MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

LOS ANGELES COUNTY

REPORT ON AUDIT OF FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION INCLUDING REPORTS ON COMPLIANCE

June 30, 2015

MT. SAC

Mt. San Antonio College

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

AUDIT REPORT
June 30, 2015

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MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

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VICENTI ♦ LLOYD ♦ STUTZMAN LLP
BUSINESS CONSULTANTS AND CPAs

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Mt. San Antonio Community College District
1100 North Grand Avenue
Walnut, California 91789

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Mt. San Antonio Community College District, and its discretely presented component unit, as of and for the year ended June 30, 2015, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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The Board of Trustees
Mt. San Antonio Community College District

Opinion

In our opinion, the financial statements listed in the aforementioned table of contents present fairly, in all material respects, the financial position of the Mt. San Antonio Community College District, and its discretely presented component unit, as of June 30, 2015, and the results of its operations, change in net position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the basic financial statements, in 2015 the Mt. San Antonio Community College District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment to GASB Statement No. 68.* 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, schedules of the District's proportionate share of the net pension liability (STRP and CalPERS), schedules of District contributions (STRP and CalPERS), schedule of postemployment healthcare benefits funding progress, and schedule of postemployment healthcare benefits employer contributions 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 an opinion on the Mt. San Antonio Community College District financial statements as a whole. The supplementary schedules and the continuing disclosure information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the financial statements of Mt. San Antonio Community College District.

The Board of Trustees
Mt. San Antonio Community College District

Other Matters (continued)

Other Information (continued)

The supplementary section, including the schedule of expenditures of federal awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The continuing disclosure 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 our report dated November 19, 2015 on our consideration of the Mt. San Antonio Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Mt. San Antonio Community College District's internal control over financial reporting and compliance.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 19, 2015

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

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, 2015. 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 that offers a diversified program designed to develop qualities of general education essential for citizens in a democratic society. The mission of the District is to support all students in achieving their full educational potential in an environment of academic excellence.

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 67 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", which established a new reporting format for annual financial statements. In November 1999, GASB released Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities," which applied new reporting standards to public colleges and universities. The Fiscal Accountability and Standards Committee of the California Community Colleges Chancellor's Office recommended that all California community colleges follow the new standards under the Business Type Activity (BTA) model. Nearly all public Colleges and Universities nationwide have selected the BTA reporting model. As such, the District is reporting its financial statements according to these standards.

In June 2004, the Governmental Accounting Standard's Board (GASB) issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions". The Fiscal Accountability and Standards Committee of the California Community Colleges Chancellor's Office recommended that all California community colleges follow these new standards. GASB 45 establishes standards for governmental employers to measure and report their costs and obligations related to post-employment benefits other than pensions, or retiree health benefits. The term "post-employment benefits" refers to benefits earned during employment, but taken after employment has ended. As such, the District is reporting according to this standard.

Accounting Standards (continued)

In June 2012, the Governmental Accounting Standard's Board (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 entity-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.

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 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.

Selected Highlights (continued)

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.

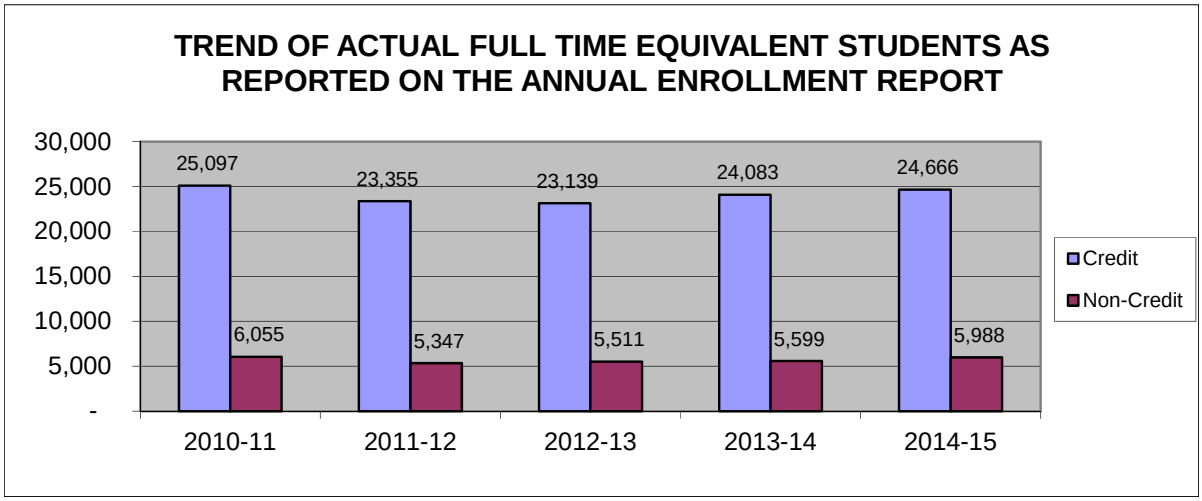
- On August 2011, after two years of operation, under the Fiscal Accountability Status, the District submitted an application to the County Superintendent of Schools and the State Chancellor's Office to obtain Fiscal Independence Status.

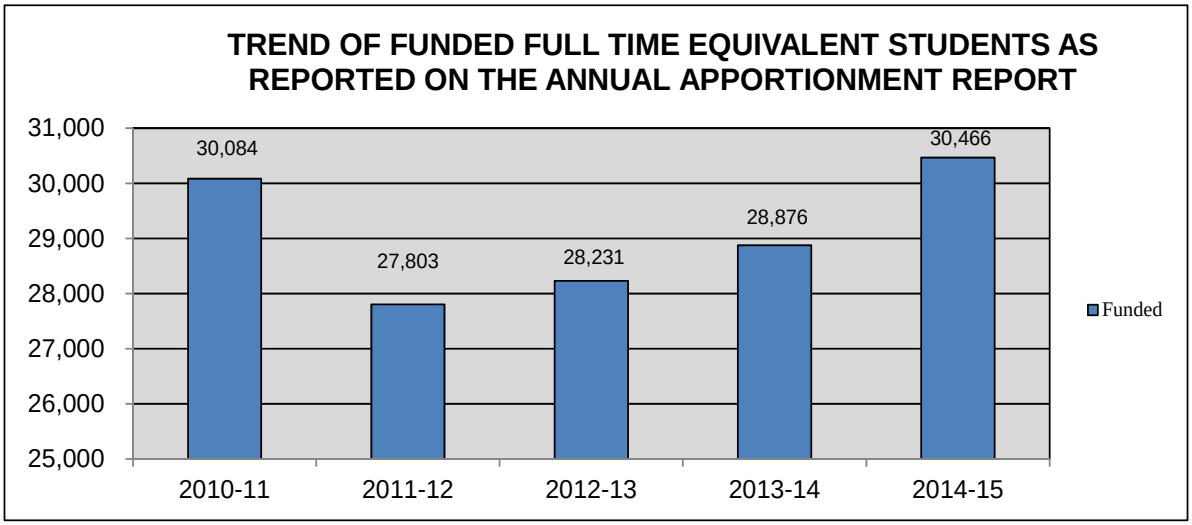
  Under Education Code, Section 85266.5, Fiscal Independence is granted upon the approval of the Board of Governors of the California Community College Systems Office, based largely on the recommendation from the Los Angeles County Superintendent of Schools and the Los Angeles County Auditor/Controller, 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.

Selected Highlights (continued)

- As of June 30, 2015, the total actual full-time equivalent students (FTES) increased from 29,682 to 30,654, or a 3.3% increase for credit and noncredit courses. Funded credit and noncredit FTES are the basis for which the District receives State apportionment. The District estimated funded FTES for credit and noncredit for the fiscal year 2014-15 was 30,466. The District increased approximately 1,590 funded FTES in 2014-15 to earn growth. The final funded FTES total for the fiscal year 2014-15 will be known with the apportionment recalculation in February or March 2016.





Selected Highlights (continued)

- 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 2001-02 and continued through 2014-15. As of June 30, 2015, these general obligation bond funds were completely expensed. The close-out for all bond projects is scheduled for 2015-16. The following bonds were issued:

  - $40 million Series A were issued in May 2002,
  - $75 million Series B were issued in February 2004,
  - $75.7 million refunding bonds were issued in September 2005. This issuance refunded certain Series A and B bonds,
  - $80 million Series C were issued in September 2006,
  - $26 million Series D were issued in July 2008,
  - $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.

- 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.

- 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.

Selected Highlights (continued)

- The District ended the fiscal year 2014-15 with an ending fund balance of $34.5 million in the Unrestricted General Fund, which represents 22.47% well above the 10% unassigned fund balance board policy. The District will continue with its conservative approach to maintain healthy fund balances. These healthy fund balances will permit the continuation of many outstanding programs and services for which the District is known, while allowing for careful consideration of budget plans for the fiscal year 2015-16 and beyond.

