



Financial and Performance Audits
General Obligation Bonds Construction Fund
(Measure RR and Measure GO)
June 30, 2022

Mt. San Antonio Community College District

Mt. San Antonio Community College District
General Obligation Bonds Construction Fund (Measure RR and Measure GO)

Table of Contents
June 30, 2022

FINANCIAL AUDIT

Independent Auditor’s Report	1
Financial Statements	
Balance Sheets	4
Statements of Revenues, Expenditures, and Changes in Fund Balances	5
Notes to Financial Statements	6
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11
Schedule of Findings and Questioned Costs	
Financial Statement Findings	13
Summary Schedule of Prior Audit Findings	14

PERFORMANCE AUDIT

Independent Auditor’s Report on Performance	15
Authority for Issuance	16
Purpose of Issuance	17
Authority for the Audit	18
Objectives of the Audit	18
Scope of the Audit	18
Methodology	19
Conclusion	20
Other Information - Unaudited	
Lease Revenue Bonds Schedule of Project Budgets and Expenditures (Unaudited)	21
Bond Anticipation Notes 2010 Schedule of Project Budgets and Expenditures (Unaudited)	22
Measure RR General Obligation Bond Fund Schedule of Project Budgets and Expenditures (Unaudited)	23
Bond Anticipation Notes 2017 Schedule of Project Budgets and Expenditures (Unaudited)	24
Bond Anticipation Notes 2019 Schedule of Project Budgets and Expenditures (Unaudited)	25
Measure GO General Obligation Bond Fund Schedule of Project Budgets and Expenditures (Unaudited)	26
Measure RR Series 2021E General Obligation Bond Fund Schedule of Project Budgets and Expenditures (Unaudited)	27
Measure GO Series 2021C General Obligation Bond Fund Schedule of Project Budgets and Expenditures (Unaudited)	28
Schedule of Findings and Questioned Costs	
Schedule of Findings and Questioned Costs	29
Summary Schedule of Prior Audit Findings	30



Financial Audit
General Obligation Bonds Construction Fund
(Measure RR and Measure GO)
June 30, 2022

**Mt. San Antonio Community College
District**



Independent Auditor's Report

Board of Trustees and Citizens' Oversight Committee
Mt. San Antonio Community College District
Walnut, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the General Obligation Bonds Construction Fund (Measure RR and Measure GO) of Mt. San Antonio Community College District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the General Obligation Bonds Construction Fund (Measure RR and Measure GO) of the District, as of June 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only General Obligation Bonds Construction Fund (Measure RR and Measure GO), and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2022, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Rancho Cucamonga, California
December 5, 2022

Mt. San Antonio Community College District
 General Obligation Bonds Construction Fund (Measure RR and Measure GO)

Balance Sheets
 June 30, 2022

	Measure RR	Measure GO	Total
Assets			
Investments	\$ 41,150,991	\$ 232,120,121	\$ 273,271,112
Accounts receivable	60,634	330,320	390,954
Total assets	\$ 41,211,625	\$ 232,450,441	\$ 273,662,066
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ 5,299,273	\$ 11,326,468	\$ 16,625,741
Fund Balances			
Restricted for capital projects	35,912,352	221,123,973	257,036,325
Total liabilities and fund balances	\$ 41,211,625	\$ 232,450,441	\$ 273,662,066

Mt. San Antonio Community College District
 General Obligation Bonds Construction Fund (Measure RR and Measure GO)
 Statements of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2022

