



Financial Statements
June 30, 2021

Mt. San Antonio Community College District



Mt. San Antonio Community College District

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2 and Note 15 to the financial statements, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which resulted in a restatement of net position as of July 1, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 25, and other required supplementary schedules on pages 75 through 82, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's 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 (CFR) 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 are not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2021, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
November 30, 2021

Introduction

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, 2021. This discussion is prepared by management and should be read in conjunction with the financial statements and notes thereto which 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 so that students become contributing members of a diverse, sustainable, global society. The College pledges to serve students so that they may achieve their full educational potential for lifelong learning, for attaining associate degrees and certificates, 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, enhancing personal well-being, developing critical thinking, and enriching aesthetic and cultural experiences.

Mt. San Antonio Community College District has emerged as a leader in education not only in the San Gabriel Valley, but in the State of California. The District is the largest, single-campus community college district in the State. The District proudly celebrates over 74 years of educational excellence. The District will continue to offer access to quality programs and services, as well as 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

Dr. Manuel Baca • Jay F. Chen • Judy Chen Haggerty, Esq.
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COLLEGE PRESIDENT / CEO – Dr. William T. Scroggins

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 postemployment 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 postemployment 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 postemployment benefits other than pensions. These benefits are referred to as other postemployment 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 is 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.

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.

Selected Highlights

- 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 as 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 be using the County's Finance and Payroll Systems. The integrity and security of the new Banner Finance and Human Resources/Payroll systems were validated by a team of external auditors prior to 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 the need for extensive interfaces with the County's systems. This transition has given departments the ability to obtain accurate and timely information that is required to monitor budgets and analyze current financial data in order 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 for the internal audit function for the issuance of 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 submitted an application 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, based largely 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 survey of Mt. San Antonio College's 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 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.

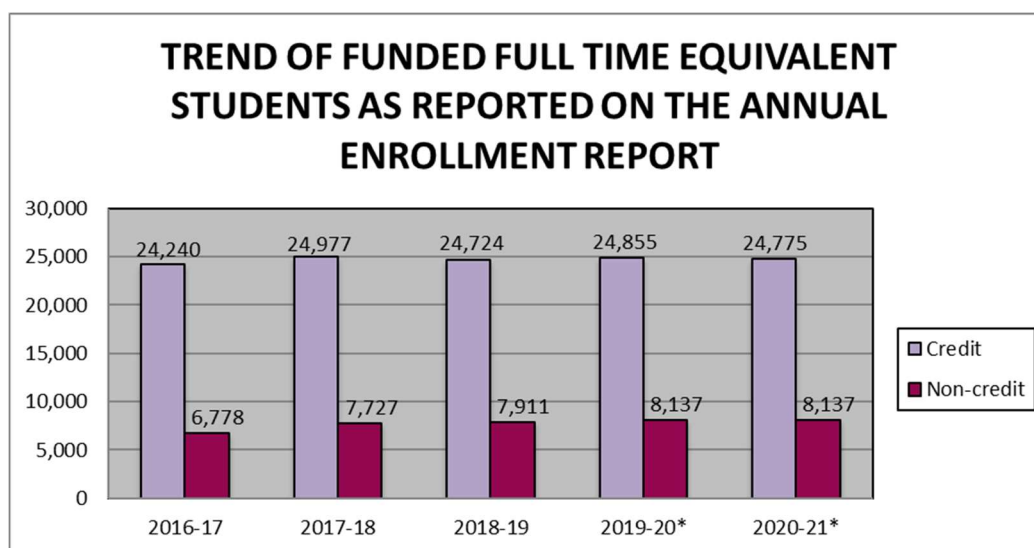
- On November 6, 2001, the voters of the District approved a \$221 million general obligation bond (Measure R) under Proposition 39 to provide better facilities for the students, faculty, and the community. Originally, there were 17 construction projects planned, but due to the increase in construction costs, three of these projects were eliminated; which left 14 major projects to be undertaken. Ground breaking began, for some of the projects, during 2001-2002 and continued through 2015-2016. The proceeds of these general obligation bond funds were completely expensed in June 30, 2015, and the bonds have been paid off. The following bonds were issued:
 - o \$40 million Series A were issued in May 2002.
 - o \$75 million Series B were issued in February 2004.
 - o \$80 million Series C were issued in September 2006.
 - o \$26 million Series D were 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 were issued in September 2015.
 - \$59.7 million Series D were issued in August 2020.
 - At June 30, 2021, the principal balance outstanding from the Measure RR bonds was \$355.6 million and unamortized premium received on the bonds was \$12.1 million.
- On May 1, 2010, the District issued \$65 million in bond anticipation notes. This was the result of 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, under the Measure RR authorization, in bond anticipation notes. These bond anticipation notes were issued to finance the remaining cost of the Business Project, the startup cost of the Athletics Complex, the design of the Campus Center, 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, under the Measure RR authorization, in bond anticipation notes. 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 were issued in April 2019.
 - \$30.5 million Series 2020B were issued in August 2020.
 - At June 30, 2021, the principal balance outstanding was \$322.4 million and unamortized premium received on the bonds was \$33.1 million.

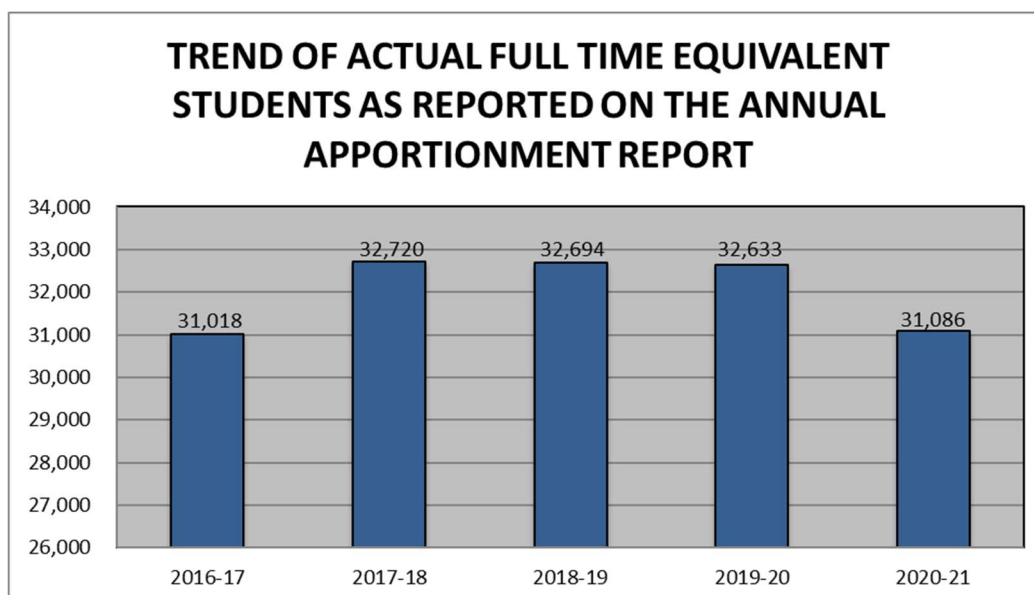
The following general obligation bonds have been issued to refund bonds for the election 2001 (Measure R) and election 2008 (Measure RR):

- \$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. Portion of this issuance refunded certain 2013 Series A bonds.
 - \$30.1 million crossover refunding bonds were issued in February 2020. This issuance advance refunded certain 2013 Series A bonds.
 - At June 30, 2021, the principal balance outstanding was \$144.9 million and unamortized premium received on the bonds was \$5.6 million.
- Apportionment revenues are calculated based on the Student-Centered Funding Formula (SCFF), effective since the fiscal year 2018-19. The formula uses three components. The first component is the Base allocation, which primarily includes average counts of credit Full-Time Equivalent Students (FTES) from the current budget year, prior year, and two years previous. The base allocation also includes a basic allocation, Noncredit, CDCP (Enhanced Noncredit Career Development and College Preparation), and Special Admit Credit FTES. The basic allocation is assigned based on the number of colleges and comprehensive centers in a District. The Noncredit, CDCP, and Special Admit Credit FTES are funded at full rates. The second component is the Supplemental allocation, which includes counts of low-income students or students that receive Pell grants, Promise grants, and nonresident tuition exemptions. The third component is the Student Success allocation, which includes counts of outcomes in the form of certificates, degrees, and transfers with premiums for outcomes of low-income students. All counts are multiplied by established rates. Cost-of-living adjustment (COLA) is applied to these rates. The combination of the base allocation, supplemental allocation, and student success allocation results in the Total Computational Revenue, or TCR.
- As a result of the COVID-19 pandemic declared in March 2020, similar to the fiscal year 2019-20, the College applied for Emergency Conditions for its FTES funding for the fiscal year 2020-21. This preserved the same level of funding for its Base Allocation component, when compared to the fiscal year 2019-20 and 2020-21. It should be noted that Emergency Conditions do not apply to the Student Centered Funding Formula components of Supplemental and Success allocations but due to diligent efforts in previous years, the College also experienced increases in these components. Therefore, the College's 2020-21 SCFF increased by \$2,460,468, mainly associated to higher counts in PELL, Associate Degrees, Transfer Level Math and English, and Regional Living Wages.

- Credit and noncredit FTES continue to be the basis for which the District receives the biggest portion of State apportionment under the new the Student-Centered Funding formula. As of June 30, 2021, funded FTES were measured at the February 2020 level for the fiscal year 2020-21 because just as we had done for the prior year, the District once again applied for Emergency Conditions as a result of the COVID-19 pandemic. The total funded FTES remain at nearly the same level with a minor decrease from 32,992 in 2019-20 to 32,912 in 2020-21, a 0.2% decrease for credit and noncredit students. Credit decreased from 24,855 in 2019-2020 to 24,775 in 2020-2021, and noncredit remain the same as the prior year at 8,137 FTES. In contrast, the total actual FTES decreased from 32,633 in 2019-20 to 31,086 in 2020-21, a 4.7% decrease for credit and noncredit students. While credit decreased from 24,489 to 24,175 from 2019-20 to 2020-21, noncredit decreased from 8,144 to 6,911 from 2019-20 to 2020-21. The following graphs shows a five year trend for funded and actual FTES produced by the District:



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



The District ended the fiscal year 2020-2021 with a fund balance of \$65.2 million in the Unrestricted General Fund, which represents 29.0% of the total expenditures, well above the 10% unassigned fund balance board policy.

As of June 30, 2021, the College was awarded Higher Education Emergency Relief Funds (HEERF) totaling \$118.4 million. The College has been consistently investing these funds. Of that total, \$47.7 million is fully dedicated to student emergency grants, to help them pay for housing, food, and other essentials. The remaining funds have been and will continue to be invested in laptops, hot spots, personal protective equipment, instructional materials and equipment, faculty training, compensation of essential workers, revenue loss recovery, student fee reimbursements, campus safety operations, contact tracing, mental health services, COVID-19 vaccines, and COVID-19 testing services. Furthermore, in order to continuously engage our students, Mt. SAC has invested HEERF and College funds to provide subsidized bus transportation and parking permits, and has also forgiven student debt through the Spring 2021 semester.

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 provides 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.

Also, in accordance with GASB Statements No. 34 and No. 35, the financial statements have been prepared under the full accrual basis of accounting which requires that revenues are recognized when earned and expenses are recorded when an obligation has been incurred. A reconciliation between the fund balances reported on the June 30, 2021 Annual Financial and Budget Report (CCFS-311), based upon governmental accounting principles and the modified accrual basis of accounting, and the total net position recorded on the full accrual basis of accounting is as follows:

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

Total fund balance		
Unrestricted general fund	\$ 65,180,667	
Restricted general fund	6,375,792	
Child development	1,220,424	
Health services	1,422,044	
Debt service	53,453,613	
Capital outlay	22,658,382	
Bond construction	110,749,566	
Farm operations	209,140	
Other special revenue funds	3,657,035	
Total fund balance per CCFS-311 report	264,926,663	
Funds not included in the CCFS-311 report	135,915,524	
Total fund balance - all District funds		\$ 400,842,187

Amounts held in trust on behalf of others (OPEB Trust and Custodial Funds)		(92,338,359)
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Capital 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	923,081,249	
Accumulated depreciation is	(213,514,763)	
Total capital assets, net		709,566,486

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	9,624,348	
Deferred outflows of resources related to OPEB	42,834,326	
Deferred outflows of resources related to pensions	68,352,713	
Total deferred outflows of resources		120,811,387

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.