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 Governmental Accounting Standard Board 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 Governmental Accounting Standards Board 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, 2015 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:

General Fund - Unrestricted Fund Balance	$	34,506,850
General Fund - Restricted Fund Balance		1,663,564
General Obligation Bond Funds Balance		92,185,122
Capital Outlay Projects Funds Balance		12,132,516
All Other Funds		1,395,800
Total fund balances as reported on the Annual Financial and Budget Report (CCFS-311)		141,883,852
Bond Interest and Redemption Fund Balance (not reported on CCFS-311)		15,924,610
Total ending fund balances	$	157,808,462

Total ending fund balances	$	157,808,462
Amounts recorded for governmental activities in the Statement of Net Position:		
Cash held with trustee for property and liabilitiy self-insurance is added to total net position.		655,470
Interest earned but not accrued through June 30, 2015 is added to total net position.		284,317
Amounts for 2014-15 property taxes levied for debt service not received as of June 30, 2015 are added to total net position.		1,259,946
Capital assets used for governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets, net of accumulated depreciation are added to total net position.		373,284,977
Deferred outflows - pension contributions made during the fiscal year are removed from expenses and are recorded as a deferred outflow of resources. This amount will be recognized as a reduction of the net pension liability in the subsequent year.		10,800,884
Interest expense related to bonds incurred through June 30, 2015 is recognized as a liablity which reduces the total net position.		(2,621,669)
Employer contributions for other postemployment retirement benefits which are less than the actuarially determined required contribution are recognized as a liability which reduces total net position.		(17,361,843)
The liability of employers and nonemployers contributing to employees for benefits provided through a defined benefit pension plan is recorded as net pension liabilities.		(125,291,742)
Deferred inflows - pension costs represent an acquisition of net assets by the District that is applicable to a future reporting period. The deferred inflows of resources – pensions, results from the difference between the estimated and actual return on pension plan investments. This amount is deferred and amortized over 5 years.		(34,812,440)
Long-term liabilities, including general obligation bonds and bond anticipation notes and notes payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities, net of deferred outflows, reduces the total net position.		(381,750,426)
Total net position	$	(17,744,064)

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 of time financial statements. 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 non-current), liabilities (current and non-current) 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 total liabilities (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.

A summarized comparison of the Statement of Net Position is presented below:

	(in thousands) 2015	2014 *	Change
ASSETS			
Current Assets			
Cash and cash equivalents	$ 51,155	$ 27,132	88.54%
Account receivables, net	10,148	26,552	-61.78%
Due from component unit	83	78	6.41%
Total Current Assets	61,386	53,762	14.18%
Non-Current Assets			
Restricted cash and cash equivalents	131,180	160,694	-18.37%
Capital assets, net	373,285	352,416	5.92%
Total Non-Current Assets	504,465	513,110	-1.68%
Deferred Outflow of Resources			
Deferred change on refunding	15,153	24,439	-38.00%
Deferred outflows - pension contributions	10,801		100.00%
Total Deferred Outflows of Resources	25,954	24,439	6.20%
TOTAL ASSETS	$ 591,805	$ 591,311	0.08%
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable and accrued liabilities	$ 18,911	$ 17,539	7.82%
Unearned revenue	7,729	3,350	130.72%
Due to component unit	13	123	-89.43%
Amount held in trust for loans	48	32	50.00%
Long-term liabilities - current portion	12,264	10,326	18.77%
Total Current Liabilities	38,965	31,370	24.21%
Non-Current Liabilities			
Compensated absences	6,751	6,501	3.85%
Long-term liabilities less current portion	529,021	399,492	32.42%
Total Non-Current Liabilities	535,772	405,993	31.97%
TOTAL LIABILITIES	574,737	437,363	31.41%
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension costs	34,812		100.00%
TOTAL DEFERRED INFLOWS OF RESOURCES	34,812	-	100.00%
NET POSITION			
Invested in capital assets, net of related debt	68,567	78,341	-12.48%
Restricted	28,821	32,461	-11.21%
Unrestricted	(115,132)	43,146	-366.84%
TOTAL NET POSITION	(17,744)	153,948	-111.53%
TOTAL LIABILITIES AND NET POSITION	$ 591,805	$ 591,311	0.08%

* 2014 has not been restated for the retrospective implementation of GASB No. 68 and No. 71.

Statement of Net Position (continued)

- The total cash balance had a net decrease of $5.5 million. The General Fund cash increased by $24 million primarily as result of the decrease in apportionment deferrals and increased funding for categorical programs. Restricted Cash decreased by $29.5 million due to Measure R and Measure RR bond construction projects payments for the Business and Computer Technology Building, the Parking Structure, the Building 12 Renovation for Classroom Space, the Athletics Complex Phase 2, the Fire Academy Site Preparation, the Food Services Building, the Student Services Annex, and the Construction Support Project. The cash flow statement included in these financial statements provides greater detail on the sources and uses of the District's cash.

- The total account receivables decreased by $16.4 million. The account receivables primarily decreased by $15.5 million in the General Fund due to the decrease of statewide apportionment deferrals from $592 million to $94 million. The remaining balances were slight decreases for $900 thousand in the Student Accounts Receivable and Miscellaneous Accounts Receivables as of June 30, 2015.

- Capital assets had a net increase of $21 million. The District had additions of $33.2 million related to equipment purchases, site and site improvement, capitalized interest, and construction in progress. The District recognized depreciation expense of $12.4 million during 2014-15. The capital asset section of this discussion and analysis provides greater information.

- Unearned revenues had a net increase of $4.4 million. This is mainly due to an increase in deferred revenues for Student Equity, Student Success and Support Programs (credit and non-credit), Disabled Student Program and Services, Scheduled Maintenance Block Grant, and Proposition 39 Energy Efficiency Program.

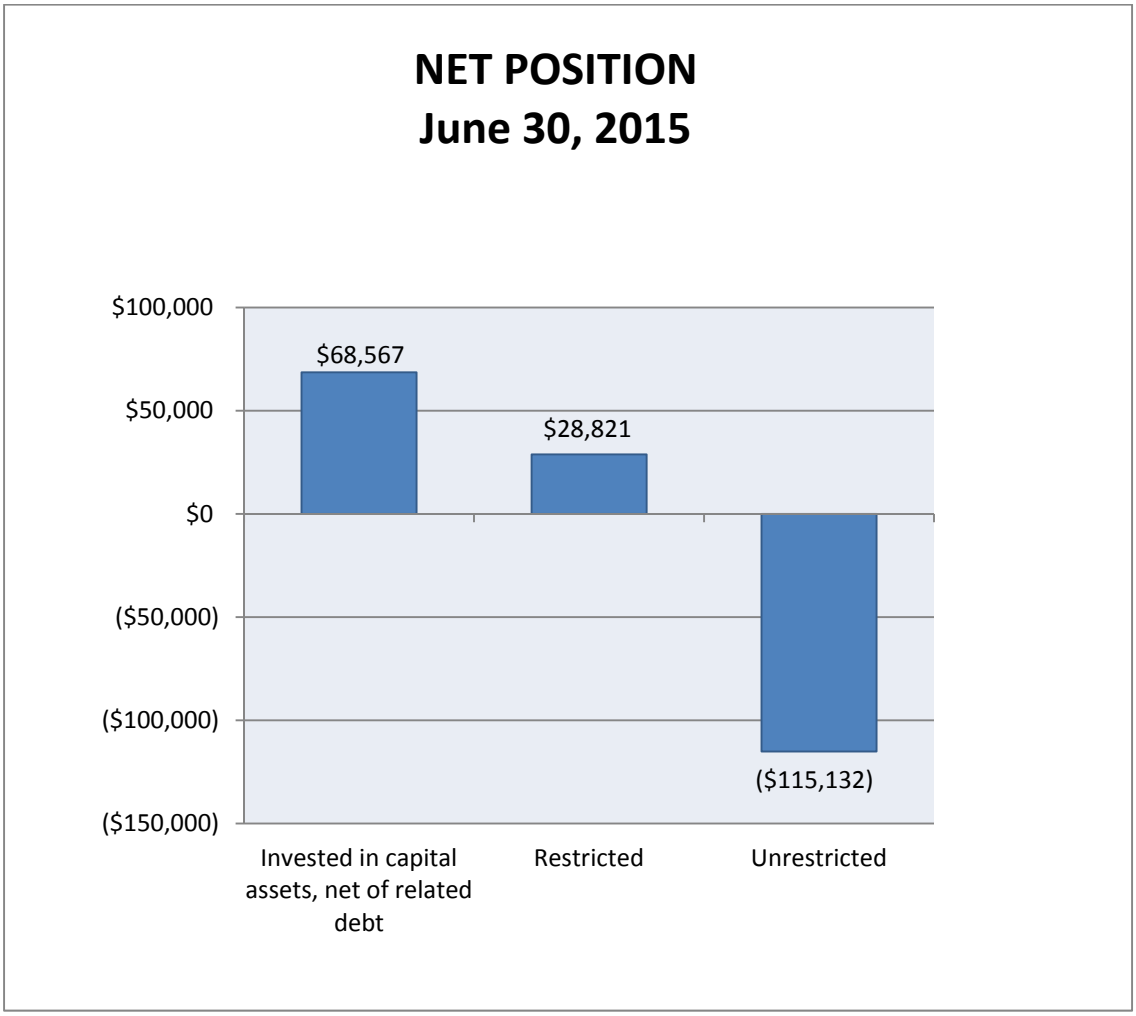
- The long-term debt liabilities (current and non-current) net increase of $131.7 million is mainly attributed to the increase of the Net Obligation of Other Post-employment Benefits Other than Pensions (OPEB) for $4.2 million and the increase of the Net Pension Liability for $125.3 million. The long-term bond debt had a minor increase of $1.8 million.