	<u>Measure RR</u>	<u>Measure GO</u>	<u>Total</u>
Revenues			
Interest income	\$ 182,147	\$ 1,188,461	\$ 1,370,608
Decrease in fair market value of investments	<u>(1,752,331)</u>	<u>(9,344,746)</u>	<u>(11,097,077)</u>
Total revenues	<u>(1,570,184)</u>	<u>(8,156,285)</u>	<u>(9,726,469)</u>
Expenditures			
Salaries and benefits	-	4,140,279	4,140,279
Supplies and materials	51,173	172,148	223,321
Services and operating expenditures	166,723	537,183	703,906
Capital outlay	<u>22,594,286</u>	<u>91,493,873</u>	<u>114,088,159</u>
Total expenditures	<u>22,812,182</u>	<u>96,343,483</u>	<u>119,155,665</u>
Excess of Expenditures over Revenues	<u>(24,382,366)</u>	<u>(104,499,768)</u>	<u>(128,882,134)</u>
Other Financing Sources			
Other sources - proceeds from bond issuance	<u>55,968,893</u>	<u>219,200,000</u>	<u>275,168,893</u>
Net Change in Fund Balance	31,586,527	114,700,232	146,286,759
Fund Balance - Beginning	<u>4,325,825</u>	<u>106,423,741</u>	<u>110,749,566</u>
Fund Balance - Ending	<u>\$ 35,912,352</u>	<u>\$ 221,123,973</u>	<u>\$ 257,036,325</u>

Mt. San Antonio Community College District
General Obligation Bonds Construction Fund (Measure RR and Measure GO)

Notes to Financial Statements
June 30, 2022

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Mt. San Antonio Community College District's (the District) General Obligation Bonds Construction Fund (Measure RR and Measure GO) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The District's General Obligation Bonds Construction Fund (Measure RR and Measure GO) accounts for the financial transactions in accordance with the policies and procedures of the California Community Colleges *Budget and Accounting Manual*.

Financial Reporting Entity

The audited financial statements include only the General Obligation Bonds Construction Fund of the District used to account for Measure RR and Measure GO projects. These Funds were established to account for the receipt of proceeds of general obligation bond issuances and the expenditures of those proceeds under the general obligation bonds issued under Measure RR and Measure GO. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the General Obligation Bonds Construction Fund (Measure RR and Measure GO) are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The General Obligation Bonds Construction Fund (Measure RR and Measure GO) is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. These fund financial statements do not include the adoption of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

Mt. San Antonio Community College District
General Obligation Bonds Construction Fund (Measure RR and Measure GO)

Notes to Financial Statements
June 30, 2022

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances lapse at June 30.

Fund Balance

As of June 30, 2022, the fund balance is classified as follows:

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Use of Estimates

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

Mt. San Antonio Community College District
General Obligation Bonds Construction Fund (Measure RR and Measure GO)

Notes to Financial Statements

June 30, 2022

Note 2 - 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 instrument; 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 agreement; 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.

Mt. San Antonio Community College District
General Obligation Bonds Construction Fund (Measure RR and Measure GO)

Notes to Financial Statements
June 30, 2022

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

Summary of Investments

Investments as of June 30, 2022 consist of the following:

	Measure RR	Measure GO	Total
Los Angeles County Treasury Investment Pool	\$ 41,150,991	\$ 232,120,121	\$ 273,271,112

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is 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. The District manages its exposure to interest rate risk by investing in the Los Angeles County Treasury Investment Pool. The District maintains a General Obligation Bond Construction Fund (Measure RR and Measure GO) investment of \$273,271,112 with the Los Angeles County Treasury Investment Pool, with a weighted average maturity of 933 days.

Mt. San Antonio Community College District
General Obligation Bonds Construction Fund (Measure RR and Measure GO)

Notes to Financial Statements
June 30, 2022

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Los Angeles County Treasury Investment Pool is not required to be rated, nor has been rated as of June 30, 2022.

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2022, consist of the following:

	<u>Measure RR</u>	<u>Measure GO</u>	<u>Total</u>
Interest	<u>\$ 60,634</u>	<u>\$ 330,320</u>	<u>\$ 390,954</u>

Note 4 - Commitments and Contingencies

Construction Commitments

As of June 30, 2022, the General Obligation Bonds Construction Fund (Measure RR and Measure GO) had approximately \$87.3 million in commitments with respect to unfinished projects.

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 General Obligation Bonds Construction Fund (Measure RR and Measure GO) at June 30, 2022.



Independent Auditor's Report
General Obligation Bonds Construction Fund
(Measure RR and Measure GO)
June 30, 2022

**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 and Citizens’ Oversight Committee
Mt. San Antonio Community College District
Walnut, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the General Obligation Bonds Construction Fund (Measure RR and Measure GO) of Mt. San Antonio Community College District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated December 5, 2022.

