



Financial Statements
June 30, 2023

Mt. San Antonio Community College District



Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements	
Primary Government	
Statement of Net Position	27
Statement of Revenues, Expenses, and Changes in Net Position	28
Statement of Cash Flows	29
Fiduciary Funds	
Statements of Net Position.....	31
Statements of Changes in Net Position	32
Mt. San Antonio College Auxiliary Services	
Statement of Net Position - Component Unit	33
Statement of Revenues, Expenses, and Changes in Net Position - Component Unit	34
Statement of Cash Flows - Component Unit	35
Notes to Financial Statements.....	36
Required Supplementary Information	
Schedule of Changes in the District’s Net OPEB Liability and Related Ratios.....	77
Schedule of OPEB Investment Returns	79
Schedule of the District’s Proportionate Share of the Net OPEB Liability - MPP Program.....	81
Schedule of the District’s Proportionate Share of the Net Pension Liability	83
Schedule of the District Contributions for Pensions.....	85
Note to Required Supplementary Information.....	87
Supplementary Information	
District Organization	88
Schedule of Expenditures of Federal Awards	89
Schedule of Expenditures of State Awards.....	92
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance.....	94
Reconciliation of <i>Education Code</i> Section 84362 (50 Percent Law) Calculation.....	95
Proposition 30 Education Protection Account (EPA) Expenditure Report	98
Reconciliation of Governmental Funds to the Statement of Net Position	99
Schedule of Financial Trends and Analysis of the Combined General Fund.....	101
Schedule of Budgetary Comparison for the Combined General Fund.....	102
Note to Supplementary Information	103
Independent Auditor’s Reports	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	105

Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance	107
Independent Auditor’s Report on State Compliance.....	110
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results.....	113
Financial Statement Findings and Recommendations.....	114
Federal Awards Findings and Questioned Costs.....	115
State Compliance Findings and Questioned Costs.....	116
Summary Schedule of Prior Audit Findings.....	117
Other Information (Unaudited)	118



Independent Auditor's Report

To the Board of Trustees
Mt. San Antonio Community College District
Walnut, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, the aggregate discretely presented component unit (Mt. San Antonio College Auxiliary Services), and the aggregate remaining fund information of Mt. San Antonio Community College District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, and the aggregate remaining fund information of Mt. San Antonio Community College District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ending June 30, 2023. As a result of implementing the standard, there was no effect on the District's business-type activities beginning net position as of July 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 26 and other required supplementary schedules on pages 77 through 86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of content are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the continuing disclosure on page 118, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 6, 2023

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the Mt. San Antonio Community College District (the District) for the year ended June 30, 2023. This discussion is prepared by management and should be read in conjunction with the financial statements and notes that follow this section.

Mt. San Antonio Community College District is a public Community College District that offers a diversified program designed to develop qualities of general education essential for citizens in a democratic society. The mission of the College is to support and empower all students in achieving their educational goals in an environment of academic excellence. Specifically, the College is committed to providing quality education, services, and workforce training, empowering students to attain success in an ever-evolving diverse, sustainable, global society. The College pledges to serve students so that they may achieve their full educational potential for lifelong learning, for attaining certificates and associate and bachelor's degrees, for employment, and for the completion of career and transfer pathways. The College will carry out this commitment by providing an engaging and supportive teaching and learning environment for students of diverse origins, experiences, needs, abilities, and goals. The College is dedicated to serving our community through improving economic achievement; advancing civic engagement and environmental responsibility; enhancing personal and social well-being, developing information and technological literacy, communication, and critical thinking; and enriching aesthetic and cultural experiences.

Mt. San Antonio Community College District has emerged as a leader in education in the San Gabriel Valley and the State of California. The District is the largest, single-campus community college district in the State. The District proudly celebrates over 76 years of educational excellence. The District will continue to offer access to quality programs and services and provide an environment for educational excellence throughout the 21st century.

Accounting Standards

In June 1999, the Governmental Accounting Standard's Board (GASB) released Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and in November 1999, GASB released Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, which have been amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. These statements established that for financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. The Fiscal Accountability and Standards Committee of the California Community Colleges Chancellor's Office recommended that all California community colleges follow the standards under the Business Type Activity (BTA) model. This presentation provides a comprehensive government-wide perspective of the District's assets, liabilities, activities, and cash flows instead of the fund group perspective previously required. The District is reporting its financial statements according to these standards.

BOARD OF TRUSTEES

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COLLEGE PRESIDENT/CEO

Dr. Martha Garcia

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 impacts the accounting and reporting (accrual basis) of pension expense and net pension liability by reflecting the amounts on the government-wide financial statements. The California Community Colleges Chancellor's Office recommended that all California community colleges follow these new standards to reflect the proportionate share of the CalSTRS and CalPERS pension expense and net pension liability. The District has implemented the provisions of this statement.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting Postemployment Benefit Plans Other than Pensions Plans*. The principal objective of this Statement is to improve the usefulness of information about post-employment benefits other than pensions included in the general purpose external financial reports (financial reports) of State and local governmental benefit plans for making decisions and assessing accountability. These benefits are referred to as other post-employment benefits (OPEB), and the plans through which the benefits are provided are referred to as OPEB plans. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes standards for governmental employer recognition, measurement, and presentation of information about OPEB. GASB Statement No. 75 also establishes requirements for reporting information about financial support provided by certain non-employer entities for OPEB that is provided to the employees of other entities. GASB Statements No. 74 and No. 75 are closely related in some areas, and certain provisions of this GASB Statement No. 74 refer to GASB Statement No. 75. The District has implemented the provisions of this Statement as of June 30, 2018.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees (both active employees and inactive employees) are provided with post-employment benefits other than pensions. These benefits are referred to as other post-employment benefits (OPEB). One aspect of that objective is to provide information about the effects of OPEB-related transactions and other events on the elements of the basic financial statements. This information will assist users in assessing accountability and the relationship between a government's inflows of resources and its total cost (including OPEB expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government's OPEB obligations and the resources, if any, available to satisfy those obligations. An additional objective of this Statement is to improve the information provided in government financial reports about OPEB-related financial support provided by certain non-employer entities for OPEB that are provided to the employees of other entities. Finally, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes standards of financial reporting for defined benefit OPEB plans and defined contribution OPEB plans. GASB Statements No. 74 and No. 75 are closely related in some areas, and certain provisions of this Statement refer to GASB Statement No. 74. The District has implemented the provisions of this Statement as of June 30, 2018.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs, (b) improving the comparability of financial statements among governments that have entered into SBITAs, and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The District has implemented the provisions of this Statement as of June 30, 2023.

FINANCIAL HIGHLIGHTS

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

Fiscal Accountability and Fiscal Independence

- Prior to July 2009, the Los Angeles County Superintendent of Schools provided the District with fiscal, budgetary, and financial management services through a contractual agreement for many years. On August 27, 2008, the Board of Trustees approved the District's application to the Los Angeles County Superintendent of Schools requesting Fiscal Accountability Status. The District began this process by following the steps defined in *Education Code* Section 85266, which required adhering to statutory requirements with specific deadlines. Part of this approval process was to demonstrate to the Los Angeles County Superintendent of Schools that the District had a financial management system in place, as it would no longer use the County's Finance and Payroll Systems. A team of external auditors validated the integrity and security of the new Banner Finance and Human Resources/Payroll systems before obtaining Fiscal Accountability Status. In addition, the auditors also validated that the District had a system of adequate internal controls, processes, and procedures.
- Effective July 1, 2009, the District obtained Fiscal Accountability Status as approved by the Los Angeles County Superintendent of Schools. Achieving the Fiscal Accountability Status was necessary because it allowed the District to implement an integrated management information system without requiring extensive interfaces with the County's systems. This transition has allowed departments to obtain accurate and timely information to monitor budgets and analyze current financial data to ensure sound financial decision-making
- As a result of the Fiscal Accountability Status, the District assumed the majority of the responsibilities previously performed by the Los Angeles County Superintendent of Schools for fiscal, budget, human resources/payroll, and financial management systems processing. In addition, the District assumed oversight of the internal audit function for issuing payroll and commercial warrants. With the Fiscal Accountability Status, the Los Angeles County Superintendent of Schools retained high-level oversight of the District but was no longer involved in the day-to-day activities. Their role was to ensure that the District complied with the approved Fiscal Accountability Plan.
- This transfer of responsibilities from the Los Angeles County Superintendent of Schools to the District was an enormous undertaking. The time and effort required to obtain Fiscal Accountability Status was achieved by hard work, collaboration, and dedication by the District's staff.
- In August 2011, after two years of operation, under the Fiscal Accountability Status, the District applied to the County Superintendent of Schools and the State Chancellor's Office to obtain Fiscal Independence Status.

- Under *Education Code* Section 85266.5, Fiscal Independence is granted upon the approval of the Board of Governors of the California Community College Systems Office, mainly based on the recommendation from the Los Angeles County Superintendent of Schools and the Los Angeles County Auditor/Controller, supported by the results of an assigned independent Certified Public Accountant firm's evaluation of Mt. San Antonio College's management and accounting controls. Obtaining Fiscal Independence Status allows the District to have broad authority to issue warrants without the review or approval of the Los Angeles County Superintendent of Schools or the Los Angeles County Auditor/Controller.
- Based on the District's excellent reputation for fiscal management, validation of the internal controls by a team of external auditors, a recommendation from the Los Angeles County Superintendent of Schools, and a recommendation from the Los Angeles Auditor-Controller, the State Chancellor's Office submitted a request to the Board of Governors to grant Fiscal Independence Status to Mt. San Antonio Community College District. On November 7, 2011, the Board of Governors approved Mt. San Antonio College's Fiscal Independence Status, effective July 1, 2012.
- In March 2017, the College received a commendation from the Accrediting Commission for Community and Junior Colleges for successfully completing the rigorous testing and implementation required to achieve fiscal independence status. The College has been operating under the fiscal independence status since the fiscal year 2012-2013; evidence of compliance is included in the Fiscal Independence oversight reports issued by the Los Angeles County Office of Education and Internal Controls Performance Audit issued by an independent auditor.

General Obligation Bonds

- On November 6, 2001, the voters of the District approved a \$221 million general obligation bond (Measure R) under Proposition 39 to provide better facilities for the students, faculty, and the community. Initially, 17 construction projects were planned, but three of these projects were eliminated due to the increase in construction costs, which left 14 major projects to be undertaken. Groundbreaking began for some projects during 2001-2002 and continued through 2015-2016. The proceeds of these general obligation bond funds were expensed entirely on June 30, 2015, and the bonds have been paid off. The following bonds were issued:
 - \$40 million Series A was issued in May 2002.
 - \$75 million Series B was issued in February 2004.
 - \$80 million Series C was issued in September 2006.
 - \$26 million Series D was issued in July 2008.

- On November 4, 2008, the voters of the District approved a \$353 million general obligation bond (Measure RR) under Proposition 39 to finance the repair, upgrade, and acquisition of equipment and instructional facilities for the science and computer labs, library, fire academy training facility, classrooms for nursing, paramedics and police officers, classrooms for education and vocational job training, a new computer technology center, and the establishment of a 2008 lease revenue bonds escrow account. The following bonds were issued:
 - \$205.6 million Series A and \$11.7 million Series B were issued in August 2013.
 - \$20 million Series C was issued in September 2015.
 - \$59.7 million Series D was issued in August 2020.
 - \$56.0 million Series E was issued in August 2021.
 - At June 30, 2023, the principal balance outstanding from the Measure RR bonds was \$440.9 million and unamortized premium received on the bonds was \$10.9 million.
- On May 1, 2010, the District issued \$65 million in bond anticipation notes. This resulted from the District's inability to issue bonds from the 2008 election (Measure RR) due to the decreased property valuations and the need to continue with scheduled construction projects. These bond anticipation notes financed the repair, upgrade, acquisition, construction, and equipment of certain District property and facilities, and an escrow account was established to retire the debt for the 2008 lease revenue bonds. The District retired this bond anticipation notes obligation in August 2013 with the issuance of Series A and B 2008 Election general obligation bonds (Measure RR).
- On April 6, 2017, the District issued \$90 million in bond anticipation notes under the Measure RR authorization. These bond anticipation notes were issued to finance the business project's remaining cost, the Athletics Complex's startup cost, the Campus Center's design, and other campus-wide improvements. The District retired this bond anticipation notes obligation in August 2020 with the issuance of Series D 2008 Election general obligation bonds (Measure RR) and Series B 2018 general obligation bonds (Measure GO).
- On January 29, 2019, the District issued \$25.7 million in bond anticipation notes under the Measure RR authorization. These bond anticipation notes financed facility improvements. The District paid in full these bond anticipation notes on April 4, 2019, from the proceeds of Series 2019A 2018 Election general obligation bonds (Measure GO).
- On November 6, 2018, the voters of the District approved a \$750 million general obligation bonds (Measure GO) under Proposition 39 to finance facilities to support more students, help local students transfer to four-year universities, train more workers, and improve safety. The following bonds were issued:
 - \$310.7 million Series 2019A was issued in April 2019.
 - \$30.5 million Series 2020B was issued in August 2020.
 - \$219.2 million Series 2021C was issued in August 2021.
 - At June 30, 2023, the principal balance outstanding was \$505.2 million and unamortized premium received on the bonds was \$38.6 million.

- The following general obligation bonds have been issued to refund bonds for the election 2001 Election (Measure R) and 2008 Election (Measure RR):
 - \$75.7 million refunding bonds were issued in September 2005. This issuance refunded certain Series A and B bonds.
 - \$29.9 million refunding bonds were issued in June 2012. This issuance refunded certain 2005 refunding bonds.
 - \$74.9 million Series A and \$48.2 million Series B refunding bonds were issued in August 2013. These issuances refunded certain 2006 Series C bonds, 2005 refunding bonds, and 2012 refunding bonds.
 - \$19.4 million 2015 refunding bonds were issued in September 2015. This issuance refunded certain 2008 Series D bonds.
 - \$60.4 million 2020A refunding bonds were issued in February 2020. A portion of this issuance refunded certain 2013 Series A bonds.
 - \$30.1 million crossover refunding bonds were issued in February 2020. This issuance advanced certain 2013 Series A bonds.
 - \$14.3 million 2021 refunding bonds were issued in August 2021. This issuance refunded certain 2015 refunding bonds.
 - On June 30, 2023, the principal balance outstanding was \$119.1 million, and the unamortized premium received on the bonds was \$2.2 million.

Student Centered Funding Formula, Emergency Conditions Allowance, and FTEs

- Effective with the fiscal year 2018-19, Apportionment revenues are calculated based on the Student-Centered Funding Formula (SCFF). This formula includes performance measures to ensure community colleges are funded based on how well students are progressing. The SCFF provides funding by supporting student access through enrollment, student equity by serving low-income students, and student success by providing districts with additional resources when students reach specified levels of achievement/outcomes. Districts receive additional funding when higher-needs students reach these achievements. The SCFF formula has three components: the Base allocation, the Supplemental allocation, and the Student Success allocation.

The first component is the Base allocation measured by the enrollment in the form of FTE (Full-time equivalent) counts. This allocation primarily includes average counts of credit FTEs of the current budget year, prior year, and prior-prior year. The average counts of these FTEs are funded at an SCFF-established rate, adjusted by cost-of-living (COLA) each year. The Base allocation includes a basic allocation, noncredit, Enhanced Noncredit Career Development and College Preparation (CDCP), and Special Admit Credit FTEs. The current year counts of these FTEs are funded at rates established in the previous SB 361 community college funding formula, adjusted by COLA each year. The basic allocation is funded based on the number of colleges and comprehensive centers a District may have.

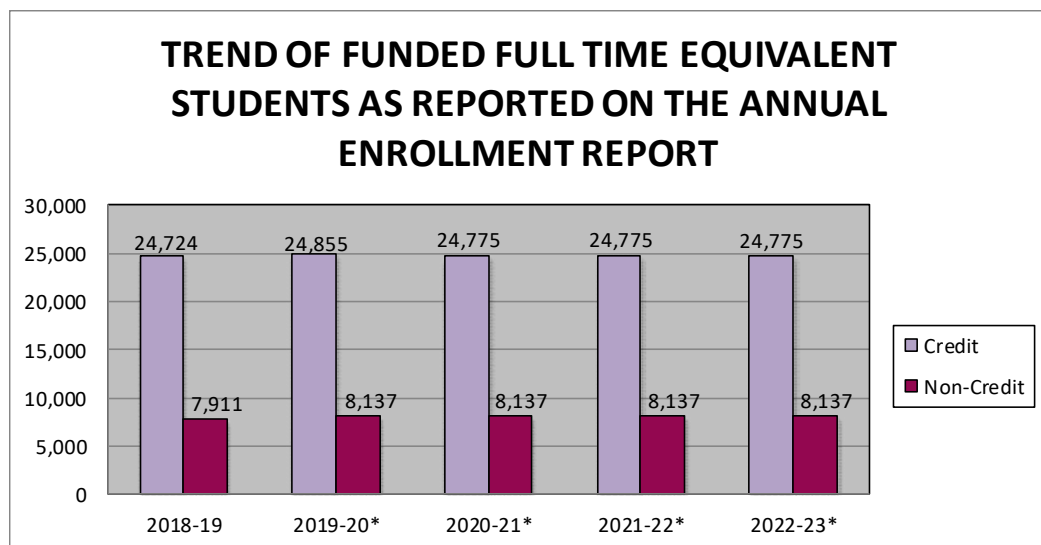
The second component is the Supplemental allocation measured by counts of low-income students or students receiving Pell grants, College Promise grants, and counts of AB540 students. The prior year counts of each of these metrics are funded at the same SCFF established rate, adjusted by COLA each year.

The third component is the Student Success allocation measured by counts of outcomes in the form of the number of students earning associate degrees and credit certificates, the number of students transferring to four-year colleges and universities, the number of students who complete transfer-level Math and English within their first year, the number of students who complete nine or more career education units, and the number of students who have attained the regional living wage. Districts earn premiums for the achievements of low-income students. Only the highest award (Associate degrees, bachelor's degrees, and credit certificates) earned in the same year, if the student was enrolled in the district that year, applies toward the counts. A student who transfers to a four-year university is included if the student completed 12 or more units in the District in the year prior to the transfer. Each metric is funded at SCFF-established rates, adjusted by COLA each year. These rates have different weights or values. The counts used for funding is the average count of three years, starting with the prior year and going back two more years.