- The District implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions" in fiscal year 2007-08 and GASB Statement No. 43, "Financial Reporting for Post-employment Benefits Plans Other than Pension Plans" in fiscal year 2008-09. With the implementation of GASB Statement No. 43, the District established the Mt. San Antonio Community College District OPEB Trust. Factors such as annual required contribution (ARC), interest income and contributions affect the change in net OPEB obligation. Additional information related to this asset/liability can be found in Note 12 of the financial statements.

Statement of Net Position (continued)

- The District implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27" and GASB No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB No. 68". The application of these standards impact the accounting and reporting (accrual basis) of pension expense and net pension liability by reflecting the amounts on the entity-wide financial statements. The major changes in the Statement of Net Position is the increase of Net Pension Liability of $125.3 million and the decrease of the Net Position – Unrestricted as a result of the recognition of the proportionate share of the CalSTRS and CalPERS pension expense of $149.2 million for prior years.

- The following is a graphic representation of the Net position as of June 30, 2015:



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. The purpose of this statement is to present the operating and non-operating revenues earned, whether received or not, by the District, the operating and non-operating 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. Non-operating revenues are those received or pledged for which goods and services are not provided; for example, State appropriations are non-operating because they are provided by the legislature to the District without the legislature directly receiving commensurate goods and services for those revenues.

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

	(in thousands)		
	2015	**2014 ***	**Change**
OPERATING REVENUES			
Net enrollment, tuition and fees	$ 17,933	$ 17,351	3.35%
Grants and contracts, non-capital	76,211	64,472	18.21%
Total operating revenues	94,144	81,823	15.06%
Total operating expenses	251,081	234,800	6.93%
Operating loss	(156,937)	(152,977)	2.59%
Non-Operating revenues (expenses), non-capital			
State apportionments, non-capital	109,307	106,316	2.81%
Local property taxes	23,871	20,787	14.84%
State taxes and other revenues (losses)	7,258	5,560	30.54%
Contributions, grants and other local revenue	292	180	62.22%
Investment income, net	360	392	-8.16%
Transfer to/from fiduciary funds, net		(6)	-100.00%
Book rental program transfer		(317)	-100.00%
Interest expense	(27,519)	(11,902)	131.21%
Total non-operating revenues (expenses)	113,569	121,010	-6.15%
Other revenues, expenses, gains or losses, capital	20,845	18,832	10.69%
Change in net assets	(22,523)	(13,135)	71.47%
Net Position, beginning of year, as originally stated	153,948	167,083	-7.86%
Cumulative effect of change in accouting principle	(149,169)		-100.00%
Net position, beginning of year, as restated	4,779	167,083	-97.14%
Net position, end of year	$ (17,744)	$ 153,948	-111.53%

* 2014 has not been restated for the retrospective implementation of GASB No. 68 and No. 71.

Statement of Revenues, Expenses and Change in Net Position (continued)

- Net enrollment, tuition and fees increased by approximately 3.4%. This increase is mainly due to the increase in classes offered to students as a result of growth funding approved by the state for fiscal year 2014-15. The Board of Governors (BOG) fee waivers also increased due to outreach efforts made by the District's Financial Aid Office, which resulted in increases of the Dream Act/540 student and other student applications. The increase of BOG waivers is also the result of an increase in student enrollment due to growth funding.

- Non-capital grants and contracts had an increase of 18.2% as a result of the increase of Cal Grants and Pell awarded to students, Disabled Student Program and Services, Instructional Equipment, and Student Success and Support Program. This also includes a portion of the state contribution towards pension expense recognized as a result of implementing GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

- The net increase in operating expenses of 6.9% is mainly due to an ongoing 1% salary increase and an $866 annual health and welfare increase for all regular employees; and the recognition of the 2014-15 proportional pension expense as a result of the District's implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". Other notable increases are: Other Operating Expenses and Services as a result of the increase in state funding and the increase in Depreciation expense. As new buildings are completed, depreciation expense is recognized.

- Until the fiscal year 2011-12, the District's base apportionment sources of funding included the following three components: State apportionment, property taxes and enrollment fees. On November 2012, voters approved Proposition 30, The Schools and Local Public Safety Protection Act of 2012. This proposition temporarily raises the sales tax and use tax by .25 cents for four years, and raises the income tax on annual earnings over $250,000 for seven years. The language of this proposition required the creation of the Education Protection Account (EPA) in the State's General Fund. Therefore, this new component has been added as a source of the District's base apportionment, effective with fiscal year 2012-13. The EPA funds are not additional funds. Similar to Local Property Taxes, district's state aid is reduced by one dollar for each dollar received from the EPA. The State Apportionment Non-capital and Local Property Taxes increased by $6.1 million primarily as a result of earning growth/restoration funding.

Statement of Revenues, Expenses and Change in Net Position (continued)

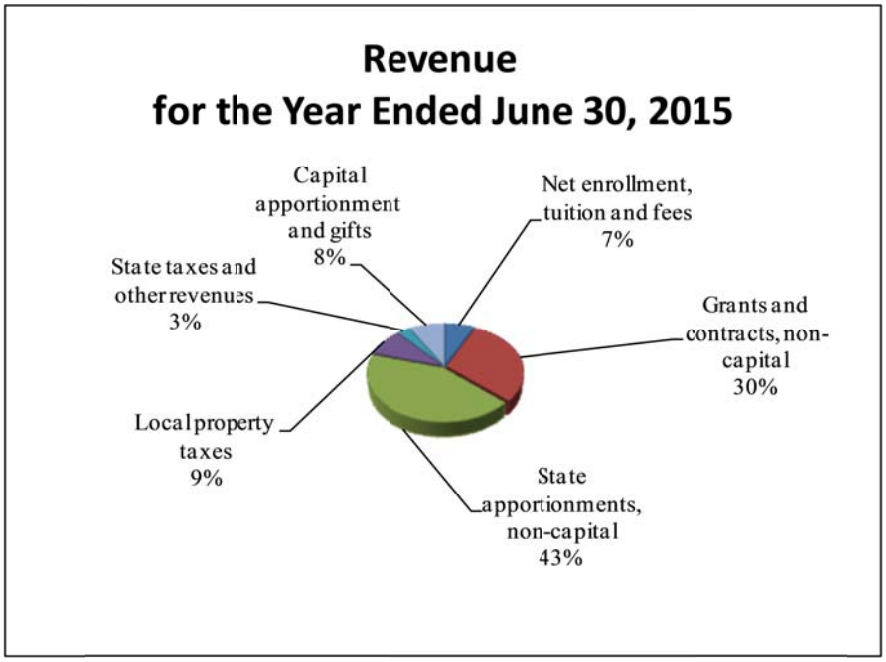
- Interest expense increased by $15.6 million essentially as a result of the increase of accreted interest recognized for the general obligation bond Measure R and Measure RR and for the Deferred Liability amortization of the bond anticipation notes recognized in the fiscal year 2014-15.

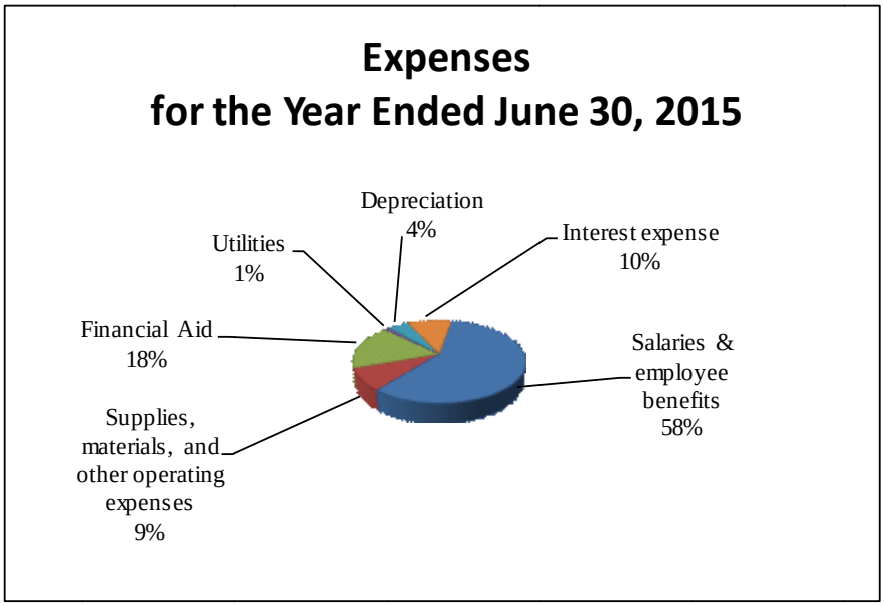
- The category "Other revenues, expenses, gains or losses, capital" reflects a net increase of $2.0 million mainly as a result of receiving a settlement for the Agricultural Building and an increase for the property taxes collected for general obligation bond repayments.

- The District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 and GASB No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB No. 68. These Statements impact the accounting and reporting (accrual basis) of pension expense and net pension liability by reflecting the amounts on the entity-wide financial statements. The major change in the Statement of Revenues, Expenses and Changes in Net Position is the Cumulative effect of Change in Accounting Principle of $149.1 million as a result of the recognition of the proportionate share of the CalSTRS and CalPERS pension liability.

Statement of Revenues, Expenses and Change in Net Position (continued)

- Functional expenses are detailed in Note 15 of the financial statements.





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 non-operating, non-investing and non-capital 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.

