 - RISK MANAGEMENT

Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft of, damage to and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of various joint powers authorities or through the purchase of coverage from a risk retention group. The District uses SAFER for excess property limits of $250,000,000 per occurrence, with no aggregate and a $5,000 member retained limit. Then, their excess liability has the first $1,000,000 worth of coverage through the Statewide Association of Community Colleges (SWACC) and $24,000,000 excess coverage of $1,000,000 is in SAFER with a $10,000 Member Retained Limit.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2015, the District contracted with SWACC Joint Powers Authority (JPA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

NOTE 10 - RISK MANAGEMENT, continued

Workers' Compensation

For fiscal year 2014-2015, the District participated in the Protected Insurance Programs for Schools (PIPS) JPA, an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / JPA Name	Type of Coverage	Limits
Protected Insurance Program for Schools (PIPS)	Workers' Compensation	$ 155,000,000
Schools Association for Excess Risk (SAFER)	Excess Liability	24,000,000
Statewide Association of Community Colleges (SWACC)	Property (per occurance)	250,000,000
Statewide Association of Community Colleges (SWACC)	Liability (per occurance)	25,000,000

Employee Medical Benefits

The District has contracted with REEP for Benefits JPA through Keenan & Associates, Kaiser Permanente, Anthem Blue Cross, United Health, and Pacific Care plans to provide employee medical benefits. The District provides health and welfare benefits to all full-time and permanent part-time employees (20 hours or more). Those employees working less than full-time will receive a pro-rata share of the benefit package. Employees in positions less than 20 hours per week do not receive any fringe benefits.

If the employee elects not to enroll for health insurance coverage from one of the carriers provided by the District, such employee must provide evidence of other health insurance coverage.

- Medical - The employee has a choice of Kaiser Permanente, Anthem Blue Cross, United Health, and Pacific Care plans. The employee may elect to change carriers once per year during open enrollment. Normally, such election shall be effective July 1 of each year.
- Dental - Delta, MetLife, and MetLife/Safeguard carried insurance coverage for employees and is provided by the District. All employees shall participate in the program.
- Life Insurance - The District provides a $20,000 group term life insurance policy by a carrier designated by REEP. All employees participate in this life insurance program.

Rates are set by the REEP for Benefits JPA. The District pays monthly premiums which are placed in a common fund with REEP from which claim payments are made for all participating districts. Claims are paid for all participants regardless of the claim's expense. The REEP Board of Directors has the right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer retirement plans maintained by agencies of the State of California. Certificated employees are members of CalSTRS, and classified employees are members of CalPERS.

CalSTRS

Plan Description

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. As a result of the Public Employee Pension Reform Act of 2013 (PEPRA), changes have been made to the defined benefit pension plan effective January 1, 2013. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 100 Waterfront Place, West Sacramento, CA 95605.

Funding Policy

Due to the implementation of the PEPRA, new members must pay at least 50 percent of the normal costs of the plan, which can fluctuate from year to year. For 2014-2015, the required contribution rate for new members is 8.0 percent. "Classic" plan members are also required to contribute 8.0 percent of their salary. The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2014-2015 was 8.88 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ended June 30, 2015, 2014, and 2013, were $1,902,359, $1,697,475, and $1,628,561, respectively, and equals 100 percent of the required contributions for each year.

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS, continued

CalPERS

Plan Description

The District contributes to the School Employer Pool under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. As a result of the PEPRA, changes have been made to the defined benefit pension plan effective January 1, 2013. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Funding Policy

As a result of the implementation of the PEPRA, new members must pay at least 50 percent of the normal costs of the plan, which can fluctuate from year to year. For 2014-2015, the normal cost is 11.85 percent, which rounds to a 6.0 percent contribution rate. "Classic" plan members continue to contribute 7.0 percent. The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2014-2015 was 11.771 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ended June 30, 2015, 2014, and 2013, were $1,792,923, $1,690,969, and $1,595,506, respectively, and equal 100 percent of the required contributions for each year.