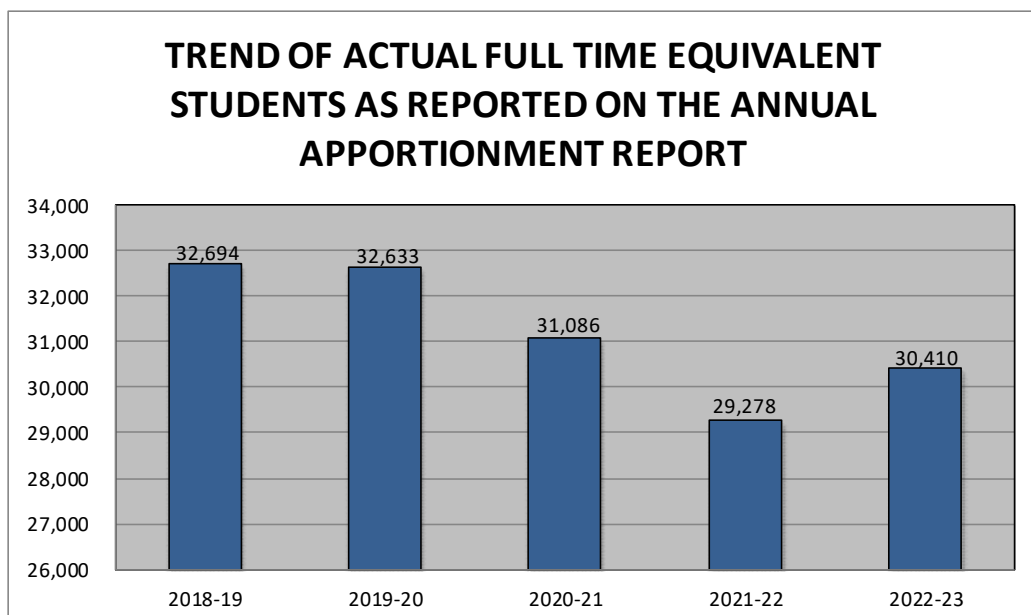
The established rates are set by statute. Combining the Base, Supplemental, and Student Success allocation results in the Total Computational Revenue or TCR.

- The College was under the COVID-19 Emergency Conditions Allowance for the 2022-2023 SCFF FTE funding. This is the fourth year the College applied and was approved for Emergency Conditions Allowance. Emergency Conditions Allowance preserved the same level of FTE funding obtained with the 2019-20 first principal apportionment, which was high at 33,206 FTEs. The Supplemental and Student Success Allocations are not protected by emergency conditions and were calculated with counts submitted for the 2019-2020, 2020-2021, and 2021-2022 fiscal years as mandated by the SCFF regulations. In the fiscal year 2021-22, the College supplemental counts primarily decreased in Pell and College Promise Grants, while the student success counts mainly increased in Associate Degree for Transfer. This resulted in a 2022-23 SCFF net decrease of \$1.1 million.

- Credit and noncredit FTEs continue to be the basis for which the District receives the most significant portion of State apportionment under the SCFF. As mentioned above, funded FTEs as of June 30, 2023, were measured at the February 2020 level for the fiscal year 2022-2023 because the District again applied for Emergency Conditions Allowance due to the COVID-19 pandemic. The total funded FTEs remain at the same level, with credit FTEs at 24,775 and noncredit FTEs at 8,137. In contrast, total actual FTEs increased from 29,278 in 2021-2022 to 30,410 in 2022-2023, a 3.9% increase for credit and noncredit students. Credit increased from 21,306 to 22,008 from 2021-2022 to 2022-2023, while noncredit increased from 7,972 to 8,402 from 2021-2022 to 2022-2023. The following graphs show a five-year trend for funded and actual FTES produced by the District:



*Measured as of February 2020 due to applying for Emergency Conditions Allowance.



Unrestricted General Fund Ending Balance

The District ended the fiscal year 2022-2023 with a fund balance of \$53.1 million in the Unrestricted General Fund, which represents 19.2% of the total expenditures, aligning to a total budget reserve at not less than 10% and at least 18.5% unassigned fund balance as required by board policy.

Financial Statement Presentation and Basis of Accounting

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

The financial statements noted above are prepared in accordance with GASB Statements No. 34 and No. 35, which provide an entity-wide perspective. Therefore, the financial data presented in these financial statements is a combined total of all District funds, including Student Financial Aid Programs.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of the District as of the end of the fiscal year and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present to the readers a fiscal snapshot of the District. The Statement of Net Position presents end-of-year data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets minus liabilities).

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

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

The Net Position is divided into three major categories. The first category, invested in capital assets, provides the equity amount in property, plant, and equipment owned by the District. The second category is expendable restricted net position; this net position is available for expenditure by the District but must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of the assets. The final category is an unrestricted net position that is available to the District for any lawful purpose of the District.

Mt. San Antonio Community College District
Management's Discussion and Analysis
June 30, 2023

Our analysis below focuses on net position and change in net position of the District's business-type activities.

	2023	2022, as restated	Change
Assets			
Cash and investments	\$ 465,565,251	\$ 514,085,654	\$ (48,520,403)
Receivables	34,645,197	26,180,639	8,464,558
Prepaid expenses	-	1,727	(1,727)
Capital and right-to-use subscription IT assets, net	924,660,798	829,717,608	94,943,190
Total assets	<u>1,424,871,246</u>	<u>1,369,985,628</u>	<u>54,885,618</u>
Deferred Outflows of Resources			
Related to debt refunding	7,893,045	8,683,481	(790,436)
Related to OPEB	27,164,061	38,471,856	(11,307,795)
Related to pensions	82,906,467	57,315,061	25,591,406
Total deferred outflows of resources	<u>117,963,573</u>	<u>104,470,398</u>	<u>13,493,175</u>
Liabilities			
Accounts payable and accrued liabilities	98,550,940	55,063,928	43,487,012
Unearned revenue	74,202,345	37,583,348	36,618,997
Current portion of long-term liabilities	35,929,742	39,481,860	(3,552,118)
Noncurrent portion of long-term liabilities	1,396,164,820	1,334,564,405	61,600,415
Total liabilities	<u>1,604,847,847</u>	<u>1,466,693,541</u>	<u>138,154,306</u>
Deferred Inflows of Resources			
Related to OPEB	44,877,168	27,418,916	17,458,252
Related to pensions	19,972,283	100,356,006	(80,383,723)
Total deferred inflows of resources	<u>64,849,451</u>	<u>127,774,922</u>	<u>(62,925,471)</u>
Net Position			
Net investment in capital assets	121,070,082	101,509,176	19,560,906
Restricted	114,814,468	118,460,975	(3,646,507)
Unrestricted deficit	(362,747,029)	(339,982,588)	(22,764,441)
Total net position (deficit)	<u>\$ (126,862,479)</u>	<u>\$ (120,012,437)</u>	<u>\$ (6,850,042)</u>

This schedule has been prepared from the District *Statement of Net Position* (page 27), which is presented on the accrual basis of accounting whereby capital assets are capitalized and depreciated and all liabilities of the District are recognized.

Cash and short-term investments consist primarily of funds held in the County Treasury. The changes in cash position are explained in the *Statement of Cash Flows* (pages 29-30).

- The total cash and investments balance decreased by \$48.5 million. The General Fund had a net cash increase of \$51.9 million primarily as a result of cash set aside for payment of the 6.56% salary increase for the faculty, slightly higher apportionment payments received, and increases in cash for certain grants and categorical program allocations with an expenditure period larger than one year. Some of these grants and categorical programs are Physical Plant and Instructional Equipment, COVID-19 Recovery Block Grant, Student Success Completion Grant, Guided Pathways, Learning Aligned Employment Program (LEAP), Next-Up, Strong Workforce Program, Student Retention and Outreach, and Student Equity and Achievement Program (SEAP). The cash has a net decrease in the Capital Outlay and Bond Construction Funds of \$95.7 million. While a portion of the 2022-23 Physical Plant and Instructional Equipment allocation increased the cash in the Capital Outlay, the cash decreased in these funds for payments made to contractors, mainly for the Student Center, Sand Volleyball Courts, Physical Education and Wellness Facility, Aquatics Complex, Temple Avenue Bridge Green Corridor, Technology and Health Replacement, Lot W Improvements Phase II, Relocation of Modular Buildings 18C and 18D, and the Bookstore. It is important to mention that a portion of the cash received in the fiscal year 2022-23 for the Physical Plant and Instructional Equipment and Student Retention and Outreach will be returned to the State because the 2022-23 allocations were reduced with the approval of the 2023-24 State budget. The Bond Interest Redemption Fund had a net cash decrease of \$5.7 million, mainly due to property tax collections and associated principal and interest payments from Series 2019A and Series 2021C 2018 Election (Measure GO). Finally, the cash increased by \$1.0 million in the STRS/PERS Pension Trust.
- Total account receivables and other assets had a net increase of \$8.5 million. The Unrestricted General Fund increased by \$15.9 million, mostly due to the accrual increase of the 2022-2023 SCFF apportionment revenues and student accounts receivable. The Restricted General Fund decreased by \$2.4 million mainly due to the reduction of accruals of the Higher Education Emergency Relief Funds (HEERF) and Lottery. The Capital Outlay Fund decreased by \$5.0 million for the Physical Education and Wellness Facility and Technology and Health Replacements capital projects accruals.
- Capital and right-to-use subscription IT assets had a net increase of \$94.9 million. The District had additions of \$123.5 million related to equipment purchases, site and site improvement, and construction in progress. The District recognized a depreciation expense of \$30.9 million during 2022-2023. Additionally, the District recognized right-to-use subscription IT assets additions of \$3.2 million and amortization expense of \$893.8 thousand. The capital and right-to-use subscription IT asset section of this discussion and analysis provides additional information.
- In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District accounted for deferred outflows and deferred inflows related to OPEB. The deferred outflows of resources related to OPEB decreased by \$11.3 million, and the deferred inflows of resources related to OPEB increased by \$17.5 million. The deferred outflows of resources decreased due to amortization of previous balances. The deferred inflows of resources increased due to changes in expected and actual experience.

- Changes in net pension liability attributable to experience gain/losses, assumption changes, and differences between projected and actual earnings on investments not recognized as expenses during the 2022-2023 fiscal year are accounted for as deferred inflows and outflows of resources.

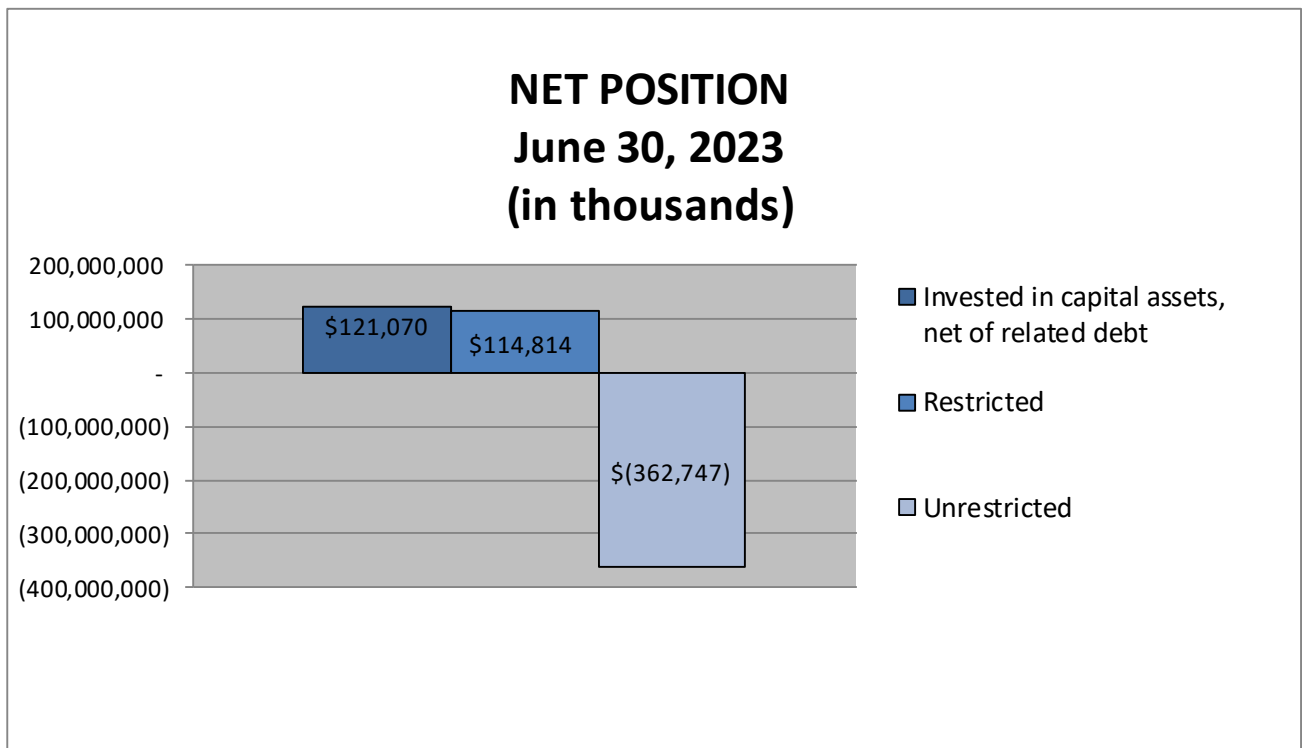
The deferred outflows of resources related to pensions had a net increase of \$25.6 million. CalSTRS deferred outflows of resources decreased by \$5.0 million, while CalPERS deferred outflows increased by \$30.6 million. The deferred outflows of resources related to pensions increased due to projections on pension plan investments exceeding earnings and changes of assumptions for the 2021-2022 measurement year.

The deferred inflows of resources related to pensions decreased by \$80.4 million. CalSTRS deferred inflows of resources decreased by \$50.4 million, while CalPERS deferred inflows decreased by \$30.0 million due to projections on pension plan investments exceeding earnings for the 2021-2022 measurement year. See Note 10 for detailed information related to the aggregate net pension liability and the associated deferred inflows and outflows of resources.

- Accounts payable and accrued liabilities had a net increase of \$43.5 million. The Unrestricted General Fund accounts payable increased by \$26.3 million mainly because of increases in the Education Protection Account (EPA) accounts payable and the 6.56% Faculty salary increase accrual. The Department of Finance reduced the Education Protection Account (EPA) allocation from \$1.56 billion to \$503 million in June 2023; since the cash had already been received, the District recorded an accounts payable accrual at year-end. The Restricted Fund and the Capital Outlay Fund included increases of accounts payable for \$12.7 million, mainly attributed to the 2022-23 allocations of the Physical Plant and Instructional Equipment and the Student Outreach and Retention funding reductions approved in the 2023-24 State budget. The Child Development Fund included an increase of \$0.8 million for reimbursements to the California State Preschool Program and General Child Care and Development Program. The Capital Outlay Fund and the Bond Construction Funds increased by \$6.2 million primarily due to work performed for the Student Center, Sand Volleyball Courts, Physical Education/Wellness Facility, Library Learning Resources, Aquatics Complex, Temple Bridget Green Corridor, and the Bookstore. There was a decrease in employer and employee contributions of \$2.0 million for the full-time salary payrolls because payments were processed before June 30, 2023, causing a reduction in accounts payable compared with the balance as of June 30, 2022. Ultimately, accrued interest decreased by \$0.5 million primarily due to decreases in interest payable for the Series 2015 C 2008 Election (Measure RR), 2019A 2018 Election (Measure GO), and Series 2013A and 2013B Refunding.
- The Unearned revenue had an increase of \$36.6 million. The most notable increases are in the COVID-19 Recovery Block Grant, Instructional Equipment, Learning Aligned Employment Program (LEAP), Native American Student Success and Support Program, Next-Up, and Student Success Completion Grant.
- The long-term liabilities (current and noncurrent) had a net increase of \$58.0 million. The main contributors to this increase were a \$97.7 million increase in the aggregate net pension liability, netted with a decrease in general obligation bonds of \$16.3 million for debt service payments of the Election 2018 Series 2019A and Refunding bonds Series 2013A and Series 2013B, and a decrease in the aggregate net OPEB liability of \$26.8 million.

- The District's net position (deficit) was \$(126.9) million for the fiscal year ended June 30, 2023. Of this amount, \$(362.7) million was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Board's ability to use that net position for day-to-day operations.

The following is a graphic representation of the Net Position as of June 30, 2023:



Statement of Revenues, Expenses, and Change in Net Position

Change in net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Change in Net Position (page 28). The purpose of this statement is to present the operating and nonoperating revenues earned, whether received or not, by the District, the operating and nonoperating expenses incurred, whether paid or not, by the District, and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this Statement presents the District's results of operations.

Generally, operating revenues are earned for providing goods and services to the various customers and constituencies of the District. Operating expenses are those incurred to acquire or produce the goods and services provided in return for the operating revenues and to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided; for example, State appropriations are nonoperating because the legislature provides them to the District without the legislature directly receiving commensurate goods and services for those revenues.