	(in thousands)		
	2015	**2014**	**Change**
Cash Provided By (Used in)			
Operating activities	$ (134,582)	$ (132,947)	1.23%
Non-capital financing activities	155,918	114,681	35.96%
Capital and related financing activities	(27,098)	114,793	123.61%
Investing activities	271	529	-48.77%
Net change in cash and cash equivalents	(5,491)	97,056	-105.66%
Cash Balance, Beginning of Year	187,826	90,770	106.93%
Cash Balance, End of Year	$ 182,335	$ 187,826	-2.92%

Statement of Cash Flows (continued)

- Cash receipts from "Operating activities" are from student enrollment, tuition and other fees and from Federal, State and local grants. 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. During 2014-15, the main contributors to this net increase were the increase in state categorical programs, such as the Disabled Student Program Services, Student Success and Support Program, and Instructional Equipment. In addition, payments of salary and health welfare increased for District employees.

- Cash received from "Non-capital financing activities" increased by $41.2 million. The cash increase is primarily a result of the decrease of the statewide apportionment deferrals from $592 million in fiscal year 2013-14 to $94 million in fiscal year 2014-15 and the increase in growth funding. When comparing fiscal year 2014-15 to 2013-14, cash increased by $20.3 million due to the repayment of the Tax Revenue Anticipation Notes in fiscal year 2013-14.

- The cash from "Capital and related financing activities" had a net decrease of $141.9 million. In the fiscal year 2013-14, the District issued general obligation bonds, which resulted in cash proceeds of $144.2 million. In 2014-15, there were no bonds issued, which accounts for the major change between the two fiscal years.

- Cash provided by "investing activities" includes interest earned on bank accounts and cash invested through the Los Angeles County pool. This revenue primarily consists of interest earned in the Unrestricted General Fund.

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 2008-09. 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 Associated Student Trust, Student Loans and Scholarships, Student Representation Fee, Other Trusts, and Student Clubs. These fiduciary activities are reported in separate Statements of Fiduciary Net Position and Change in Fiduciary Net Position. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2015, the District had over $432.4 million invested in depreciable capital assets. The total cost of capital assets of $494.5 million consist of land, buildings and building improvements, construction in progress, vehicles, data processing equipment and other office equipment. These assets have accumulated depreciation of $121.2 million. Significant capital asset additions and deletions of $33.2 million, which is mainly a net decrease in construction in progress totaling $17.2 million, an increase in equipment totaling $3.8 million, and a net increase in site improvements totaling $46.6 million, occurred during 2014-15. Depreciation expense of $12.4 million was recorded for the fiscal year.

During 2014-15, the following projects were capitalized:

Facilities Plan Room and Renovation building 47
Renovation for Classroom Space
Chiller and Cooling Tower building 2
Design and Technology Center
Campus Interior Site Improvements – South of building 12
Utility Infrastructure NE Quadrant – building 12

Construction in progress during 2014-15 includes the following projects:

Building 9C Improvements
Child Development Center building 70
Physical Education/Gymnasium building 46
Administration Remodel – Site Improvements
Food Services building
Student Services Annex
Business/Computer Technology Center building 63
Athletics Complex
Fire Academy Site Preparation
Parking Structure, SW Campus
Agricultural Science Improvements building 5
Renovation for Classroom Space building 12

Capital Asset and Debt Administration (continued)

Note 5 to the financial statements provides additional information on capital assets. A comparison of capital assets, net of depreciation is summarized below:

	(in thousands)		
	2015	**2014**	**Change**
Land	$ 619	$ 619	0.00%
Buildings and improvements	301,849	264,670	14.05%
Equipment and collections	9,435	8,489	11.14%
Construction in progress	61,382	78,638	-21.94%
Capital assets, net	$ 373,285	$ 352,416	5.92%

Debt

On June 30, 2015, the District had $548 million in debt. The balance primarily includes the remaining principal debt for the Measure R (Election 2001) bonded debt, the Measure RR (Election 2008) bonded debt, and the proportionate share of the Net Pension Liability for CalSTRS and CalPERS. The outstanding bond debt of Measure R consists of $2 million in Series C general obligation bonds issued in September 2006, $21.7 million in Series D general obligation bonds issued in July 2008, $73.9 million Series A general obligation refunding bonds issued August 2013, and $47.1 million Series B general obligation refunding bonds issued August 2013. The outstanding bond debt of Measure RR consists of $203.9 million Series A general obligation and $10.6 million Series B general obligation bonds issued in August 2013. 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 95% of the District's total long-term debt. Debt payments on the bond will be funded through property tax receipts collected over the term of the bonds. The District's bond rating of AA, Standard & Poor's has not changed from the prior year.

Debt (continued)

Notes 6 through 12 to the financial statements provide additional information on long-term liabilities. A comparison of long-term debt is summarized below:

	(in thousands)		
	2015	**2014**	**Change**
Long-term debt			
Loan payable	$ 114	$ 139	-17.99%
Compensated absences	8,479	7,886	7.52%
Net pension liability	125,292		100.00%
Bonds payable (including premium)	378,942	388,820	-2.54%
Bonds - accreted interest	17,847	6,317	182.52%
Other postemployment benefits other than pensions (OPEB)	17,362	13,157	31.96%
Total long-term debt	548,036	416,319	31.64%
Less current portion	(12,264)	(10,326)	18.77%
Long-term portion	$ 535,772	$ 405,993	31.97%

Economic Factors that May Affect the Future

As of June 30, 2015, the District's overall financial position is strong due to prior year's prudent fiscal management, which resulted in a healthy balance of $34.5 million in the Unrestricted General Fund.

The 2015-16 Governor's budget for community colleges includes a 3% growth increase. Accordingly, the District plans to increase course offerings for the fiscal year 2015-16, as the economy continues to improve, historically, community colleges tend to experience a decline in enrollment. Community colleges throughout the state will have a significant challenge to maintain and to obtain additional growth.

Economic Factors that May Affect the Future (continued)

The economic position of the District is closely tied to the State of California. There are significant unknown factors that may affect the District in future years such as: the Passage of Proposition 30 tax increases are temporary fixes to the state revenues and will phase out in 2018; the continuous apportionment deficits as a result of shortfalls in property taxes and enrollment fees, and the significant increases in the STRS and PERS employer contributions.

Subsequent Events

Effective July 1, 2015, all regular employees will receive a 5.02% on schedule salary increase and health and welfare increases in the range of $396 to $514 annually.

The District sold $19.4 million current refunding bonds, 2001 Election, Series 2015 on September 11, 2015. Interest rates ranged from 0.23% to 3.15%. These bonds will mature from June 1, 2016 to June 1, 2033. These refunding Bonds were sold to provide net savings to the taxpayers by reducing interest rates. The District also sold $20 million general obligation bonds, 2008 Election, Series 2015C. Interest rates ranged from 0.25% to 1.92%. These bonds will mature from August 1, 2016 to August 1, 2022. The Series 2015C were sold to finance the construction, modernization, renovation and equipping of Districts sites and facilities.

BASIC FINANCIAL STATEMENTS

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION
June 30, 2015

	Primary Government	Component Unit Auxiliary Services
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 51,155,485	$ 2,064,221
Accounts and notes receivable, net	10,148,237	318,764
Due from Auxiliary Services	82,792	
Due from the District/Fiduciary funds		210,548
Notes receivable - current		3,529
Inventories		1,652,667
Prepaid expenses and deposits		9,358
Total Current Assets	61,386,514	4,259,087
Non-Current Assets:		
Restricted cash and cash equivalents	131,180,053	
Notes receivable		21,175
Capital assets		
Nondepreciable	62,129,419	
Depreciable, net of accumulated depreciation	311,155,558	243,135
Total Non-Current Assets	504,465,030	264,310
TOTAL ASSETS	565,851,544	4,523,397
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	15,152,621	
Deferred outflows - pension contributions	10,800,884	184,425
Total Deferred Outflows of Resources	25,953,505	184,425
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 591,805,049	$ 4,707,822
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 11,485,982	$ 162,015
Accrued liabilities	4,803,207	94,884
Accrued interest payable	2,621,669	
Unearned revenue	7,728,544	16,994
Due to Auxiliary Services	13,452	
Due to the District		82,792
Amount held in trust for loans or others	47,906	
Compensated absences - current portion	1,728,120	58,220
Loans payable - current portion	30,766	
General obligation bonds payable - current portion	10,505,001	
Total Current Liabilities	38,964,647	414,905
Non-Current Liabilities:		
Compensated absences	6,751,161	
Net pension liability	125,291,742	2,528,705
Other postemployment benefits other than pensions (OPEB)	17,361,843	
Loans payable	82,760	
General obligation bonds payable, net	386,284,520	
Total Non-Current Liabilities	535,772,026	2,528,705
TOTAL LIABILITIES	574,736,673	2,943,610
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension costs	34,812,440	877,408
TOTAL DEFERRED INFLOWS OF RESOURCES	34,812,440	877,408
NET POSITION		
Invested in capital assets, net of related debt	68,567,053	243,135
Restricted for:		
Scholarships and loans	2,827	
Capital projects	12,132,516	
Debt service	14,562,887	
Other special services	2,122,940	
Unrestricted	(115,132,287)	643,669
TOTAL NET POSITION	(17,744,064)	886,804
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 591,805,049	$ 4,707,822

See the accompanying notes to the financial statements.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Fiscal Year Ended June 30, 2015