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal years ended June 30, 2015, 2014, and 2013, which amounted to $1,129,775, $1,132,683, and $1,102,351, respectively, (5.679 percent) of 2012-13 creditrable compensation. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the years ended June 30, 2015, 2014, and 2013. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of non-operating revenue and employee benefit expense.

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS, continued

Deferred Compensation

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and Section 457. The plans, available to all District employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseeable emergency.

NOTE 12 - CalSTRS EARLY RETIREMENT INCENTIVE PROGRAM

The District has adopted an early retirement incentive program pursuant to Education Code Sections 22714 and 87488, whereby the service credit to eligible employees is increased by two years (and age is increased by two years). Eligible employees must have five or more years of service under the California State Teachers' Retirement System and retire during a period of not more than 120 days or less than 60 days from the date of the formal action taken by the District (retire during the window period in the formal action taken by the District's Governing Board). (See golden handshake.)

NOTE 13 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Statewide Association of Community Colleges (SWACC), Schools Association for Excess Risk (SAFER), Protected Insurance Program for Schools (PIPS), Riverside County Employer/Employee Partnerships for Benefits (REEP), and Community Colleges of Riverside County Self- Insurance Program for Employees (CCRCSIPE) Joint Powers Authorities (JPAs). The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPAs is such that they are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPAs and the District are included in these statements. Audited financial statements are available from the respective entities.

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2015.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2015.

Early Retirement - Golden Handshake

The District has adopted an early retirement incentive program. The outstanding contract amount for this purpose is $599,218. This amount is contingent upon the employee performing the required service days per year.

Supplemental Early Retirement Plan - (SERP)

The District has adopted an early retirement incentive program. The outstanding contract amount for this purpose is $767,037. This amount is contingent upon the employee performing the required service days per year.

Construction Commitments

The District has $102,598 in construction commitments remaining at June 30, 2015. The capital project is expected to be completed during the 2016 fiscal year.

NOTE 15 - RESTATEMENT

The beginning net position decreased by $53,417,623. This was due to adjustments made to bring on net pension liabilities related to CalPERS and CalSTRS following the District's implementation of GASB Statements No. 68 and No. 71 during the year ended June 30, 2015. See Note 2, Summary of Significant Accounting Policies, Change in Accounting Principles (page 25) for further details on the implementation of GASB Statements No. 68 and No. 71.

NOTE 16 - SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2015 through September 30, 2015, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FUNDING PROGRESS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Actuarial Valuation Date	Value of Assets*	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2015	$ 2,915,987	$ 7,228,287	$ 4,312,300	40%	$ 35,966,974	11.99%
July 1, 2013	2,657,386	5,812,306	3,154,920	46%	35,385,588	8.92%
July 1, 2011	2,241,079	3,948,140	1,707,061	57%	34,887,743	4.89%

*Asset valuation as of June 30, 2015.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CalSTRS		**2015**
Proportion of the net pension liability		0.045%
Proportionate share of the net pension liability	$	26,296,650
Covered - employee payroll	$	21,422,961
Proportionate Share of the net pension liability as percentage of covered-employee payroll		122.75%
Plan's fiduciary net position	$	85,713,300
Plan fiduciary net position as a percentage of the total pension liability		93.07%

CalPERS		**2015**
Proportion of the net pension liability		0.138%
Proportionate share of the net pension liability	$	15,632,303
Covered - employee payroll	$	15,231,696
Proportionate Share of the net pension liability as percentage of covered-employee payroll		102.63%
Plan's fiduciary net position	$	78,676,140
Plan fiduciary net position as a percentage of the total pension liability		83.46%

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Reporting Fiscal Year	
CalSTRS	2015	
Statutorily required contribution	$	1,902,359
District's contributions in relation to the statutorily required contribution		1,902,359
District's contribution deficiency (excess)		-
District's covered-employee payroll	$	21,422,961
District's contributions as a percentage of covered-employee payroll		8.88%

	Reporting Fiscal Year	
CalPERS	2015	
Statutorily required contribution	$	1,792,923
District's contributions in relation to the statutorily required contribution		1,792,923
District's contribution deficiency (excess)		-
District's covered-employee payroll		15,231,696
District's contributions as a percentage of covered-employee payroll		11.77%