(7,594,700)

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	\$ (778,427,128)	
Compensated absences	(4,421,249)	
Aggregate net other postemployment benefits (OPEB) liability	(55,476,765)	
Aggregate net pension liability	(279,734,880)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	<u>(95,251,832)</u>	
Total long-term liabilities		\$ (1,213,311,854)

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	(41,351,145)	
Deferred inflows of resources related to pensions	<u>(6,453,749)</u>	
Total deferred inflows of resources		<u>(47,804,894)</u>
Total net position		<u><u>\$ (129,829,747)</u></u>

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

The difference between total assets and 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 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, 2021

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

	2021	2020, as restated	Change
Assets			
Cash and investments	\$ 288,692,139	\$ 423,379,060	\$ (134,686,921)
Receivables, net	80,366,803	22,377,025	57,989,778
Other current assets	-	1,962	(1,962)
Capital assets, net	709,566,486	625,674,799	83,891,687
Total assets	1,078,625,428	1,071,432,846	7,192,582
Deferred Outflows of Resources			
Related to debt refunding	9,624,348	7,987,217	1,637,131
Related to OPEB	42,834,326	32,100,608	10,733,718
Related to pensions	68,352,713	65,578,651	2,774,062
Total deferred outflows of resources	120,811,387	105,666,476	15,144,911
Liabilities			
Accounts payable and accrued liabilities	42,762,896	29,789,282	12,973,614
Unearned revenue	14,586,597	16,079,129	(1,492,532)
Current portion of long-term liabilities	46,936,250	45,563,500	1,372,750
Noncurrent portion of long-term liabilities	1,177,175,925	1,171,489,596	5,686,329
Total liabilities	1,281,461,668	1,262,921,507	18,540,161
Deferred Inflows of Resources			
Related to OPEB	41,351,145	26,882,045	14,469,100
Related to pensions	6,453,749	11,809,694	(5,355,945)
Total deferred inflows of resources	47,804,894	38,691,739	9,113,155
Net Position			
Net investment in capital assets	83,109,664	47,718,494	35,391,170
Restricted	124,203,255	94,525,983	29,677,272
Unrestricted deficit	(337,142,666)	(266,758,401)	(70,384,265)
Total net position (deficit)	\$ (129,829,747)	\$ (124,513,924)	\$ (5,315,823)

This schedule has been prepared from the District *Statement of Net Position* (page 26), 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 28-29).

- The total cash and investments balance decreased by \$134.7 million. The General Fund had a net cash decrease of \$40.9 million, primarily as a result of the \$45.1 million State apportionment deferral, HEERF payments, and reimbursements of COVID-19 related expenses. The Bond Interest Redemption Fund had a net cash decrease of \$12.5 million, mainly due to property tax collections and associated payments of principal and interest from the Series 2019A 2018 Election (Measure GO) and Series 2013A and 2013B Refunding bonds. In August 2020, the District received cash proceeds for the issuances of Series 2020D 2008 (Measure RR) and Series 2020D 2018 (Measure GO) general obligation bonds and cash was reduced by the defeasance of the 2017 Bond Anticipation Notes. The Capital Outlay and the Bond Construction Funds had a cash decrease of \$93.3 million. The cash decreased in the Capital Outlay and Bond Construction Funds for payments made to contractors essentially centered in the Parking Structure Lot S, Student Center, Physical Education/Wellness Facility, Utility Infrastructure Central Campus Project, and the Temple Avenue Bridge Green Corridor. The cash increased in the Financial Aid Fund by \$2.2 million, due to the receipt of the Student Retention and Outreach State grant. These grants will be disbursed to the students during the 2021-22 fiscal year. Finally, the cash increased by \$9.1 million, after the adoption of GASB Statement No. 84 Fiduciary Activities in fiscal year 2020-21. This cash increase is primarily from the Payroll Clearance Fund and the STRS/PERS Trust.
- Total account receivables and other assets had a net increase of \$58.0 million. The Unrestricted General Fund increased by \$29.0 million mostly due to the accrual of the 2020-21 apportionment revenues and the Educational Revenue Augmentation Fund (ERAF) property taxes. The Restricted General Fund increased by \$17.7 million mainly for accruals of Lottery Restricted, Student Equity and Achievement Program (SEAP), and HEERF funds. The Capital Outlay Fund increased by \$12.9 million for the Physical Education Complex and Technology and Health Building accruals. The Student Accounts Receivable decreased by \$1.0 million. The College forgave student debt in an effort to reconnect and engage with the students as a result of the COVID-19 pandemic. Lastly, there was a net decrease of \$0.6 million in a variety of funds.
- Capital assets had a net increase of \$83.9 million. The District had additions of \$105.3 million related to equipment purchases, site and site improvement, and construction in progress. The District recognized a depreciation expense of \$21.5 million during 2020-2021. The capital 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 increased by \$10.7 million and the deferred inflows of resources related to OPEB increased by \$14.5 million. The deferred outflows of resources increased due to differences between expected and actual experience in measuring the net OPEB liability. The deferred inflows of resources increased due to earnings on OPEB plan investments exceeding projections, which lowered the net OPEB liability.

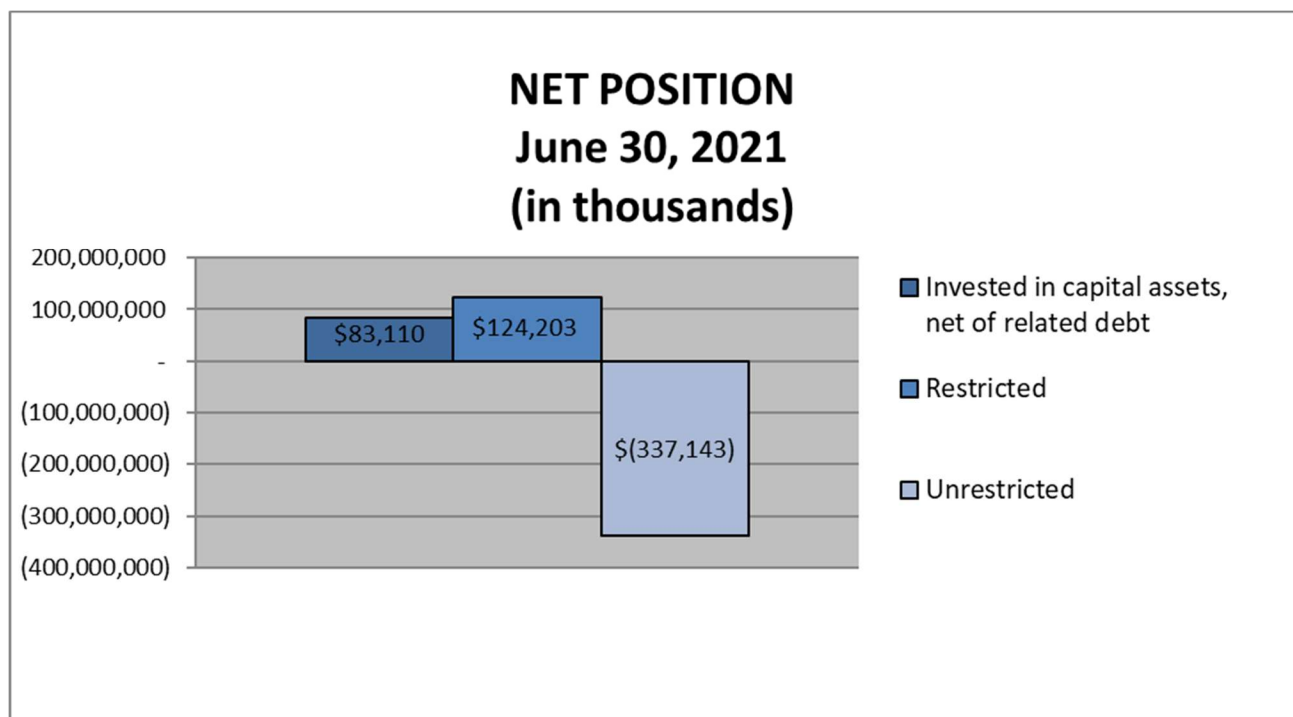
- Changes in net pension liability attributable to experience gain/losses, assumption changes, and differences between projected and actual earnings on investments not recognized as expenses during the 2020-2021 fiscal year are accounted for as deferred inflows and outflows of resources.

The deferred outflows of resources related to pensions had a net increase of \$2.8 million. CalSTRS deferred outflows of resources increased by \$7.0 million, while CalPERS deferred outflows decreased by \$4.2 million. The deferred outflows of resources related to pensions increased due to changes in the District's proportionate share of the CalSTRS net pension liability, netted with the amortization of the deferred outflows for the 2020-2021 fiscal year.

The deferred inflows of resources related to pensions decreased by \$5.4 million. CalSTRS deferred inflows of resources decreased by \$5.2 million due to earnings on pension plan investments falling below projections. CalPERS deferred inflows decreased by \$0.2 million due amortization of the deferred inflows for the 2020-2021 fiscal 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 \$13.0 million. The Unrestricted General Fund accounts payable increased by \$1.9 million because the College received State Apportionment and property taxes higher than estimated in the fiscal year 2020-21. The Capital Outlay Fund and the Bond Construction Funds increased by \$5.1 million due to work performed for the Physical Education/Wellness Facility, the Parking Lot S Structure, and the Temple Avenue Bridge Green Corridor. Ultimately, accounts payable increased in the Payroll Clearance Fund by \$6.0 million due to the implementation of GASB Statement No. 84 *Fiduciary Activities* in fiscal year 2020-21.
- The long-term liabilities (current and noncurrent) had a net increase of \$7.1 million. The main contributors of this increase were the issuance of the 2020D Measure RR and 2020B Measure GO general obligation bonds issued in August 2020, and the defeasance of the 2017 Bond Anticipation Notes, netting a decrease of \$20.2 million, and the increase of \$29.1 million in the Net Pension Liability.
- The District's net position was \$(129.8) million for the fiscal year ended June 30, 2021. Of this amount, \$(337.1) 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 District implemented GASB No. 84 *Fiduciary Activities* in the fiscal year 2020-21. The net position beginning balance of \$(138,661,190) was adjusted by \$14,147,266, resulting in restated beginning balance of \$(124,513,914).

The following is a graphic representation of the Net Position as of June 30, 2021:



Statement of Revenues, Expenses, and Change in Net Position

Change in net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Change in Net Position (page 27). 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 expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided; for example, State appropriations are nonoperating because they are provided by the legislature 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, 2021

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

	2021	2020, as restated	Change
Operating Revenues			
Tuition and fees	\$ 14,771,076	\$ 18,655,038	\$ (3,883,962)
Grants and contracts, noncapital	73,185,938	54,686,754	18,499,184
Auxiliary sales and charges	105,473	102,962	2,511
Total operating revenues	<u>88,062,487</u>	<u>73,444,754</u>	<u>14,617,733</u>
Operating Expenses			
Salaries and benefits	268,782,003	263,887,613	4,894,390
Supplies, services, equipment, and maintenance	32,842,988	34,336,276	(1,493,288)
Student financial aid	62,209,591	63,255,419	(1,045,828)
Depreciation	21,498,699	20,182,015	1,316,684
Total operating expenses	<u>385,333,281</u>	<u>381,661,323</u>	<u>3,671,958</u>
Loss on operations	<u>(297,270,794)</u>	<u>(308,216,569)</u>	<u>10,945,775</u>
Nonoperating Revenues (Expenses)			
State apportionments	129,671,643	131,591,582	(1,919,939)
Property taxes	107,051,634	103,178,400	3,873,234
Student financial aid grants	55,066,203	57,852,568	(2,786,365)
State revenues	9,637,721	8,616,419	1,021,302
Net interest expense	(32,459,755)	(24,355,738)	(8,104,017)
Other nonoperating revenues	3,791,791	3,093,022	698,769
Total nonoperating revenue (expenses)	<u>272,759,237</u>	<u>279,976,253</u>	<u>(7,217,016)</u>
Other Revenues			
State and local capital income, and loss on disposal of capital assets	<u>19,195,734</u>	<u>1,118,592</u>	<u>18,077,142</u>
Change in net position	<u>\$ (5,315,823)</u>	<u>\$ (27,121,724)</u>	<u>\$ 21,805,901</u>

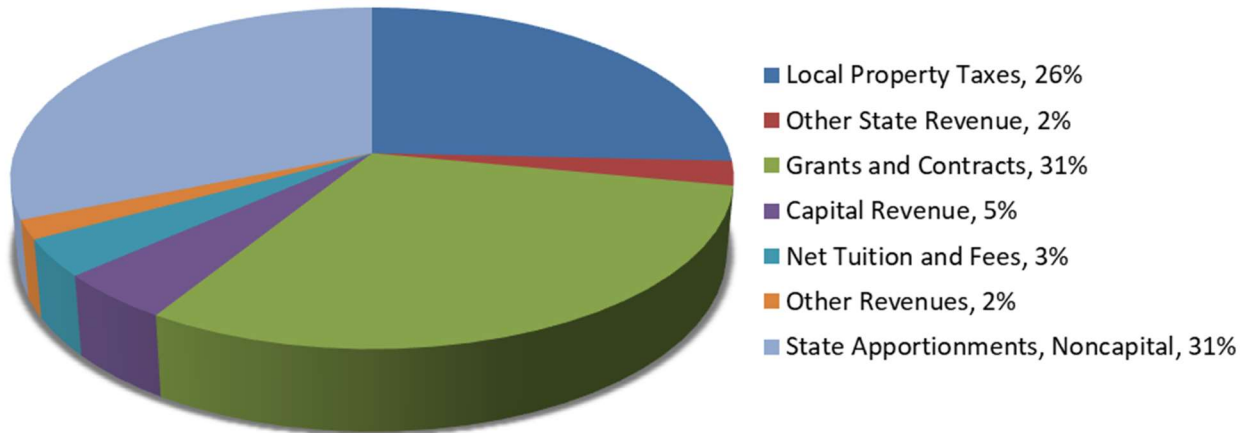
The operating revenues for the District are specifically defined as revenues from users of the College's facilities and programs. Excluded from operating revenues are the components of the primary source of District funding: the State apportionment process which includes the State general apportionment 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 to be nonoperating. As a result, the operating loss of \$297.3 million is balanced by other funding sources. Total District expenses exceeded total revenues by \$5.3 million for the year ended June 30, 2021.