Emphasis of Matter

As discussed in Note 1, the financial statements present only General Obligation Bonds Construction Fund (Measure RR and Measure GO), and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2022, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and address.

Rancho Cucamonga, California
December 5, 2022

Mt. San Antonio Community College District
General Obligation Bonds Construction Fund (Measure RR and Measure GO)
Financial Statement Findings
June 30, 2022

None reported.

Mt. San Antonio Community College District
General Obligation Bonds Construction Fund (Measure RR and Measure GO)
Summary Schedule of Prior Audit Findings
June 30, 2022

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



Performance Audit
Measure RR and Measure GO General Obligation Bonds,
Lease Revenue Bonds, and Bond Anticipation Notes
June 30, 2022

Mt. San Antonio Community College District



Independent Auditor's Report on Performance

Board of Trustees and Citizens' Oversight Committee
Mt. San Antonio Community College District
Walnut, California

We were engaged to conduct a performance audit of the General Obligation Bonds Construction Fund (Measure RR and Measure GO) of Mt. San Antonio Community College District (the District) for the year ended June 30, 2022. In addition, as a result of the District's use of Measure RR and Measure GO General Obligation Bond funds to defease temporary financing debt, we have conducted a performance audit of the District's use of proceeds from lease revenues bonds and bond anticipation notes for the year ended June 30, 2022.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended Measure RR and Measure GO General Obligation Bonds, lease revenue bonds, and bond anticipation notes funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District, Board of Trustees, and Citizens Oversight Committee, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Eide Bailly LLP'.

Rancho Cucamonga, California
December 5, 2022

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes

June 30, 2022

Authority for Issuance

The general obligation bonds associated with Measure RR and Measure GO were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California *Education Code*, and other applicable provisions of law.

The District received authorization from an election held on November 11, 2008, to issue bonds of the District in an aggregate principal amount not to exceed \$353,000,000 to finance the acquisition, construction, modernization, renovation, and equipping of District facilities, and to pay the cost of issuance associated with the Bonds approved by eligible voters within the District. The proposition required approval by at least 55% of the votes cast by eligible voters within the District (the 2008 Authorization).

Until the 2013-2014 fiscal year, assessed property values were insufficient to allow the approval of a bond issuance under Measure RR. In order to continue with planned construction projects, the District sought temporary financing sources. In June 2008, the District issued \$10,800,000 in lease revenue bonds to provide financing of equipment, relocatable structures, and building projects. In April 2010, the District issued \$64,900,000 in bond anticipation notes to finance the acquisition, construction, modernization, renovation, and equipping of District facilities and to refinance the District's outstanding lease revenue 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 bonds were issued to liquidate bond anticipation notes held by the District and to finance the acquisition, construction, modernization, renovation, and equipping of District facilities.

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 to finance the acquisition, construction, modernization, renovation, and equipping of District facilities.

In March 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.

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 to liquidate the 2017 General Obligation Bond Anticipation Notes held by the District.

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes

June 30, 2022

In August 2021, the District issued Election of 2008 Series 2021E General Obligation Bonds in the amount of \$55,968,893, with an additional amount of \$188,577 in bond premium associated with capital appreciation bonds added to the bond principal value at issuance. The bonds were issued to finance the acquisition, construction, modernization, renovation, and equipping of District facilities.

The District received authorization from an election held on November 6, 2018, to issue bonds of the District in an aggregate principal amount not to exceed \$750,000,000 to finance the upgrade of job training/college transfer/vocational classrooms, science, computer/technology labs, improve student safety, veterans' career resources, access for disabled students; remove asbestos, replace deteriorating roofs, gas, electrical/sewer lines; acquire, construct, repair sites, facilities, equipment, and to pay the cost of issuance associated with the Bonds approved by eligible voters within the District. The proposition required approval by at least 55% of the votes cast by eligible voters within the District (the 2018 Authorization).