Notes to schedule:

Valuation date	June 30, 2013
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization Periods	30 years
Asset Valuation Method	Smoothing of Market Value
Inflation	2.75%
Salary Increases	Varies, based on entry age and service
Investment Rate of Return	7.50%

SUPPLEMENTARY INFORMATION

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATIONAL STRUCTURE
JUNE 30, 2015

The Mt. San Jacinto Community College District was established in 1962 and is comprised of an area of approximately 180 square miles located in Riverside County. There were no changes in the boundaries of the District during the current year. The District's College is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Ann Motte	President	2018
Tom K. Ashley	Clerk	2016
Dorothy McGargill	Trustee	2016
Sherrie Guerrero, Ed.D	Trustee	2016
Bill Zimmerman	Trustee	2018

DISTRICT ADMINISTRATION

Dr. Roger Schultz
Superintendent/President

Ms. Becky Elam
Vice President, Business Services

Dr. William Vincent
Vice President, Student Services

Dr. Patrick Schwerdtfeger
Interim Vice President, Instructional Services

Mr. Jack Miyamoto
Interim Vice President, Human Resources

See accompanying note to the supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through the California Department of Education			
Child and Adult Care Food Program	10.558	3094-1A	$ 81,213
Total U.S. Department of Agriculture			81,213
U.S. DEPARTMENT OF LABOR			
Passed through the Employment and Training Administration (ETA) via Chaffey College			
Trade Adjustment Assistance Community College & Career Training (TAACCCT)	17.282	15C215	74,068
Total U.S. Department of Labor			74,068
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Passed through the California Community College Chancellor's Office			
Veterans Education	64.000	*	7,338
Chapter 33 - Veterans Post 911 GI Bill	64.028	*	175,182
Total U.S. Department of Veterans Affairs			182,520
U.S. DEPARTMENT OF EDUCATION			
HIGHER EDUCATION ACT			
TRIO - Upward Bound Program - Fund 12 - Resource 1310	84.047A		253,228
TRIO - Talent Search Program - Fund 12 - Resource 1314	84.044A		231,221
College Cost Reduction and Access Act (STEM)	84.031C	*	775,741
Strengthening Institutional Success (Title V)	84.031S	*	607,220
Total Higher Education Act			1,867,410
Passed through the California Department of Education			
Workforce Investment Act, Title II: Adult Education & Family Literacy Act			
English as a second Language	84.002A	*	402,909
STUDENT FINANCIAL ASSISTANCE CLUSTER			
Federal Supplement Education Opportunity Grant (FSEOG)	84.007	*	361,800
FSEOG Administrative	84.007	*	18,090
Federal Work Study Program (FWS) - Fund 12 - Resource 4101	84.033		270,143
Federal Work Study Administrative	84.033	*	13,507
Federal Pell Grants (PELL)	84.063	*	21,648,640
Federal Pell Administrative	84.063	*	35,550
Total Student Financial Assistance Cluster			22,347,730
CAREER AND TECHNICAL EDUCATION ACT			
Passed through from California Community Colleges Chancellor's Office			
Perkins, Title I, Part C	84.048	14-C01-035	481,138
Perkins, Title II, Tech. Prep., CTE Transitions	84.243	14-112-035	43,269
Total Career and Technical Education Act			524,407
Total U.S. Department of Education			25,142,456
NATIONAL SCIENCE FOUNDATION			
Passed through the University of California San Diego			
UC San Diego Biodiversity Project	47.076	53851742	18,412
Total National Science Foundation			18,412
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from California Community Colleges Chancellor's Office			
Temporary Assistance to Needy Families (TANF)	93.558	*	95,782
Passed through from Yosemite Community College District			
Child Development Training Consortium	93.575	14-15-4474	12,500
Total U.S. Department of Health and Human Services			108,282
Total Federal Expenditures			$ 25,606,951