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

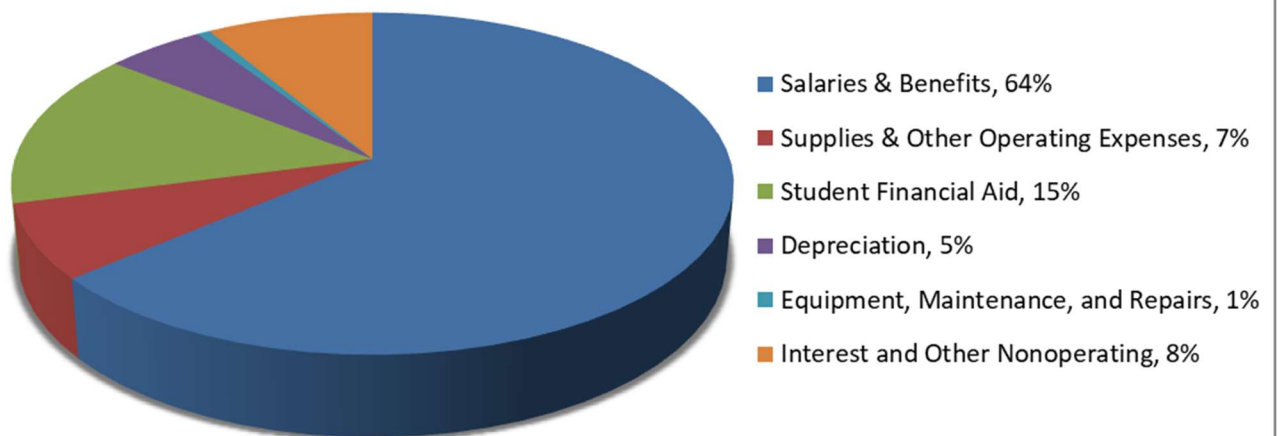
Interest income is primarily the result of cash held at the County Treasury. Interest expense relates to interest payments on the general obligation bonds as described in Note 7 of the financial statements.

- Net enrollment, tuition and fees decreased by \$3.9 million. This reduction is attributed to the decrease in enrollment due to the COVID-19 pandemic.
- Grants and Contracts had a net increase of \$18.5 million. This increase is primarily due to the increase in claims of the HEERF funds, the COVID-19 Response Block Grant Federal and State Portions, and a decrease in the Student Equity and Achievement Program usage of funds.
- The net increase in operating expenses of \$3.7 million is mainly due to the following items: Increase in vacation accruals, one-time OPEB contribution of \$6,500,000, as approved by the Board of Trustees on June 24, 2021, decrease in conference and travel expenses, decrease in contracted services, increase in internet services for students and employees, increase in election expenses, increase in HEERF student emergency grants, decrease in Pell student grants, and an increase in student debt forgiveness expenditures.
- 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 decreased by \$1.9 million. Although the overall apportionment was higher in the fiscal year 2020-21, the State Apportionment and EPA share was lower when compared to the fiscal year 2019-20.
- Property taxes levied for general purposes and for other specific purposes had a net increase of \$3.9 million. The property taxes levied for general purposes increased by \$4.9 million as a result of higher collections of the Property Taxes Secured Roll, Education Revenue Augmentation Fund (ERAF), and Redevelopment Agency Asset Liquidation. Property taxes for other specific purposes decreased by \$1.0 million primarily due to the lower collections of the Measure RR Series 2013A general obligation bond repayments.
- Federal and State financial aid decreased by \$2.8 million. The decrease was centered in PELL grants due to decreases in enrollment and PELL awards.
- Net interest expenses increased by \$8.1 million essentially as a result of the recognition of the interest expense as of June 30, 2021 of the Series 2020D 2008 Election (Measure RR) and Series 2020B 2018 Election (Measure GO) general obligation bonds, as well as lower interest and investment income.
- State and local capital income had a net increase of \$18.1 million. This increase is primarily attributed to increases in the capital projects for the Physical Education/Wellness Facility and Health and Tech Building Replacement.
- Functional expenses are detailed in Note 13 of the financial statements.

Revenues for the Year Ended June 30, 2021



Expenses for the Year Ended June 30, 2021



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 from 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.

	2021	2020, as restated	Change
Net Cash Flows from			
Operating activities	\$ (271,766,168)	\$ (259,559,107)	\$ (12,207,061)
Noncapital financing activities	243,954,930	245,547,384	(1,592,454)
Capital financing activities	(111,808,997)	(47,842,852)	(63,966,145)
Investing activities	2,923,842	(24,700,057)	27,623,899
Net Decrease in Cash	(136,696,393)	(86,554,632)	(50,141,761)
Cash, Beginning of Year	381,248,455	467,803,087	(86,554,632)
Cash, End of Year	<u>\$ 244,552,062</u>	<u>\$ 381,248,455</u>	<u>\$ (136,696,393)</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, as well as 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 increase 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 \$1.6 million. The main contributor to this decrease is lower cash collections of property taxes that are part of the District's State apportionment.
- The cash from "capital financing activities" had a net decrease of \$64.0 million. Cash primarily decreased due to the issuance of the 2020D Measure RR and 2020B Measure GO general obligation bonds issued in August 2020, and the defeasance of the 2017 Bond Anticipation Notes.
- Cash provided by "investing activities" increased by \$27.6 million mainly due to the purchase of the Series 2020B Crossover Refunding bonds in February 2020.

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 educational programs of the District. 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 for the purpose of funding 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 has the responsibility of accounting for the Student Clubs. These fiduciary activities are reported in separate Statements of Fiduciary Net Position and Change in Fiduciary Net Position.

Capital Assets

As of June 30, 2021, the District had over \$709.6 million invested in depreciable capital assets. The total cost of capital assets of \$923.1 million are comprised of land, buildings and building improvements, construction in progress, vehicles, data processing equipment and other office equipment. These assets have accumulated depreciation of \$213.5 million. During 2020-2021, net capital asset additions and deletions were \$105.3 million. This consists of a net increase in construction in progress totaling \$93.4 million, a net increase in equipment totaling \$2.2 million, and an increase in buildings and site improvements totaling \$9.7 million. Depreciation expense of \$21.5 million was recorded for the fiscal year.

During 2020-2021, the following projects were capitalized:

- Alertus Building Notification Infrastructure Project
- Emergency Repair Building 80
- Business and Computer Technology Project
- Athletics Complex Scoreboard
- Counseling Annex Remodel Building 9D
- Photo Storage Remodel
- Campus Center

Construction in progress during 2020-2021 includes the following projects:

- Heritage Hall
- Student Center
- Athletics Complex Phase 2
- Sand Volleyball Courts

- Aquatics Complex
- Technical and Health Building
- Parking Structure Lot R
- Parking Structure Lot S
- Temple Avenue Bridge Green Corridor
- Utility Infrastructure Central Campus
- West Counseling Modulares
- Bookstore
- Adult Basic Education Campus
- Physical Education, Wellness Facility

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

	Balance, Beginning of Year	Additions	Deletions	Balance, End of Year
Land, collections, and construction in progress	\$ 70,132,723	\$ 103,352,325	\$ (9,956,361)	\$ 163,528,687
Buildings and improvements	690,385,428	9,687,527	-	700,072,955
Furniture and equipment	57,293,818	2,337,379	(151,590)	59,479,607
Subtotal	817,811,969	115,377,231	(10,107,951)	923,081,249
Accumulated depreciation	(192,137,170)	(21,498,699)	121,106	(213,514,763)
Total	<u>\$ 625,674,799</u>	<u>\$ 93,878,532</u>	<u>\$ (9,986,845)</u>	<u>\$ 709,566,486</u>

Long-term Liabilities

On June 30, 2021, the District had \$1,224.1 million 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 aggregate net OPEB liability, and the aggregate net pension liability for CalSTRS and CalPERS. The outstanding bond debt of 2008 Election (Measure RR) consists of \$280.6 million Series A general obligation bonds and \$2.6 million Series B general obligation bonds issued in August 2013, \$7.3 million Series C general obligation bonds issued in September 2015, and \$65.0 million Series D general obligation bonds issued in August 2020. The outstanding bond debt of 2018 Election (Measure GO) consists of \$288.7 million Series A general obligation bonds issued in April 2019 and \$33.7 million Series B general obligation bonds issued in August 2020. The outstanding refunding bond debt consists of \$18.0 million Series A general obligation refunding bonds issued August 2013, \$21.3 million Series B general obligation refunding bonds issued August 2013, \$16.4 million general obligation refunding bonds issued September 2015, \$59.1 million Series 2020A general obligation refunding bonds issued in February 2020, and \$30.1 million Series 2020B general obligation crossover refunding bonds issued February 2020. 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 94 % 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:

	2021	2020
General obligation bonds and notes payable	\$ 873,678,960	\$ 893,842,530
Compensated absences and load banking	15,221,570	13,184,596
Aggregate net OPEB liability	55,476,765	59,389,851
Aggregate net pension liability	279,734,880	250,636,119
Total long-term liabilities	<u>\$ 1,224,112,175</u>	<u>\$ 1,217,053,096</u>

Economic Factors that May Affect the Future

As of June 30, 2021, the District's overall financial position is strong due to ongoing prudent fiscal management, which resulted in a healthy balance of \$65.2 million in the Unrestricted General Fund for the 2020-21 fiscal year.

The COVID-19 public health emergency resulted in enormous hardships for families, businesses, and governments at all levels, causing a sudden downturn in the economy that was reflected in the 2020-21 state budget. The enacted 2021-22 budget reflects a substantial recovery, with an increase of approximately 18% in General Fund spending compared to 2020-21. The budget focuses on investments to support California's families and businesses that continue to struggle in the aftermath of the pandemic.

For California Community Colleges, the budget includes an increase of \$765 million in ongoing funds and an increase of \$2,518 million in one-time funds. The state budget recognizes that by investing in students in key areas such as one-time direct grants, housing, other basic needs support, workforce training and diversity equity and inclusion programs, colleges will have the resources to help with enrollment outreach and retention, which will support the transition out of the pandemic.

Although the 2021-22 budget for community colleges is favorable, it is important to remember that colleges continue to have major increases in operating expenses primarily due to increases in rates for the Public Employee Retirement System (PERS) and State Teacher's Retirement System (STRS) pension obligations in the coming years and possible shortfalls in State revenues that heavily rely on highly volatile State income tax collections from capital gains. Economic concerns with implications of the COVID-19 pandemic continue as colleges are opening for in-person classes to sustain the safety of students, employees, and the community.

The College's financial position moving into the recovery is strong, setting up to effectively manage the 2021-22 State budget. Mt. SAC continues to expand dual enrollment and is using the new State funding to retain students and close the equity gap in student success. The new Federal immigration policy is also a factor in that Mt. SAC is well positioned to serve these new Californians. Particularly important is our case management model (social services model) to expand outreach and services to students in need by working with faculty to refer students to support and assistance; keeping students on campus will help with engagement and retention. In addition, the College was awarded HEERF funds totaling \$118.4 million, with funds being consistently invested in student emergency grants and District COVID-19 related expenses

Subsequent Events

On August 24, 2021, the District issued \$55.9 million Election of 2008 (Measure RR) Series 2021E general obligation bonds, \$219.2 million Election of 2018 (Measure GO) Series 2021C general obligation bonds, and \$14.3 million 2021 general obligation refunding bonds. The bonds were issued to finance the acquisition, construction, modernization, and renovation of the College facilities, as well as refund portions of the 2015 refunding bonds.

Effective July 1, 2021, the Board of Trustees approved a 2.31% salary increase for Faculty, Management, and Confidential employee groups. The College has reached agreements with the CSEA 262 and CSEA 651 employee groups, and it is expected that the 2.31% salary increase will be approved by the Board of Trustees on December 8, 2021.