In January 2019, the District issued the 2019 General Obligation Bond Anticipation Notes. The notes were issued as current interest notes in the original principal amount of \$25,700,000 through a private placement offering., with an original maturity date of April 29, 2019. The maturity value of the notes and outstanding interest were paid in full on April 4, 2019 from the proceeds of the Election of 2018 Series 2019A 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 to liquidate bond anticipation notes held by the District and to finance the acquisition, construction, modernization, renovation, and equipping of District facilities.

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 to liquidate the 2017 General Obligation Bond Anticipation Notes held by the District.

In August 2021, the District issued Election of 2018 Series 2021C General Obligation Bonds in the amount of \$219,200,000. The bonds were issued to finance the acquisition, construction, modernization, renovation, and equipping of District facilities.

Purpose of Issuance

The net proceeds of the Bonds issued under the 2008 Authorization and 2018 Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the financing of the construction and modernization of certain District property and facilities, the acquisition of equipment and to pay the costs of issuance associated with the Bonds. The proceeds from the Bonds are to be used for projects such as modernization of college technology, upgrading and modernization of college infrastructure, including classrooms and labs, and building new teaching and learning spaces. All projects to be funded under the Measure RR and Measure GO General Obligation Bonds must be included in the Board of Trustees' approved Facilities Master Plan, which details the scope of work to be done for each project.

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes

June 30, 2022

Authority for the Audit

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

In addition to reducing the approval threshold from two-thirds to 55%, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* Sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety and information technology needs in developing the project list.
3. Requires the district to appoint a citizen’s oversight committee.
4. Requires the district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

Objectives of the Audit

1. Determine whether expenditures charged to the General Obligation Bonds Construction Fund (Measure RR and Measure GO), lease revenue bonds, and bond anticipation notes have been made in accordance with the bond project list approved by the voters through the approval of Measure RR and Measure GO.
2. Determine whether salary transactions, if any, charged to the General Obligation Bonds Construction Fund (Measure RR and Measure GO), lease revenue bonds, and bond anticipation notes were in support of Measure RR and Measure GO and not for District general administration or operations.

Scope of the Audit

The scope of our performance audit covered the period of July 1, 2021 to June 30, 2022. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2022, were not reviewed or included within the scope of our audit or in this report.

Mt. San Antonio Community College District
 Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
 and Bond Anticipation Notes

June 30, 2022

Methodology

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2022, for the General Obligation Bonds Construction Fund (Measure RR and Measure GO), lease revenue bonds, and bond anticipation notes. Within the fiscal year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution, Measure RR, and Measure GO as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2021 through June 30, 2022 from the General Obligation Bonds Construction Fund (Measure RR and Measure GO), lease revenue bonds, and bond anticipation notes.
 - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified based on our assessment of materiality.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2021 and ending June 30, 2022.
3. Our sample included transactions totaling \$45,094,524. This represents 38% of the total expenditures of \$120,096,764.

Fund	Dollar Value of Transactions Tested	Total Project Expenditures	Percentage of Total Expenditures
Lease Revenue Bonds	\$ 7,055	\$ 9,957	71%
BAN Funds	429,331	931,142	46%
Bond Construction Fund #2 and #3, Measure RR	12,328,048	22,812,182	54%
Bond Measure GO Fund	32,330,090	96,343,483	34%
Total	<u>\$ 45,094,524</u>	<u>\$ 120,096,764</u>	38%

4. We reviewed the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of administrators or other operating expenses of the District.

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes

June 30, 2022

5. We determined that the District has met the compliance requirements of Measure RR and Measure GO if the following conditions were met:
 - a. Supporting documents for expenditures were aligned with the voter-approved bond project list.
 - b. Expenditures were not used for salaries of administrators or other operating expenses of the District.

Conclusion

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures held in the General Obligation Bonds Construction Fund (Measure RR and Measure GO), lease revenue bonds, and bond anticipation notes, and that such expenditures were made for authorized Bond projects. Further, it was noted that funds held in the General Obligation Bonds Construction Fund (Measure RR and Measure GO), lease revenue bonds, and bond anticipation notes, and expended by the District, were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004, by the State of California Attorney General.