*Pass-Through number is either not available or not applicable

See accompanying note to the supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Program Entitlements		
Program Title	Current Year	Prior Year	Total Entitlement
Board Financial Assistance Program (BFAP - 2101)	$ 525,632	$ -	$ 525,632
Extended Opportunity Program & Services (EOPS - 2111)	519,714	-	519,714
Cooperative Agencies Resources for Educ. (CARE - 2112)	98,856	-	98,856
Disabled Students Program (DSPS - 2121)	1,185,713	968	1,186,681
CalWORKS (2131)	421,852	-	421,852
Student Success and Support Program (SSSP) Credit Matriculation (2141)	1,470,089	-	1,470,089
Student Success and Support Program (SSSP) Non-Credit Matriculation (2142)	68,071	30,558	98,629
Student Success and Support Program (SSSP) Student Equity (2143)	770,616	-	770,616
Staff Diversity (2151)	5,524	10,674	16,198
Enrollment Growth & Retention (2186)	146,687	-	146,687
CTE Pathways Community Collaborative (2190)	-	153,348	153,348
SB1070 CTE Pathways Consortium Program (2192)	665,813	189,556	855,369
Basic Skills (2314)	133,693	187,471	321,164
Prekindergarten & Family Literacy (2318)	5,000	-	5,000
Song-Brown Capitation (2328)	40,000	15,258	55,258
Song-Brown Special Programs (2329)	40,613	8,123	48,736
CA Community College Assoc. of Occupational Education (2330)	-	20,384	20,384
Health Workforce Initiative (2331)	15,000	6,885	21,885
AB86 Adult Education Planning Grant (2332)	-	400,909	400,909
CTE Enhancement Funds (2334)	222,866	-	222,866
Prop 39 Water Technology Project (2335)	16,695	-	16,695
Restricted State Lottery Prop 20 (2401)	388,566	35,386	423,952
Instructional Improvement Block Grant (12-000-2161-X-0000-0000-8653)	525,528	48,704	574,232
(Categorical Flexibility Funds) - Fund 12-000-2161-0-0000-0063-8653 & 0063-8999	358	-	358
Cal Grant B	1,201,135	-	1,201,135
Cal Grant C	50,138	-	50,138
Total State District Funding	$ 8,518,159	$ 1,108,224	$ 9,626,383

See accompanying note to the supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Program Revenues					
Program Title	Cash Received	Accounts Receivable	Accounts Payable	Grantor Advances	Total Revenue	Program Expenditures
Board Financial Assistance Program (BFAP - 2101)	$ 525,632	$ -	$ -	$ -	$ 525,632	$ 525,632
Extended Opportunity Program & Services (EOPS - 2111)	519,714	-	-	-	519,714	519,714
Cooperative Agencies Resources for Educ. (CARE - 2112)	98,856	-	-	-	98,856	98,856
Disabled Students Program (DSPS - 2121)	1,186,681	-	-	-	1,186,681	1,186,681
CalWORKS (2131)	421,852	-	15,850	-	406,002	406,002
Student Success and Support Program (SSSP) Credit Matriculation (2141)	1,470,089	-	-	379,153	1,090,936	1,090,936
Student Success and Support Program (SSSP) Non-Credit Matriculation (2142)	98,629	-	-	-	98,629	98,629
Student Success and Support Program (SSSP) Student Equity (2143)	770,616	-	-	731,435	39,181	39,181
Staff Diversity (2151)	16,198	-	-	10,829	5,369	5,369
Enrollment Growth & Retention (2186)	146,687	-	-	-	146,687	146,687
CTE Pathways Community Collaborative (2190)	153,348	-	-	-	153,348	153,348
SB1070 CTE Pathways Consortium Program (2192)	579,256	120,000	-	269,261	429,995	429,995
Basic Skills (2314)	321,164	-	-	121,118	200,046	200,046
Prekindergarten & Family Literacy (2318)	1,699	3,301	-	-	5,000	5,000
Song-Brown Capitation (2328)	35,250	10,000	-	15,489	29,761	29,761
Song-Brown Special Programs (2329)	9,013	17,569	-	-	26,582	26,582
CA Community College Assoc. of Occupational Education (2330)	20,384	-	-	-	20,384	20,384
Health Workforce Initiative (2331)	6,885	3,192	-	-	10,077	10,077
AB86 Adult Education Planning Grant (2332)	359,746	-	-	86,892	272,854	272,854
CTE Enhancement Funds (2334)	89,145	30,449	-	-	119,594	119,594
Prop 39 Water Technology Project (2335)	-	4,745	-	-	4,745	4,745
Restricted State Lottery Prop 20 (2401)	58,372	365,580	-	-	423,952	423,952
Instructional Improvement Block Grant (12-000-2161-X-0000-0000-8653)	574,232	-	-	-	574,232	574,232
(Categorical Flexibility Funds) - Fund 12-000-2161-0-0000-0063-8653 & 0063-8999	358	-	-	-	358	358
Cal Grant B	1,265,822	-	64,687	-	1,201,135	1,201,135
Cal Grant C	50,138	-	-	-	50,138	50,138
Total State District Funding	$ 8,779,766	$ 554,836	$ 80,537	$ 1,614,177	$ 7,639,888	$ 7,639,888