The Board of Trustees has also approved a one-time stipend of \$4,000 for additional administrative responsibilities due to COVID-19 for the Management and Confidential groups. The College has reached agreements with the CSEA 262 and CSEA 651, and it is expected that the \$4,000 one-time for additional administrative responsibilities due to COVID-19 will also be approved by the Board of Trustees on December 8, 2021.

Mt. San Antonio Community College District

Statement of Net Position

June 30, 2021

Assets	
Cash and cash equivalents	\$ 2,354,451
Investments	286,337,688
Accounts receivable	79,708,154
Student receivables	209,694
Due from Auxiliary	18,446
Due from fiduciary funds	430,509
Capital assets	
Nondepreciable capital assets	163,528,687
Depreciable capital assets, net of depreciation	546,037,799
Total capital assets	<u>709,566,486</u>
Total assets	<u>1,078,625,428</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	9,624,348
Deferred outflows of resources related to OPEB	42,834,326
Deferred outflows of resources related to pensions	68,352,713
Total deferred outflows of resources	<u>120,811,387</u>
Liabilities	
Accounts payable	35,168,196
Accrued interest payable	7,594,700
Unearned revenue	14,586,597
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	46,936,250
Long-term liabilities other than OPEB and pensions, due in more than one year	841,964,280
Aggregate net other postemployment benefits (OPEB) liability	55,476,765
Aggregate net pension liability	279,734,880
Total liabilities	<u>1,281,461,668</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	41,351,145
Deferred inflows of resources related to pensions	6,453,749
Total deferred inflows of resources	<u>47,804,894</u>
Net Position	
Net investment in capital assets	83,109,664
Restricted for	
Debt service	76,027,872
Capital projects	22,658,382
Educational programs	6,375,792
Other activities	19,141,209
Unrestricted	(337,142,666)
Total Net Position	<u>\$ (129,829,747)</u>

Mt. San Antonio Community College District
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2021

Operating Revenues	
Tuition and fees	\$ 31,351,339
Less: Scholarship discounts and allowances	(16,580,263)
Net tuition and fees	<u>14,771,076</u>
Grants and contracts, noncapital	
Federal	29,488,208
State	43,444,958
Local	<u>252,772</u>
Total grants and contracts, noncapital	<u>73,185,938</u>
Auxiliary enterprise sales and charges	
Farm operations	<u>105,473</u>
Total operating revenues	<u>88,062,487</u>
Operating Expenses	
Salaries	175,945,388
Employee benefits	92,836,615
Supplies, materials, and other operating expenses and services	29,970,204
Student financial aid	62,209,591
Equipment, maintenance, and repairs	2,872,784
Depreciation	<u>21,498,699</u>
Total operating expenses	<u>385,333,281</u>
Operating Loss	<u>(297,270,794)</u>
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	129,671,643
Local property taxes, levied for general purposes	62,627,250
Taxes levied for other specific purposes	44,424,384
Federal and State financial aid grants	55,066,203
State taxes and other revenues	9,637,721
Investment income	3,655,092
Interest expense on capital related debt	(36,126,638)
Investment income on capital asset-related debt, net	11,791
Other nonoperating revenue	<u>3,791,791</u>
Total nonoperating revenues (expenses)	<u>272,759,237</u>
Loss Before Other Revenues and Losses	<u>(24,511,557)</u>
Other Revenues (Losses)	
State revenues, capital	18,104,045
Local revenues, capital	1,122,173
Loss on disposal of capital assets	<u>(30,484)</u>
Total other revenues and losses	<u>19,195,734</u>
Change In Net Position	(5,315,823)
Net Position, Beginning of Year, as Restated	<u>(124,513,924)</u>
Net Position, End of Year	<u><u>\$ (129,829,747)</u></u>

Mt. San Antonio Community College District

Statement of Cash Flows

Year Ended June 30, 2021

Cash Flows from Operating Activities	
Tuition and fees	\$ 15,946,066
Federal, state, and local grants and contracts, noncapital	44,295,808
Enterprise sales and charges	105,473
Payments to or on behalf of employees	(240,229,543)
Payments to vendors for supplies and services	(29,674,381)
Payments to students for scholarships and grants	(62,209,591)
Net cash flows from operating activities	<u>(271,766,168)</u>
Cash Flows from Noncapital Financing Activities	
State apportionments	122,384,168
Federal and state financial aid grants	66,084,452
Property taxes - nondebt related	41,633,830
State taxes and other apportionments	10,310,126
Other nonoperating	3,542,354
Net cash flows from noncapital financing activities	<u>243,954,930</u>
Cash Flows from Capital Financing Activities	
Purchase of capital assets	(103,138,771)
State revenue, capital	3,604,542
Local revenue, capital	1,122,173
Property taxes - related to capital debt	44,424,384
Proceeds from capital debt	120,849,819
Principal paid on capital debt	(137,620,018)
Interest paid on capital debt	(41,062,917)
Interest received on capital asset-related debt	11,791
Net cash flows from capital financing activities	<u>(111,808,997)</u>
Cash Flows from Investing Activities	
Purchase of investments	(2,009,472)
Interest received from investments	4,933,314
Net cash flows from investing activities	<u>2,923,842</u>
Change In Cash and Cash Equivalents	(136,696,393)
Cash and Cash Equivalents, Beginning of Year, as Restated	<u>381,248,455</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 244,552,062</u></u>

Mt. San Antonio Community College District

Statement of Cash Flows

Year Ended June 30, 2021

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities

Operating Loss	<u>\$ (297,270,794)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	21,498,699
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	(14,261,854)
Student receivables	(997,854)
Prepaid expenses	1,962
Deferred outflows of resources related to OPEB	(10,733,718)
Deferred outflows of resources related to pensions	(2,774,062)
Accounts payable	8,891,081
Unearned revenue	(12,455,432)
Compensated absences	1,286,888
Load banking	750,086
Aggregate net OPEB liability	(3,913,086)
Aggregate net pension liability	29,098,761
Deferred inflows of resources related to OPEB	14,469,100
Deferred inflows of resources related to pensions	<u>(5,355,945)</u>
Total adjustments	<u>25,504,626</u>
Net cash flows from operating activities	<u><u>\$ (271,766,168)</u></u>

Cash and Cash Equivalents Consist of the Following:

Cash in banks	\$ 1,565,940
Cash in county treasury	<u>242,986,122</u>
Total cash and cash equivalents	<u><u>\$ 244,552,062</u></u>

Noncash Transactions

Recognition of deferred outflows of resources related to debt refunding	\$ 4,504,806
Amortization of deferred outflows of resources related to debt refunding	\$ 2,867,675
Amortization of debt premiums	\$ 3,393,371
Accretion of interest on capital appreciation bonds	\$ 17,427,249

Mt. San Antonio Community College District

Fiduciary Funds

Statement of Net Position

June 30, 2021

	Retiree OPEB Trust	Custodial Funds	Component Unit Retiree OPEB Trust
Assets			
Cash and cash equivalents	\$ 6,701,334	\$ 170	89,868
Investments	85,945,620	121,937	4,698,286
Total assets	\$ 92,646,954	\$ 122,107	\$ 4,788,154
Liabilities			
Accounts payable	\$ -	\$ 193	\$ -
Due to primary government	430,509	-	-
Total liabilities	430,509	193	-
Net Position			
Restricted for postemployment benefits other than pensions	92,216,445	-	4,788,154
Unrestricted	-	121,914	-
Total net position	\$ 92,216,445	\$ 121,914	\$ 4,788,154

Mt. San Antonio Community College District

Fiduciary Funds

Statement of Changes in Net Position

Year Ended June 30, 2021

	Retiree OPEB Trust	Custodial Funds	Component Unit Retiree OPEB Trust
Additions			
District contributions	\$ 6,500,000	\$ -	\$ 295,359
Interest and investment income, net of fees	2,970,759	-	170,318
Net realized and unrealized gains	14,101,156	-	940,903
Local revenues	-	32,074	-
Total additions	23,571,915	32,074	1,406,580
Deductions			
Books and supplies	-	21,321	-
Benefit payments	3,642,800	-	295,359
Administrative expenses	151,041	-	11,974
Total deductions	3,793,841	21,321	307,333
Change in Net Position	19,778,074	10,753	1,099,247
Net Position - Beginning of Year, as Restated	72,438,371	111,161	3,688,907
Net Position - End of Year	\$ 92,216,445	\$ 121,914	\$ 4,788,154

Mt. San Antonio Community College District

Mt. San Antonio College Auxiliary Services

Statement of Net Position - Component Unit

June 30, 2021

Assets	
Cash and cash equivalents	\$ 69,807
Investments	2,459,474
Accounts receivable	212,624
Notes receivable	3,529
Depreciable capital assets, net of depreciation	252,549
Net other postemployment benefits (OPEB) asset	<u>547,930</u>
Total assets	<u>3,545,913</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to OPEB	52,860
Deferred outflows of resources related to pensions	<u>733,940</u>
Total deferred outflows of resources	<u>786,800</u>
Liabilities	
Accounts payable	65,237
Due to District	18,446
Long-term liabilities	
Compensated absences payable	61,039
Net pension liability	<u>4,383,513</u>
Total liabilities	<u>4,528,235</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	681,187
Deferred inflows of resources related to pensions	<u>81,536</u>
Total deferred inflows of resources	<u>762,723</u>
Net Position	
Net investment in capital assets	252,549
Unrestricted deficit	<u>(1,210,794)</u>
Total Net Position (Deficit)	<u>\$ (958,245)</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, 2021

Operating Revenues	
Bookstore commissions	\$ 170,243
Reimbursement of Bookstore salaries	134,657
District contributions	288,004
Food service commissions	10,711
Sponsorship commission	52,000
Book rentals	1,147
Miscellaneous revenues	680
	<hr/>
Total operating revenues	657,442
	<hr/>
Operating Expenses	
Salaries	404,455
Employee benefits	380,477
Supplies and materials	26,880
Other operating expenses and services	167,509
Financial aid	27,500
Depreciation	33,651
	<hr/>
Total operating expenses	1,040,472
	<hr/>
Net Operating Loss	(383,030)
	<hr/>
Nonoperating Income	
Investment income	6,275
	<hr/>
Change in Net Position	(376,755)
	<hr/>
Net Position, Beginning of Year	(581,490)
	<hr/>
Net Position, End of Year	\$ (958,245)
	<hr/> <hr/>

Mt. San Antonio Community College District

Mt. San Antonio College Auxiliary Services

Statement of Cash Flows - Component Unit

Year Ended June 30, 2021

Operating Activities

Auxiliary enterprise sales and charges	\$ 673,907
Payments to vendors for supplies and services	(204,938)
Payments to or on behalf of employees	(1,206,809)
Payments to students for aid	(27,500)

Net Cash Flows from Operating Activities	(765,340)
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Investing Activities

Notes receivable collections	7,059
Interest received from investments	17,011

Net Cash from Investing Activities	24,070
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Net Change in Cash and Cash Equivalents	(741,270)
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Cash and Cash Equivalents, Beginning of Year	3,270,551
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Cash and Cash Equivalents, End of Year	\$ 2,529,281
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Reconciliation of net operating loss to net cash from operating activities

Operating loss	\$ (383,030)
Adjustments to reconcile operating loss to net cash from operating activities	
Depreciation expense	33,651
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	(18,741)
Due from District	35,206
Net other postemployment benefits (OPEB) asset	(1,308,852)
Deferred outflows of resources related to OPEB	156,554
Deferred outflows of resources related to pensions	164,727
Accounts payable	(48,222)
Due to District	467
Compensated absences	138
Net pension liability	258,667
Deferred inflows of resources related to OPEB	476,176
Deferred inflows of resources related to pensions	(132,081)

Net Cash from Operating Activities	\$ (765,340)
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Cash and cash equivalents consist of the following:

Cash in banks	\$ 69,807
Cash in County treasury	2,459,474

	\$ 2,529,281
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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 estimate and analysis. When receivables are determined to be uncollectible, a direct write-off is recorded. There was no allowance for doubtful accounts recorded at June 30, 2021. The District has forgiven student receivables through the Spring 2021 semester.

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, 2021.

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 \$8,842,499 and \$6,379,071 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.