Mt. San Antonio Community College District
Management's Discussion and Analysis
June 30, 2023

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

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Operating Revenues			
Tuition and fees, net	\$ 18,659,065	\$ 18,126,913	\$ 532,152
Grants and contracts, noncapital	76,332,072	94,542,929	(18,210,857)
Auxiliary sales and charges	174,268	172,356	1,912
Total operating revenues	<u>95,165,405</u>	<u>112,842,198</u>	<u>(17,676,793)</u>
Operating Expenses			
Salaries and benefits	284,873,715	252,472,227	32,401,488
Supplies, services, equipment, and maintenance	48,326,396	46,151,992	2,174,404
Student financial aid	70,751,197	80,068,490	(9,317,293)
Depreciation and amortization	31,802,276	28,799,196	3,003,080
Total operating expenses	<u>435,753,584</u>	<u>407,491,905</u>	<u>28,261,679</u>
Operating loss	<u>(340,588,179)</u>	<u>(294,649,707)</u>	<u>(45,938,472)</u>
Nonoperating Revenues (Expenses)			
State apportionments	156,383,077	140,311,632	16,071,445
Property taxes	118,281,357	108,848,538	9,432,819
Student financial aid grants	56,338,901	71,446,452	(15,107,551)
State revenues	12,072,648	10,135,164	1,937,484
Net interest income (loss)	10,803,262	(19,121,466)	29,924,728
Interest expense	(40,500,988)	(41,186,221)	685,233
Other nonoperating revenues	6,586,864	4,262,236	2,324,628
Total nonoperating revenue (expenses)	<u>319,965,121</u>	<u>274,696,335</u>	<u>45,268,786</u>
Other Revenues and Losses			
State and local capital income, and loss on disposal of capital assets	<u>13,773,016</u>	<u>29,770,682</u>	<u>(15,997,666)</u>
Change in net position	<u>\$ (6,850,042)</u>	<u>\$ 9,817,310</u>	<u>\$ (16,667,352)</u>

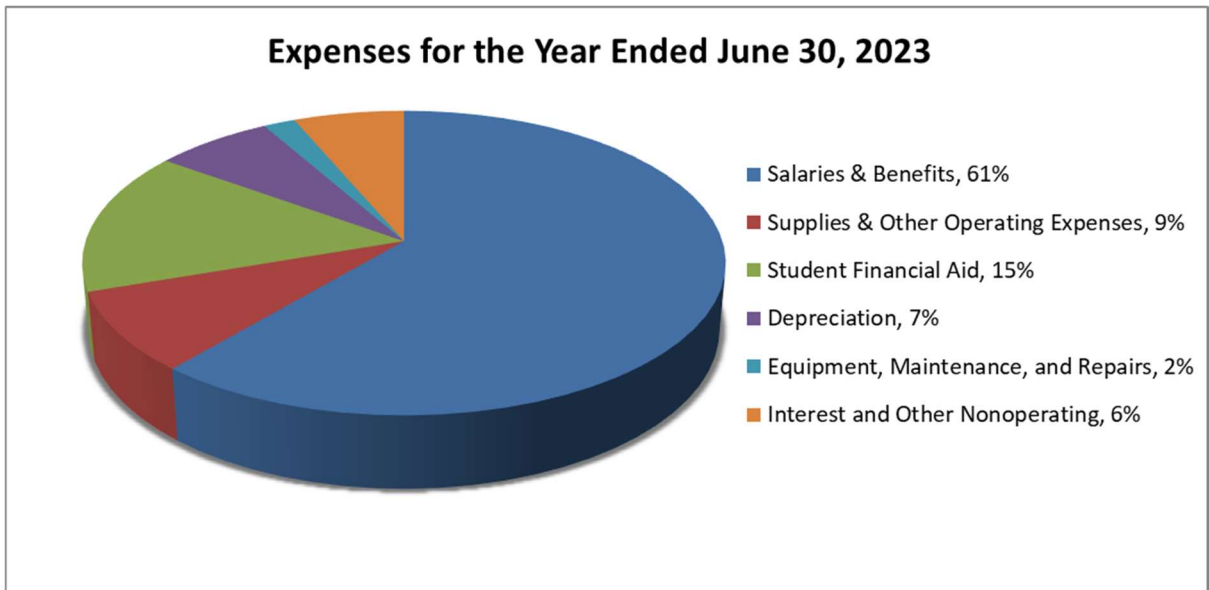
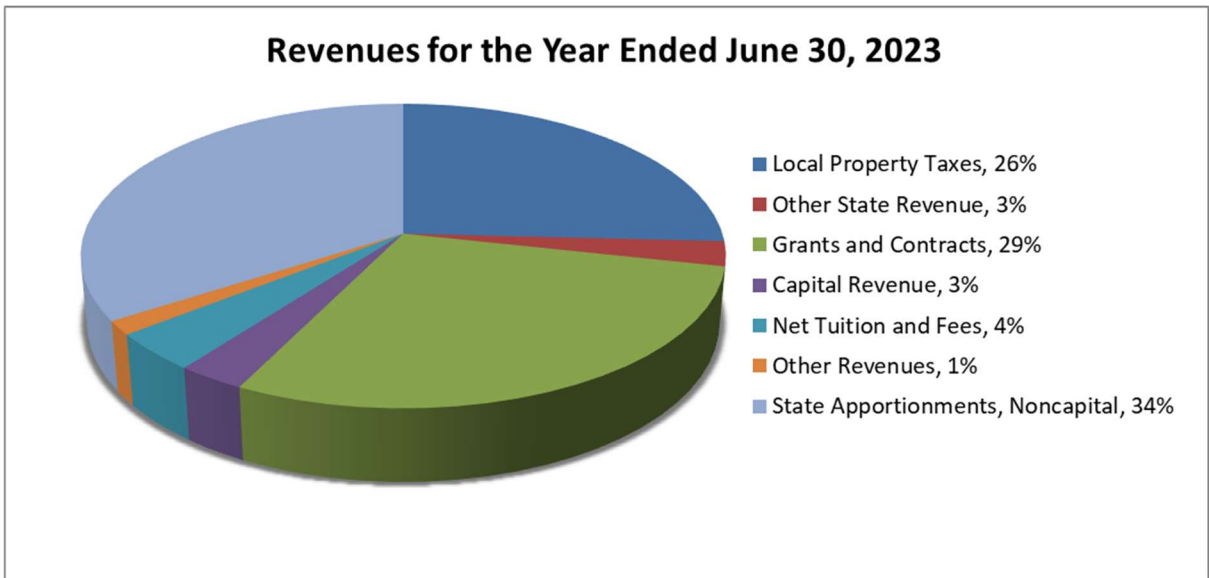
The operating revenues for the District are specifically defined as revenues from users of the College's facilities and programs. Excluded from operating revenues are the components of the primary source of District funding: the State apportionment process, which includes the State general apportionment and local property taxes. As these resources of revenues are from the general population of the State of California and not from the direct users of the educational services, they are considered nonoperating. As a result, the operating loss of \$340.6 million is balanced by other funding sources. Total District expenses exceeded revenues by \$6.9 million for the year ended June 30, 2023.

Grants and contract revenues relate to Federal and State grants received for programs serving students of the District. These grants and program revenues are restricted to the allowable expenses related to the programs.

Interest income is primarily the result of cash held at the County Treasury. Interest expense relates to interest payments on the general obligation bonds as described in Note 7 of the financial statements.

- Net enrollment, tuition and fees increased by \$532.2 thousand. Student fees increase is primarily attributed to Health Fees and Parking fees.
- Grants and Contracts had a net decrease of \$18.2 million. While the claim reimbursements from HEERF funds considerably decreased, the claims reimbursements for Basic Needs Centers, Board Financial Aid Assistance Program (BFAP), Disabled Student Program and Services (DSPS), Instructional Equipment, Mental Health Services, Student Equity and Achievement Program, and Student Retention and Outreach increased.
- The net increase in operating expenses of \$28.3 million is mainly due to the following items: 2.76% cost-of-living increase for all employee groups for the fiscal year 2021-22, 6.56% cost-of-living increases for all employee groups for the fiscal year 2022-23, new positions as approved with the New Resources Allocation Phase 14, \$2.5 million OPEB contribution, increases in CalSTRS and CalPERS pension costs due to actuarial valuations, increases in CalSTRS and CalPERS employer contributions due to increases in rates, increases in utility expenditures and property liability insurance, and decreases in HEERF expenditures. The student financial aid grants had a net decrease. While HEERF student emergency grants decreased, Pell, Cal, Emergency Financial Assistance, Student Success, Completion, and Direct Loans grants increased. Finally, Depreciation and Amortization increased. The amortization expense increased because the College implemented GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs)*.
-
- Since the fiscal year 2012-2013, the District's base apportionment sources of funding include property taxes, enrollment fees, State apportionment, and the Education Protection Account (EPA). Districts' State Aid is reduced by one dollar for each dollar received from EPA, local property taxes, and enrollment fees. The EPA was created in November 2012 by Proposition 30 and was amended with Proposition 55 in November 2016. Proposition 55 extends the temporary personal income tax increases enacted in 2012 until December 2030. The State apportionment noncapital increased by \$16.1 million due to a 6.56% COLA increase to the SCFF metrics funding rates and a \$400 million statewide Base Increase.
- Property taxes levied for general purposes and for other specific purposes increased by \$9.4 million. The property taxes levied for general purposes increased by \$9.1 million due to higher collections of the Education Revenue Augmentation Fund (ERAF) and Property Taxes. Property Taxes for other specific purposes had a net increase of \$296.2 thousand, primarily due to the collections increases of the Series 2021C 2018 Election (Measure GO) and the decrease in collections of the Series 2015C 2008 Election (Measure RR) and Series 2019A 2018 Election (Measure GO) general obligation bonds.
- Federal and State financial aid grants decreased by \$15.1 million. While the decrease is mainly due to HEERF student emergency grants, there were increases in the Coronavirus State Fiscal Recovery Emergency Aid Assistance grants, Pell Grants, and Direct Loans Parent Plus.
- Net interest income increased by \$29.9 million due to an interest rate increase and the County pooled funds' fair market value adjustment as of June 30, 2023.
- Net interest expense decreased by \$685.2 thousand due to scheduled debt service payments on the general obligation bonds.

- Other nonoperating revenues increased by \$2.3 million, primarily for reimbursement from the Mt. San Antonio College STRS/PERS Pension Trust, Parking Fines revenues, Redevelopment Agency Other Revenues, and Donations to the College.
- State and local capital income and losses on disposal of capital assets had a net decrease of \$16.0 million. This increase is primarily attributed to increases in the capital projects for the Physical Education/Wellness Facility, Technology and Health Building Replacement, and small projects funded with 2021-2022 Physical Plant funds.



Functional expenses are detailed in the following schedule:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Depreciation and Amortization	Total
Instructional activities	\$ 150,136,481	\$ 3,109,160	\$ -	\$ -	\$ 153,245,641
Academic support	14,906,672	260,545	-	-	15,167,217
Student services	47,862,820	2,281,963	-	-	50,144,783
Plant operations and maintenance	13,817,098	2,481,755	-	-	16,298,853
Instructional support services	41,067,728	3,008,459	-	-	44,076,187
Community services and economic development	3,253,517	349,445	-	-	3,602,962
Ancillary services and auxiliary operations	9,346,008	1,348,430	-	-	10,694,438
Student aid	-	-	70,751,197	-	70,751,197
Physical property and related acquisitions	4,483,391	35,486,639	-	-	39,970,030
Other outgo	-	-	-	-	-
Unallocated depreciation and amortization	-	-	-	31,802,276	31,802,276
Total	<u>\$ 284,873,715</u>	<u>\$ 48,326,396</u>	<u>\$ 70,751,197</u>	<u>\$ 31,802,276</u>	<u>\$ 435,753,584</u>

Statement of Cash Flows

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

The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash used by the operating activities of the District. The second part details cash received for nonoperating, noninvesting and noncapital financing purposes. The third part shows cash flows from capital and related financing activities, disclosing the cash used for the acquisition and construction of capital and related items. The fourth part provides information on investing activities and the amount of interest received. The last section reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenues, Expenses, and Change in Net Position.

	2023	2022	Change
Net Cash Flows from			
Operating activities	\$ (269,747,367)	\$ (257,379,460)	\$ (12,367,907)
Noncapital financing activities	307,528,240	326,830,015	(19,301,775)
Capital financing activities	(95,373,548)	175,627,164	(271,000,712)
Investing activities	8,524,925	(16,720,660)	25,245,585
Net Change in Cash and Cash Equivalents	(49,067,750)	228,357,059	(277,424,809)
Cash and Cash Equivalents, Beginning of Year	472,909,121	244,552,062	228,357,059
Cash and Cash Equivalents, End of Year	<u>\$ 423,841,371</u>	<u>\$ 472,909,121</u>	<u>\$ (49,067,750)</u>

The primary operating receipts are student tuition and fees and enterprise sales and charges. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff and District administrators.

- Cash receipts from “operating activities” are from student enrollment, tuition and other fees. Uses of cash include payments to employees, vendors, and students related to the instructional programs. The net decrease in cash used by operating activities is primarily due to the timing of when revenue is received and payments are paid.
- Cash received from “noncapital financing activities” had a net decrease of \$19.3 million. The main contributor to this decrease is lower cash collections of the SCFF District’s State apportionment and federal/state financial aid grants.
- The cash from “capital financing activities” had a net decrease of \$271.0 million. Cash primarily decreased due to the issuance of the Series 2021E 2008 Election (Measure RR) and Series 2021C 2018 Election (Measure GO) general obligation bonds sold in August 2021.
- Cash provided by “investing activities” increased by \$25.2 million due to an increase in interest earnings and a decrease of the fair market value adjustment for the year ending June 30, 2023.

District’s Fiduciary Responsibility

The District includes Mt. San Antonio Auxiliary Services as a component unit. The Auxiliary is a separate not-for-profit corporation formed to promote and assist the District's educational programs. Separate financial statements for the Auxiliary can be obtained through the District.

The Mt. San Antonio Community College District OPEB Trust was established in 2008-2009. The Trust is an irrevocable government trust to fund post-employment health benefits. The District acts as the fiduciary of the Trust, and the financial activity of the Trust has been discretely presented in the financial statements.

The District is responsible for accounting for the student clubs. These fiduciary activities are reported in separate Statements of Fiduciary Net Position and Change in Fiduciary Net Position.

Capital and Right-to-use Subscription IT Assets

As of June 30, 2023, the District had \$920.8 million invested in capital assets. The total cost of capital assets of \$1.2 billion comprises land, buildings and building improvements, construction in progress, vehicles, data processing equipment, and other office equipment. These assets have accumulated depreciation of \$272.9 million. During 2022-2023, net capital asset additions and deletions were \$123.3 million. This consists of a net decrease in construction in progress totaling \$108.4 million, a net increase in equipment totaling \$7.8 million, an increase in land totaling \$1.2 million, and an increase in buildings and site improvements totaling \$222.7 million. Depreciation expense of \$30.9 million was recorded for the fiscal year.

Additionally, the District recognized right-to-use subscription IT assets for \$3.9 million. During 2022-2023, right-to-use subscription IT asset additions were \$3.2 million, and amortization expenses were \$893.8 thousand.

During 2022-2023, the following projects were capitalized:

- Student Center
- Physical Education/Wellness Facility
- Aquatics Complex
- Public Transportation Center
- South Bonita Fence
- Roof Replacement Building 1A
- Renovation Building 66 Interior
- Roof Replacement Building 44
- Parking Structure Lot S
- Building 10 Wall and Stone Renovation
- Utility Infrastructure SW West Parcel
- Building 6 Dual Enrollment Office
- Multiple Measure Office

Construction in progress during 2022-2023 includes the following projects:

- Library and Learning Resources
- Sand Volleyball Courts
- Technical Education
- Temple Avenue Bridge Green Corridor
- Utility Infrastructure Central Campus
- Lot W Improvements Phase II
- Relocation of Portable Buildings 18C and 18D
- STEM Center
- Student Services Remodel Phase II
- POD Loft Building 6 Interior Improvement
- Bookstore
- School of Continuing Education Instructional Village

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below:

	Balance, July 1, 2022, as restated	Additions	Deletions	Balance, June 30, 2023
Land, collections, and construction in progress	\$ 215,906,086	\$ 115,970,578	\$ (223,140,058)	\$ 108,736,606
Buildings and improvements	792,400,170	222,703,800	-	1,015,103,970
Furniture and equipment	62,037,030	7,983,720	(182,108)	69,838,642
Subtotal	1,070,343,286	346,658,098	(223,322,166)	1,193,679,218
Accumulated depreciation	(242,160,162)	(30,908,428)	177,779	(272,890,811)
Subtotal capital assets, net	828,183,124	315,749,670	(223,144,387)	920,788,407
Right-to-use subscription IT assets	1,534,484	3,231,755	-	4,766,239
Accumulated amortization	-	(893,848)	-	(893,848)
Subtotal right-to-use subscription IT assets, net	1,534,484	2,337,907	-	3,872,391
Total	\$ 829,717,608	\$ 318,087,577	\$ (223,144,387)	\$ 924,660,798

Long-term Liabilities

On June 30, 2023, the District had \$1.4 billion in long-term liabilities. The balance includes the remaining principal debt for the 2008 Election (Measure RR) bonded debt, the 2018 Election (Measure GO) bonded debt, the compensated absences and load banking, subscription-based IT arrangements, the aggregate net OPEB liability, and the aggregate net pension liability for CalSTRS and CalPERS. The outstanding bond debt of the 2008 Election (Measure RR) consists of \$314.5 million Series A general obligation bonds and \$1.3 million Series B general obligation bonds issued in August 2013, \$67.2 million Series D general obligation bonds issued in August 2020, and \$57.9 million Series E general obligation bonds issued in August 2021. The outstanding bond debt of the 2018 Election (Measure GO) consists of \$251.2 million Series A general obligation bonds issued in April 2019, \$34.8 million Series B general obligation bonds issued in August 2020 and \$219.2 million Series C general obligation bonds issued in August 2021. The outstanding refunding bond debt consists of \$6.3 million Series 2013A general obligation refunding bonds issued August 2013, \$7.4 million Series 2013B general obligation refunding bonds issued August 2013, \$2.2 million Series 2015 general obligation refunding bonds issued September 2015, \$59.1 million Series 2020A general obligation refunding bonds issued in February 2020, \$30.1 million Series 2020B general obligation crossover refunding bonds issued February 2020, and \$13.9 million Series 2021 general obligation refunding bonds issued August 2021. The general obligation bonds were issued to finance the repair, upgrade, acquisition, construction, and equipment of certain District property and facilities. The general obligation bonds and net pension liability comprise approximately 96% of the District's total long-term liabilities. Debt payments on the bonds will be funded through property tax receipts collected over the term of the bonds.