See accompanying note to the supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT - ANNUAL/ACTUAL ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CATEGORIES	Reported Data	Audit Adjustments*	Audited Data
A. Summer Intersession (Summer 2014 only)			
1. Noncredit*	28.99	-	28.99
2. Credit	113.57	-	113.57
B. Summer Intersession (Summer 2015 - Prior to July 1, 2015)			
1. Noncredit	-	-	-
2. Credit	397.32	-	397.32
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	8507.17	-	8,507.17
(b) Daily Census Contact Hours	1126.93	-	1,126.93
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	533.01	-	533.01
(b) Credit	79.82	-	79.82
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	6.70	-	6.70
(b) Daily Census Contact Hours	4.57	-	4.57
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	10,798.08	-	10,798.08
Supplemental Information (subset of above information)			
E. In-service Training Courses	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Credit	366.19	-	366.19
2. Noncredit	596.75	-	596.75
Total Basic Skills FTES	962.94	-	962.94
CCFS 320 Addendum			
CDCP Noncredit FTES	162.75	-	162.75
Centers FTES			
1. Credit	4,851.50	-	4,851.50
2. Noncredit*	202.27	-	202.27
Total Centers FTES	5,053.77	-	5,053.77

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

See accompanying note to the supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH FUND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

See accompanying note to the supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	10,167,745	-	10,167,745	10,167,745	-	10,167,745
Other	1300	7,952,129	-	7,952,129	7,952,129	-	7,952,129
Total Instructional Salaries		18,119,874	-	18,119,874	18,119,874	-	18,119,874
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	2,772,900	-	2,772,900
Other	1400	-	-	-	1,883,186	-	1,883,186
Total Non-Instructional Salaries		-	-	-	4,656,086	-	4,656,086
Total Academic Salaries		18,119,874	-	18,119,874	22,775,960	-	22,775,960
Classified Salaries							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	8,958,570	-	8,958,570
Other	2300	-	-	-	1,235,761	-	1,235,761
Total Non-Instructional Salaries		-	-	-	10,194,331	-	10,194,331
Instructional Aides							
Regular Status	2200	1,527,455	-	1,527,455	1,527,455	-	1,527,455
Other	2400	338,536	-	338,536	338,536	-	338,536
Total Instructional Aides		1,865,991	-	1,865,991	1,865,991	-	1,865,991
Total Classsified Salaries		1,865,991	-	1,865,991	12,060,322	-	12,060,322
Employee Benefits	3000	4,668,206	-	4,668,206	9,907,269	-	9,907,269
Supplies and Materials	4000	-	-	-	837,162	-	837,162
Other Operating Expenses	5000	-	-	-	5,487,582	-	5,487,582
Equipment Replacement	6420	-	-	-	1,852	-	1,852
Total Expenditures Prior to Exclusions (Balance Forward)		24,654,071	-	24,654,071	51,070,147	-	51,070,147