	Primary Government	Component Unit Auxiliary Services
OPERATING REVENUES		
Enrollment, tuition and other fees (gross)	$ 39,449,295	$
Less: Scholarship discounts and allowances	(21,516,300)	
Net enrollment, tuition and other fees	17,932,995	-
Grants and contracts, non-capital:		
Federal	50,504,804	
State	22,705,888	
Local	2,551,161	
Sales and charges, net	449,009	1,769,798
TOTAL OPERATING REVENUES	94,143,857	1,769,798
OPERATING EXPENSES		
Salaries	123,205,576	722,414
Employee benefits	38,767,990	314,498
Supplies, materials and other operating expenses and services	24,372,833	591,909
Financial aid	49,037,479	13,000
Utilities	3,324,480	
Depreciation	12,373,279	76,909
TOTAL OPERATING EXPENSES	251,081,637	1,718,730
OPERATING GAIN (LOSS)	(156,937,780)	51,068
NON-OPERATING REVENUES (EXPENSES)		
State apportionments, non-capital	109,307,574	
Local property taxes	23,871,147	
State taxes and other revenues	7,257,522	
Contributions, grants and other local revenue	291,571	
Investment income, net	360,437	
Interest income (expense)	(27,518,970)	9,694
TOTAL NON-OPERATING REVENUES (EXPENSES)	113,569,281	9,694
GAIN (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR (LOSSES)	(43,368,499)	60,762
OTHER REVENUES, EXPENSES, GAINS OR (LOSSES)		
State apportionments, capital	1,262,584	
Local property taxes and revenues, capital	18,610,759	
Investment income, capital	956,193	
Gain on disposal of fixed assets	15,706	
TOTAL OTHER REVENUES, EXPENSES, GAINS OR (LOSSES)	20,845,242	-
INCREASE (DECREASE) IN NET POSITION	(22,523,257)	60,762
NET POSITION, BEGINNING OF YEAR AS PREVIOUSLY REPORTED	153,948,313	4,049,452
Cumulative effect of change in accounting principles (see note 16)	(149,169,120)	(3,223,410)
NET POSITION, BEGINNING OF YEAR AFTER CUMULATIVE EFFECT	4,779,193	826,042
NET POSITION, END OF YEAR	$ (17,744,064)	$ 886,804

See the accompanying notes to the financial statements.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015

	Primary Government	Component Unit Auxiliary Services
CASH FLOWS FROM OPERATING ACTIVITIES		
Enrollment, tuition and fees	$ 18,690,306	$
Federal grants and contracts	50,497,764	
State grants and contracts	20,724,521	
Local grants and contracts	3,424,839	
Sales and commissions	449,009	5,049,097
Payments to suppliers	(27,320,567)	(3,853,324)
Payments to/on-behalf of employees	(151,931,045)	(959,618)
Payments to/on-behalf of students	(49,002,607)	
Other receipts/(payments)	(113,895)	(109,100)
Net cash provided (used) by operating activities	(134,581,675)	127,055
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State apportionments and receipts	124,930,318	
Property taxes	23,530,988	
Grants, gifts and other local revenue for other than capital purposes	7,456,562	
Net cash provided by non-capital financing activities	155,917,868	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State apportionment and receipts for capital purposes	3,133,140	
Property taxes and other local revenue for capital purposes	18,619,227	
Net purchase and sale of capital assets	(33,106,198)	(31,053)
Principal and interest paid on capital debt	(16,787,424)	
Interest on capital investments	1,043,464	
Net cash provided (used) by capital and related financing activities	(27,097,791)	(31,053)
CASH FLOWS FROM INVESTING ACTIVITIES		
Note receivable payments		3,530
Interest on investments	271,095	9,694
Net cash provided by investing activities	271,095	13,224
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,490,503)	109,226
CASH BALANCE - Beginning of Year	187,826,041	1,954,995
CASH BALANCE - End of Year	$ 182,335,538	$ 2,064,221

See the accompanying notes to the financial statements.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015

	Primary Government	Component Unit Auxiliary Services
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
CASH USED BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	$ (156,937,780)	$ 51,068
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	12,373,279	76,909
Bad debt write off	349,603	
Changes in assets and liabilities:		
Accounts and notes receivable, net	911,592	(91,114)
Due from Auxiliary Services	(5,018)	
Due from District/Fiduciary funds		21,180
Inventories		59,176
Deferred outflows - pension contributions	(1,183,473)	(112,087)
Prepaid expenses		14,217
Accounts payable and accrued liabilities	1,129,929	(14,170)
Due to Auxiliary Services	(108,877)	
Due to District		5,018
Unearned revenue	2,757,001	976
Compensated absences	593,393	(6,773)
Net pension liabilities	(33,494,789)	(767,043)
Other postemployment benefit obligation	4,205,089	
Amount held in trust	15,936	
Other accrued liabitlities		12,290
Deferred inflows - pension	34,812,440	877,408
Net cash provided (used) by operating activities	$ (134,581,675)	$ 127,055
Breakdown of ending cash balance:		
Cash and cash equivalents	$ 51,155,485	$ 2,064,221
Restricted cash and cash equivalents	131,180,053	
Total	$ 182,335,538	$ 2,064,221
Supplemental Disclosure		
Non cash financing activities:		
Reduction on loans payable - usage credits	$ 14,478	$ -

See the accompanying notes to the financial statements.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

	Primary Government	
	Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	$ 3,215,407	$ 134,038
Accounts receivable	44,831	-
TOTAL ASSETS	3,260,238	134,038
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension contributions	14,063	
LIABILITIES		
Accounts payable	24,738	3,117
Amount held in trust for loans	104,457	130,921
Net pension liability	163,092	
TOTAL LIABILITIES	292,287	134,038
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension costs	45,315	
NET POSITION		
Restricted	2,936,699	-
TOTAL NET POSITION	$ 2,936,699	$ -

See the accompanying notes to the financial statements.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2015

	Primary Government Trust Funds
ADDITIONS	
Contributions	$ 615,054
Net student fees	622,154
Interest income	13,598
Local income	5,621
Special events	482,814
TOTAL ADDITIONS	1,739,241
DEDUCTIONS	
Salaries	251,586
Benefits	56,004
Supplies and materials	53,007
Other operating	417,839
Capital outlay	11,906
Scholarships awarded	549,774
TOTAL DEDUCTIONS	1,340,116
Increase in Net Position	399,125
NET POSITION, BEGINNING OF YEAR AS PREVIOUSLY REPORTED	2,731,746
Cumulative effect of change in accounting principles (see note 16)	(194,172)
NET POSITION, BEGINNING OF YEAR AFTER CUMULATIVE EFFECT	2,537,574
NET POSITION, END OF YEAR	$ 2,936,699

See the accompanying notes to the financial statements.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF OTHER POSTEMPLOYMENT BENEFITS TRUST NET POSITION
June 30, 2015

	Primary Government	Component Unit Auxiliary Services
	Retiree Benefit Trust	Retiree Benefit Trust
ASSETS		
Cash and cash equivalents	$ 4,309,140	$ 232,301
Investments	64,701,758	3,132,352
TOTAL ASSETS	69,010,898	3,364,653
LIABILITIES		
Accounts payable	25,506	
Due to governmental funds		197,096
TOTAL LIABILITIES	25,506	197,096
NET POSITION - HELD IN TRUST FOR OTHER POSTEMPLOYMENT BENEFITS	$ 68,985,392	$ 3,167,557

See the accompanying notes to the financial statements.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF CHANGE IN OTHER POSTEMPLOYMENT BENEFITS TRUST NET POSITION
For the Fiscal Year Ended June 30, 2015

	Primary Government	Component Unit Auxiliary Services
	Retiree Benefit Trust	Retiree Benefit Trust
ADDITIONS		
Interest and investment income	$ 1,179,235	$ 107,037
Contributions	2,500,000	
Net realized/unrealized gains	(3,243,654)	(100,450)
TOTAL ADDITIONS	435,581	6,587
DEDUCTIONS		
Benefits	3,790,007	197,096
Administrative expenses	132,093	6,607
TOTAL DEDUCTIONS	3,922,100	203,703
Decrease in Net Position	(3,486,519)	(197,116)
NET POSITION - HELD IN TRUST FOR OTHER POSTEMPLOYMENT BENEFITS, BEGINNING OF YEAR	72,471,911	3,364,673
NET POSITION - HELD IN TRUST FOR OTHER POSTEMPLOYMENT BENEFITS, END OF YEAR	$ 68,985,392	$ 3,167,557

See the accompanying notes to the financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. 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 considered its financial and operational relationships with potential component units under the reporting entity definition of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the District's power and includes, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.

2. The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. REPORTING ENTITY (continued)

3. The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District

Based upon the application of the criteria listed above, the following potential component units have been included in the District's reporting entity:

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 are 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 Auxiliary's accounting function was transferred to the District's Fiscal Services department in July 2012. The financial activities of the Auxiliary, including its component units, have been discretely presented. Separate financial information for the Auxiliary can be obtained through the District.

Mt. San Antonio Community College District 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, Administrative Services; Associate Vice President, Fiscal Services; and a Manager appointed by the President/CEO provide oversight over Trust investments. The Trust Administrative Committee comprised of the Vice President, 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 discretely presented. Separate financial statements are not prepared for the Trust.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. REPORTING ENTITY (continued)

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

Mt. San Antonio College Foundation - The Foundation is a separate not-for-profit corporation created for the benefit of the District and its students and organized for educational purposes. The Foundation is not included as a component unit because the third criterion was not met; the economic resources received and held by the Foundation are not significant to the District. Separate financial information for the Foundation can be obtained through the District.