Notes 7, 8, and 10 in the financial statements provide additional information on long-term liabilities. A summary of long-term liabilities is presented below:

	2023	2022, as restated
General obligation bonds	\$ 1,116,916,164	\$ 1,133,235,996
Compensated absences and load banking	15,919,640	14,681,197
Subscription-based IT arrangements	3,734,376	1,534,484
Aggregate net OPEB liability	38,570,427	65,363,674
Aggregate net pension liability	256,953,955	159,230,914
Total long-term liabilities	\$ 1,432,094,562	\$ 1,374,046,265

Economic Factors that May Affect the Future

As of June 30, 2023, the District's overall financial position is strong due to ongoing prudent fiscal management, which resulted in a healthy fund balance of \$53.1 million in the Unrestricted General Fund for the 2022-2023 fiscal year.

For California Community Colleges, the 2023-24 State Budget continues to be shaped by multiyear frameworks with the University of California (UC) and the California State University (CSU) introduced in 2022-23 and the Roadmap for the California Community Colleges. The roadmap is focused on student equity, student success, and the system's ability to prepare students for California's future. The budget includes a net increase of \$309 million in ongoing and one-time funds for community colleges.

The State Budget reflects that even with the economic picture trending down, the State recognizes the importance of our work by continuing to invest in the California Community College System. This does not mean the State Budget did not provide challenges. It reduced one-time funds for Physical Plant and Instructional Support allocated for 2022-23. This represents a takeback of almost \$12.7 million for Mt. SAC that year. Additionally, 2023-24 will be the first year since the pandemic began that the College can no longer request one-time funding to support FTES losses under Emergency Conditions. The Emergency Conditions funds have allowed Mt. SAC to avoid feeling the economic impact of funding losses due to reduced enrollment.

Mt. SAC's history of prudent fund balances and efficient use of resources has allowed the College to serve its students and community at a high level while allowing careful consideration of budget plans for 2023-24 and beyond. The College's financial position to continue recovery is strong, enabling it to effectively manage the 2023-24 allocation from the State budget.

Mt. SAC will continue its multiyear strategy that started in 2021-22 to support return and recovery efforts, using one-time and ongoing funds. So far, these efforts have led to a complete restoration of FTES in the School of Continuing Education and a strong jump in credit FTES in classes offered by Instruction over the Fall of 2022. The impressive dedication and action by all areas to provide quality instruction and support to our students are exceptional and are reflected in these gains. We are still trending below our pre-pandemic numbers but fall 2023 enrollment will be a good predictor for the remainder of the year. As we go through the 2023-24 fiscal year, we should develop a good understanding of where we are trending and what our accurate funding level will be as one-time emergency conditions fade out. There will be a focused effort on aligning ongoing revenue with ongoing expense using multiyear projections to inform planning as State funding protections go away.

Subsequent Events

On October 18, 2023, the Board of Trustees approved a 6.56% ongoing salary increase for the Faculty employee group, effective July 1, 2022.

On September 13, October 18, and November 8, 2023, the Board of Trustees approved a 4.11% salary increase for the CSEA 262, Confidential, CSEA 651, and Faculty employee groups, effective July 1, 2023.

Mt. San Antonio Community College District

Statement of Net Position

June 30, 2023

Assets	
Cash and cash equivalents	\$ 1,632,772
Investments	463,932,479
Accounts receivable	32,181,275
Student receivables	1,991,070
Due from Auxiliary	48,916
Due from fiduciary funds	423,936
Capital and right-to-use subscription IT assets	
Nondepreciable capital assets	108,736,606
Depreciable capital assets, net of depreciation	812,051,801
Right-to-use subscription IT assets, net of accumulated amortization	<u>3,872,391</u>
Total capital and right-to-use subscription IT assets, net	<u>924,660,798</u>
Total assets	<u>1,424,871,246</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	7,893,045
Deferred outflows of resources related to OPEB	27,164,061
Deferred outflows of resources related to pensions	<u>82,906,467</u>
Total deferred outflows of resources	<u>117,963,573</u>
Liabilities	
Accounts payable	89,680,801
Accrued interest payable	8,870,139
Unearned revenue	74,202,345
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	35,929,742
Long-term liabilities other than OPEB and pensions, due in more than one year	1,100,640,438
Aggregate net other postemployment benefits (OPEB) liability	38,570,427
Aggregate net pension liability	<u>256,953,955</u>
Total liabilities	<u>1,604,847,847</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	44,877,168
Deferred inflows of resources related to pensions	<u>19,972,283</u>
Total deferred inflows of resources	<u>64,849,451</u>
Net Position	
Net investment in capital assets	121,070,082
Restricted for	
Debt service	60,185,218
Capital projects	25,732,218
Educational programs	10,842,944
Other activities	18,054,088
Unrestricted deficit	<u>(362,747,029)</u>
Total net position (deficit)	<u>\$ (126,862,479)</u>

Mt. San Antonio Community College District
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2023

Operating Revenues	
Tuition and fees	\$ 35,335,491
Less: Scholarship discounts and allowances	<u>(16,676,426)</u>
Net tuition and fees	<u>18,659,065</u>
Grants and contracts, noncapital	
Federal	11,609,946
State	63,507,007
Local	<u>1,215,119</u>
Total grants and contracts, noncapital	<u>76,332,072</u>
Auxiliary enterprise sales and charges	
Farm operations	<u>174,268</u>
Total operating revenues	<u>95,165,405</u>
Operating Expenses	
Salaries	209,434,453
Employee benefits	75,439,262
Supplies, materials, and other operating expenses and services	39,743,821
Student financial aid	70,751,197
Equipment, maintenance, and repairs	8,582,575
Depreciation and amortization	<u>31,802,276</u>
Total operating expenses	<u>435,753,584</u>
Operating Loss	
	<u>(340,588,179)</u>
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	156,383,077
Local property taxes, levied for general purposes	71,018,544
Taxes levied for other specific purposes	47,262,813
Federal and State financial aid grants	56,338,901
State taxes and other revenues	12,072,648
Investment income	9,597,230
Interest expense on capital related debt	(40,500,988)
Investment income on capital asset-related debt, net	1,206,032
Other nonoperating revenue	<u>6,586,864</u>
Total nonoperating revenues (expenses)	<u>319,965,121</u>
Loss Before Other Revenues and Losses	
	<u>(20,623,058)</u>
Other Revenues and Losses	
State revenues, capital	11,818,752
Local revenues, capital	1,958,593
Loss on disposal of capital assets	<u>(4,329)</u>
Total other revenues and losses	<u>13,773,016</u>
Change In Net Position	
	(6,850,042)
Net Position (Deficit), Beginning of Year	
	<u>(120,012,437)</u>
Net Position (Deficit), End of Year	
	<u>\$ (126,862,479)</u>

Mt. San Antonio Community College District
Statement of Cash Flows
Year Ended June 30, 2023

Cash Flows from Operating Activities	
Tuition and fees	\$ 18,006,507
Federal, state, and local grants and contracts, noncapital	117,699,905
Enterprise sales and charges	174,268
Payments to or on behalf of employees	(283,414,377)
Payments to vendors for supplies and services	(51,462,473)
Payments to students for scholarships and grants	<u>(70,751,197)</u>
Net cash flows from operating activities	<u>(269,747,367)</u>
Cash Flows from Noncapital Financing Activities	
State apportionments	153,101,946
Federal and state financial aid grants	53,818,591
Property taxes - nondebt related	78,627,249
State taxes and other apportionments	12,542,508
Other nonoperating	<u>9,437,946</u>
Net cash flows from noncapital financing activities	<u>307,528,240</u>
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(117,383,336)
State revenue, capital	17,118,573
Local revenue, capital	1,958,593
Property taxes - related to capital debt	59,243,148
Principal paid on capital debt	(35,441,863)
Interest paid on capital debt	(22,129,651)
Interest received on capital asset-related debt	<u>1,260,988</u>
Net cash flows from capital financing activities	<u>(95,373,548)</u>
Cash Flows from Investing Activities	
Change in fair market value of cash in County treasury	(1,098,704)
Interest received from investments	<u>9,623,629</u>
Net cash flows from investing activities	<u>8,524,925</u>
Change In Cash and Cash Equivalents	(49,067,750)
Cash and Cash Equivalents, Beginning of Year	<u>472,909,121</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 423,841,371</u></u>

Mt. San Antonio Community College District
Statement of Cash Flows
Year Ended June 30, 2023

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	<u>\$ (340,588,179)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization expense	31,802,276
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	1,474,736
Student receivables	(736,198)
Prepaid expenses	1,727
Deferred outflows of resources related to OPEB	11,307,795
Deferred outflows of resources related to pensions	(25,591,406)
Accounts payable	3,362,379
Unearned revenue	39,976,737
Compensated absences	678,187
Load banking	560,256
Aggregate net OPEB liability	(26,793,247)
Aggregate net pension liability	97,723,041
Deferred inflows of resources related to OPEB	17,458,252
Deferred inflows of resources related to pensions	<u>(80,383,723)</u>
Total adjustments	<u>70,840,812</u>
Net cash flows from operating activities	<u><u>\$ (269,747,367)</u></u>
Cash and Cash Equivalents Consist of the Following:	
Cash in banks	\$ 332,795
Cash in County treasury	<u>423,508,576</u>
Total cash and cash equivalents	<u><u>\$ 423,841,371</u></u>
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	\$ 790,436
Amortization of debt premiums	\$ 3,694,686
Accretion of interest on capital appreciation bonds	\$ 21,784,854
Recognition of subscription-based IT arrangement liabilities arising from obtaining right-to-use subscription IT assets	\$ 3,231,755

Mt. San Antonio Community College District

Fiduciary Funds

Statements of Net Position

June 30, 2023

	Retiree OPEB Trust	Custodial Funds	Component Unit Retiree OPEB Trust
Assets			
Cash and cash equivalents	\$ 15,658,124	\$ 3,122	\$ 423,700
Investments	85,119,149	108,597	3,915,395
Total assets	\$ 100,777,273	\$ 111,719	\$ 4,339,095
Liabilities			
Accounts payable	\$ -	\$ 1,856	\$ -
Due to primary government	423,936	-	-
Due to Auxiliary	-	-	66,533
Total liabilities	423,936	1,856	66,533
Net Position			
Restricted for postemployment benefits other than pensions	100,353,337	-	4,272,562
Unrestricted	-	109,863	-
Total net position	\$ 100,353,337	\$ 109,863	\$ 4,272,562

Mt. San Antonio Community College District

Fiduciary Funds

Statements of Changes in Net Position

Year Ended June 30, 2023

	Retiree OPEB Trust	Custodial Funds	Component Unit Retiree OPEB Trust
Additions			
District contributions	\$ 5,907,610	\$ -	\$ 22,108
Interest and investment income, net of fees	3,376,816	-	129,970
Net realized and unrealized losses	6,245,799	-	427,184
Local revenues	-	41,190	-
Total additions	15,530,225	41,190	579,262
Deductions			
Books and supplies	-	41,524	-
Benefit payments	5,515,992	-	299,791
Administrative expenses	163,540	-	8,646
Total deductions	5,679,532	54,338	308,437
Change in Net Position	9,850,693	(13,148)	270,825
Net Position, Beginning of Year	90,502,644	123,011	4,001,737
Net Position, End of Year	\$ 100,353,337	\$ 109,863	\$ 4,272,562

Mt. San Antonio Community College District
Mt. San Antonio College Auxiliary Services
Statement of Net Position - Component Unit
June 30, 2023

Assets	
Cash and cash equivalents	\$ 220,230
Investments	1,911,028
Accounts receivable	178,950
Due from fiduciary funds	66,533
Depreciable capital assets, net of depreciation	185,747
Net other postemployment benefits (OPEB) asset	<u>170,725</u>
Total assets	<u>2,733,213</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	<u>2,371,085</u>
Liabilities	
Accounts payable	101,983
Due to District	48,916
Long-term liabilities	
Compensated absences payable	38,472
Net pension liability	<u>4,979,566</u>
Total liabilities	<u>5,168,937</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	112,931
Deferred inflows of resources related to pensions	<u>75,043</u>
Total deferred inflows of resources	<u>187,974</u>
Net Position	
Net investment in capital assets	185,747
Restricted for:	
Other postemployment benefits (OPEB)	170,725
Unrestricted deficit	<u>(609,085)</u>
Total net position (deficit)	<u>\$ (252,613)</u>

Mt. San Antonio Community College District
Mt. San Antonio College Auxiliary Services
Statement of Revenues, Expenses, and Changes in Net Position - Component Unit
Year Ended June 30, 2023

Operating Revenues	
Bookstore commissions	\$ 195,490
Reimbursement of Bookstore salaries	240,000
District contributions	380,909
Food service commissions	141,653
Sponsorships	79,192
Vending commissions	90,476
Miscellaneous revenues	<u>6,180</u>
Total operating revenues	<u>1,133,900</u>
Operating Expenses	
Salaries	305,706
Employee benefits	(1,502,530)
Supplies and materials	226,461
Other operating expenses and services	191,504
Financial aid	31,500
Depreciation	<u>33,318</u>
Total operating expenses	<u>(714,041)</u>
Net Operating Income	<u>1,847,941</u>
Nonoperating Income	
Investment income	<u>29,018</u>
Change in Net Position	1,876,959
Net Position (Deficit), Beginning of Year	<u>(2,129,572)</u>
Net Position (Deficit), End of Year	<u><u>\$ (252,613)</u></u>

Mt. San Antonio Community College District

Mt. San Antonio College Auxiliary Services

Statement of Cash Flows - Component Unit

Year Ended June 30, 2023

Operating Activities	
Auxiliary enterprise sales and charges	\$ 1,098,733
Payments to vendors for supplies and services	(375,119)
Payments to or on behalf of employees	(803,165)
Payments to students for aid	(31,500)
Net Cash Flows from Operating Activities	<u>(111,051)</u>
Investing Activities	
Change in fair market value of cash in County treasury	(13,594)
Interest received from investments	40,077
Net Cash from Investing Activities	<u>26,483</u>
Net Change in Cash and Cash Equivalents	(84,568)
Cash and Cash Equivalents, Beginning of Year	<u>2,215,826</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,131,258</u>
Reconciliation of net operating income to net cash from operating activities	
Operating income	<u>\$ 1,847,941</u>
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	33,318
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	(39,860)
Due from fiduciary funds	4,693
Net other postemployment benefits (OPEB) asset	(170,725)
Deferred outflows of resources related to OPEB	161,848
Deferred outflows of resources related to pensions	(1,541,742)
Accounts payable	28,848
Due to District	23,553
Compensated absences	1,788
Net other postemployment benefits (OPEB) liability	(182,572)
Net pension liability	2,095,032
Deferred inflows of resources related to OPEB	87,982
Deferred inflows of resources related to pensions	(2,461,155)
Net Cash from Operating Activities	<u>\$ (111,051)</u>
Cash and cash equivalents consist of the following:	
Cash in banks	\$ 220,230
Cash in County treasury	1,911,028
	<u>\$ 2,131,258</u>

Note 1 - Organization

Mt. San Antonio Community College District (the District) is a comprehensive, public, two-year institution offering higher education in the County of Los Angeles (the County), in the State of California (the State). The District is governed by a locally elected seven-member Board of Trustees, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, as well as all other funds. These budgets are the responsibility of management. The District consists of one community college located in Walnut, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

Note 2 - Summary of Significant Accounting Policies**Financial Reporting Entity**

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

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB).

Based on the application of the criteria listed above, the following component unit has been discretely presented in this report:

Mt. San Antonio College Auxiliary Services

The Auxiliary is a separate not-for-profit corporation formed to promote and assist the educational programs of the District. The Board of Directors is comprised of the Vice President of Administrative Services and Vice President of Student Services of the District, along with the Associated Students President and two other members appointed by the Vice President of Administrative Services. In addition, the Auxiliary may not carry on any activities not approved by the Vice President of Administrative Services of the District. Upon dissolution of the Auxiliary, net position, other than trust funds, will be distributed to the District. The financial activities of the Auxiliary have been discretely presented. Separate financial information for the Auxiliary can be obtained through the District.

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

Mt. San Antonio College Foundation

The Mt. San Antonio College Foundation (the Foundation) is a legally separate, not-for-profit corporation. The Foundation provides financial support for various college-related programs including student scholarships and awards and general department and program support. The Board of the Foundation consists of community members, alumni, and other supporters of the Foundation. The Foundation is not included as a component unit because the economic resources received and held by the Foundation are not significant to the District and because the District does not control the timing or amount of receipts from the Foundation. Separate financial statements for the Foundation can be obtained from the District.

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities are excluded from the primary government financial statements. The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. 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, low-income student counts, and student success metrics. Revenue from Federal and State grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose restrictions.

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

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and ancillary enterprise services provided to students, faculty, and staff. The District has historically recorded an allowance for uncollectible accounts related to student receivables. The allowance is based on management's estimates and analysis. The allowance for doubtful accounts was estimated at \$202,093 at June 30, 2023.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

Capital Assets and Depreciation

Capital assets are stated at cost at the date of acquisition or fair value at the date of gift. The District's capitalization policy includes all items with a unit cost of \$5,000 (for equipment) and an estimated useful life of greater than one year. Buildings, renovations to buildings, infrastructure, and land improvements that cost more than \$150,000, significantly increase the value, or extend the useful life of the structure, are capitalized. Routine repair and maintenance costs are charged to operating expenses in the year in which the expense is incurred. Depreciation of equipment and vehicles, facilities, and other physical properties is provided using the straight-line method over the estimated useful lives of the respective assets, or in the case of assets acquired under capital leases, the shorter of the lease term or useful life. Costs for construction in progress are capitalized when incurred. The cost of capital assets includes ancillary charges necessary to place an asset in its intended location and condition for use.