See accompanying note to the supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION, continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Total Expenditures Prior to Exclusions (Balance Brought Forward)		24,654,071	-	24,654,071	51,070,147	-	51,070,147
Exclusions							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	638,326	-	638,326	638,326	-	638,326
Std. Health Srvcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	984,317	-	984,317
Objects to Exclude							
Rents and Leases	5060	-	-	-	344,870	-	344,870
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000						
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	1,484,959	-	1,484,959
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400						
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Total Exclusions		$ 638,326	$ -	$ 638,326	$ 3,452,472	$ -	$ 3,452,472
Total for ECS 84362, 50% Law		$ 24,015,745	$ -	$ 24,015,745	$ 47,617,675	$ -	$ 47,617,675
Percent of CEE (Instructional Salary Cost/Total CEE)		50.43%	0.00%	50.43%	100.00%	0.00%	100.00%
50% of Current Expense of Education					$ 23,808,838	$ -	$ 23,808,838

See accompanying note to the supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
DETAILS OF THE EDUCATION PROTECTION ACCOUNT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Activity Classification	**Object Code**				**Unrestricted**
EPA Proceeds	8630				$ 9,954,895
Activity Classification	Activity Code	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	0100-5900	$ 9,954,895	$ -	$ -	$ 9,954,895
Other Support Activities	6XXX	-	-	-	-
Total Expenditures for EPA		$ 9,954,895	$ -	$ -	$ 9,954,895
Revenues Less Expenditures					$ -

See accompanying note to the supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total Fund Equity - District Funds Included in the Reporting Entity		$ 87,042,526
Assets recorded within the statements of net position not included in the District fund financial statements:		
Nondepreciable capital assets	$ 20,885,579	
Depreciable capital assets	96,774,812	
Accumulated depreciation	(33,585,381)	
Less fixed assets already recorded in enterprise funds	(124,821)	83,950,189
Unmatured Interest		(508,502)
Liabilities recorded within the statements of net position not recorded in the District fund financial statements:		
Net pension liability		(44,613,639)
Long-term debt		(79,447,924)
Pension related items:		
Deferred outflows of resources		3,695,282
Deferred inflows of resources		(11,846,934)
Net OPEB Asset		1,073,244
Net Position Reported Within the Statements of Net Position		$ 39,344,242

See accompanying note to the supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

District Organizational Structure

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

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statements of Revenues, Expenses, and Changes in Net Position - Primary Government and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist of Federal Pell administrative cost funds that in the previous period were recorded as revenues, but were unspent. These unspent funds have been expended in the current period.

Description	CFDA Number	Amount
Total Federal Revenues from the Statements of Revenues, Expenses, and Changes in Net Position:		$ 25,541,263
Federal Pell Grants (PELL)	84.063	65,688
Total Expenditures of Federal Awards		25,606,951

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. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

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

FTES is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

NOTE 1 – PURPOSE OF SCHEDULES, continued

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Fund Financial Statements

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

Reconciliation of the ECS 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Details of the Education Protection Account

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

OTHER INDEPENDENT AUDITORS' REPORTS

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

The Board of Trustees
Mt. San Jacinto Community College District
San Jacinto, 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 Mt. San Jacinto Community College District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Mt. San Jacinto Community College District's basic financial statements, and have issued our report thereon dated September 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mt. San Jacinto 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 Mt. San Jacinto Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mt. San Jacinto 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. Control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mt. San Jacinto 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
September 30, 2015

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Trustees
Mt. San Jacinto Community College District
San Jacinto, California

Compliance

We have audited Mt. San Jacinto Community College District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Mt. San Jacinto Community College District's major federal programs for the year ended June 30, 2015. Mt. San Jacinto 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 Mt. San Jacinto 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mt. San Jacinto Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 Mt. San Jacinto Community College District's compliance.

Opinion on Each Major Federal Program

In our opinion, Mt. San Jacinto 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, 2015.

Report on Internal Control Over Compliance

Management of Mt. San Jacinto 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 Mt. San Jacinto 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mt. San Jacinto 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
September 30, 2015

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

The Board of Trustees
Mt. San Jacinto Community College District
San Jacinto, California

Report on State Compliance

We have audited Mt. San Jacinto Community College District's compliance with the types of compliance requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2014-15*, issued by the California Community Colleges Chancellor's Office for the year ended June 30, 2015.