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 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 MPP. For this purpose, the District Plan and MPP recognizes 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, loan banking, 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 assets, net of accumulated depreciation, 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 \$124,203,255 of restricted net position, and the fiduciary fund financial statements report \$92,216,445 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 (CFR) 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

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The impact to the primary government and fiduciary funds resulted in a restatement of their respective beginning net positions as of July 1, 2020 due to the reclassification of associated students, student representation fee, and other trust funds into the financial statements of the primary government. The effect of the implementation of this standard on beginning net position is disclosed in Note 15. The provisions of the Statement have been implemented as of June 30, 2021.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements for this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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, 2021, consist of the following:

	Primary Government	Fiduciary Funds
Cash on hand and in banks	\$ 1,465,940	\$ 170
Cash in revolving	100,000	-
Cash with fiscal agent	788,511	6,701,334
Investments	286,337,688	86,067,557
Total deposits and investments	<u>\$ 288,692,139</u>	<u>\$ 92,769,061</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 Years	Average Credit Rating
U.S. Treasury notes	\$ 30,468,865	3.6	AA+
Mutual funds	18,157,206	No maturity	Not rated
Certificates of deposit	993,701	1.9	Not rated
Equities	62,072,299	No maturity	Not rated
Fixed income	17,605,115	10.2	BBB-
County investment pool	243,108,059	2.9	Not rated
Total	<u>\$ 372,405,245</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, 2021, the District's bank balance of approximately \$2.1 million 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, 2021, the District's investment balance of \$128.3 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, 2021:

Investment Type	Fair Value	Level 1 Inputs
U.S. Treasury notes	\$ 30,468,865	\$ 30,468,865
Mutual funds	18,157,206	18,157,206
Certificates of deposit	993,701	993,701
Equities	62,072,299	62,072,299
Fixed income	17,605,115	17,605,115
Total	<u>\$ 129,297,186</u>	<u>\$ 129,297,186</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, 2021, consisted of the following:

	Primary Government
Federal Government	
Categorical aid	\$ 16,432,722
State Government	
Apportionment	19,262,953
Categorical aid	5,389,993
Lottery	2,130,493
Other state sources	14,444,724
Local Sources	
ERAF property taxes	20,993,420
Interest	494,433
Other local sources	559,416
Total	<u>\$ 79,708,154</u>
Student receivables	<u>\$ 209,694</u>

Note 6 - Capital Assets

Capital asset activity for the District for the fiscal year ended June 30, 2021, was as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year
Capital Assets Not Being Depreciated				
Land	\$ 619,480	\$ -	\$ -	\$ 619,480
Collections - art	161,488	-	-	161,488
Construction in progress	69,351,755	103,352,325	(9,956,361)	162,747,719
Total capital assets not being depreciated	70,132,723	103,352,325	(9,956,361)	163,528,687
Capital Assets Being Depreciated				
Buildings and improvements	690,385,428	9,687,527		700,072,955
Furniture and equipment	57,293,818	2,337,379	(151,590)	59,479,607
Total capital assets being depreciated	747,679,246	12,024,906	(151,590)	759,552,562
Total capital assets	817,811,969	115,377,231	(10,107,951)	923,081,249
Less Accumulated Depreciation				
Buildings and improvements	(147,445,915)	(17,493,547)	-	(164,939,462)
Furniture and equipment	(44,691,255)	(4,005,152)	121,106	(48,575,301)
Total accumulated depreciation	(192,137,170)	(21,498,699)	121,106	(213,514,763)
Net capital assets	\$ 625,674,799	\$ 93,878,532	\$ (9,986,845)	\$ 709,566,486

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, 2021 consisted of the following:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Due in One Year
General obligation bonds	\$ 748,499,684	\$ 115,398,710	\$ (41,030,000)	\$ 822,868,394	\$ 42,515,000
Unamortized premium	48,606,992	5,451,109	(3,247,535)	50,810,566	-
2017 General obligation bond anticipation note	96,590,018	-	(96,590,018)	-	-
Unamortized premium	145,836	-	(145,836)	-	-
Compensated absences and load banking	13,184,596	2,036,974	-	15,221,570	4,421,250
Total	<u>\$ 907,027,126</u>	<u>\$ 122,886,793</u>	<u>\$ (141,013,389)</u>	<u>\$ 888,900,530</u>	<u>\$ 46,936,250</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. 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, 2021, the principal balance outstanding for Series A and Series B was \$280,642,262 and \$2,610,000, respectively. Unamortized premium received on issuance of the bonds amounted to \$8,445,232 as of June 30, 2021.

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, 2021, the principal balance outstanding was \$7,315,000. Unamortized premium received on issuance of the bonds amounted to \$203,081 as of June 30, 2021.

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, 2021, the principal balance outstanding was \$65,019,126. Unamortized premium received on issuance of the bonds amounted to \$3,472,538 as of June 30, 2021.

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, 2021, the principal balance outstanding was \$288,690,000. Unamortized premium received on issuance of the bonds amounted to \$31,302,558 as of June 30, 2021.

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, 2021, the principal balance outstanding was \$33,667,006. Unamortized premium received on issuance of the bonds amounted to \$1,760,527 as of June 30, 2021.

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, 2021, the principal balance outstanding for Series A and Series B was \$18,045,000 and \$21,260,000, respectively. Unamortized premium received on issuance of the bonds amounted to \$3,422,801 as of June 30, 2021.

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. At June 30, 2021, the principal balance outstanding was \$16,415,000. Unamortized premium received on issuance of the bonds amounted to \$2,203,829 as of June 30, 2021.

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, 2021, 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, 2021, the principal balance outstanding was \$30,130,000.

General Obligation Bond Anticipation Notes Payable

In April 2017, the District issued the 2017 General Obligation Bond Anticipation Notes. The notes were issued as capital appreciation notes in the original principal amount of \$89,996,003. The notes mature and are due in full on April 1, 2022 with an appreciated maturity value of \$101,275,000. The notes are payable from either proceeds from the future sale of general obligation bonds or other funds of the District lawfully available for the purpose of repaying the Notes. The District has covenanted in its resolution authorizing the issuance of the notes to take all actions required to authorize, sell, and issue, on or before April 1, 2022, general obligation bonds or certificates of participation in an aggregate principal amount sufficient to pay the maturity value of the notes. As of June 30, 2021, the maturity value of the notes and outstanding interest were defeased from the proceeds of the Election of 2008 Series 2020D and Election of 2018 Series 2020B general obligation bonds.

Mt. San Antonio Community College District

Notes to Financial Statements

June 30, 2021

Debt Maturity

General Obligation Bonds

Issue Date	Series	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Issued	Accreted Interest	Redeemed	Bonds Outstanding End of Year
8/1/13	2013A	8/1/43	2.00-4.00%	\$ 205,586,691	\$ 264,529,684	\$ -	\$ 16,712,578	\$ (600,000)	\$ 280,642,262
8/1/13	2013B	8/1/23	0.72-4.10%	11,715,000	3,805,000	-	-	(1,195,000)	2,610,000
9/11/15	2015C	8/1/22	2.00-4.00%	20,000,000	10,870,000	-	-	(3,555,000)	7,315,000
8/18/20	2020D	8/1/45	0.81-3.12%	59,728,759**	-	64,551,399	467,727	-	65,019,126
Subtotal Measure RR					279,204,684	64,551,399	17,180,305	(5,350,000)	355,586,388
4/4/19	2019A	8/1/49	3.00-5.00%	310,700,000	310,700,000	-	-	(22,010,000)	288,690,000
8/18/20	2020B	8/1/45	2.59-3.12%	30,499,915**	-	33,420,062	246,944	-	33,667,006
Subtotal Measure GO					310,700,000	33,420,062	246,944	(22,010,000)	322,357,006
8/1/13	2013A	9/1/28	2.00-5.00%	74,910,000	23,500,000	-	-	(5,455,000)	18,045,000
8/1/13	2013B	8/1/23	0.72-4.10%	48,190,000	27,185,000	-	-	(5,925,000)	21,260,000
9/11/15	2015	6/1/33	2.00-5.00%	19,440,000	17,365,000	-	-	(950,000)	16,415,000
2/4/20	2020A	8/1/35	1.66-2.92%	60,415,000	60,415,000	-	-	(1,340,000)	59,075,000
2/4/20	2020B*	8/1/34	2.57-2.87%	30,130,000	30,130,000	-	-	-	30,130,000
Subtotal Refunding Bonds					158,595,000	-	-	(13,670,000)	144,925,000
					<u>\$ 748,499,684</u>	<u>\$97,971,461</u>	<u>\$17,427,249</u>	<u>\$ (41,030,000)</u>	<u>\$ 822,868,394</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.

Debt Service Requirements to Maturity

The general obligation bonds mature through 2050 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Current Interest to Maturity	Total
2022	\$ 42,483,716	\$ 31,284	\$ 17,905,424	\$ 60,420,424
2023	33,609,769	187,921	16,912,151	50,709,841
2024	21,995,370	421,940	17,310,586	39,727,896
2025	18,705,134	2,044,866	18,236,503	38,986,503
2026	19,594,699	2,930,301	17,950,291	40,475,291
2027-2031	115,139,191	13,265,809	122,882,748	251,287,748
2032-2036	126,564,855	23,420,145	150,904,940	300,889,940
2037-2041	151,995,355	63,674,645	111,416,406	327,086,406
2042-2046	201,825,305	93,919,695	41,373,925	337,118,925
2047-2050	90,955,000	-	7,621,300	98,576,300
Total	<u>\$ 822,868,394</u>	<u>\$ 199,896,606</u>	<u>\$ 522,514,274</u>	<u>\$ 1,545,279,274</u>

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

For the year ended June 30, 2021, 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	\$ 54,296,734	\$ 42,834,326	\$ 41,351,145	\$ (369,017)
Medicare Premium Payment (MPP) Program	1,180,031	-	-	191,313
Total	<u>\$ 55,476,765</u>	<u>\$ 42,834,326</u>	<u>\$ 41,351,145</u>	<u>\$ (177,704)</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, 2021, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	639
Active employees	<u>1,155</u>
Total	<u>1,794</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, 2021, the District contributed \$8,366,313 to the Plan, of which \$1,500,000 was used for current premiums, \$6,500,000 was used to fund the OPEB Trust, and \$366,313 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, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity instruments	57%
Long-term bonded instruments	43%

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 20.29%. 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 \$54,296,734 was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2021, were as follows:

Total OPEB liability	\$ 146,513,179
Plan fiduciary net position	<u>(92,216,445)</u>
Net OPEB liability	<u>\$ 54,296,734</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>62.94%</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 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, 2021 valuation were based on the results of an actual experience study as of June 2021.

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, 2021, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity instruments	7.25%
Long-term bonded instruments	4.25%

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2020	\$ 130,839,504	\$ 72,438,371	\$ 58,401,133
Service cost	4,393,243	-	4,393,243
Interest	6,506,852	-	6,506,852
Difference between expected and actual experience	21,909,795	-	21,909,795
Contributions - employer	-	8,366,313	(8,366,313)
Expected investment income	-	3,700,336	(3,700,336)
Differences between projected and actual earnings on OPEB plan investments	-	13,371,579	(13,371,579)
Changes of assumptions	(11,627,102)	-	(11,627,102)
Benefit payments	(5,509,113)	(5,509,113)	-
Administrative expense	-	(151,041)	151,041
Net change in total OPEB liability	15,673,675	19,778,074	(4,104,399)
Balance, June 30, 2021	\$ 146,513,179	\$ 92,216,445	\$ 54,296,734

Changes of economic assumptions reflect a change in the discount rate from 5.00% to 5.75% and a change in the inflation rate from 2.75% to 2.50% 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:

Discount Rate	Net OPEB Liability
1% decrease (4.75%)	\$ 74,674,425
Current discount rate (5.75%)	54,296,734
1% increase (6.75%)	36,802,528

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

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 rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3.00%)	\$ 33,896,143
Current healthcare cost trend rate (4.00%)	54,296,734
1% increase (5.00%)	78,918,194

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,946,773	\$ 240,879
Changes of assumptions	5,887,553	32,509,858
Net difference between projected and actual earnings on OPEB plan investments	-	8,600,408
Total	<u>\$ 42,834,326</u>	<u>\$ 41,351,145</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
2022	\$ (1,804,105)
2023	(2,239,422)
2024	(1,882,566)
2025	(2,674,315)
Total	<u>\$ (8,600,408)</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 7.8 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 2,450,601
2023	2,450,601
2024	2,450,601
2025	1,643,931
2026	489,761
Thereafter	598,094
Total	<u>\$ 10,083,589</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, 2019 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, 2021, the District reported a liability of \$1,180,031 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020 and June 30, 2019 was 0.2785% and 0.2655%, respectively, resulting in a net increase in the proportionate share of 0.0130%.

For the year ended June 30, 2021, the District recognized OPEB expense of \$191,313.

Actuarial Methods and Assumptions

The June 30, 2020 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total OPEB liability to June 30, 2020, using the assumptions listed in the following table:

Measurement Date	June 30, 2020
Valuation Date	June 30, 2019
Experience Study	June 30, 2014 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.21%
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, 2019, 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.

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 294 or an average of 0.18% of the potentially eligible population (159,339).

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, 2020, 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, 2020, is 2.21%. 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 2.21%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 1.29% from 3.50% as of June 30, 2019.