Mt. San Antonio Community College District
 Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
 and Bond Anticipation Notes
 Lease Revenue Bonds Schedule of Project Budgets and Expenditures (Unaudited)
 Year Ended June 30, 2022

	Total Budget	Actual Costs for Fiscal Year Ended June 30, 2022	Cumulative Costs through June 30, 2022
Project 7 Campus Classroom Improvements	\$ 3,725,707	\$ -	\$ 3,725,707
Project 17 Campus-Wide Improvements	7,484,189	9,957	7,270,516
	\$ 11,209,896	\$ 9,957	\$ 10,996,223
Budget Reconciliation:			
Lease Revenue Bond Proceeds	\$ 10,904,255		
Interest Earned	305,641		
	\$ 11,209,896		

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes
Bond Anticipation Notes 2010 Schedule of Project Budgets and Expenditures (Unaudited)
Year Ended June 30, 2022

	<u>Total Budget</u>	<u>Actual Costs for Fiscal Year Ended June 30, 2022</u>	<u>Cumulative Costs through June 30, 2022</u>	
Project A	Library, Learning Resources, and Campus Center	\$ 197,529	\$ -	\$197,529
Project B	Business and Computer Technology	527,299	-	527,299
Project C	Child Development Center	16,668,996	-	16,668,996
Project D	Athletics Complex Phase 2	38,772	-	38,772
Project E	Career and Technical Education Building Renovation	92,043	-	92,043
Project F	Classroom Building Renovation	4,486,364	-	4,486,364
Project G	Laboratory Building Expansion-Sciences	789,634	-	789,634
Project H	Fire Academy	106,161	-	106,161
Project I	Public Transportation Center	154,286	28,361	142,280
Project J	Parking, Public Safety, and Traffic Improvements	581,551	-	581,551
Project K	Scheduled Maintenance	2,669,078	-	2,669,065
Project L1	Infrastructure Improvement (Utilities, Site, Traffic, Energy, Landscape)	5,125,648	-	5,125,467
Project L3	Temporary Space	1,772,945	-	1,772,945
Project L4	Demolition	261,813	-	261,813
Project L5	Administration Building Remodel	1,146,625	-	1,139,061
Project L6	Contingency	-	-	-
Project L7	Campus-Wide Improvement Projects	15,935,339	-	15,934,039
Project L8	Construction Support	6,386,567	22,875	6,373,546
	Lease Revenue Bonds (COPS) Debt Retirement	9,596,001	-	9,596,001
	Bond Investment/Interest Reserves	32,276	-	-
		<u>\$ 66,568,927</u>	<u>\$ 51,236</u>	<u>\$ 66,502,566</u>
	Budget Reconciliation:			
	BAN Issuance	\$ 64,999,814		
	Interest Earned	1,552,198		
	Fair Value Adjustment	(2,886)		
	Additional Proceeds	19,801		
		<u>\$ 66,568,927</u>		

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes
Measure RR General Obligation Bond Fund Schedule of Project Budgets and Expenditures (Unaudited)
Year Ended June 30, 2022

	<u>Total Budget</u>	<u>Actual Costs for Fiscal Year Ended June 30, 2022</u>	<u>Cumulative Costs through June 30, 2022</u>	
Project A	Library, Learning Resources, and Campus Center	\$1,217,716	\$ 10,831	\$1,190,302
Project B	Business and Computer Technology	41,013,764	-	40,877,483
Project C	Child Development Center	2,468,988	-	2,468,988
Project D	Athletics Complex Phase 2	7,140,319	-	7,140,319
Project H	Fire Academy	3,475,750	-	3,475,750
Project J	Parking, Public Safety, and Traffic Improvements	4,536,122	-	-
Project K	Scheduled Maintenance	8,400,343	403,642	4,536,122
Project L1	Infrastructure Improvement (Utilities, Site, Traffic, Energy, Landscape)	20,236,012	56,497	7,777,150
Project L3	Temporary Space	17,250,685	27,783	20,223,338
Project L4	Demolition	397,197	-	397,197
Project L5	Administration Building Remodel	1,427,284	12,581	1,334,244
Project L7	Campus-Wide Improvement Projects	46,526,733	1,254,508	45,384,071
Project L8	Construction Support	15,474,689	43,949	15,424,427
	Interest Reserves	239,357	-	-
		<u>\$ 169,804,959</u>	<u>\$ 1,809,791</u>	<u>\$ 167,352,166</u>
Budget Reconciliation:				
	Measure RR Proceeds	\$ 164,721,295		
	Interest Earned	3,317,552		
	Fair Value Adjustment	(108,216)		
	Proceeds for Legal Settlements	1,874,328		
		<u>\$ 169,804,959</u>		