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 Mt. San Jacinto 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) 2014-15*, 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 Mt. San Jacinto 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 Mt. San Jacinto Community College District's compliance with those requirements.

Basis for Qualified Opinion

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding Section 475 - Disabled Student Programs and Services (DSPS), see finding 2015-1. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

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Opinion on State Compliance

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

Procedures Performed

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

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

The District reports no attendance within classes subject to the TBA Hours; therefore, the compliance tests within this section were not applicable.

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) 2014-15*. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
September 30, 2015

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

CFDA Numbers	Name of Federal Program of Cluster
84.007, 84.033, 84.063	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 768,209
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for state programs:	Qualified

Unmodified for all State programs except for the following State programs which were qualified:

Name of State Program
Section 475 - Disabled Student Programs and Services (DSPS)

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 2014-15.

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by Circular A-133, Section .510(a) (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs identified during 2014-15.

Section IV – State Award Findings and Questioned Costs

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

Finding #2015-1 475 - DISABLED STUDENT PROGRAMS AND SERVICES (DSPS)

Criteria: Records must be available to support a student educational contract. The student educational contract should be prepared for and agreed upon by every student enrolled in DSPS per CCR Title V, Section 56022.

Condition: During our testing of 25 statistically significant sampled students enrolled in DSPS, and a subsequent sample of an additional 25 students, we noted that not all students had a student educational contract on file.

Questioned Cost: With DSPS funding for individual students based upon need and services provided, we could not extrapolate the results of our findings into a monetary questioned cost.

Context: For 1 of 50 students sampled, student educational contracts tested were not signed by the student. This appears to be an isolated incident as no exceptions were noted in subsequent samples.

Effect: Non-compliance with CCR Title V, Section 56022.

Recommendation: All student educational contracts should be signed by the related student as well as the DSPS professional staff.

District Response: The District agrees with this finding, and has implement procedures to ensure that eligibility determination records are maintained and all student educational contracts are signed by the related students.

2014-001: CAPITAL ASSETS (SIGNIFICANT DEFICIENCY)

Criteria or Specific Requirement

Industry standards and best business practices require a system of internal control over capital asset accounting that will allow District personnel to properly record the purchases and depreciation of capital assets, as well as safeguarding equipment purchased for use throughout the District.

Condition

Internal control procedures were found to be inadequate to identify and prevent misstatement within the capital asset accounts.

- Our reconciliation identified a variance between the detailed report of current year additions and the net amounts being reported as capital asset additions on the summary schedule.
- Our reconciliation identified a variance between the detailed report of current year deletions and the net amounts being reported as capital asset deletions on the summary schedule.
- Values reported as current year additions to the building asset class do not agree to the corresponding values on the schedule of construction in progress reported as projects completed during the year.
- The reported accumulated depreciation beginning balances do not match the amounts reported on the prior year's financial report.

Context

The District provided a capital asset summary schedule accompanied by several detailed reports which show how the totals on the summary were derived. The reports prepared include the capital asset additions detail, year-to-date depreciation summary, and the capital assets summary schedules for the bookstore and cafeteria. The capital assets for the bookstore and cafeteria are reported on a different system from the District's capital assets. During reconciliation of the detail reports to the summary schedule, it was noted that the bookstore and cafeteria's additions and deletions were omitted from the summary schedule which is supposed to reflect all of the District's capital assets.

In addition, values reported as current year additions to the building asset do not agree to the corresponding values on the schedule of construction in progress reported as projects completed during the year. It was noted that the Menifee Valley Campus Classroom Building, which was completed in the Fall of 2012, was just included as an addition to the capital assets schedule in the 2013-2014 fiscal year. This implies that depreciation was not calculated for this completed building for the entire 2012-2013 fiscal year.

Finally, the beginning balance of accumulated depreciation reported on the capital asset summary report does not agree to the ending balance on the prior year's financial report.

2014-001: CAPITAL ASSETS (SIGNIFICANT DEFICIENCY),continued

Effect

The District's capital assets are not adequately reported.