The following estimated useful lives are used to compute depreciation:

Land improvements	10 years
Buildings and improvements	50 years
Equipment and vehicles	8 years
Technology	3 years

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

Compensated Absences and Load Banking

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The District also participates in “load-banking” with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the government-wide financial statements. At year end, there were balances of \$8,487,915 and \$7,431,725 outstanding for accrued vacation and load banking liabilities, respectively.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Sick leave with pay is provided when employees are absent for health or personal 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 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Debt Premiums

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources related to debt refunding of general obligation bonds, for OPEB related items, and for pension related items. Deferred outflows of resources related to debt refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price, and are amortized using the straight-line method over the remaining life of the new or old debt, whichever is shorter.

The deferred amounts related to OPEB and pension related items are associated with differences between expected and actual earnings on plan investments, changes of assumptions, and other OPEB and pension related changes.

In addition to liabilities, the Statement of Net Position also reports deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for OPEB and pension related items.

Subscription-based IT Arrangements

The District recognizes a subscription-based IT arrangement liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. The District's capitalization policy includes all items with a total contract cost of \$5,000 or more. The District measures the subscription-based IT arrangement liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription-based IT arrangement liability is reduced by the principal portion of subscription payments made. The right-to-use subscription IT asset is initially measured as the initial amount of the subscription-based IT arrangement liability, plus certain initial direct costs. Subsequently, the right-to-use subscription IT asset is amortized on a straight-line basis over the shorter of the subscription term or useful life of the underlying asset.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Unearned revenue is primarily composed of (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds payable, compensated absences, load banking, subscription-based IT arrangements, aggregate net other postemployment benefits (OPEB) liability, and the aggregate net pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital and subscription-based IT assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$114,814,468 of restricted net position, and the fiduciary fund financial statements report \$100,353,337 of restricted net position.

Operating and Nonoperating Revenues and Expenses

Classification of Revenues

The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB. Classifications are as follows:

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

Classification of Expenses

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

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

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the current year as of June 30.

Property Taxes

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

The voters of the District passed General Obligation bonds in 2001, 2008, and 2018 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarship Discounts and Allowances

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

Financial Assistance Programs

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

Estimates

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

Interfund Activity

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Change in Accounting Principles**Implementation of GASB Statement No. 91**

As of July 1, 2022, the District adopted GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. The implementation of this standard eliminates the option for issuers of conduit debt to recognize a liability for this debt on their financial statements. In addition, it requires issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations. There was no effect on the District's financial statements as a result of the implementation of the standard.

Implementation of GASB Statement No. 94

As of July 1, 2022, the District adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*. The implementation of this standard establishes standards of accounting and financial reporting for PPPs and APAs. The standard requires recognition of an asset, receivable, and deferred inflow of resources. There was no effect on the District's financial statements as a result of the implementation of the standard.

Implementation of GASB Statement No. 96

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 14 and the additional disclosures required by this standard are included in Note 6 and Note 7.

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 - In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the County Treasury as part of the common investment pool. The District is considered to be an involuntary participant in an external investment pool. 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.

General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	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

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2023, consist of the following:

	Primary Government	Fiduciary Funds
Cash on hand and in banks	\$ 232,795	\$ 3,122
Cash in revolving	100,000	-
Cash with fiscal agent	1,299,977	15,658,124
Investments	<u>463,932,479</u>	<u>85,227,746</u>
Total deposits and investments	<u>\$ 465,565,251</u>	<u>\$ 100,888,992</u>

Interest Rate Risk and Credit 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. 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.

Investment Type	Fair Value	Weighted Average Maturity in Days	Average Credit Rating
U.S. Treasury notes	\$ 28,864,890	31	AA+
Mutual funds	17,750,111	No maturity	Not rated
Equities	61,702,332	No maturity	Not rated
Fixed income	17,225,719	6,588	BBB
Los Angeles County investment pool	<u>423,617,173</u>	753	Not rated
Total	<u>\$ 549,160,225</u>		

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The 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% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2023, the District's bank balance of approximately \$751.5 thousand was fully insured or collateralized with securities, held by the pledging financial institutions trust department in the District's name.

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. As of June 30, 2023, the District's investment balance of approximately \$125.0 million was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District categorizes the fair value measurements of its investments as follows at June 30, 2023:

Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
U.S. Treasury notes	\$ 28,864,890	\$ 28,864,890	\$ -	\$ -
Mutual funds	17,750,111	17,750,111	-	-
Equities	61,702,332	61,702,332	-	-
Fixed income	17,225,719	17,225,719	-	-
Total	<u>\$ 125,543,052</u>	<u>\$ 125,543,052</u>	<u>\$ -</u>	<u>\$ -</u>

All assets have been valued using a market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

Note 5 - Accounts Receivable

Accounts receivable at June 30, 2023, consisted of the following:

	<u>Primary Government</u>
Federal Government	
Categorical aid	\$ 3,757,635
State Government	
Apportionment	23,497,944
Categorical aid	538,653
Lottery	1,383,117
Capital projects	1,179,009
Local Sources	
Interest	996,494
Other local sources	828,423
Total	\$ 32,181,275
Student receivables	\$ 2,193,163
Less: allowance for bad debt	<u>(202,093)</u>
Total student receivables, net	\$ 1,991,070

Note 6 - Capital and Right-to-use Subscription IT Assets

Capital and right-to-use subscription IT asset activity for the District for the year ended June 30, 2023, was as follows:

	Balance, July 1, 2022, as restated	Additions	Deductions	Balance, June 30, 2023
Capital Assets Not Being Depreciated				
Land	\$ 619,480	\$ 1,205,174	\$ -	\$ 1,824,654
Collections - art	161,488	19,500	-	180,988
Construction in progress	215,125,118	114,745,904	(223,140,058)	106,730,964
Total capital assets not being depreciated	215,906,086	115,970,578	(223,140,058)	108,736,606
Capital Assets Being Depreciated				
Buildings and improvements	792,400,170	222,703,800	-	1,015,103,970
Furniture and equipment	62,037,030	7,983,720	(182,108)	69,838,642
Total capital assets being depreciated	854,437,200	230,687,520	(182,108)	1,084,942,612
Total capital assets	1,070,343,286	346,658,098	(223,322,166)	1,193,679,218
Less Accumulated Depreciation				
Buildings and improvements	(190,089,572)	(26,779,434)	-	(216,869,006)
Furniture and equipment	(52,070,590)	(4,128,994)	177,779	(56,021,805)
Total accumulated depreciation	(242,160,162)	(30,908,428)	177,779	(272,890,811)
Total depreciable assets, net	612,277,038	199,779,092	(4,329)	812,051,801
Right-to-use Subscription IT Assets				
Right-to-use subscription IT assets	1,534,484	3,231,755	-	4,766,239
Accumulated amortization	-	(893,848)	-	(893,848)
Net right-to-use subscription IT assets	1,534,484	2,337,907	-	3,872,391
Total capital and right-to-use subscription IT assets, net	\$ 829,717,608	\$ 318,087,577	\$ (223,144,387)	\$ 924,660,798

Note 7 - Long-Term Liabilities other than OPEB and Pensions**Summary**

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

	Balance, July 1, 2022, as restated	Additions	Deductions	Balance, June 30, 2023	Due in One Year
General obligation bonds	\$1,077,835,349	\$ 21,784,854	\$ (34,410,000)	\$ 1,065,210,203	\$ 30,375,000
Unamortized premium	55,400,647	-	(3,694,686)	51,705,961	-
Subscription-based IT arrangements	1,534,484	3,231,755	(1,031,863)	3,734,376	974,948
Compensated absences and load banking	14,681,197	1,238,443	-	15,919,640	4,579,794
Total	<u>\$1,149,451,677</u>	<u>\$ 26,255,052</u>	<u>\$ (39,136,549)</u>	<u>\$ 1,136,570,180</u>	<u>\$ 35,929,742</u>

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. Payments for subscription-based IT arrangements will be made by the fund for which the software was intended. The compensated absences and load banking liability will be paid by the fund for which the employee worked.

General Obligation Bonds**Measure RR General Obligation Bonds**

In November 2008, voters authorized a total of \$353,000,000 in general obligation bonds. In August 2013, the District issued Election of 2008 Series 2013A and 2013B General Obligation Bonds in the amounts of \$205,586,691 and \$11,715,000, respectively. The Series 2013A bonds were issued as current interest bonds in the aggregate principal amount of \$5,280,000, current interest term bonds in the principal amount of \$22,520,000, capital appreciation bonds in the aggregate principal amount of \$28,534,146, and convertible capital appreciation term bonds in the aggregate principal amount of \$149,252,545. The Series 2013B bonds were issued as current interest bonds in the aggregate principal amount of \$11,715,000. The bonds were issued to liquidate bond anticipation notes held by the District and to pay for certain capital improvements. The bonds bear interest rates of 0.72 to 4.10%. Principal and interest payments are due each August 1 and February 1 through August 1, 2043. At June 30, 2023, the principal balance outstanding for Series A and Series B was \$314,487,361 and \$1,335,000, respectively. Unamortized premium received on issuance of the bonds amounted to \$7,677,485 as of June 30, 2023.

In September 2015, the District issued Election of 2008 Series 2015C General Obligation Bonds in the amount of \$20,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, construction, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00 to 4.00%. Principal and interest payments are due each August 1 and February 1 through August 1, 2022. At June 30, 2023, the principal balance was paid in full.

In August 2020, the District issued Election of 2008 Series 2020D General Obligation Bonds in the amount of \$59,728,759, with an additional amount of \$4,822,640 in bond premium associated with capital appreciation bonds added to the bond principal value at issuance. The bonds were issued as current interest bonds in the aggregate principal amount of \$30,465,000, serial capital appreciation bonds in the aggregate principal amount of \$1,103,242, and term capital appreciation term bonds in the aggregate principal amount of \$32,983,157. The bonds were issued to liquidate bond anticipation notes held by the District. The bonds bear interest rates of 0.81 to 3.12%. Principal and interest payments are due each August 1 and February 1 through August 1, 2045. At June 30, 2023, the principal balance outstanding was \$67,164,080. Unamortized premium received on issuance of the bonds amounted to \$3,183,160 as of June 30, 2023.

In August 2021, the District issued Election of 2008 Series 2021E General Obligation Bonds in the amount of \$55,968,893, with an additional amount of \$188,577 in bond premium associated with capital appreciation bonds added to the bond principal value at issuance. The bonds were issued as current interest bonds in the aggregate principal amount of \$235,000 and serial capital appreciation bonds in the aggregate principal amount of \$55,733,893. The bonds were issued to finance the acquisition, construction, modernization, and renovation of District facilities. The bonds bear interest rates of 2.41 to 4.00%. Principal and interest payments are due each August 1 and February 1 through August 1, 2046. At June 30, 2023, the principal balance outstanding was \$57,890,206.

Measure GO General Obligation Bonds

In November 2018, voters authorized a total of \$750,000,000 in general obligation bonds. In April 2019, the District issued Election of 2018 Series 2019A General Obligation Bonds in the amount of \$310,700,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, construction, modernization, and renovation of District facilities, as well as to liquidate bond anticipation notes held by the District. The bonds bear interest rates of 3.00 to 5.00%. Principal and interest payments are due each August 1 and February 1 through August 1, 2049. At June 30, 2023, the principal balance outstanding was \$251,215,000. Unamortized premium received on issuance of the bonds amounted to \$29,066,662 as of June 30, 2023.

In August 2020, the District issued Election of 2018 Series 2020B General Obligation Bonds in the amount of \$30,499,915, with an additional amount of \$2,920,147 in bond premium associated with capital appreciation bonds added to the bond principal value at issuance. The bonds were issued as current interest bonds in the aggregate principal amount of \$15,215,000, serial capital appreciation bonds in the aggregate principal amount of \$2,993,887, and term capital appreciation term bonds in the aggregate principal amount of \$15,211,175. The bonds were issued to liquidate bond anticipation notes held by the District. The bonds bear interest rates of 2.59 to 3.12%. Principal and interest payments are due each August 1 and February 1 through August 1, 2045. At June 30, 2023, the principal balance outstanding was \$34,798,556. Unamortized premium received on issuance of the bonds amounted to \$1,613,817 as of June 30, 2023.

In August 2021, the District issued Election of 2018 Series 2021C General Obligation Bonds in the amount of \$219,200,000. The bonds were issued as current interest bonds in the aggregate principal amount of \$67,675,000 and current interest term bonds in the aggregate principal amount of \$151,525,000. The bonds were issued to finance the acquisition, construction, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00 to 4.00%. Principal and interest payments are due each August 1 and February 1 through August 1, 2051. At June 30, 2023, the principal balance outstanding was \$219,200,000. Unamortized premium received on issuance of the bonds amounted to \$7,921,989 as of June 30, 2023.

General Obligation Refunding Bonds

In November 2001, voters authorized a total of \$221,000,000 in general obligation bonds. In August 2013, the District issued 2013 General Obligation Refunding Bonds, Series A and Series B, in the amount of \$74,910,000 and \$48,190,000, respectively. The bonds were issued to refund certain general obligation refunding bonds (2005 Refunding, Series C, and 2012 Refunding). The bonds bear interest rates of 0.72 to 5.00%. Principal and interest payments for Series A are due each September 1 and March 1 through September 1, 2028. Principal and interest payments for Series B are due each August 1 and February 1 through August 1, 2023. At June 30, 2023, the principal balance outstanding for Series A and Series B was \$6,310,000 and \$7,420,000, respectively. Unamortized premium received on issuance of the bonds amounted to \$1,140,933 as of June 30, 2023.

In September 2015, the District issued 2015 General Obligation Refunding Bonds in the amount of \$19,440,000. The proceeds of \$22,700,512 (representing the principal amount of \$19,440,000 plus premium on issuance of \$3,260,512) from the issuance were used to advance refund a portion of the District's outstanding 2001 General Obligation Bonds, Series 2008D and to pay the cost of the issuance associated with the refunding bonds. The bonds bear interest rates of 2.00 to 5.00%. Principal and interest payments are due each June 1 and December 1 through June 1, 2033. In August 2021, these bonds were partially defeased with the issuance of the 2021 General Obligation Refunding Bonds. At June 30, 2023, the principal balance outstanding was \$2,245,000. Unamortized premium received on issuance of the bonds amounted to \$1,101,915 as of June 30, 2023.

In February 2020, the District issued Series 2020A General Obligation Refunding Bonds in the amount of \$60,415,000. The proceeds from the issuance were used to advance refund portions of the District's outstanding Measure R Series 2013A General Obligation Refunding bonds, Measure RR 2013A General Obligation bonds, Measure RR 2013B General Obligation bonds, and to pay the cost of the issuance associated with the refunding bonds. The bonds bear interest rates of 1.66 to 2.92%. Principal and interest payments are due each February 1 and August 1 through August 1, 2035. At June 30, 2023, the principal balance outstanding was \$59,075,000.

In February 2020, the District issued Series 2020B Crossover Refunding Bonds in the amount of \$30,130,000. The bonds were issued to affect an advance refunding of a portion of the District's Measure RR Series 2013A General Obligation Bonds on the crossover date of August 1, 2023. The bonds bear interest rates of 2.57 to 2.87%. Principal and interest payments are due each February 1 and August 1 through August 1, 2034. At June 30, 2023, the principal balance outstanding was \$30,130,000.

In August 2021, the District issued 2021 General Obligation Refunding Bonds in the amount of \$14,340,000. The proceeds from the issuance were used to advance refund a portion of the District's outstanding 2015 General Obligation Refunding Bonds and to pay the cost of the issuance associated with the refunding bonds. The refunding resulted in an economic gain of \$1,080,948 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 1.54%. The bonds bear interest rates of 0.17 to 1.98%. Principal and interest payments are due each February 1 and August 1 through August 1, 2033. At June 30, 2023, the principal balance outstanding was \$13,940,000.

Debt Maturity

General Obligation Bonds

Issue Date	Series	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Accreted Interest	Redeemed	Bonds Outstanding End of Year
8/1/13	2013A	8/1/43	2.00-4.00%	\$ 205,586,691	\$ 297,428,132	\$ 18,744,229	\$ (1,685,000)	\$ 314,487,361
8/1/13	2013B	8/1/23	0.72-4.10%	11,715,000	1,620,000	-	(285,000)	1,335,000
9/11/15	2015C	8/1/22	2.00-4.00%	20,000,000	3,700,000	-	(3,700,000)	-
8/18/20	2020D	8/1/45	0.81-3.12%	59,728,759**	66,074,967	1,089,113	-	67,164,080
8/24/21	2021E	8/1/46	2.41-4.00%	55,968,893**	56,747,933	1,377,273	(235,000)	57,890,206
Subtotal Measure RR					425,571,032	21,210,615	(5,905,000)	440,876,647
4/4/19	2019A	8/1/49	3.00-5.00%	310,700,000	265,125,000	-	(13,910,000)	251,215,000
8/18/20	2020B	8/1/45	2.59-3.12%	30,499,915**	34,224,317	574,239	-	34,798,556
8/24/21	2021C	8/1/51	2.00-4.00%	219,200,000	219,200,000	-	-	219,200,000
Subtotal Measure GO					518,549,317	574,239	(13,910,000)	505,213,556
8/1/13	2013A	9/1/28	2.00-5.00%	74,910,000	12,320,000	-	(6,010,000)	6,310,000
8/1/13	2013B	8/1/23	0.72-4.10%	48,190,000	14,560,000	-	(7,140,000)	7,420,000
9/11/15	2015	6/1/33	2.00-5.00%	19,440,000	3,290,000	-	(1,045,000)	2,245,000
2/4/20	2020A	8/1/35	1.66-2.92%	60,415,000	59,075,000	-	-	59,075,000
2/4/20	2020B*	8/1/34	2.57-2.87%	30,130,000	30,130,000	-	-	30,130,000
8/24/21	2021	8/1/33	0.17-1.98%	14,340,000	14,340,000	-	(400,000)	13,940,000
Subtotal Refunding Bonds					133,715,000	-	(14,595,000)	119,120,000
					<u>\$ 1,077,835,349</u>	<u>\$ 21,784,854</u>	<u>\$ (34,410,000)</u>	<u>\$ 1,065,210,203</u>

*General Obligation Crossover Refunding Bonds

**The 2008 Series 2020D General Obligation Bonds include \$4,822,640 in bond premium associated with capital appreciation bonds added to the bond principal value at issuance. The 2018 Series 2020B General Obligation Bonds include \$2,920,147 in bond premium associated with capital appreciation bonds added to the bond principal value at issuance. The 2008 Series E General Obligation Bonds include \$188,577 in bond premium associated with capital appreciation bonds added to the bond principal value at issuance.