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:

Discount Rate	Net OPEB Liability
1% decrease (1.21%)	\$ 1,304,852
Current discount rate (2.21%)	1,180,031
1% increase (3.21%)	1,073,816

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 rate, as well as what the net OPEB liability would be if it were calculated using the Medicare costs trend rate that is one percent lower or higher than the current rate:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.5% Part A and 4.4% Part B)	\$ 1,069,974
Current Medicare costs trend rate (4.5% Part A and 5.4% Part B)	1,180,031
1% increase (5.5% Part A and 6.4% Part B)	1,306,726

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, 2021, the District contracted with Alliance for Schools for Cooperative Insurance Programs (ASCIP) and Schools Excess Liability Fund (SELF) 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 2020-2021, 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, 2021, 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:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 154,863,789	\$ 45,755,979	\$ 5,275,793	\$ 22,406,166
CalPERS	124,871,091	22,596,734	1,177,956	26,270,717
Total	<u>\$ 279,734,880</u>	<u>\$ 68,352,713</u>	<u>\$ 6,453,749</u>	<u>\$ 48,676,883</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, 2019, 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, 2021, are summarized as follows:

Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.15%	16.15%
Required State contribution rate	10.328%	10.328%

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, 2021, are presented above, and the District's total contributions were \$15,254,313.

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

At June 30, 2021, 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	\$ 154,863,789
State's proportionate share of net pension liability associated with the District	<u>79,832,302</u>
Total	<u><u>\$ 234,696,091</u></u>

The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019, was 0.1598% and 0.1501%, respectively, resulting in a net increase in the proportionate share of 0.0097%.

For the year ended June 30, 2021, the District recognized pension expense of \$22,406,166. In addition, the District recognized pension expense and revenue of \$11,183,722 for support provided by the State. At June 30, 2021, 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	\$ 15,254,313	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	11,448,316	908,369
Differences between projected and actual earnings on pension plan investments	3,678,673	-
Differences between expected and actual experience in the measurement of the total pension liability	273,264	4,367,424
Changes of assumptions	<u>15,101,413</u>	<u>-</u>
Total	<u><u>\$ 45,755,979</u></u>	<u><u>\$ 5,275,793</u></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:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (2,244,703)
2023	1,253,391
2024	2,500,655
2025	<u>2,169,330</u>
Total	<u>\$ 3,678,673</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:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 5,568,790
2023	5,644,902
2024	6,373,945
2025	1,511,824
2026	1,241,993
Thereafter	<u>1,205,746</u>
Total	<u>\$ 21,547,200</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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
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 (Pension Consulting Alliance-PCA) 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, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42.0%	4.8%
Private equity	13.0%	6.3%
Real estate	15.0%	3.6%
Inflation sensitive	6.0%	3.3%
Fixed income	12.0%	1.3%
Risk mitigating strategies	10.0%	1.8%
Cash/liquidity	2.0%	-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:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 233,977,614
Current discount rate (7.10%)	154,863,789
1% increase (8.10%)	89,544,187

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, 2019, 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, 2021, are summarized as follows:

	On or before December 31, 2012	On or after January 1, 2013
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%	7.00%
Required employer contribution rate	20.70%	20.70%

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, 2021, are presented above, and the total District contributions were \$12,453,816.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$124,871,091. The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019, was 0.4070% and 0.3949%, respectively, resulting in a net increase in the proportionate share of 0.0121%.

Mt. San Antonio Community College District

Notes to Financial Statements

June 30, 2021

For the year ended June 30, 2021, the District recognized pension expense of \$26,270,717. At June 30, 2021, 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	\$ 12,453,816	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	892,369	1,177,956
Differences between projected and actual earnings on pension plan investments	2,599,419	-
Differences between expected and actual experience in the measurement of the total pension liability	6,193,223	-
Changes of assumptions	457,907	-
Total	<u>\$ 22,596,734</u>	<u>\$ 1,177,956</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:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (972,757)
2023	867,664
2024	1,508,144
2025	1,196,368
Total	<u>\$ 2,599,419</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 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 4,657,824
2023	1,422,357
2024	271,049
2025	14,313
Total	<u>\$ 6,365,543</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, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of Scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. 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	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 179,524,965
Current discount rate (7.15%)	124,871,091
1% increase (8.15%)	79,511,119

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, 2021, the balance of the trust was \$13,442,131.

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 for the fiscal year ended June 30, 2021, which amounted to \$9,038,166 (10.328%) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2021. 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, 2021, the District made contributions of \$363,952.

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

The District is a member of the ASCIP, SELF, SCCCJ-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, 2021, the District made payments of \$1,266,124 and \$2,677,029 to ASCIP and SCCCJ-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, 2021.

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, 2021.

Construction Commitments

As of June 30, 2021, the District had committed under various capital expenditure purchase agreements for various projects totaling approximately \$206.3 million to be funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

Note 13 - Functional Expenses Classification

The District's operating expenses by functional classification for the fiscal year ended June 30, 2021, are:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Depreciation	Total
Instructional activities	\$ 145,962,556	\$ 2,160,859	\$ -	\$ -	\$ 148,123,415
Academic support	13,817,841	90,845	-	-	13,908,686
Student services	41,087,368	1,287,657	-	-	42,375,025
Plant operations and maintenance	14,075,268	1,319,527	-	-	15,394,795
Instructional support services	37,975,686	2,630,918	-	-	40,606,604
Community services and economic development	2,778,642	277,762	-	-	3,056,404
Ancillary services and auxiliary operations	8,984,914	372,274	-	-	9,357,188
Student aid	-	-	62,209,591	-	62,209,591
Physical property and related acquisitions	4,099,728	24,141,138	-	-	28,240,866
Other outgo	-	562,008	-	-	562,008
Unallocated depreciation	-	-	-	21,498,699	21,498,699
Total	\$ 268,782,003	\$ 32,842,988	\$ 62,209,591	\$ 21,498,699	\$ 385,333,281

Note 14 - 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 \$76,249 for the year ending June 30, 2021.

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 \$545,178 for the year ending June 30, 2021.

Note 15 - Restatement of Prior Year Net Position

The District adopted GASB Statement No. 84, *Fiduciary Activities*, in the current year. As a result, the effect on the current fiscal year is as follows:

Primary Government	
Net Position - Beginning	\$ (138,661,190)
Inclusion of assets and liabilities of funds previously identified as fiduciary in nature from the adoption of GASB Statement No. 84	<u>14,147,266</u>
Net Position - Beginning, as Restated	<u><u>\$ (124,513,924)</u></u>
Fiduciary Funds	
Net Position - Beginning	\$ 86,585,637
Exclusion of assets and liabilities of funds previously identified as fiduciary in nature from the adoption of GASB Statement No. 84	<u>(14,036,105)</u>
Net Position - Beginning, as Restated	<u><u>\$ 72,549,532</u></u>

Note 16 - Subsequent Events

On August 24, 2021, the District issued Election of 2008 Series 2021E, Election of 2018 2021C General Obligation Bonds, and 2021 General Obligation Refunding Bonds in the amounts of \$55,968,893, \$219,200,000, and \$14,340,000, respectively. The Series 2021E bonds were issued as current interest bonds in the aggregate principal amount of \$235,000 and capital appreciation serial bonds in the principal amount of \$55,733,893. The Series 2021C 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 2021 General Obligation Refunding Bonds were issued as current interest bonds in the aggregate principal amount of \$14,340,000. The bonds were issued to finance the acquisition, construction, modernization, and renovation of the College facilities, as well as refund portions of the 2015 General Obligation Refunding Bonds. The bonds bear interest rates of 0.17 to 4.00%. Principal and interest payments are due each August 1 and February 1 through August 1, 2051.



Required Supplementary Information
June 30, 2021

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, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 4,393,243	\$ 4,421,064	\$ 3,822,261	\$ 3,205,326
Interest	6,506,852	7,057,582	5,142,996	4,448,610
Difference between expected and actual experience	21,909,795	-	28,999,636	(516,171)
Changes of assumptions	(11,627,102)	(17,304,671)	(15,446,988)	12,616,189
Benefit payments	(5,509,113)	(4,551,156)	(3,901,899)	(3,455,981)
Net change in total OPEB liability	15,673,675	(10,377,181)	18,616,006	16,297,973
Total OPEB Liability - Beginning	130,839,504	141,216,685	122,600,679	106,302,706
Total OPEB Liability - Ending (a)	<u>\$ 146,513,179</u>	<u>\$ 130,839,504</u>	<u>\$ 141,216,685</u>	<u>\$ 122,600,679</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 8,366,313	\$ 2,835,764	\$ 2,500,000	\$ 2,500,000
Expected investment income	3,700,336	3,691,005	2,980,113	3,022,658
Differences between projected and actual earnings on OPEB plan investments	13,371,579	(3,958,750)	1,784,292	(2,176,600)
Difference between expected and actual experience	-	-	(217,143)	(516,171)
Benefit payments	(5,509,113)	(4,551,156)	(3,901,899)	(3,455,981)
Administrative expense	(151,041)	(107,437)	(29,554)	(25,076)
Net change in plan fiduciary net position	19,778,074	(2,090,574)	3,115,809	(651,170)
Plan Fiduciary Net Position - Beginning	72,438,371	74,528,945	71,413,136	72,064,306
Plan Fiduciary Net Position - Ending (b)	<u>\$ 92,216,445</u>	<u>\$ 72,438,371</u>	<u>\$ 74,528,945</u>	<u>\$ 71,413,136</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 54,296,734</u>	<u>\$ 58,401,133</u>	<u>\$ 66,687,740</u>	<u>\$ 51,187,543</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	62.94%	55.36%	52.78%	58.25%
Covered Employee Payroll	<u>\$ 154,617,312</u>	<u>\$ 147,121,558</u>	<u>\$ 140,540,263</u>	<u>\$ 130,855,132</u>
Net OPEB Liability as a Percentage of Covered Employee Payroll	35.12%	39.70%	47.45%	39.12%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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, 2021

	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	20.29%	-0.07%	6.68%	1.15%

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, 2021

Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.2785%	0.2655%	0.2645%	0.1495%
Proportionate share of the net OPEB liability	\$ 1,180,031	\$ 988,718	\$ 1,012,450	\$ 628,750
Covered payroll	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
Plan fiduciary net position as a percentage of the total OPEB liability	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	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, 2021

	2021	2020	2019	2018
CalSTRS				
Proportion of the net pension liability	0.1598%	0.1501%	0.1474%	0.1448%
Proportionate share of the net pension liability	\$ 154,863,789	\$ 135,550,158	\$ 135,439,720	\$ 133,895,447
State's proportionate share of the net pension liability associated with the District	79,832,302	73,951,660	77,545,574	79,211,415
Total	\$ 234,696,091	\$ 209,501,818	\$ 212,985,294	\$ 213,106,862
Covered payroll	\$ 92,085,292	\$ 86,628,299	\$ 82,708,857	\$ 77,192,552
Proportionate share of the net pension liability as a percentage of its covered payroll	168.17%	156.47%	163.75%	173.46%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CalPERS				
Proportion of the net pension liability	0.4070%	0.3949%	0.3963%	0.3775%
Proportionate share of the net pension liability	\$ 124,871,091	\$ 115,085,961	\$ 105,659,179	\$ 90,112,838
Covered payroll	\$ 55,036,266	\$ 53,911,964	\$ 48,146,275	\$ 47,147,285
Proportionate share of the net pension liability as a percentage of its covered payroll	226.89%	213.47%	219.45%	191.13%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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, 2021

	2017	2016	2015
CalSTRS			
Proportion of the net pension liability	0.1429%	0.1472%	0.1448%
Proportionate share of the net pension liability	\$ 115,568,294	\$ 99,092,060	\$ 84,733,650
State's proportionate share of the net pension liability associated with the District	65,790,968	52,408,776	51,166,350
Total	<u>\$ 181,359,262</u>	<u>\$ 151,500,836</u>	<u>\$ 135,900,000</u>
Covered payroll	<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	160.81%	144.01%	127.61%
Plan fiduciary net position as a percentage of the total pension liability	70%	74%	77%
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS			
Proportion of the net pension liability	0.3681%	0.3592%	0.3587%
Proportionate share of the net pension liability	\$ 72,708,922	\$ 52,940,449	\$ 40,721,184
Covered payroll	<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	165.60%	132.46%	106.88%
Plan fiduciary net position as a percentage of the total pension liability	74%	79%	83%
Measurement Date	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, 2021

	2021	2020	2019	2018
CalSTRS				
Contractually required contribution	\$ 15,254,313	\$ 15,746,585	\$ 14,103,087	\$ 11,934,888
Contributions in relation to the contractually required contribution	<u>(15,254,313)</u>	<u>(15,746,585)</u>	<u>(14,103,087)</u>	<u>(11,934,888)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 94,453,950</u>	<u>\$ 92,085,292</u>	<u>\$ 86,628,299</u>	<u>\$ 82,708,857</u>
Contributions as a percentage of covered payroll	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>
CalPERS				
Contractually required contribution	\$ 12,453,816	\$ 10,853,702	\$ 9,737,579	\$ 7,477,598
Contributions in relation to the contractually required contribution	<u>(12,453,816)</u>	<u>(10,853,702)</u>	<u>(9,737,579)</u>	<u>(7,477,598)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 60,163,362</u>	<u>\$ 55,036,266</u>	<u>\$ 53,911,964</u>	<u>\$ 48,146,275</u>
Contributions as a percentage of covered payroll	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</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, 2021

	2017	2016	2015
CalSTRS			
Contractually required contribution	\$ 9,710,823	\$ 7,711,066	\$ 6,110,250
Contributions in relation to the contractually required contribution	<u>(9,710,823)</u>	<u>(7,711,066)</u>	<u>(6,110,250)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 77,192,552</u>	<u>\$ 71,864,548</u>	<u>\$ 68,809,122</u>
Contributions as a percentage of covered payroll	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CalPERS			
Contractually required contribution	\$ 6,547,815	\$ 5,201,696	\$ 4,704,697
Contributions in relation to the contractually required contribution	<u>(6,547,815)</u>	<u>(5,201,696)</u>	<u>(4,704,697)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 47,147,285</u>	<u>\$ 43,907,285</u>	<u>\$ 39,968,541</u>
Contributions as a percentage of covered payroll	<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* - The plan rate of investment return assumption was changed from 5.00% to 5.75% and the inflation rate assumption was changed from 2.75% to 2.50% 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 3.50% to 2.21% 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 either CalSTRS or CalPERS.
- *Changes of Assumptions* - There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.