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes
Bond Anticipation Notes 2017 Schedule of Project Budgets and Expenditures (Unaudited)
Year Ended June 30, 2022

	<u>Total Budget</u>	<u>Actual Costs for Fiscal Year Ended June 30, 2022</u>	<u>Cumulative Costs through June 30, 2022</u>	
Project A	Library, Learning Resources, and Campus Center	\$ 3,150,000	\$ -	\$ 2,931,831
Project B	Business and Computer Technology	20,150,059	-	20,150,059
Project D	Athletics Complex Phase 2	44,124,925	13,591	44,096,383
Project J	Parking, Public Safety, and Traffic Improvements	3,952,978	64,871	3,724,957
Project K	Scheduled Maintenance	3,994,202	300,044	3,647,335
Project L1	Infrastructure Improvement (Utilities, Site, Traffic, Energy, Landscape)	3,020,646	48,360	2,926,644
Project L3	Temporary Space	2,530,369	-	-
Project L5	Administration Building Remodel	50,000	-	10,789
Project L7	Campus-Wide Improvement Projects	2,648,747	187,085	2,623,479
Project L8	Construction Support	7,523,400	105,020	7,414,166
	Restricted Fund Balance - BAN Projects	9,442	-	-
	Restricted Fund Balance - BAN Interest	453,962	-	-
		<u>\$ 91,608,730</u>	<u>\$ 718,971</u>	<u>\$ 90,056,012</u>
Budget Reconciliation:				
	BAN Issuance	\$ 89,785,753		
	Interest Earned	9,442		
	Fair Value Adjustment	1,881,705		
	Additional Proceeds	(68,170)		
		<u>\$ 91,608,730</u>		

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes
Bond Anticipation Notes 2019 Schedule of Project Budgets and Expenditures (Unaudited)
Year Ended June 30, 2022

		<u>Total Budget</u>	<u>Actual Costs for Fiscal Year Ended June 30, 2022</u>	<u>Cumulative Costs through June 30, 2022</u>
Project D	Athletics Complex Phase 2	\$ 21,542,061	\$ 14,268	\$ 21,541,915
Project I	Public Transportation Center	41,050	-	41,050
Project J	Parking, Public Safety, and Traffic Improvements	-	-	-
Project K	Scheduled Maintenance	118,500	3,000	112,000
Project L1	Infrastructure Improvement (Utilities, Site, Traffic, Energy, Landscape)	1,788,321	137,632	1,739,981
Project L7	Campus-Wide Improvement Projects	1,735,203	6,035	1,735,203
Project L8	Construction Support	403,865	-	400,747
	Restricted Fund Balance - BAN Interest	212,989	-	-
		<u>\$ 25,841,989</u>	<u>\$ 160,935</u>	<u>\$ 25,570,896</u>
Budget Reconciliation:				
	BAN Issuance	\$ 25,629,000		
	Interest Earned	224,680		
	Fair Value Adjustment	<u>(11,691)</u>		
		<u>\$ 25,841,989</u>		

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes
Measure GO General Obligation Bond Fund Schedule of Project Budgets and Expenditures (Unaudited)
Year Ended June 30, 2022