B. FINANCIAL STATEMENT PRESENTATION

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District's financial activities. The entity-wide perspective replaces the fund-group perspective previously required. Fiduciary activities, with the exception of Student Financial Aid Programs, are excluded from the entity-wide perceptive and are reported separately in the fiduciary statements.

The District operates a Warrant Pass-Through agency fund as a holding account for amounts collected from employees for Federal taxes, state taxes and other contributions. The District had cash in the County Treasury amounting to $5,700,029 on June 30, 2015, which represents withholdings payable. The Warrant Pass-Through Fund is not reported in the basic financial statements.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING (continued)

For financial reporting purposes, the District is considered a special-purpose government engaged in business-type activities. Accordingly, the District's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated with exception of those between the District and its fiduciary funds and its component units.

The statements of plan net position and change in plan net position of the other postemployment benefits trust are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

For internal accounting purposes, the budgetary and financial accounts of the District have been recorded and maintained in accordance with the Chancellor's Office of the California Community College's *Budget and Accounting Manual*.

To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities.

By state law, the District's Governing Board must approve a budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with generally accepted accounting principles (GAAP).

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING (continued)

1. 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 in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

2. Investments

Investments in the Other Postemployment Benefit Plan are reported at fair value, which is determined by the most recent bid and asking price as obtained from dealers that make markets in such securities.

3. Accounts Receivable

Accounts receivable consists primarily of amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. All material receivables are considered fully collectible. The District recognized for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

Accounts receivable from students for tuition and fees is recorded net of a provision for uncollectable amounts. In addition, accounts receivable also includes student loans, receivable which consist of loan advances to students awarded under the student financial aid programs the District administers for federal agencies. Student loans receivable are recorded net of cancelled principal. The receivables are held in trust for the warding federal agency.

4. Due from Auxiliary Services

Due from Auxiliary Services consists primarily of salaries and benefits reimbursement, workers' compensation, reimbursements for leasehold improvements, and photo ID sales.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING (continued)

5. Inventories

Instructional, custodial, health and other supplies held for consumption are expensed when purchased. The District has evaluated balances at year end and determined amounts on hand are not material to the financial statements.

6. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are those amounts designated for acquisition or construction of non-current assets or that are segregated for the liquidation of long-term debt.

7. Capital Assets

Capital assets are recorded at cost at the date of acquisition. Donated capital assets are recorded at their estimated fair value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Buildings valued at a cost of $150,000 or more as well as renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized.

Interest costs are capitalized as part of the historical cost of acquiring certain capital assets. To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. In determining the amount to be capitalized, interest costs are offset by interest earned on proceeds of the District's tax-exempt debt restricted to the acquisition of qualifying assets.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is recorded as an operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method with a whole month convention over the estimated useful lives of the assets, generally 50 years for buildings and building improvements, 10 years for land improvements, 8 years for equipment and vehicles and 3 years for technology.

The collections - art includes donated paintings and fine art. The collections - art is on display in the art gallery. All items are deemed inexhaustible assets and therefore are not depreciated.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING (continued)

8. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has the following deferred outflows:

Deferred charge on refunding: A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows – pension contributions: Deferred outflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans. These amounts will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

9. Accounts Payable and Accrued Liabilities

Accounts payable consists of amounts due to vendors. Accrued liabilities consist of salaries and benefits payable.

10. Accrued Interest Payable

Accrued interest payable consists of interest expense related to financing incurred through June 30, 2015.

11. Unearned Revenue

Cash received for summer student enrollment fees and federal and state special projects and programs are recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceeds qualified expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING (continued)

12. Due to Auxiliary Services

Due to Auxiliary Services consists primarily of expenses related to the bookstore charges for various campus program functions.

13. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District as compensated absences in the statement of net position. The District has accrued a liability for the amounts attributable to load banking hours within compensated absences. Load banking hours consist of hours worked by instructors in excess of a full-time load for which they may carryover for future paid time off.

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave; therefore, accumulated employee sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires within the constraints of the appropriate retirement systems.

14. Net Pension Liability

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING (continued)

15. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets by the District that is applicable to a future reporting period. The deferred inflow of resources – pensions, results from the difference between the estimated and actual return on pension plan investments. This amount is deferred and amortized over 5 years.

16. Net Position

Invested in capital assets, net of related debt: This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but proceeds have not yet been expensed for capital assets, such amounts are included as a component of invested in capital assets, net of related debt.

Restricted net position – expendable: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties or by enabling legislation adopted by the District. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Restricted net position – nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The District had no restricted net position – nonexpendable.

Unrestricted net position: Unrestricted net position represents resources available to be used for transactions relating to the general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING (continued)

17. Minimum Fund Balance Policy

The District has adopted a minimum fund balance policy in order to assure ongoing fiscal health and stability. The policy requires an unassigned fund balance of no less than 10% of unrestricted general fund expenditures. This policy meets the minimum reserve balance recommended by the California Community College Chancellor's Office that districts provide for a minimum prudent reserve balance of 5% of unrestricted expenditures.

18. State Apportionments

Certain current year apportionments from the state are based upon various financial and statistical information of the previous year.

Any prior year corrections due to recalculations in February of 2016 and subsequently will be recorded in the year computed by the State.

19. Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31.

Real and personal property tax revenues are reported in the same manner in which the County auditor records and reports actual property tax receipts to the Department of Education. This is generally on a cash basis. A receivable has not been recognized in the basic financial statements for property taxes due to the fact that any receivable is offset by a payable to the State for apportionment purposes. Property tax receivables for debt service purposes have been accrued in the basic financial statements.

For the fiscal year 2014-15, The District received a premium of $18,914 from the California Statewide Delinquent Tax Finance Authority for the sale of $189,142 in delinquent tax receivables.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING (continued)

20. Classification of Revenues

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

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as student fees, net of scholarship discounts and allowances, and federal and most state and local grants and contracts.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as state apportionments, taxes, and other revenue sources that are defined as nonoperating revenues by GASB.

21. Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and change in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the District, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

22. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. BASIS OF ACCOUNTING (continued)

23. Fiscal Accountability and Fiscal Independence

On October 12, 2011, the District received approval from the Los Angeles County Superintendent of Schools to operate under the fiscal independence status beginning July 1, 2012. On November 7, 2011, the Board of Governor's confirmed and approved the District's request. As a district with fiscal independence, Los Angeles County Superintendent of Schools will continue to have the ability to monitor the district to assure that proper internal controls are in place to provide the appropriate oversight and internal audit functions for the issuance of payroll and commercial warrants directly through the County Treasury without review and approval by Los Angeles County Superintendent of Schools for scrutiny of the legality and propriety of district accounting transactions.

NOTE 2 - DEPOSITS AND INVESTMENTS:

A. Deposits

Custodial Credit Risk

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 deposit policy for custodial risk. As of June 30, 2015, none of the District's bank balance of $524,231 was exposed to credit risk.

In addition, at June 30, 2015, $4,059,140 of the Mt. San Antonio OPEB Trust's (the Trust's) assets of $4,309,140 were exposed to credit risk as uninsured and collateral held by the pledging bank's trust department, but not in the Trust's name.

NOTE 2 - DEPOSITS AND INVESTMENTS: (continued

A. Deposits (continued)

Cash in County

In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. These pooled funds are carried at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2015 is measured at 99.8957% of amortized cost on investments with maturities in excess of one year.

The county is authorized to deposit cash and invest excess funds by California Government code Section 53648 et. seq. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the County are either secured by Federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds, except for the Restricted General Fund, Student Financial Aid Fund and the Warrant Pass-Through Fund, in which case interest is credited to the General Fund. Any investment losses are proportionately shared by all funds in the pool.

Cash with Fiscal Agent

The District has deposited certain amounts with the Alliance of Schools for Cooperative Insurance Programs (ASCIP). ASCIP is regulated by California Government Code Sections 16430, 53601 and 53635 (as is the District). The balance available for withdrawal is the carrying value, based upon historical cost. At June 30, 2015, the carrying value reported in the accompanying financial statements was $655,470 which approximates fair value based upon the District's pro-rata share of the fair value provided by ASCIP for the entire ASCIP portfolio (in relation to the amortized cost of the portfolio). The investment is not required to be rated. The District has a written agreement with ASCIP for this deposit arrangement.

NOTE 2 - DEPOSITS AND INVESTMENTS: (continued)

B. Investments

Investments held by the Mt. San Antonio OPEB Trust (the Trust) are limited to those within the terms of the trust agreement, any applicable plan documents and in accordance with California Government Code Section 53620 through 53622. The Trust did not violate any provisions of the above during the fiscal year ended June 30, 2015.

Investments held by the Trust at June 30, 2015 are presented below:

Investment Type	Fair Value
Preferred Stock	$ 3,840,050
Fixed Income - Bond Funds	49,958,005
Alternative Investments	2,389,400
Equities	8,514,303
Total	$ 64,701,758

Interest Rate Risk – Debt Securities

Interest risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Trust 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.