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, 2021

Mt. San Antonio Community College District

Board of Trustees as of June 30, 2021

Member	Office	Term Expires
Jay Chen	President	2024
Judy Chen Haggerty, Esq.	Vice President	2022
Gary Chow	Clerk	2022
Laura Santos	Member	2022
Peter Hidalgo	Member	2024
Robert Hidalgo	Member	2022
Dr. Manuel Baca	Member	2024
Sophia Ruiz	Student Trustee	2021

Administration as of June 30, 2021

Dr. William Scroggins	President/CEO
Kelly Fowler	Vice President, Instruction
Morris Rodrigue	Vice President, Administrative Services
Ibrahim Ali	Vice President, Human Resources
Dr. Audrey Yamagata-Noji	Vice President, Student Services

Auxiliary Organizations in Good Standing

Mt. San Antonio College Auxiliary Services, established 1982
Master Agreement revised April 21, 2016
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, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		\$ 38,159,777
Federal Pell Grant Program Administrative Allowance	84.063		56,265
Federal Direct Student Loans	84.268		807,331
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		1,725,561
FSEOG Administrative Allowance	84.007		86,394
Subtotal Student Financial Assistance Cluster			<u>40,835,328</u>
TRIO Cluster			
Achieving in College, Ensuring Success (ACES)	84.042A		230,737
Upward Bond	84.047A		397,999
Subtotal TRIO Cluster			<u>628,736</u>
Asian American Native American Pacific Islander Serving Institutions (AANAPISI)	84.382B		270,793
Child Care Access Means Parents in School (CCAMPIS)	84.335A		357,641
Equity-minded Campus Culture to Improve Student Outcomes	84.031S		529,181
Passed through CSU Fullerton Auxiliary Services Corporation			
Project RAISE: Regional Alliance in STEM Education	84.031C	P031C160152	11,151
Subtotal			<u>540,332</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	1,422,172
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	20-C01-850	1,063,911
COVID-19: Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		8,876,450
COVID-19: Higher Education Emergency Relief Funds, Institutional Portion	84.425F		19,437,132
COVID-19: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L		3,197,508
Subtotal			<u>31,511,090</u>
Total U.S. Department of Education			<u>76,630,003</u>
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	SUB18-040	60,695
Passed through California Department of Social Services			
Nutrition Assistance Program (Fresh Success)	10.561	19-3041	95
Subtotal SNAP Cluster			<u>60,790</u>

See Note to Supplementary Information

Mt. San Antonio Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of the Treasury			
Passed through California Community Colleges Chancellor's Office			
COVID-19: Coronavirus Relief Fund	21.019	[1]	\$ 1,597,955
National Science Foundation			
Research and Development Cluster			
Field Based Professional Development for Environmental-STEM			
(ESTEM) Undergraduates, Pathways in Geoscience	47.050		30,818
Collaborative Research: Geodesy Curriculum	47.076		100
Preparing a Skilled Technical Workforce through Utilization and			
Assessment of Undergraduate Research	47.076		26,417
Developing Pathways to Engineering Technology Careers	47.076		85,903
Subtotal Research and Development Cluster			143,238
U.S. Department of Veterans Affairs			
Veterans Services	64.027		9,296
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]	106,041
Passed through Los Angeles County Department of Public Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	127,000
Subtotal			233,041
Child Care and Development Fund (CCDF) Cluster			
Passed through California Department of Education			
Child Care and Development Block Grant	93.575	15136	82,583
Child Care Mandatory and Matching Funds of the Child			
Care and Development Fund	93.596	13609	182,950
COVID-19: CARES Act General Child Care and Development	93.575	15549	11,030
Passed through Yosemite Community College District			
Child Development Training Consortium	93.575	CN100053	14,641
Subtotal CCDF Cluster			291,204
Passed through Baldwin Park Unified School District			
Head Start Cluster			
Head Start	93.600	CCTR-5172	91,800
Subtotal Head Start Cluster			91,800
Total U.S. Department of Health and Human Services			616,045
Total Federal Financial Assistance			\$ 79,057,327

[1] Pass-Through Entity Identifying Number not available.

Mt. San Antonio Community College District
Schedule of Expenditures of State Awards
Year Ended June 30, 2021

Program	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	
Board Financial Assistance Program (BFAP)	\$1,257,358	\$ -	\$101,992	\$ 1,155,366	\$1,155,366
Board Financial Assistance Program (BFAP) - Student Success Completion Grant (SSC)	3,330,283	-	-	3,330,283	3,330,283
CA Adult Education Program (CAEP) - Regional Consortium	1,703,380	9,217	827,643	884,954	884,954
CalFresh Outreach	57,548	-	57,548	-	-
California College Promise	2,834,477	-	1,234,482	1,599,995	1,599,995
California Community College (CCC) Mental Health Services	99,030	-	-	99,030	99,030
California State Preschool Program (CSPP)	610,896	4,610	-	615,506	615,506
CalWORKS	652,549	-	-	652,549	652,549
Campus Safety and Sexual Assault	18,843	-	18,468	375	375
CARE	232,369	-	-	232,369	232,369
Career Pathways Specialist (Deputy Sector Navigator)	30,061	-	-	30,061	30,061
Center of Excellence - Economic Development	320,000	80,000	-	400,000	400,000
Certified Nursing Assistant Program	35,108	-	7,063	28,045	28,045
Child Care General Center and Development Program	815,362	-	-	815,362	815,362
Child Care Tax Bailout	100,907	-	-	100,907	100,907
LA Universal Preschool/QRIS	24,397	-	24,397	-	-
Child Development Center - CSPP Quality Improvement Block Grant	11,984	-	-	11,984	11,984
Classified Professional Development	114,125	-	109,945	4,180	4,180
College and Career Bridge Program	250,000	-	157,441	92,559	92,559
COVID-19 Response Block Grant	1,961,510	-	1,260,874	700,636	700,636
Deputy Sector Navigator Health	251,081	-	60,630	190,451	190,451
Disabled Student Programs and Services (DSPS)	3,273,764	-	420,526	2,853,238	2,853,238
Dream Resource Liasion	111,373	-	111,373	-	-
Equal Employment Opportunity (EEO)	67,982	-	38,517	29,465	29,465
Expanding Online Pathways and Increasing CTE Completion	79,668	-	-	79,668	79,668
Extended Opportunity Programs and Services (EOPS)	1,566,366	-	-	1,566,366	1,566,366
Financial Aid Technology Grant	199,377	-	66,591	132,786	132,786
Guided Pathways	1,865,585	-	1,163,814	701,771	701,771

Mt. San Antonio Community College District
Schedule of Expenditures of State Awards
Year Ended June 30, 2021

Program	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	
Hunger Free Campus Support	\$ 102,972	\$ -	\$ -	\$ 102,972	\$ 102,972
Instructional Equipment and Library Materials	400,234	-	7,440	392,794	392,794
Improving Learning Outcomes - Chemistry	54,364	84,134	-	138,498	138,498
Improving Learning Outcomes - Engineering	27,655	12,704	-	40,359	40,359
Nursing Program Support	262,448	-	-	262,448	262,448
Promoting Success for Online Students and Faculty	72,914	-	-	72,914	72,914
Song-Brown Registered Nurse Program	60,000	48,080	5,555	102,525	102,525
Strong Workforce Program (Local)	3,992,283	-	2,223,544	1,768,739	1,768,739
Strong Workforce Program (Regional)	779,415	304,960	-	1,084,375	1,084,375
Student Equity and Achievement Program (SEAP)	5,890,664	4,843,615	-	10,734,279	10,734,279
Student Retention and Outreach	484,183	-	484,183	-	-
Technical Assistance Provider - Contract Education	306,609	2,673	-	309,282	309,282
Veteran Resource Center	415,959	-	299,238	116,721	116,721
Total state programs	<u>\$ 34,725,083</u>	<u>\$ 5,389,993</u>	<u>\$ 8,681,264</u>	<u>\$ 31,433,812</u>	<u>\$ 31,433,812</u>

Mt. San Antonio Community College District
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance
Year Ended June 30, 2021

CATEGORIES	Reported** Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2020 only)			
1. Noncredit*	3,697.61	-	3,697.61
2. Credit	2,542.63	-	2,542.63
B. Summer Intersession (Summer 2021 - Prior to July 1, 2021)			
1. Noncredit*	0.59	-	0.59
2. Credit	4.00	-	4.00
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	11,642.36	-	11,642.36
(b) Daily Census Contact Hours	2,438.81	-	2,438.81
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	643.37	-	643.37
(b) Credit	581.43	-	581.43
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	3,907.53	-	3,907.53
(b) Daily Census Procedure Courses	3,058.22	-	3,058.22
(c) Noncredit Independent Study/Distance Education Courses	2,569.06	-	2,569.06
D. Total FTES	<u>31,085.61</u>	<u>-</u>	<u>31,085.61</u>
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	721.85	-	721.85
2. Credit	663.98	-	663.98
<u>CCFS-320 Addendum</u>			
CDCP Noncredit FTES	5,961.60	-	5,961.60

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

**Annual report revised as of November 1, 2021.

Mt. San Antonio Community College District
Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation
Year Ended June 30, 2021

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799			
		Object/TOP	Reported	Audit	Revised	Reported	Audit	Revised
<u>Academic Salaries</u>								
Instructional Salaries								
Contract or Regular	1100	\$ 40,934,534	\$ -	\$ 40,934,534	\$ 40,934,534	\$ -	\$ 40,934,534	
Other	1300	38,139,872	-	38,139,872	38,139,872	-	38,139,872	
Total Instructional Salaries			79,074,406	-	79,074,406	79,074,406	-	79,074,406
Noninstructional Salaries								
Contract or Regular	1200	-	-	-	14,640,803	-	14,640,803	
Other	1400	-	-	-	2,515,292	-	2,515,292	
Total Noninstructional Salaries			-	-	-	17,156,095	-	17,156,095
Total Academic Salaries			79,074,406	-	79,074,406	96,230,501	-	96,230,501
<u>Classified Salaries</u>								
Noninstructional Salaries								
Regular Status	2100	-	-	-	39,271,970	-	39,271,970	
Other	2300	-	-	-	3,149,065	-	3,149,065	
Total Noninstructional Salaries			-	-	-	42,421,035	-	42,421,035
Instructional Aides								
Regular Status	2200	2,074,778	-	2,074,778	2,074,778	-	2,074,778	
Other	2400	949,728	-	949,728	949,728	-	949,728	
Total Instructional Aides			3,024,506	-	3,024,506	3,024,506	-	3,024,506
Total Classified Salaries			3,024,506	-	3,024,506	45,445,541	-	45,445,541
Employee Benefits	3000	29,804,050	-	29,804,050	59,434,898	-	59,434,898	
Supplies and Material	4000	-	-	-	1,883,697	-	1,883,697	
Other Operating Expenses	5000	1,623,772	-	1,623,772	16,414,558	-	16,414,558	
Equipment Replacement	6420	-	-	-	-	-	-	
Total Expenditures Prior to Exclusions			113,526,734	-	113,526,734	219,409,195	-	219,409,195

Mt. San Antonio Community College District
Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation
Year Ended June 30, 2021

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
Object/TOP		Reported	Audit	Revised	Reported	Audit	Revised
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives		5900	\$ 3,039,387	\$ -	\$ 3,039,387	\$ -	\$ 3,039,387
Student Health Services Above Amount Collected		6441	-	-	-	-	-
Student Transportation		6491	-	-	24,258	-	24,258
Noninstructional Staff - Retirees' Benefits and Retirement Incentives		6740	-	-	4,962,575	-	4,962,575
Objects to Exclude							
Rents and Leases		5060	-	-	176,210	-	176,210
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, 2021

	Object/TOP	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported	Audit	Revised	Reported	Audit	Revised
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ 5,760,367	\$ -	\$ 5,760,367
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		3,039,387	-	3,039,387	13,962,797	-	13,962,797
Total for ECS 84362, 50% Law		\$ 110,487,347	\$ -	\$ 110,487,347	\$ 205,446,398	\$ -	\$ 205,446,398
Percent of CEE (Instructional Salary		53.78%		53.78%	100.00%		100.00%
Cost/Total CEE)							
50% of Current Expense of Education					\$ 102,723,199		\$ 102,723,199

Mt. San Antonio Community College District
Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements
Year Ended June 30, 2021

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2021.