Debt Service Requirements to Maturity

The general obligation bonds mature through 2052 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2024	\$ 30,280,125	\$ 94,875	\$ 22,362,685	\$ 52,737,685
2025	20,663,037	936,963	23,106,632	44,706,632
2026	20,430,880	1,739,120	22,792,811	44,962,811
2027	24,898,953	346,047	22,139,694	47,384,694
2028	27,760,155	399,845	21,019,086	49,179,086
2029-2033	134,731,119	15,213,881	176,421,578	326,366,578
2034-2038	154,408,629	28,056,371	161,017,372	343,482,372
2039-2043	237,609,438	62,785,562	104,322,132	404,717,132
2044-2048	277,977,867	93,222,133	35,495,069	406,695,069
2049-2052	136,450,000	-	6,825,261	143,275,261
Total	<u>\$ 1,065,210,203</u>	<u>\$ 202,794,797</u>	<u>\$ 595,502,320</u>	<u>\$ 1,863,507,320</u>

Subscriptions-Based IT Arrangements (SBITAs)

The District entered into SBITAs for the use of various software. At June 30, 2023, the District has recognized a right-to-use subscriptions IT asset, net of accumulated amortization of \$3,872,391 and a SBITA liability of \$3,734,376 related to these agreements. Under the terms of the SBITAs, the District makes payments ranging from \$5,950 to \$388,648 annually, which amounted to total principal and interest costs of \$1,168,185 for the year ending June 30, 2023. During the fiscal year, the District recorded \$893,848 in amortization expense and \$136,322 in interest expense for the SBITAs. The District used discount rates of 3% to 5% based on the estimated incremental borrowing rate for financing over a similar time period.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 974,948	\$ 145,691	\$ 1,120,639
2025	912,055	102,544	1,014,599
2026	642,636	70,044	712,680
2027	633,242	39,160	672,402
2028	571,495	10,016	581,511
Total	<u>\$ 3,734,376</u>	<u>\$ 367,455</u>	<u>\$ 4,101,831</u>

Note 8 - Aggregate Net Other Postemployment Benefits (OPEB) Liability

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

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 37,787,295	\$ 27,164,061	\$ 44,877,168	\$ 2,154,810
Medicare Premium Payment (MPP) Program	783,132	-	-	(182,010)
Total	<u>\$ 38,570,427</u>	<u>\$ 27,164,061</u>	<u>\$ 44,877,168</u>	<u>\$ 1,972,800</u>

The details of each plan are as follows:

District Plan

Plan Administration

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

Management of the plan is vested in the District management. Management of the trustee assets is vested with the Mt. San Antonio College Other Postemployment Benefits (OPEB) Trust Investment Committee, which is comprised of three appointed plan members.

Plan Membership

At June 30, 2023, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	667
Active employees	<u>1,212</u>
Total	<u><u>1,879</u></u>

Mt. San Antonio College Other Postemployment Benefits (OPEB) Trust

The Trust is an irrevocable governmental trust pursuant to Section 115 of the Internal Revenue Code for the purpose of funding certain postemployment benefits. The Trust Investment Committee, comprised of the Vice President of Administrative Services, Chief Compliance and College Budget Officer, and a Manager appointed by the President/CEO provide oversight over Trust investments. The Trust Administrative Committee comprised of the Vice President of Administrative Services and a representative from the Faculty Association, CSEA 651, and CSEA 262 provide oversight over the plan administration. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been included in the fiduciary funds of the District. Separate financial statements are not prepared for the Trust.

Benefits Provided

The Plan provides medical insurance benefits to eligible retirees, with spouse coverage only for those hired prior to January 1, 1996. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District, the Mt. San Antonio College Faculty Association (MSACFA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the District governing board and management. For fiscal year ended June 30, 2023, the District contributed \$5,907,610 to the Plan, of which \$3,004,671 was used for current premiums, \$2,500,000 was used to fund the OPEB Trust, and \$402,939 represents the effect of the implicit rate subsidy.

Investment**Investment Policy**

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity instruments	35%
Long-term bonded instruments	65%

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 10.46%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of \$37,787,295 was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The components of the net OPEB liability of the District at June 30, 2023, were as follows:

Total OPEB liability	\$ 138,140,632
Plan fiduciary net position	<u>(100,353,337)</u>
Net OPEB liability	<u>\$ 37,787,295</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>72.65%</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	2.75 percent
Investment rate of return	5.75 percent
Healthcare cost trend rates	4.00 percent

The discount rate was based on the assumed long-term return on employer assets.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study as of July 2023.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity instruments	7.545%
Long-term bonded instruments	5.045%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>
Balance, June 30, 2022	\$ 154,901,176	\$ 90,502,644	\$ 64,398,532
Service cost	5,227,331	-	5,227,331
Interest	8,898,519	-	8,898,519
Difference between expected and actual experience	(26,223,478)	-	(26,223,478)
Contributions - employer	-	5,907,610	(5,907,610)
Expected investment income	-	4,974,319	(4,974,319)
Differences between projected and actual earnings on OPEB plan investments	-	4,648,296	(4,648,296)
Changes of assumptions	853,076	-	853,076
Benefit payments	(5,515,992)	(5,515,992)	-
Administrative expense	-	(163,540)	163,540
Net change in total OPEB liability	(16,760,544)	9,850,693	(26,611,237)
Balance, June 30, 2023	\$ 138,140,632	\$ 100,353,337	\$ 37,787,295

There were no changes in economic assumptions since the previous valuation. There were no changes in benefit terms since the previous valuation.

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

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

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (4.75%)	\$ 56,358,230
Current discount rate (5.75%)	37,787,295
1% increase (6.75%)	21,734,725

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

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

<u>Healthcare Cost Trend Rate</u>	<u>Net OPEB Liability</u>
1% decrease (3.00%)	\$ 19,020,559
Current healthcare cost trend rate (4.00%)	37,787,295
1% increase (5.00%)	60,326,177

Deferred Outflows/Inflows of Resources Related to OPEB

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,893,069	\$ 23,453,099
Changes of assumptions	3,270,992	21,130,684
Net difference between projected and actual earnings on OPEB plan investments	-	293,385
Total	<u>\$ 27,164,061</u>	<u>\$ 44,877,168</u>

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (151,514)
2025	(943,263)
2026	1,731,048
2027	(929,656)
Total	<u>\$ (293,385)</u>

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 8.1 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (744,281)
2025	(1,550,951)
2026	(2,705,121)
2027	(3,651,423)
2028	(2,140,247)
Thereafter	(6,627,699)
Total	<u>\$ (17,419,722)</u>

Medicare Premium Payment (MPP) Program

Plan Description

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

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

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2023, the District reported a liability of \$783,132 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021 was 0.2377% and 0.2420%, respectively, resulting in a net decrease in the proportionate share of 0.0043%.

For the year ended June 30, 2023, the District recognized OPEB expense of \$(182,010).

Actuarial Methods and Assumptions

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

Measurement Date	June 30, 2022
Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.54%
Medicare Part A Premium Cost Trend Rate	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%

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

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 209 or an average of 0.14% of the potentially eligible population (145,282).

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

Discount Rate

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

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

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

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (2.54%)	\$ 853,764
Current discount rate (3.54%)	783,132
1% increase (4.54%)	721,973

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

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

<u>Medicare Costs Trend Rates</u>	<u>Net OPEB Liability</u>
1% decrease (3.50% Part A and 4.40% Part B)	\$ 718,552
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	783,132
1% increase (5.50% Part A and 6.40% Part B)	856,336

Note 9 - Risk Management**Property and Liability Insurance Coverages**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for the first \$25,000 of each general liability or property damage claim. During fiscal year ending June 30, 2023, the District contracted with Statewide Association of Community Colleges (SWACC) and Schools Association of Excess Risk (SAFER) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. These have not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2022-2023, the District participated in the Southern California Community College District Joint Powers Authority (SCCCD-JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Note 10 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2023, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses for each of the above plans as follows:

<u>Pension Plan</u>	<u>Aggregate Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 110,070,786	\$ 31,710,930	\$ 15,981,052	\$ 10,612,799
CalPERS	146,883,169	51,195,537	3,991,231	19,784,792
Total	<u>\$ 256,953,955</u>	<u>\$ 82,906,467</u>	<u>\$ 19,972,283</u>	<u>\$ 30,397,591</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

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

Benefits Provided

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

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

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

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2023, are summarized as follows:

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

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the District's total contributions were \$19,235,586.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 110,070,786
State's proportionate share of net pension liability associated with the District	<u>55,123,019</u>
Total	<u>\$ 165,193,805</u>

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.1584% and 0.1610%, respectively, resulting in a net decrease in the proportionate share of 0.0026%.

For the year ended June 30, 2023, the District recognized pension expense of \$10,612,799. In addition, the District recognized pension expense and revenue of \$4,445,635 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 19,235,586	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	6,926,342	2,345,367
Differences between projected and actual earnings on pension plan investments	-	5,382,674
Differences between expected and actual experience in the measurement of the total pension liability	90,292	8,253,011
Changes of assumptions	<u>5,458,710</u>	<u>-</u>
Total	<u>\$ 31,710,930</u>	<u>\$ 15,981,052</u>

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

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ (3,953,974)
2025	(4,283,461)
2026	(6,434,629)
2027	<u>9,289,390</u>
Total	<u>\$ (5,382,674)</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ 4,802,046
2025	(22,575)
2026	(291,407)
2027	(331,553)
2028	(1,537,562)
Thereafter	<u>(741,983)</u>
Total	<u>\$ 1,876,966</u>

Actuarial Methods and Assumptions

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

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

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

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 as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	42%	4.8%
Real estate	15%	3.6%
Private equity	13%	6.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

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

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.10%)	\$ 186,941,019
Current discount rate (7.10%)	110,070,786
1% increase (8.10%)	46,245,381

California Public Employees' Retirement System (CalPERS)

Plan Description

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

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

Benefits Provided

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

survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	<u>On or before December 31, 2012</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	25.37%	25.37%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were \$19,414,093.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$146,883,169. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.4269% and 0.4228%, respectively, resulting in a net increase in the proportionate share of 0.0041%.

Mt. San Antonio Community College District

Notes to Financial Statements

June 30, 2023

For the year ended June 30, 2023, the District recognized pension expense of \$19,784,792. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 19,414,093	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,909,130	336,590
Differences between projected and actual earnings on pension plan investments	17,342,907	-
Differences between expected and actual experience in the measurement of the total pension liability	663,825	3,654,641
Changes of assumptions	10,865,582	-
Total	\$ 51,195,537	\$ 3,991,231

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

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 2,892,246
2025	2,565,222
2026	1,310,347
2027	10,575,092
Total	\$ 17,342,907

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 4,141,809
2025	3,847,590
2026	2,550,167
2027	<u>(92,260)</u>
Total	<u>\$ 10,447,306</u>

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	\$ 212,180,175
Current discount rate (6.90%)	146,883,169
1% increase (7.90%)	92,917,593

CalSTRS/CalPERS Irrevocable Trust

During the 2015-2016 fiscal year, the District established an irrevocable trust for the purpose of funding future employer contributions associated with the CalSTRS and CalPERS pension plans. Funds deposited into this trust are not considered “plan assets” for GASB Statement No. 68 reporting; therefore, the balance of the irrevocable trust is not netted against the net pension liability shown on the Statement of Net Position. The balance and activity of the trust is recorded in the Statement of Net Position of the District. As of June 30, 2023, the balance of the trust was \$12,628,269.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$8,842,878 (10.828% of annual payroll). 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. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Deferred Compensation

The District offers its employees a National Benefit Services defined contribution plan qualifying under Sections 401 of the *Internal Revenue Code* that is administered by National Benefit Services. The plan covers part-time, seasonal, and temporary employees, as well as employees not covered by Section 3121(b)(7)(F) of the Internal Revenue Code. The District contributes 3.0% of covered compensation for eligible employees, and employees contribute 4.5%. During the year ended June 30, 2023, the District made contributions of \$453,066.

Note 11 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the SWACC, SAFER, SCCCDD-JPA. 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 the JPAs 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.

During the year ended June 30, 2023, the District made payments of \$1,437,031 and \$3,051,439 to SWACC and SCCCDD-JPA, respectively.

Note 12 - 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2023.

Construction Commitments

As of June 30, 2023, the District had committed under various capital expenditure purchase agreements for various projects totaling approximately \$102.9 million to be funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

Note 13 - Related Party Transactions

Office space and other expenses were provided by the District on behalf of the Mt. San Antonio College Foundation (the Foundation). This donated facilities usage and expense were valued at \$70,169 for the year ending June 30, 2023.

The District also provides donated services as part of its master agreement with the Foundation, including employee salaries and benefits, supplies, and other services. The services were valued at \$602,523 for the year ending June 30, 2023.

Note 14 - Adoption of New Accounting Standard

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The balances of certain assets and liabilities were restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

<u>Primary Government</u>	
Net Position (Deficit) - Beginning	\$ (120,012,437)
Right-to-use subscription IT assets, net of amortization	1,534,484
Subscription IT arrangements	<u>(1,534,484)</u>
Net Position (Deficit) - Beginning	<u><u>\$ (120,012,437)</u></u>



Required Supplementary Information
June 30, 2023

Mt. San Antonio Community College District

Mt. San Antonio Community College District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service cost	\$ 5,227,331	\$ 5,826,444	\$ 4,393,243	\$ 4,421,064	\$ 3,822,261
Interest	8,898,519	8,423,487	6,506,852	7,057,582	5,142,996
Difference between expected and actual experience	(26,223,478)	(489,323)	21,909,795	-	28,999,636
Changes of assumptions	853,076	-	(11,627,102)	(17,304,671)	(15,446,988)
Benefit payments	<u>(5,515,992)</u>	<u>(5,372,611)</u>	<u>(5,509,113)</u>	<u>(4,551,156)</u>	<u>(3,901,899)</u>
Net change in total OPEB liability	(16,760,544)	8,387,997	15,673,675	(10,377,181)	18,616,006
Total OPEB Liability - Beginning	<u>154,901,176</u>	<u>146,513,179</u>	<u>130,839,504</u>	<u>141,216,685</u>	<u>122,600,679</u>
Total OPEB Liability - Ending (a)	<u>\$138,140,632</u>	<u>\$154,901,176</u>	<u>\$146,513,179</u>	<u>\$130,839,504</u>	<u>\$141,216,685</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 5,907,610	\$ 11,887,894	\$ 8,366,313	\$ 2,835,764	\$ 2,500,000
Expected investment income	4,974,319	5,248,804	3,700,336	3,691,005	2,980,113
Differences between projected and actual earnings on OPEB plan investments	4,648,296	(13,303,556)	13,371,579	(3,958,750)	1,784,292
Benefit payments	(5,515,992)	(5,372,611)	(5,509,113)	(4,551,156)	(4,119,042)
Administrative expense	<u>(163,540)</u>	<u>(174,332)</u>	<u>(151,041)</u>	<u>(107,437)</u>	<u>(29,554)</u>
Net change in plan fiduciary net position	9,850,693	(1,713,801)	19,778,074	(2,090,574)	3,115,809
Plan Fiduciary Net Position - Beginning	<u>90,502,644</u>	<u>92,216,445</u>	<u>72,438,371</u>	<u>74,528,945</u>	<u>71,413,136</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$100,353,337</u>	<u>\$ 90,502,644</u>	<u>\$ 92,216,445</u>	<u>\$ 72,438,371</u>	<u>\$ 74,528,945</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 37,787,295</u>	<u>\$ 64,398,532</u>	<u>\$ 54,296,734</u>	<u>\$ 58,401,133</u>	<u>\$ 66,687,740</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>72.65%</u>	<u>58.43%</u>	<u>62.94%</u>	<u>55.36%</u>	<u>52.78%</u>
Covered Employee Payroll	<u>\$177,233,694</u>	<u>\$165,106,116</u>	<u>\$154,617,312</u>	<u>\$147,121,558</u>	<u>\$140,540,263</u>
Net OPEB Liability as a Percentage of Covered Employee Payroll	<u>21.32%</u>	<u>39.00%</u>	<u>35.12%</u>	<u>39.70%</u>	<u>47.45%</u>
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

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

Mt. San Antonio Community College District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2023

	2018
Total OPEB Liability	
Service cost	\$ 3,205,326
Interest	4,448,610
Difference between expected and actual experience	(516,171)
Changes of assumptions	12,616,189
Benefit payments	(3,455,981)
Net change in total OPEB liability	16,297,973
Total OPEB Liability - Beginning	106,302,706
Total OPEB Liability - Ending (a)	\$122,600,679
Plan Fiduciary Net Position	
Contributions - employer	\$ 2,500,000
Expected investment income	3,022,658
Differences between projected and actual earnings on OPEB plan investments	(2,176,600)
Benefit payments	(3,972,152)
Administrative expense	(25,076)
Net change in plan fiduciary net position	(651,170)
Plan Fiduciary Net Position - Beginning	72,064,306
Plan Fiduciary Net Position - Ending (b)	\$ 71,413,136
Net OPEB Liability - Ending (a) - (b)	\$ 51,187,543
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	58.25%
Covered Employee Payroll	\$130,855,132
Net OPEB Liability as a Percentage of Covered Employee Payroll	39.12%
Measurement Date	June 30, 2018

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

Mt. San Antonio Community College District
Schedule of OPEB Investment Returns
Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	<u>10.46%</u>	<u>-8.98%</u>	<u>20.29%</u>	<u>-0.07%</u>	<u>6.68%</u>

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

Mt. San Antonio Community College District
Schedule of OPEB Investment Returns
Year Ended June 30, 2023

	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	<u>1.15%</u>

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

Mt. San Antonio Community College District
Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program
Year Ended June 30, 2023