Investment Maturities (in Years)	Fair Value	Debt Investments		
		Corporate Bonds	Foreign Bonds	Municipal Bonds
<Than 1	$ 2,632,707	$ 2,632,707	$	$
1 - 5	20,110,250	12,165,440	303,312	7,641,498
6 - 10	24,630,048	22,323,397		2,306,651
>Than 10	2,585,000	2,585,000		
Total	$ 49,958,005	$ 39,706,544	$ 303,312	$ 9,948,149

NOTE 2 - DEPOSITS AND INVESTMENTS: (continued)

B. Investments (continued)

Credit Risk – Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trust authorizes the use of a broad range of investment choices that have distinctly different risk and return characteristics, with the provision that all investments must continue to adhere to the underlying requirements of California Government Code Section 53600.5 and, in particular, its emphasis on preservation of capital. The individual investment ratings are indicated below.

		Rated Debt Investments		
Quality Ratings	Fair Value	Corporate Bonds	Foreign Bonds	Municipal Bonds
A	$ 5,270,275	$ 2,292,380	$	$ 2,977,895
A-	3,430,540	3,430,540		
A+	1,166,002	1,166,002		
AA	3,008,820			3,008,820
AA-	1,383,505	306,375		1,077,130
AA+	1,242,382			1,242,382
AAA	820,000	820,000		
B	2,573,163	2,573,163		
B+	2,614,789	2,614,789		
BB	9,497,982	9,497,982		
BB-	4,666,490	4,666,490		
BB+	4,950,660	4,950,660		
BBB	1,571,810	1,571,810		
BBB-	1,531,000	1,531,000		
BBB+	503,255	503,255		
N/A	5,727,332	3,782,098	303,312	1,641,922
	$ 49,958,005	$ 39,706,544	$ 303,312	$ 9,948,149

NOTE 2 - DEPOSITS AND INVESTMENTS: (continued)

B. Investments (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer, however, the Trust places no limit on the amount that may be invested in any one issue; however, the Trust is exposed to concentration of credit risk whenever investments in any one issuer exceeds 5%. At June 30, 2015, there are no investments exposed to a concentration of credit risk.

Custodial Credit Risk

Custodial Credit Risk is the risk that, in the event of the failure of counterparty, the Trust will not be able to recover the value of its investments that are in possession of an outside party. Of the total investments, the Trust has a custodial credit risk exposure on all its investments in corporate securities and debt securities because the related securities are uninsured and unregistered. The Trust does not have a policy limiting the amount of securities that can be held be counterparties.

NOTE 3 - ACCOUNTS RECEIVABLE:

The accounts receivable balance as of June 30, 2015 consists of the following:

Federal and State	$ 6,697,309
Debt Service Property Tax	1,262,595
Tuition and Fees (net of allowance for doubtful accounts $359,275)	797,267
Miscellaneous	1,391,066
	$ 10,148,237

NOTE 4 - INTERFUND TRANSACTIONS:

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund receivables and payables result when the interfund transfer is transacted after the close of the fiscal year. Interfund activity has been eliminated in the basic financial statements, except for transactions occurring between governmental and fiduciary funds.

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2015 is shown below:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Non-depreciable assets:				
Land	$ 619,480	$	$	$ 619,480
Collections - art	123,058	5,000		128,058
Construction in progress	78,637,838	27,518,385	(44,774,342)	61,381,881
Total non-depreciable assets	79,380,376	27,523,385	(44,774,342)	62,129,419
Depreciable assets:				
Building and building improvements	349,009,100	46,676,195		395,685,295
Equipment	33,783,761	3,825,581	(942,261)	36,667,081
Total depreciable assets	382,792,861	50,501,776	(942,261)	432,352,376
Less accumulated depreciation for:				
Building and building improvements	(84,338,973)	(9,497,145)		(93,836,118)
Equipment	(25,418,359)	(2,876,134)	933,793	(27,360,700)
Total accumulated depreciation	(109,757,332)	(12,373,279)	933,793	(121,196,818)
Total depreciable assets, net	273,035,529	38,128,497	(8,468)	311,155,558
Capital assets, net	$ 352,415,905	$ 65,651,882	$ (44,782,810)	$ 373,284,977

Total interest costs incurred for the year ended June 30, 2015 were $27,610,999. Interest costs capitalized were $92,029 and interest revenue used to offset interest cost, in determining the amount to be capitalized was $858,518.

NOTE 6 - LOANS PAYABLE:

The District entered into an agreement on November 24, 1993 with the Walnut Improvement Agency (the Agency) on behalf of the City of Walnut (the City) whereby the Agency shall contribute a maximum of $1,000,000 to the District for construction of the Performing Arts Center. The District will reimburse the City for the Agency's contribution over a period of 20 years. The District must pay the City on a quarterly basis as of March 31, June 30, September 30 and December 31, $1 for every ticket sold for all performances during the respective quarters and receives credit towards the loan for the City's usage of the facility.

NOTE 6 - LOANS PAYABLE: (continued)

During fiscal year 2014-15, the District repaid $10,834 to the City, and received $14,478 in facility usage credits. The remaining balance of $113,526 is reflected as a liability on the statement of net position.

NOTE 7 - GENERAL OBLIGATION BONDS – MEASURE R (2001):

On November 6, 2001, $221 million in general obligation bonds were authorized by an election held within the Mt. San Antonio College District under Proposition 39/Measure R. Proceeds from the sale of the bonds will be used to finance the construction, acquisition, furnishing and equipping of District facilities.

2001 Series A - On May 1, 2002 the District offered for sale $40,000,000 in general obligation bonds. The bonds were issued as current interest bonds. The bonds have been fully defeased.

2001 Series B - On February 4, 2004 the District offered for sale $75,000,000 in general obligation bonds. The bonds were issued as current interest bonds. The bonds have been partially defeased.

2005 Refunding - On September 7, 2005 the District offered for sale $75,745,843 in general obligation refunding bonds. The bonds were issued to refund certain outstanding general obligation bonds (Series A and Series B) of the District and to pay for certain capital improvements. The bonds were issued as current interest bonds in the aggregate principal amount of $63,945,000 and as capital appreciation bonds in the aggregate principal amount of $11,800,843. The bonds have been fully defeased.

The proceeds associated with the refunding were deposited in an escrow fund for repayment of the outstanding balance of the defeased debt (Series A and Series B) and were paid by the escrow agent in August 2014.

2001 Series C - On September 8, 2006 the District offered for sale $79,996,203 in general obligation bonds. The bonds were issued as current interest bonds in the aggregate principal amount of $78,755,000 and as capital appreciation bonds in principal amount of $1,241,203. Certain maturities of the bonds have been in-substance defeased.

The capital appreciation bonds were issued with maturity dates of September 1, 2008 through September 1, 2012. Prior to the applicable maturity date, each bond will accrete interest on the principal component.

NOTE 7 - GENERAL OBLIGATION BONDS – MEASURE R (2001): (continued)

2001 Series D - On July 9, 2008 the District offered for sale $26,003,609 in general obligation bonds. The bonds were issued as current interest bonds in the aggregate principal amount of $20,065,000 and as capital appreciation bonds in principal amount of $5,938,609.

The capital appreciation bonds were issued with maturity dates of June 1, 2010 through June 1, 2018. Prior to the applicable maturity date, each bond will accrete interest on the principal component.

2012 Refunding - On June 6, 2012 the District offered for sale $29,850,000 in general obligation refunding bonds. The bonds were issued to refund certain outstanding general obligation bonds (2005 Refunding) of the District. The bonds were issued as current interest bonds. The bonds have been in-substance defeased.

The proceeds associated with the refunding were deposited in an escrow fund for repayment of the outstanding balance of the defeased debt (2005 Refunding) in August 2012.

2013 Refunding, Series A & B - On August 1, 2013 the District offered for sale $74,910,000 (Series A) and $48,190,000 (Series B) in general obligation refunding bonds. The bonds were issued to refund certain outstanding general obligation bonds (2005 Refunding, Series C, and 2012 Refunding) of the District. The bonds were issued as current interest bonds.

The proceeds associated with the refunding were deposited in an escrow fund for future repayment. The outstanding balance of the refunded debt to be paid by the escrow agent totaled $114,080,000 and is scheduled to be fully repaid by August 2017. These bonds are considered in-substance defeased and are not recorded on the financial statements.

NOTE 7 - GENERAL OBLIGATION BONDS – MEASURE R (2001): (continued)

The outstanding bonded debt of Mt. San Antonio Community College District for Measure R at June 30, 2015 is:

Date of Issue	Interest Rate %	Final Maturity Date[1]	Amount of Original Issue	Outstanding July 1, 2014	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2015
2/4/2004 B	2.75-5.00%	8/1/2014	$75,000,000	$ 2,150,000	$	$ 2,150,000	$ -
9/8/2006 C	4.00-5.00%	9/1/2016	79,996,203	2,940,000		965,000	1,975,000
7/9/2008 D	2.92-5.00%	6/1/2033	26,003,609	22,378,676		672,021	21,706,655
8/1/2013 A	2.00-5.00%	9/1/2028	74,910,000	74,910,000		1,000,000	73,910,000
8/1/2013 B	0.72-4.10%	8/1/2023	48,190,000	48,190,000		1,105,000	47,085,000
				$150,568,676	$ -	$ 5,892,021	$144,676,655

[1] Original maturity date prior to refunding:
Series B 8/1/2028
Series C 9/1/2031

The annual requirements to amortize all Measure R (2001) bonds payable, outstanding as of June 30, 2015, are as follows:

Year Ended June 30,	Principal	Accreted Interest	Interest	Total
2016	$ 7,655,731	$ 254,270	$ 6,136,733	$ 14,046,734
2017	8,161,112	288,888	5,898,886	14,348,886
2018	8,574,812	485,188	5,602,168	14,662,168
2019	10,445,000		5,274,272	15,719,272
2020	11,385,000		4,840,267	16,225,267
2021-2025	62,790,000		15,914,514	78,704,514
2026-2030	30,540,000		4,344,250	34,884,250
2031-2033	5,125,000		488,000	5,613,000
Total Debt Service	$ 144,676,655	$ 1,028,346	$ 48,499,090	$ 194,204,091

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The unmatured bonds included total premiums of $29,763,719. This amount will be amortized using the straight line method. Amortization of $802,009 was recognized during 2014-15.