	<u>Total Budget</u>	<u>Actual Costs for Fiscal Year Ended June 30, 2022</u>	<u>Cumulative Costs through June 30, 2022</u>	
Project A	Library, Learning Resources, and Campus Center	\$ 44,968,861	\$ 17,042,415	\$ 37,329,837
Project D	Athletics Complex Phase 2	85,670,128	16,142,563	76,907,043
Project E	Career and Technical Education Building Renovation	1,790,001	775,826	1,341,761
Project I	Public Transportation Center	1,040,000	324,066	745,532
Project J	Parking, Public Safety, and Traffic Improvements	67,883,237	5,910,534	67,735,717
Project K	Scheduled Maintenance	3,285,247	928,761	1,958,520
Project L1	Infrastructure Improvement (Utilities, Site, Traffic, Energy, Landscape)	45,969,575	16,184,998	38,578,688
Project L3	Temporary Space	7,327,629	1,475,176	4,962,797
Project L7	Campus-Wide Improvement Projects	3,714,042	2,436,730	3,295,748
Project L8	Construction Support	19,845,692	4,417,121	13,658,140
Project M	Bookstore	4,254,312	415,653	3,030,148
Project N	Student Services	563,000	148,750	148,750
Project O	Sciences Building	500,000	-	187,000
Project P	P-Adult Basic Education Classrooms	2,208,966	372,254	818,655
Project Q	College Services Building 6	500,000	39,831	263,942
	2019 BAN Debt Retirement	25,854,544	-	25,854,544
	Interest Reserves	575,333	-	-
		<u>\$ 315,950,567</u>	<u>\$ 66,614,678</u>	<u>\$ 276,816,822</u>
Budget Reconciliation:				
	Measure GO Proceeds	\$ 310,854,544		
	Interest Earned	6,964,309		
	Fair Value Adjustment	<u>(1,868,286)</u>		
		<u>\$ 315,950,567</u>		

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes
Measure RR Series 2021E General Obligation Bond Fund Schedule of Project Budgets and Expenditures
(Unaudited)
Year Ended June 30, 2022

		<u>Total Budget</u>	<u>Actual Costs for Fiscal Year Ended June 30, 2022</u>	<u>Cumulative Costs through June 30, 2022</u>
Project A	Library, Learning Resources, and Campus Center	\$ 28,000,000	\$ 14,483,797	\$ 14,483,797
Project D	Athletics Complex Phase 2 Interest Reserves	27,844,348 (1,506,944)	6,394,049 -	6,394,049 -
		<u>\$ 54,337,404</u>	<u>\$ 20,877,846</u>	<u>\$ 20,877,846</u>
	Budget Reconciliation:			
	Measure RR Proceeds	\$ 55,844,348		
	Interest Earned	161,723		
	Fair Value Adjustment	<u>(1,668,667)</u>		
		<u>\$ 54,337,404</u>		

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes
Measure GO Series 2021C General Obligation Bond Fund Schedule of Project Budgets and Expenditures
(Unaudited)
Year Ended June 30, 2022

		<u>Total Budget</u>	<u>Actual Costs for Fiscal Year Ended June 30, 2022</u>	<u>Cumulative Costs through June 30, 2022</u>
Project A	Library, Learning Resources, and Campus Center	\$ 37,348,988	\$ 11,848,451	\$ 11,848,451
Project D	Athletics Complex Phase 2	27,125,587	11,744,270	11,744,270
Project E	Career and Technical Education Building Renovation	46,000,000	3,919,418	3,919,418
Project K	Scheduled Maintenance	1,500,000	16,663	16,663
Project L1	Infrastructure Improvement (Utilities, Site, Traffic, Energy, Landscape)	7,752,828	432,615	432,615
Project L3	Temporary Space	4,000,000	757,600	757,600
Project L7	Campus-Wide Improvement Projects	6,000,000	367,512	367,512
Project L8	Construction Support	9,181,413	-	-
Project M	Bookstore	50,000,000	-	-
Project P	P-Adult Basic Education Classrooms	30,000,000	351,092	351,092
	Interest Reserves	(7,480,967)	-	-
		<u>\$ 211,427,849</u>	<u>\$ 29,437,621</u>	<u>\$ 29,437,621</u>
Budget Reconciliation:				
	Measure GO Proceeds	\$ 218,908,816		
	Interest Earned	673,597		
	Fair Value Adjustment	(8,154,564)		
		<u>\$ 211,427,849</u>		

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes
Schedule of Findings and Questioned Costs
June 30, 2022

None reported.

Mt. San Antonio Community College District
Measure RR and Measure GO General Obligation Bonds, Lease Revenue Bonds,
and Bond Anticipation Notes
Summary Schedule of Prior Audit Findings
June 30, 2022

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