	2023	2022	2021	2020	2019
Year ended June 30,					
Proportion of the net OPEB liability	0.2377%	0.2420%	0.2785%	0.2655%	0.2645%
Proportionate share of the net OPEB liability	\$ 783,132	\$ 965,142	\$ 1,180,031	\$ 988,718	\$ 1,012,450
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	-0.94%	-0.80%	-0.71%	-0.81%	-0.40%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

¹ As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

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

Mt. San Antonio Community College District
Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program
Year Ended June 30, 2023

	2018
Year ended June 30,	
Proportion of the net OPEB liability	0.1495%
Proportionate share of the net OPEB liability	\$ 628,750
Covered payroll	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	0.01%
Measurement Date	June 30, 2017

¹ As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

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

Mt. San Antonio Community College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
CalSTRS					
Proportion of the net pension liability	<u>0.1584%</u>	<u>0.1610%</u>	<u>0.1598%</u>	<u>0.1501%</u>	<u>0.1474%</u>
Proportionate share of the net pension liability	<u>\$ 110,070,786</u>	<u>\$ 73,256,848</u>	<u>\$ 154,863,789</u>	<u>\$ 135,550,158</u>	<u>\$ 135,439,720</u>
State's proportionate share of the net pension liability associated with the District	<u>55,123,019</u>	<u>36,860,005</u>	<u>79,832,302</u>	<u>73,951,660</u>	<u>77,545,574</u>
Total	<u>\$ 165,193,805</u>	<u>\$ 110,116,853</u>	<u>\$ 234,696,091</u>	<u>\$ 209,501,818</u>	<u>\$ 212,985,294</u>
Covered payroll	<u>\$ 100,784,043</u>	<u>\$ 94,453,950</u>	<u>\$ 92,085,292</u>	<u>\$ 86,628,299</u>	<u>\$ 82,708,857</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>109.21%</u>	<u>77.56%</u>	<u>168.17%</u>	<u>156.47%</u>	<u>163.75%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81%</u>	<u>87%</u>	<u>72%</u>	<u>73%</u>	<u>71%</u>
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CalPERS					
Proportion of the net pension liability	<u>0.4269%</u>	<u>0.4228%</u>	<u>0.4070%</u>	<u>0.3949%</u>	<u>0.3963%</u>
Proportionate share of the net pension liability	<u>\$ 146,883,169</u>	<u>\$ 85,974,066</u>	<u>\$ 124,871,091</u>	<u>\$ 115,085,961</u>	<u>\$ 105,659,179</u>
Covered payroll	<u>\$ 64,322,073</u>	<u>\$ 60,163,362</u>	<u>\$ 55,036,266</u>	<u>\$ 53,911,964</u>	<u>\$ 48,146,275</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>228.36%</u>	<u>142.90%</u>	<u>226.89%</u>	<u>213.47%</u>	<u>219.45%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>81%</u>	<u>70%</u>	<u>70%</u>	<u>71%</u>
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

Mt. San Antonio Community College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2023

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
CalSTRS				
Proportion of the net pension liability	0.1448%	0.1429%	0.1472%	0.1448%
Proportionate share of the net pension liability	\$ 133,895,447	\$ 115,568,294	\$ 99,092,060	\$ 84,733,650
State's proportionate share of the net pension liability associated with the District	<u>79,211,415</u>	<u>65,790,968</u>	<u>52,408,776</u>	<u>51,166,350</u>
Total	<u>\$ 213,106,862</u>	<u>\$ 181,359,262</u>	<u>\$ 151,500,836</u>	<u>\$ 135,900,000</u>
Covered payroll	<u>\$ 77,192,552</u>	<u>\$ 71,864,548</u>	<u>\$ 68,809,122</u>	<u>\$ 66,400,000</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>173.46%</u>	<u>160.81%</u>	<u>144.01%</u>	<u>127.61%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>69%</u>	<u>70%</u>	<u>74%</u>	<u>77%</u>
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS				
Proportion of the net pension liability	<u>0.3775%</u>	<u>0.3681%</u>	<u>0.3592%</u>	<u>0.3587%</u>
Proportionate share of the net pension liability	<u>\$ 90,112,838</u>	<u>\$ 72,708,922</u>	<u>\$ 52,940,449</u>	<u>\$ 40,721,184</u>
Covered payroll	<u>\$ 47,147,285</u>	<u>\$ 43,907,285</u>	<u>\$ 39,968,541</u>	<u>\$ 38,100,000</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>191.13%</u>	<u>165.60%</u>	<u>132.46%</u>	<u>106.88%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72%</u>	<u>74%</u>	<u>79%</u>	<u>83%</u>
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

Mt. San Antonio Community College District
Schedule of the District Contributions for Pensions
Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
CalSTRS					
Contractually required contribution	\$ 19,235,586	\$ 17,052,660	\$ 15,254,313	\$ 15,746,585	\$ 14,103,087
Contributions in relation to the contractually required contribution	<u>(19,235,586)</u>	<u>(17,052,660)</u>	<u>(15,254,313)</u>	<u>(15,746,585)</u>	<u>(14,103,087)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 100,709,874</u>	<u>\$ 100,784,043</u>	<u>\$ 94,453,950</u>	<u>\$ 92,085,292</u>	<u>\$ 86,628,299</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>
CalPERS					
Contractually required contribution	\$ 19,414,093	\$ 14,736,187	\$ 12,453,816	\$ 10,853,702	\$ 9,737,579
Contributions in relation to the contractually required contribution	<u>(19,414,093)</u>	<u>(14,736,187)</u>	<u>(12,453,816)</u>	<u>(10,853,702)</u>	<u>(9,737,579)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 76,523,819</u>	<u>\$ 64,322,073</u>	<u>\$ 60,163,362</u>	<u>\$ 55,036,266</u>	<u>\$ 53,911,964</u>
Contributions as a percentage of covered payroll	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>

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

Mt. San Antonio Community College District
Schedule of the District Contributions for Pensions
Year Ended June 30, 2023

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
CalSTRS				
Contractually required contribution	\$ 11,934,888	\$ 9,710,823	\$ 7,711,066	\$ 6,110,250
Contributions in relation to the contractually required contribution	<u>(11,934,888)</u>	<u>(9,710,823)</u>	<u>(7,711,066)</u>	<u>(6,110,250)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 82,708,857</u>	<u>\$ 77,192,552</u>	<u>\$ 71,864,548</u>	<u>\$ 68,809,122</u>
Contributions as a percentage of covered payroll	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CalPERS				
Contractually required contribution	\$ 7,477,598	\$ 6,547,815	\$ 5,201,696	\$ 4,704,697
Contributions in relation to the contractually required contribution	<u>(7,477,598)</u>	<u>(6,547,815)</u>	<u>(5,201,696)</u>	<u>(4,704,697)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 48,146,275</u>	<u>\$ 47,147,285</u>	<u>\$ 43,907,285</u>	<u>\$ 39,968,541</u>
Contributions as a percentage of covered payroll	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

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

Note 1 - Purpose of Schedules

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

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

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

Schedule of OPEB Investment Returns

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

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

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 2.16% to 3.54% since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS plan from the previous valuations. The CalPERS plan rate of investment return assumption was changed from 7.15% to 6.90% since the previous valuation.

Schedule of District Contributions for Pensions

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



Supplementary Information
June 30, 2023

Mt. San Antonio Community College District

Board of Trustees as of June 30, 2023

Member	Office	Term Expires
Gary Chow	President	2026
Dr. Manuel Baca	Vice President	2024
Peter Hidalgo	Clerk	2024
Laura Santos	Member	2026
Robert Hidalgo	Member	2026
Jay Chen	Member	2024
Judy Chen Haggerty, Esq.	Member	2026
César Tlatoāni Alvarado	Student Trustee	2023

Administration as of June 30, 2023

Dr. William Scroggins*	President/CEO
Kelly Fowler	Vice President, Instruction
Morris Rodrigue	Vice President, Administrative Services
Dr. Sokha Song	Vice President, Human Resources
Dr. Melba Castro	Vice President, Student Services

*Dr. Martha Garcia became the new President effective July 1, 2023.

Auxiliary Organizations in Good Standing

Mt. San Antonio College Auxiliary Services, established 1982
 Master Agreement revised July 1, 2022
 Morris Rodrigue, Board President

Mt. San Antonio College Foundation, established 1967
 Master Agreement revised September 9, 2016
 William Lambert, Executive Director

Mt. San Antonio Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		\$ 38,280,788
Federal Pell Grant Program Administrative Allowance	84.063		57,385
Federal Direct Student Loans	84.268		1,946,287
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		1,498,332
FSEOG Administrative Allowance	84.007		75,026
Federal Work-Study Program	84.033		395,027
Federal Work-Study Program Administrative Allowance	84.033		19,751
Subtotal Student Financial Assistance Cluster			<u>42,272,596</u>
TRIO Cluster			
Achieving in College, Ensuring Success (ACES)	84.042A		286,907
Upward Bond	84.047A		291,964
Subtotal TRIO Cluster			<u>578,871</u>
Health Careers Pre-apprenticeship and Apprenticeship Development	84.116Z		118,294
Asian American Native American Pacific Islander Serving Institutions (AANAPISI)	84.382B		81,387
Child Care Access Means Parents in School (CCAMPIS)	84.335A		79,050
Arise & CPP APIDA Student Community Collaborative	84.031L		46,847
Creating an Equity-minded Campus Culture to Improve Student Outcomes Passed through CSU Fullerton Auxiliary Services Corporation	84.031S		669,472
Project RAISE: Regional Alliance in STEM Education	84.031C	P031C160152	3,505
Passed through Cal Poly Pomona Foundation, Inc. STARS: Student Success Transfer Articulation Research Supports Services	84.031C	P031C210068	42,685
Subtotal			<u>762,509</u>
Passed through California Department of Education			
WIOA, Title II: Adult Education and Family Literacy Act, Section 225, Section 231, and Section 243	84.002A	14508, 13978, 14109	1,525,011
Passed through California Community Colleges Chancellor's Office Career and Technical Education Act (CTEA), Title I, Part C	84.048A	22-C01-850	1,527,392
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		4,364,093
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		3,935,309
Subtotal			<u>8,299,402</u>
Total U.S. Department of Education			<u>55,244,512</u>

Mt. San Antonio Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Supplemental Nutrition Assistance Program (SNAP) Cluster			
Passed through CSU Chico Research Foundation			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	21-3058 A22-0055-S028	\$ 61,465
Passed through California Department of Social Services Nutrition Assistance Program (Fresh Success)	10.561	19-3041	4,205
Subtotal SNAP Cluster			<u>65,670</u>
Passed through California Department of Education			
Child and Adult Care Food Program	10.558	13666	104,415
COVID-19: Child and Adult Care Food Program	10.558	15577	20,275
Subtotal			<u>124,690</u>
Total U.S. Department of Agriculture			<u>190,360</u>
U.S. Department of the Treasury			
Passed through California Community Colleges Chancellor's Office COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	[1]	<u>3,469,700</u>
National Science Foundation			
Research and Development Cluster			
Applying a Digital Tool to Support Self-regulated Learning Strategies in Introductory Geoscience Courses	47.076		14,358
Inspiring Innovation: Two-year College Geoscience Faculty as Agents of Change	47.076		18,840
Preparing a Skilled Technical Workforce through Utilization and Assessment of Undergraduate Research	47.076		256,425
Developing Pathways to Engineering Technology Careers	47.076		194,895
Passed through Cal Poly Pomona Foundation, Inc. Bridging Institutions to Decrease Gaps in Engineering Education (BRIDGE)	47.076	DUE-2225128	5,321
Passed through Cal State Los Angeles University Auxiliary Services, Inc. Increasing Participation and Persistence in STEM by Incorporating Field-Based Experiences in an Urban Environment	47.076	DUE-2225187	15,475
Subtotal Research and Development Cluster			<u>505,314</u>
U.S. Department of Veterans Affairs			
Veterans Services	64.027		<u>7,952</u>
U.S. Department of Health and Human Services			
Passed through California Community Colleges Chancellor's Office Temporary Assistance for Needy Families (TANF)	93.558	[1]	114,967
Passed through Los Angeles County Department of Public Social Services Temporary Assistance for Needy Families (TANF)	93.558	CCCP21008	119,376
Subtotal			<u>234,343</u>

[1] Pass-Through Identifying Number not available.

Mt. San Antonio Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
Child Care and Development Fund (CCDF) Cluster			
Passed through California Department of Education			
Child Care and Development Block Grant	93.575	15136	\$ 81,079
Child Care and Development Block Grant	93.575	14551	420,866
Child Care and Development Block Grant	93.575	15556	568,900
COVID-19: Child Care and Development Block Grant	93.575	15554	21,702
COVID-19: Child Care and Development Block Grant	93.575	15555	135,130
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	176,330
Passed through Yosemite Community College District			
Child Development Training Consortium	93.575	CN100053	13,800
Subtotal CCDF Cluster			<u>1,417,807</u>
Passed through Baldwin Park Unified School District			
Head Start Cluster			
Head Start	93.600	64287	95,039
Subtotal Head Start Cluster			<u>95,039</u>
Total U.S. Department of Health and Human Services			<u>1,747,189</u>
Total Federal Financial Assistance			<u><u>\$ 61,165,027</u></u>

Mt. San Antonio Community College District
Schedule of Expenditures of State Awards
Year Ended June 30, 2023

Program	Program Revenues				Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue	Accounts Payable		
Basic Needs Services Support	\$ 974,476	\$ -	\$ 372,987	\$ -	\$ 601,489	\$ 601,489
Basic Needs Centers and Staffing Support	1,372,360	-	674,319	-	698,041	698,041
Behavior Health Monitor	6,267	-	1,181	-	5,086	5,086
Board Financial Assistance Program (BFAP)	1,598,012	-	204,325	-	1,393,687	1,393,687
BFAP - Student Success Completion Grant (SSCG)	12,895,452	-	3,607,568	-	9,287,884	9,287,884
CA Adult Education Program (CAEP) - Regional Consortium	1,398,992	-	502,388	-	896,604	896,604
California College Promise	2,145,310	-	5,806	-	2,139,504	2,139,504
California State Preschool Program (CSPP)	1,317,937	-	-	349,677	968,260	968,260
CalWORKS	825,880	-	124,650	-	701,230	701,230
Campus Safety and Sexual Assault	16,987	-	-	-	16,987	16,987
CARE	558,319	-	153,257	-	405,062	405,062
Child 360 CSPP Block Grant	17,430	-	13,311	-	4,119	4,119
Child Care Federal and State Food Program - State Portion	4,146	1,016	-	-	5,162	5,162
Center of Excellence - Economic Development	240,000	-	7,842	-	232,158	232,158
Child Care, General Child Care and Development Programs	846,936	-	-	396,703	450,233	450,233
Child Care Tax Bailout	114,565	-	-	-	114,565	114,565
Classified Professional Development	36,202	-	32,041	-	4,161	4,161
College and Career Bridge Program	377,101	21,902	144,770	-	254,233	254,233
COVID-19 Recovery Block Grant	20,641,359	-	19,779,017	-	862,342	862,342
Culturally Competent Faculty Professional Development	50,435	-	-	-	50,435	50,435
Direct Assessment CBE Collaborative	80,245	-	14,615	-	65,630	65,630
Disabled Student Programs and Services (DSPS)	4,392,788	-	165,542	-	4,227,246	4,227,246
Dream Resource Liaison	381,927	-	22,094	-	359,833	359,833
Equal Employment Opportunity (EEO)	188,338	-	154,866	-	33,472	33,472
Equal Employment Opportunity (EEO) Best Practices	208,333	-	79,731	-	128,602	128,602
Extended Opportunity Programs and Services (EOPS)	2,399,748	-	430,442	-	1,969,306	1,969,306
Financial Aid Technology Grant	124,977	-	49,157	-	75,820	75,820

Mt. San Antonio Community College District
Schedule of Expenditures of State Awards
Year Ended June 30, 2023

Program	Program Revenues					Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue	Accounts Payable	Total Revenue	
Guided Pathways	\$ 1,679,843	\$ -	\$ 1,112,636	\$ -	\$ 567,207	\$ 567,207
Health Careers Exploration Program (HCEP)	9,600	2,400	-	-	12,000	12,000
Instructional Equipment and Library Materials	14,161,145	-	5,627,783	6,869,867	1,663,495	1,663,495
Invention and Inclusive Innovation (i3) Initiative	100,963	15,000	-	-	115,963	115,963
Improving Learning Outcomes-Chemistry	601,721	-	219,949	-	381,772	381,772
Improving Learning Outcomes-Engineering	26,961	23,989	-	-	50,950	50,950
Learnings-Aligned Employment Program (LEAP)	7,638,570	-	7,637,943	-	627	627
LGBTQ+	214,871	-	183,823	-	31,048	31,048
Local and Systemwide Technology and Data Security	300,000	-	300,000	-	-	-
Los Angeles Universal Preschool/QRIS	24,397	-	-	-	24,397	24,397
Mental Health Services Support	1,220,778	-	449,677	-	771,101	771,101
Next Up	1,565,158	-	1,473,070	-	92,088	92,088
Nursing Program Support	262,448	-	-	-	262,448	262,448
Restoration of Library Services Platform	98,129	-	3,123	-	95,006	95,006
Rising Scholars Network	154,000	-	81,334	-	72,666	72,666
Song-Brown Registered Nurse Program	162,733	180,134	-	-	342,867	342,867
Strong Workforce Program (Local)	5,425,088	-	3,043,416	-	2,381,672	2,381,672
Strong Workforce Program (Regional)	728,281	294,212	-	-	1,022,493	1,022,493
Student Equity and Achievement Program (SEAP)	20,981,273	-	4,171,285	-	16,809,988	16,809,988
Student Retention and Outreach	5,853,125	-	2,575,082	1,402,188	1,875,855	1,875,855
Systemwide Tech Data Security	50,000	-	50,000	-	-	-
Technical Assistance Provider - Contract Education (TAP)	86,278	-	-	-	86,278	86,278
Veteran Resource Center	504,302	-	231,253	-	273,049	273,049
Zero Textbook Cost	200,000	-	194,313	-	5,687	5,687
Total state programs	\$ 115,264,186	\$ 538,653	\$ 53,894,596	\$ 9,018,435	\$ 52,889,808	\$ 52,889,808