Recommendation

Coordination of the duties of the personnel should be shared jointly by the Purchasing Department, as well as the Accounting Department to ensure all transactions meeting the capitalization threshold have been properly identified, capitalized, and depreciated and included within the accounting records.

Management's Response and Corrective Action Plan

The Business Office will ensure proper recording of capital assets by developing internal control procedures to include periodic review of reports, regular reconciliation, and an internal audit of the records. These reviews will be documented and approved for a clear audit trail. The Business Office will work collaboratively with the Purchasing Department to properly identify capital equipment. Additional capital asset procedures will be implemented in order to account for all District assets.

In addition, the Business Office will explore an updated capital asset software program that will provide proper internal controls and proper asset recording.

Current Status: Fully implemented.

2014-002 475 - DISABLED STUDENT PROGRAMS AND SERVICES (DSPS)

Criteria or Specific Requirement

California Code of Regulations (CCR) Title 5, Education Code section 56022, and http://DSPS provide guidance and direction on the reporting and accounting requirements for DSPS.

Condition

Student Educational Contracts (SEC) must be established upon initiation of DSPS services and shall be reviewed and updated annually for every student with a disability participating in DSPS. During the testing of the program files, three students did not have the proper form in the files.

Questioned Costs

FTES funding is not affected by this compliance finding. The questioned cost is unknown at this time.

2014-002 475 - DISABLED STUDENT PROGRAMS AND SERVICES (DSPS), continued

Effect

By not following program guidelines, the special funding for the DSPS program could be jeopardized.

Cause

Student files are not being reviewed and updated on a regular basis to determine whether all necessary documentation is included within the student file.

Recommendation

The District must ensure that the program director is aware of the DSPS requirements and is following all requirements annually for the students who are benefiting from this program.

Management's Response and Corrective Action Plan

The Disabled Student Program and Services Director is aware of the DSPS requirements and will ensure compliance with all program guidelines in the future. The Mt. San Jacinto DSPS Department is committed to ensuring compliance with Title 5, ADA, and Section 504. Student Educational Contracts (SECs) are a requirement and an important tool in assisting students with disabilities to complete their educational goals. Toward this effort, DSPS will implement the following:

1. Revision of the SEC Form making it a more meaningful tool to keep students on track and ensure the efficacy of accommodation.
2. Develop a procedure to utilize the electronic service request system to provide students with periodic reminders regarding the requirement of the annual completion of the SEC.
3. Establish internal periodic audit of files to verify completeness.

These steps will be revisited and adjusted as necessary to ensure compliance and continuous improvement.

Current Status: See Finding #2015-1

2014-003 491 - EDUCATION PROTECTION ACCOUNT

Criteria or Specific Requirement

According to the Accounting Advisory FS 13-02, districts are required to hold an open session public meeting for the adoption of the budget plan to expend EPA funds annually, and each entity receiving funds must annually publish on its Internet website an accounting of how much money was received from the EPA and how that money was spent.

2014-003 491 - EDUCATION PROTECTION ACCOUNT, continued

Condition

The District did not have the accounting of how much money was received from the EPA and how that money was spent published on their website.

Questioned Costs

There are no questioned costs associated with this finding. There were no questioned expenses during testing.

Effect

The Education Protection Account could have unallowed expenditures.

Cause

The District did not have controls in place to ensure that the District was in compliance regarding the Education Protection Account Funds.

Recommendation

The District should implement a control procedure for accounting for future EPA funds to ensure that compliance requirements are met.

Management's Response and Corrective Action Plan

The Mt. San Jacinto College website was updated on September 29, 2014, to show how much money was received from the EPA and how the funds were expensed. Per Proposition 30 requirements, the spending plan was approved by the governing board on May 9, 2013. All funds received are used for instructional salaries and benefits.

To ensure compliance in the future, the District has added this requirement to the published Budget calendar. In addition, the requirement has been added to the Business Office departmental annual systematic calendar to ensure timely posting of required information to the Mt. San Jacinto College website.

Current Status: Fully implemented.