Mt. San Antonio Community College District
Proposition 30 Education Protection Account (EPA) Expenditure Report
Year Ended June 30, 2021

Activity Classification	Object Code	Unrestricted			
EPA Revenue:	8630				
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 45,444,502	\$ -	\$ -	\$ 45,444,502
Total Expenditures for EPA		\$ 45,444,502	\$ -	\$ -	\$ 45,444,502
Revenues Less Expenditures					\$ -

Mt. San Antonio Community College District
Reconciliation of Governmental Funds to the Statement of Net Position
Year Ended June 30, 2021

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

Total fund balance		
Unrestricted general fund	\$ 65,180,667	
Restricted general fund	6,375,792	
Child development	1,220,424	
Health services	1,422,044	
Debt service	53,453,613	
Capital outlay	22,658,382	
Bond construction	110,749,566	
Farm operations	209,140	
Other special revenue funds	3,657,035	
Total fund balance per CCFS-311 report	264,926,663	
Funds not included in the CCFS-311 report	135,915,524	
Total fund balance - all District funds		\$ 400,842,187

Amounts held in trust on behalf of others (OPEB Trust and Custodial Funds) (92,338,359)

Capital 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	923,081,249	
Accumulated depreciation is	(213,514,763)	
Total capital assets, net		709,566,486

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	9,624,348	
Deferred outflows of resources related to OPEB	42,834,326	
Deferred outflows of resources related to pensions	68,352,713	
Total deferred outflows of resources		120,811,387

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. (7,594,700)

Mt. San Antonio Community College District
Reconciliation of Governmental Funds to the Statement of Net Position
Year Ended June 30, 2021

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	\$ (778,427,128)	
Compensated absences	(4,421,249)	
Aggregate net other postemployment benefits (OPEB) liability	(55,476,765)	
Aggregate net pension liability	(279,734,880)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	<u>(95,251,832)</u>	
Total long-term liabilities		\$ (1,213,311,854)

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	(41,351,145)	
Deferred inflows of resources related to pensions	<u>(6,453,749)</u>	
Total deferred inflows of resources		<u>(47,804,894)</u>
Total net position		<u><u>\$ (129,829,747)</u></u>

Mt. San Antonio Community College District
Schedule of Financial Trends and Analysis of the Combined General Fund
Year Ended June 30, 2021

	(Budget*) 2022		2021		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
General Fund								
Revenues								
Federal	\$ 53,542,763	15.2	\$ 28,762,205	10.3	\$ 6,645,049	2.5	\$ 4,531,948	1.8
State	198,672,043	56.3	178,727,543	64.2	182,793,503	69.4	172,540,069	69.5
Local	80,432,723	22.8	77,118,515	27.7	79,279,110	30.1	80,255,613	32.4
Total revenues	332,647,529	94.3	284,608,263	102.2	268,717,662	102.0	257,327,630	103.7
Expenditures								
Academic salaries	113,600,764	32.2	103,780,816	37.2	104,497,788	39.6	97,489,295	39.2
Classified salaries	72,127,892	20.4	65,196,417	23.4	62,145,496	23.6	60,697,850	24.5
Employee benefits	65,891,203	18.7	67,824,741	24.4	61,799,346	23.5	53,085,363	21.4
Supplies and materials	11,364,228	3.2	4,909,537	1.8	4,492,241	1.7	4,036,836	1.6
Other operating expenses	76,583,067	21.7	23,189,803	8.3	21,393,761	8.1	23,454,471	9.5
Capital outlay	6,207,182	1.8	5,757,391	2.1	4,627,120	1.8	4,840,447	2.0
Other sources and uses, net	7,038,015	2.0	7,717,717	2.8	4,596,238	1.7	4,470,838	1.8
Total expenditures and other uses	352,812,351	100.0	278,376,422	100.0	263,551,990	100.0	248,075,100	100.0
Increase (Decrease) in Fund Balance	\$ (20,164,822)	(5.7)	\$ 6,231,841	2.2	\$ 5,165,672	2.0	\$ 9,252,530	3.7
Assigned Fund Balance	10,722,362	3.0	24,511,392	8.8	20,700,020	7.8	25,435,417	10.3
Unassigned Fund Balance	40,669,275	11.5	40,669,275	14.6	41,260,196	15.7	30,510,300	12.3
Restricted Fund Balance	-	-	6,375,792	2.3	3,364,402	1.3	4,213,229	1.7
Total Ending Fund Balance	\$ 51,391,637	14.5	\$ 71,556,459	25.7	\$ 65,324,618	24.8	\$ 60,158,946	24.3
Full-Time Equivalent Students	32,912		31,086		32,633		32,694	
Total Long-Term Liabilities,								
Including Retiree Benefit Liability	N/A		\$ 1,173,301,609		\$ 1,168,300,268		\$ 1,126,569,881	

IMPORTANT NOTES:

The California Community College Chancellor's Office has provided guidelines that recommend a minimum prudent ending fund balance of 5 percent of unrestricted expenditures. In addition, the District's Board policy requires a 10 percent unrestricted ending fund balance. As such, the unassigned balance is 10 percent Board Policy reserve and any other remaining unassigned amounts in the unrestricted General Fund.

* Unrestricted General Fund expenditures and fund balance for 2021-2022 budget year is projected to be \$241,330,188 and \$24,133,019, respectively, which meets the District's policy of 10 percent unrestricted ending fund balance.

All percentages are of total unrestricted and restricted expenditures combined.

* The 2021-2022 budget presents the budget adopted by the Board of Trustees on September 8, 2021. The budget has been included for analytical purposes and has not been subjected to audit.

Long-term liabilities is reported for the District as a whole and includes debt related to all funds. Long-term liabilities reported above excludes unamortized premium.

Mt. San Antonio Community College District
Schedule of Budgetary Comparison for the Combined General Fund
Year Ended June 30, 2021

	General Fund		
	Adopted Budget*	Actual	Variance
Revenues			
Federal revenues			
Higher Education Act	\$ 1,706,989	\$ 1,209,124	\$ (497,865)
Temporary Assistance for Needy Families	233,041	233,041	-
Student Financial Aid	968,701	142,659	(826,042)
Veterans Education	-	9,296	9,296
Vocational and Technical Education Act	1,121,996	1,063,911	(58,085)
Other federal revenues	12,910,683	26,104,174	13,193,491
State revenues			
General apportionments	128,435,701	129,671,643	1,235,942
Categorical apportionments	45,344,166	29,188,282	(16,155,884)
Other state revenues	10,854,697	19,867,618	9,012,921
Local revenues			
Property taxes	57,729,419	62,627,250	4,897,831
Interest and investment income	1,020,000	325,190	(694,810)
Student fees and charges	13,914,207	13,116,845	(797,362)
Contributions	1,137,272	168,978	(968,294)
Other local revenues	843,132	880,252	37,120
Total revenues	276,220,004	284,608,263	8,388,259
Expenditures			
Academic salaries	106,082,173	103,780,816	2,301,357
Classified salaries	71,162,341	65,196,417	5,965,924
Employee benefits	53,657,288	67,824,741	(14,167,453)
Supplies and materials	10,393,258	4,909,537	5,483,721
Other operating expenses	41,306,745	23,189,803	18,116,942
Capital outlay	5,206,008	5,757,391	(551,383)
Total expenditures	287,807,813	270,658,705	17,149,108
Excess (Deficiency) of Revenues over Expenditures	(11,587,809)	13,949,558	(25,537,367)
Other Financing Sources (Uses)			
Proceeds from sale of capitalized equipment	2,500	26,317	23,817
Interfund transfers in	2,811,877	5,222,942	2,411,065
Interfund transfers out	(6,455,715)	(10,592,970)	(4,137,255)
Student financial aid	(2,754,254)	(2,374,006)	380,248
Total other financing sources (uses)	(6,395,592)	(7,717,717)	(1,322,125)
Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	(17,983,401)	6,231,841	24,215,242
Fund Balance, Beginning of Year	65,324,618	65,324,618	-
Fund Balance, End of Year	\$ 47,341,217	\$ 71,556,459	\$ 24,215,242

* The 2020-2021 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, 2021. 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 Organization has not elected to use the 10% de minimis cost rate.

Donated Personal Protective Equipment (PPE) (unaudited)

Nonmonetary assistance of PPE received during the emergency period of the COVID-19 pandemic was approximately \$441.8 thousand and is based on the estimated fair market value of the PPE received. The donated PPE was generally provided by donors without information about compliance or reporting requirements associated with federal financial assisting listings or Assistance Listing numbers. The donated PPE is not included in the Schedule of Expenditure of Federal Awards.

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.

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

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

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, 2021

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***

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, 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2021.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2 and Note 15 to the financial statements, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which resulted in a restatement of net position as of July 1, 2020. Our opinion is not modified with respect to this matter.

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
November 30, 2021



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

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

Report on Compliance for Each Major Federal Program

We have audited Mt. San Antonio Community College District's (the District) compliance with the types of compliance requirements described 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, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
November 30, 2021



Independent Auditor's Report on State Compliance

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 2020-2021 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, 2021.

Management's Responsibility

Management is responsible for compliance with state laws and regulations as identified in the table below.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's state programs based on our audit of the types of compliance requirements referred in the table below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2020-2021 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed in the table below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's compliance.

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 and Non-CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
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.

Unmodified Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state programs noted in the table above that were audited for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2020-2021 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California
November 30, 2021



Schedule of Findings and Questioned Costs
June 30, 2021

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:

Name of Federal Program or Cluster	Federal Assistance Listing/ Federal CFDA Number
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: Higher Education Emergency Relief Funds, Minority Serving Institutions	84.425L
Dollar threshold used to distinguish between type A and type B programs:	\$2,371,719
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, 2021

Assessed valuation for fiscal year 2020-21	\$ 97,666,167,905 (2)
Assessed valuation for fiscal year 2021-22	\$100,657,877,844 (2)
Secured tax levies for fiscal year 2020-21	22,334,016 (1)
Secured tax delinquencies for fiscal year 2020-21	909,176 (1)
Secured tax collections for fiscal year 2020-21	21,424,840 (1)

	Property Owner	Land Use	2020-2021 Assessed Valuation (2)	% of Total (3)
1.	Majestic Realty Company	Industrial	\$ 415,741,321	0.43%
2.	Gilead Sciences Inc.	Industrial	388,573,991	0.40%
3.	Industry East Land LLC - Lessee	Industrial	239,745,764	0.25%
4.	Plaza West Covina LLC	Shopping Center	231,485,211	0.24%
5.	GREF Eastland Center LP	Shopping Center	187,719,035	0.19%
6.	Colony At The Lakes LLC	Retail/Apartments	176,679,227	0.18%
7.	1301 East Gladstone Street	Shopping Center	125,633,813	0.13%
8.	Newage PHM LLC	Shopping Center	125,158,361	0.13%
9.	Kaiser Foundation Health Plan	Medical Offices	124,113,910	0.13%
10.	JCC California Properties LLC	Commercial	124,017,856	0.13%
11.	Crow Family Holdings Industrial LP	Industrial	114,795,089	0.12%
12.	Tropicana Manufacturing Company	Industrial	105,462,932	0.11%
13.	San Gabriel Valley Water Company	Water Company	104,578,354	0.11%
14.	Wal Mart Real Estate Business Trust	Shopping Center	101,194,950	0.10%
15.	Target Corporation	Commercial	91,218,958	0.09%
16.	1271 W Sunset LLC	Apartments	90,347,076	0.09%
17.	Citrus Valley Health Partners	Hotel	90,178,700	0.09%
18.	Hacienda Heights CA LLC	Apartments	89,196,475	0.09%
19.	Rexford Industrial 1601 Mission	Industrial	87,780,000	0.09%
20.	CPT Towers Industrial LLC	Industrial	85,167,143	0.09%
			\$ 3,098,788,166	3.17%

(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 2020-2021 of \$97,666,167,905.