Mt. San Antonio Community College District
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance
Year Ended June 30, 2023

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2022 only)			
1. Noncredit*	4,133.36	-	4,133.36
2. Credit	1,848.90	-	1,848.90
B. Summer Intersession (Summer 2023 - Prior to July 1, 2023)			
1. Noncredit*	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	10,111.74	-	10,111.74
(b) Daily Census Contact Hours	1,528.09	-	1,528.09
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	3,155.34	-	3,155.34
(b) Credit	658.12	-	658.12
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	4,984.10	-	4,984.10
(b) Daily Census Procedure Courses	2,877.38	-	2,877.38
(c) Noncredit Independent Study/Distance Education Courses	1,113.03	-	1,113.03
D. Total FTES	<u>30,410.06</u>	<u>-</u>	<u>30,410.06</u>
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	6,078.60	-	6,078.60
2. Credit	372.25	-	372.25
<u>CCFS-320 Addendum</u>			
CDCP Noncredit FTES	7,368.07	-	7,368.07

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

Mt. San Antonio Community College District
Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation
Year Ended June 30, 2023

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 46,896,696	\$ -	\$ 46,896,696	\$ 46,896,696	\$ -	\$ 46,896,696
Other	1300	44,551,870	-	44,551,870	44,551,870	-	44,551,870
Total Instructional Salaries		91,448,566	-	91,448,566	91,448,566	-	91,448,566
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	17,475,235	-	17,475,235
Other	1400	-	-	-	2,799,485	-	2,799,485
Total Noninstructional Salaries		-	-	-	20,274,720	-	20,274,720
Total Academic Salaries		91,448,566	-	91,448,566	111,723,286	-	111,723,286
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	49,177,734	-	49,177,734
Other	2300	-	-	-	5,156,075	-	5,156,075
Total Noninstructional Salaries		-	-	-	54,333,809	-	54,333,809
Instructional Aides							
Regular Status	2200	2,834,161	-	2,834,161	2,834,161	-	2,834,161
Other	2400	1,019,648	-	1,019,648	1,019,648	-	1,019,648
Total Instructional Aides		3,853,809	-	3,853,809	3,853,809	-	3,853,809
Total Classified Salaries		3,853,809	-	3,853,809	58,187,618	-	58,187,618
Employee Benefits	3000	34,627,787	-	34,627,787	71,542,800	-	71,542,800
Supplies and Material	4000	-	-	-	2,571,654	-	2,571,654
Other Operating Expenses	5000	1,749,402	-	1,749,402	21,123,782	-	21,123,782
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		131,679,564	-	131,679,564	265,149,140	-	265,149,140

Mt. San Antonio Community College District
 Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation
 Year Ended June 30, 2023

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	\$ 2,016,681	\$ -	\$ 2,016,681	\$ 2,016,681	\$ -	\$ 2,016,681
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	337,620	-	337,620
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	3,489,952	-	3,489,952
Objects to Exclude							
Rents and Leases	5060	-	-	-	240,649	-	240,649
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

Mt. San Antonio Community College District
 Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation
 Year Ended June 30, 2023

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ 7,063,800	\$ -	\$ 7,063,800
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		2,016,681	-	2,016,681	13,148,702	-	13,148,702
Total for ECS 84362, 50% Law Percent of CEE (Instructional Salary Cost/Total CEE)		\$129,662,883	\$ -	\$129,662,883	\$252,000,438	\$ -	\$252,000,438
50% of Current Expense of Education		51.45%		51.45%	100.00%		100.00%
					\$126,000,219		\$126,000,219

Mt. San Antonio Community College District
 Proposition 30 Education Protection Account (EPA) Expenditure Report
 Year Ended June 30, 2023

Activity Classification	Object Code				Unrestricted
EPA Revenue:	8630				\$ 16,303,994
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 16,303,994	\$ -	\$ -	\$ 16,303,994
Total Expenditures for EPA		\$ 16,303,994	\$ -	\$ -	\$ 16,303,994
Revenues Less Expenditures					\$ -

Mt. San Antonio Community College District
Reconciliation of Governmental Funds to the Statement of Net Position
Year Ended June 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because

Total fund balance		
Unrestricted general fund	\$	53,115,911
Restricted general fund		10,842,944
Child development		1,134,182
Health services		1,315,911
Debt service		42,231,435
Capital outlay		25,732,218
Bond construction		147,251,138
Farm operations		208,067
Other special revenue funds		<u>3,254,549</u>
Total fund balance per CCFS-311 report		285,086,355
Funds not included in the CCFS-311 report		<u>139,692,628</u>
Total fund balance - all District funds	\$	424,778,983

Amounts held in trust on behalf of others (OPEB Trust and Custodial Funds) (100,463,200)

Capital and right-to-use subscription IT assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of capital assets is		1,193,679,218
Accumulated depreciation is		(272,890,811)
The cost of right-to-use subscription IT assets is		4,766,239
Accumulated amortization is		<u>(893,848)</u>
Total capital and right-to-use subscription IT assets, net		924,660,798

Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds.

Deferred outflows of resources at year-end consist of:

Deferred outflows of resources related to debt refunding		7,893,045
Deferred outflows of resources related to OPEB		27,164,061
Deferred outflows of resources related to pensions		<u>82,906,467</u>
Total deferred outflows of resources		117,963,573

In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred. (8,870,139)

Mt. San Antonio Community College District
 Reconciliation of Governmental Funds to the Statement of Net Position
 Year Ended June 30, 2023

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year end consist of:

General obligation bonds	\$ (984,249,638)
Subscription-based IT arrangements	(3,734,376)
Compensated absences	(3,908,121)
Aggregate net other postemployment benefits (OPEB) liability	(38,570,427)
Aggregate net pension liability	(256,953,955)

In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	(132,666,526)
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Total long-term liabilities	\$ (1,420,083,043)
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Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds.

Deferred inflows of resources amount to and related to

Deferred inflows of resources related to OPEB	(44,877,168)
Deferred inflows of resources related to pensions	(19,972,283)

Total deferred inflows of resources	(64,849,451)
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Total net position (deficit)	\$ (126,862,479)
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Mt. San Antonio Community College District
Schedule of Financial Trends and Analysis of the Combined General Fund
Year Ended June 30, 2023

	(Budget*) 2024		2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
General Fund								
Revenues								
Federal	\$ 8,195,641	2.0	\$ 9,907,161	2.9	\$ 46,643,900	14.2	\$ 28,762,205	10.3
State	299,980,123	73.3	234,482,235	68.8	203,715,938	62.0	178,727,543	64.2
Local	99,335,018	24.3	90,975,750	26.7	76,083,945	23.2	77,118,515	27.7
Total revenues	<u>407,510,782</u>	<u>99.6</u>	<u>335,365,146</u>	<u>98.4</u>	<u>326,443,783</u>	<u>99.4</u>	<u>284,608,263</u>	<u>102.2</u>
Expenditures								
Academic salaries	115,770,634	28.2	121,217,552	35.6	115,869,591	35.1	103,780,816	37.2
Classified salaries	96,206,954	23.5	80,825,310	23.7	74,151,151	22.6	65,196,417	23.4
Employee benefits	79,344,788	19.4	82,430,312	24.2	79,746,663	24.3	67,824,741	24.4
Supplies and materials	14,706,929	3.6	5,817,833	1.7	5,656,971	1.7	4,909,537	1.8
Other operating expenses	71,053,720	17.4	31,477,437	9.2	30,849,339	9.4	23,189,803	8.3
Capital outlay	11,712,571	2.9	5,449,764	1.6	8,405,880	2.6	5,757,391	2.1
Other sources and uses, net	20,426,673	5.0	13,539,895	4.0	13,968,835	4.3	7,717,717	2.8
Total expenditures and other uses	<u>409,222,269</u>	<u>100.0</u>	<u>340,758,103</u>	<u>100.2</u>	<u>328,648,430</u>	<u>100.0</u>	<u>278,376,422</u>	<u>100.0</u>
Increase (Decrease) in Fund Balance	<u>\$ (1,711,487)</u>	<u>(0.4)</u>	<u>\$ (5,392,957)</u>	<u>(1.6)</u>	<u>\$ (2,204,647)</u>	<u>(0.7)</u>	<u>\$ 6,231,841</u>	<u>2.2</u>
Assigned Fund Balance	13,970,132	3.4	24,787,490	7.3	32,517,166	9.9	24,511,392	8.8
Unassigned Fund Balance	47,945,916	11.7	28,328,421	8.3	27,878,325	8.5	40,669,275	14.6
Restricted Fund Balance	331,320	0.1	10,842,944	3.2	8,956,321	2.7	6,375,792	2.3
Total Ending Fund Balance	<u>\$ 62,247,368</u>	<u>15.2</u>	<u>\$ 63,958,855</u>	<u>18.8</u>	<u>\$ 69,351,812</u>	<u>21.1</u>	<u>\$ 71,556,459</u>	<u>25.7</u>
Full-Time Equivalent Students	<u>32,583</u>		<u>30,410</u>		<u>29,278</u>		<u>31,086</u>	
Total Long-Term Liabilities, Including Retiree Benefit Liability	<u>N/A</u>		<u>\$ 1,380,388,601</u>		<u>\$ 1,318,645,618</u>		<u>\$ 1,173,301,609</u>	

IMPORTANT NOTES:

The California Community College Chancellor's Office has recommended that districts adopt formal policies to maintain sufficient unrestricted reserves with a suggested minimum of two months of total general fund operating expenditures. As such, the District's Board Policy requires to budget a total reserve at not less than 10% of total unrestricted general fund expenditures and a total unrestricted general fund ending balance of at least 18.5% of total unrestricted general fund expenditures.

* Unrestricted General Fund expenditures for 2023-2024 budget year are projected to be \$281,232,518. Therefore, \$28,123,252 has been set aside to meet the District's policy of Unrestricted General Fund Reserves at not less than 10% of total expenditures. In the fiscal year 2022-23, total expenditures accounted for \$276,616,630 with a 10% Board Policy Reserves at \$27,661,663 and a 19.20% ending balance of \$53,115,911. The ending balance of 19.20% exceeded the 18.5% board policy requirement.

All percentages are of total unrestricted and restricted expenditures combined.

* The 2023-2024 budget presents the budget adopted by the Board of Trustees on September 13, 2023. The budget has been included for analytical purposes and has not been subjected to audit.

Long-term liabilities are reported for the District as a whole and includes debt related to all funds. Long-term liabilities reported above excludes unamortized premium. Long-term liabilities for the year ended June 30, 2021 were not restated for the implementation of GASB No. 96.

Mt. San Antonio Community College District
Schedule of Budgetary Comparison for the Combined General Fund
Year Ended June 30, 2023

	General Fund		
	Adopted Budget*	Actual	Variance
Revenues			
Federal revenues			
Higher Education Act	\$ 1,105,453	\$ 1,093,175	\$ (12,278)
Temporary Assistance for Needy Families	234,343	234,343	-
Student Financial Aid	1,235,071	547,189	(687,882)
Veterans Education	-	7,952	7,952
Vocational and Technical Education Act	1,291,119	1,527,393	236,274
Other federal revenues	7,619,189	6,497,109	(1,122,080)
State revenues			
General apportionments	173,596,097	158,188,911	(15,407,186)
Categorical apportionments	100,260,748	49,944,570	(50,316,178)
Other state revenues	10,416,689	26,348,754	15,932,065
Local revenues			
Property taxes	61,881,930	71,018,544	9,136,614
Interest and investment income	4,923,557	542,783	(4,380,774)
Student fees and charges	15,417,643	16,309,579	891,936
Contributions	-	561,429	561,429
Other local revenues	4,353,006	2,543,415	(1,809,591)
Total revenues	<u>382,334,845</u>	<u>335,365,146</u>	<u>(46,969,699)</u>
Expenditures			
Academic salaries	112,597,797	121,217,552	(8,619,755)
Classified salaries	77,239,619	80,825,310	(3,585,691)
Employee benefits	74,493,708	82,430,312	(7,936,604)
Supplies and materials	13,176,662	5,817,833	7,358,829
Other operating expenses	86,701,351	31,477,437	55,223,914
Capital outlay	17,428,621	5,449,764	11,978,857
Total expenditures	<u>381,637,758</u>	<u>327,218,208</u>	<u>54,419,550</u>
Excess (Deficiency) of Revenues over Expenditures	<u>697,087</u>	<u>8,146,938</u>	<u>(7,449,851)</u>
Other Financing Sources (Uses)			
Proceeds from sale of capitalized equipment	2,500	14,293	11,793
Interfund transfers in	560,882	1,842,233	1,281,351
Interfund transfers out	(13,535,334)	(11,219,117)	2,316,217
Student financial aid	(2,988,851)	(4,177,304)	(1,188,453)
Total other financing sources (uses)	<u>(15,960,803)</u>	<u>(13,539,895)</u>	<u>2,420,908</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	<u>(15,263,716)</u>	<u>(5,392,957)</u>	<u>9,870,759</u>
Fund Balance, Beginning of Year	<u>69,351,812</u>	<u>69,351,812</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 54,088,096</u>	<u>\$ 63,958,855</u>	<u>\$ 9,870,759</u>

* The 2022-2023 budget has been included for analytical purposes and has not been subjected to audit.

Note 1 - Purpose of Schedules

District Organization

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

Schedule of Expenditures of Federal Awards

Basis of Presentation

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

Summary of Significant Accounting Policies

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

Indirect Cost Rate

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

Schedule of Expenditures of State Awards

The accompanying Schedule of Expenditures of State Awards includes the state grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

Schedule of Financial Trends and Analysis of the Combined General Fund

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Schedule of Budgetary Comparison for the Combined General Fund

This schedule presents the final General Fund budget as of the fiscal year end, actual amounts at fiscal year-end, and the variance between the final budget and actual amounts.



Independent Auditor's Reports
June 30, 2023

**Mt. San Antonio Community College
District**



**Independent Auditor’s Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees
Mt. San Antonio Community College District
Walnut, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities, the aggregate discretely presented component unit, and the aggregate remaining fund information of Mt. San Antonio Community College District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 6, 2023.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ending June 30, 2023. As a result of implementing the standard, there was no effect on the District’s business-type activities beginning net position as of July 1, 2022. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

Our consideration of internal control 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, professional style.

Rancho Cucamonga, California
December 6, 2023



**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Trustees
Mt. San Antonio Community College District
Walnut, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mt. San Antonio Community College District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mt. San Antonio Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 6, 2023



Independent Auditor's Report on State Compliance

To the Board of Trustees
Mt. San Antonio Community College District
Walnut, California

Report on State Compliance

We have audited Mt. San Antonio Community College District's (the District) compliance with the types of compliance requirements described in the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2023.

Opinion

In our opinion, Mt. San Antonio Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted in the table below that were audited for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the standards and procedures identified in the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance with the compliance requirements subject to audit in the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Compliance Requirements Tested

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

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

The District reports no Apportionment for Activities Funded From Other Sources; therefore, the compliance tests within this section were not applicable.

The District reports no Apprenticeship Related and Supplemental Instruction (RSI) Funds; therefore, the compliance tests within this section were not applicable.

The State Fiscal Recovery Fund was included as a major federal program, as described in the summary of auditor's results; therefore, the compliance requirements within this section were not performed.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2022-2023 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California
December 6, 2023



Schedule of Findings and Questioned Costs
June 30, 2023

Mt. San Antonio Community College District

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$1,834,950
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

Type of auditor's report issued on compliance for State programs:	Unmodified
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None reported.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Mt. San Antonio Community College District
Continuing Disclosure Information (Unaudited)
Year Ended June 30, 2023

Assessed valuation for fiscal year 2022-23	\$ 110,847,042,391 (2)
Assessed valuation for fiscal year 2023-24	\$ 116,568,468,745 (2)
Secured tax levies for fiscal year 2022-23	\$ 25,504,117 (1)
Secured tax delinquencies for fiscal year 2022-23	\$ 1,022,744 (1)
Secured tax collections for fiscal year 2022-23	\$ 24,481,373 (1)

	Property Owner	Land Use	2022-2023 Assessed Valuation (2)	% of Total (3)
1.	Gilead Sciences Inc.	Industrial	\$ 517,381,766	0.47%
2.	Majestic Realty Co.	Industrial	476,163,013	0.43%
3.	Plaza West Covina LLC	Shopping Center	284,283,417	0.26%
4.	Duke Realty LP	Industrial	254,847,027	0.23%
5.	Industry East Land LLC - Lessee	Industrial	226,148,673	0.20%
6.	Colony At The Lakes LLC	Retail/Apartments	181,955,119	0.16%
7.	Kaiser Foundation Health Plan	Medical Offices	173,706,478	0.16%
8.	GREF Eastland Center LP	Shopping Center	171,724,253	0.15%
9.	1301 East Gladstone Street	Shopping Center	129,474,063	0.12%
10.	JCC California Properties LLC	Commercial	127,808,713	0.12%
11.	Newage PHM LLC	Shopping Center	127,228,675	0.11%
12.	San Gabriel Valley Water Company	Water Company	119,805,678	0.11%
13.	Crow Family Holdings Industrial LP	Industrial	118,304,033	0.11%
14.	Scout Cold Storage	Industrial	117,000,000	0.11%
15.	Valley Industrial LLC	Industrial	108,600,000	0.10%
16.	Wal Mart Real Estate Business Trust	Shopping Center	104,288,183	0.09%
17.	Tropicana Manufacturing Company	Industrial	104,270,947	0.09%
18.	BPP Pacific Industrial CA REIT	Industrial	102,360,893	0.09%
19.	Walnut Ridge Apartments LP	Apartments	102,134,763	0.09%
20.	CLPF 624 South Glendora Ave LP	Residential Properties	98,975,647	0.09%
			\$ 3,646,461,341	3.29%

(1) Source: Los Angeles County Auditor-Controller's Office

(2) Source: California Municipal Statistics, Inc.

(3) Percentage of total assessed valuation for the fiscal year 2022-2023 of \$110,847,042,391.