NOTE 7 - GENERAL OBLIGATION BONDS – MEASURE R (2001): (continued)

At June 30, 2015, $725,065 of accreted interest, net of payments and deletions associated with the refunded debt, has been accrued and included in long-term debt.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to refunding escrow agents exceeded the existing carrying value of the refunded debt by $33,130,564. Amortization of $6,726,378 was recognized during 2014-15. The unamortized value of $15,152,621 is reflected as deferred outflows of resources in the statement of net position.

NOTE 8 - GENERAL OBLIGATION BONDS – MEASURE RR (2008):

On November 4, 2008, $353 million in general obligation bonds were authorized by an election held within the Mt. San Antonio College District under Proposition 39/Measure RR. Proceeds from the sale of the bonds will be used to finance the construction, acquisition, furnishing and equipping of District facilities and to liquidate the outstanding bond anticipation notes.

2008 Series A & B - On August 1, 2013 the District offered for sale $205,586,691 (Series A) and $11,715,000 (Series B) in general obligation bonds. The bonds were issued to liquidate the bond anticipation notes of the District and to pay for certain capital improvements. The Series A bonds were issued as current interest series bonds in the aggregate principal amount of $5,280,000, as current interest term bonds in the principal amount of $22,520,000, as capital appreciation bonds in the aggregate principal amount of $28,534,146, and as convertible capital appreciation term bonds in the aggregate principal amount of $149,252,545. The Series B bonds were issued as current interest bonds.

The capital appreciation bonds were issued with maturity dates of August 1, 2019 through August 1, 2033. Prior to the applicable maturity date, each bond will accrete interest on the principal component. The convertible capital appreciation term bonds were issued with conversion dates of August 1, 2023 and August 1, 2028. Prior to the applicable conversion date, each bond will accrete interest on the principal component.

NOTE 8 - GENERAL OBLIGATION BONDS – MEASURE RR (2008): (continued)

The outstanding bonded debt of Mt. San Antonio Community College District for Measure RR at June 30, 2015 is:

Date of Issue	Interest Rate %	Final Maturity Date	Amount of Original Issue	Outstanding July 1, 2014	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2015
8/1/2013 A	2.00-6.25%	8/1/2043	$205,586,691	$ 205,586,691	$	$ 1,725,000	$ 203,861,691
8/1/2013 B	0.72-4.10%	8/1/2023	11,715,000	11,715,000		1,075,000	10,640,000
				$217,301,691	$ -	$ 2,800,000	$214,501,691

The annual requirements to amortize all bonds payable, outstanding as of June 30, 2015, are as follows:

Year Ended June 30,	Principal	Accreted Interest	Interest	Total
2016	$ 2,595,000	$	$ 1,523,529	$ 4,118,529
2017	2,885,000		1,459,622	4,344,622
2018	1,365,000		1,399,030	2,764,030
2019	1,135,000		1,368,076	2,503,076
2020	1,355,225	99,775	1,336,250	2,791,250
2021-2025	12,690,816	7,799,184	10,363,056	30,853,056
2026-2030	35,253,038	32,246,962	42,204,743	109,704,743
2031-2035	35,470,369	25,924,631	100,561,750	161,956,750
2036-2040	51,512,705	78,157,295	77,620,000	207,290,000
2041-2044	70,239,538	106,570,462	23,623,439	200,433,439
Total Debt Service	$ 214,501,691	$ 250,798,309	$ 261,459,495	$ 726,759,495

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The bonds included total premiums of $11,516,220. This amount will be amortized using the straight line method. Amortization of $383,874 was recognized during 2014-15.

At June 30, 2015, $17,122,011 of accreted interest has been accrued and included in long-term debt.

NOTE 9 - DEFEASED DEBT:

Bond Anticipation Notes

On August 1, 2013, the District's bond anticipation notes were in-substance defeased by placing $78,813,326 in proceeds from the issuance of the 2008 Series A and B general obligation bonds in an irrevocable escrow account. The proceeds and interest provided amounts sufficient to pay the accreted value on the defeased notes at maturity on May 1, 2015. Deferred outflows of resources of $2,559,853 associated with these defeased bond anticipation notes were amortized during the 2014-15 fiscal year.

Lease Revenue Bonds

Certain lease revenue bonds of the District have been in-substance defeased by placing the proceeds of bond anticipation notes in an irrevocable escrow accounts held and managed by bank trustees, and invested in U.S. Treasury obligations. The principal and interest on which will provide amounts sufficient to pay the principal and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow account and the defeased bonds are not included in the District's financial statements. On May 18, 2010, proceeds in the amount of $9,596,000 were deposited in an escrow fund for future repayment. At June 30, 2015, $3,715,000 in principal of the defeased bonds is still outstanding and is scheduled to be repaid in May 2018.

NOTE 10 - LONG-TERM DEBT:

A schedule of changes in long-term debt for the year ended June 30, 2015 is shown below:

Governmental	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Amounts Due in One Year
Loan payable-City of Walnut	$ 138,838	$	$ 25,312	$ 113,526	$ 30,766
Compensated absences	7,885,888	593,393		8,479,281	1,728,120
Net Pension Liability (1)	158,618,334		33,326,592	125,291,742	
Other postemployment benefits other than pensions (OPEB)	13,156,754	4,205,089		17,361,843	
General obligation bonds:					
Bonds payable - Measure R	150,568,676		5,892,021	144,676,655	7,655,731
Accreted interest - Measure R	782,510	160,534	217,979	725,065	254,270
Premium - Measure R	9,817,630		802,009	9,015,621	
Bonds payable - Measure RR	217,301,691		2,800,000	214,501,691	2,595,000
Accreted interest - Measure RR	5,534,885	11,587,126		17,122,011	
Premium - Measure RR	11,132,352		383,874	10,748,478	
Total	$ 574,937,558	$ 16,546,142	$ 43,447,787	$ 548,035,913	$ 12,263,887

(1) The beginning balance of long-term debt has been restated to reflect the beginning net pension liability resulting from the implementation of GASB Statements No. 68 and No. 71. See note 16.

NOTE 10 - LONG-TERM DEBT: (continued)

Fiduciary	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Amounts Due in One Year
Net Pension Liability (1)	$ 206,691	$	$ 43,599	$ 163,092	$
Total	$ 206,691	$ -	$ 43,599	$ 163,092	$ -

(1) The beginning balance of long-term debt has been restated to reflect the beginning net pension liability resulting from the implementation of GASB Statements No. 68 and No. 71. See note 16.

Liabilities liquidated by the General Fund for governmental activities, include compensated absences and pension liabilities. The City of Walnut loan payable is liquidated by the Capital Outlay Fund. General obligation bond liabilities are liquidated through property tax collections as administered by the County Controller's office through the Bond Interest and Redemption Fund.

NOTE 11 - EMPLOYEE RETIREMENT PLANS:

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).

As of June 30, 2015, the District implemented GASB Statements No. 68 and No. 71, and as a result, reported its proportionate share of the net pension liabilities, pension expense, and deferred inflows of resources and deferred outflows of resources for each of the retirement plans is as follows:

Pension Plan	Proportionate Share of Net Pension Liability	Deferred Outflows of Resources	Proportionate Share of Deferred Inflows of Resources	Proportionate Share of Pension Expense
CalSTRS (STRP)	$ 84,733,650	$ 6,110,250	$ 20,865,500	$ 7,315,250
CalPERS (Schools Pool Plan)	40,721,184	4,704,697	13,992,255	3,619,281
Totals	$ 125,454,834	$ 10,814,947	$ 34,857,755	$ 10,934,531

CalPERS data reported as "District" is inclusive of the governmental and trust funds.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS)

The details of each plan are as follows:

Plan Description

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

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. 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 to the STRP Defined Benefit Program and the STRP Defined Benefit Supplement Program, thus disclosures are not included for the other plans. The STRP provisions and benefits in effect at June 30, 2015, are summarized as follows:

	STRP Defined Benefit Program and Supplement Program	
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 precentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	8.15%	8.15%
Required employer contribution rate	8.88%	8.88%
Required state contribution rate	5.95%	5.95%

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

Contributions

Required member, District and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2015 are presented above and the total District contributions were $6,110,250.

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District proportionate share of net pension liability	$ 84,733,650
State's proportionate share of the net pension liability associated with the District	51,166,350
Total	$ 135,900,000

The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the District's proportion was 0.1450%.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

For the year ended June 30, 2015, the District recognized pension expense of $7,315,250 including pension expense and revenue of $4,417,309 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 6,110,250	$
Net differences between projected and actual earnings on plan investments		20,865,500
Total	$ 6,110,250	$ 20,865,500

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 year ended June 30, 2016. The deferred inflow of resources are amortized over a closed 5-year period. The remaining pension expense to be recognized in subsequent years is as follows:

Year Ended June 30	Amortization
2016	$ 5,216,375
2017	5,216,375
2018	5,216,375
2019	5,216,375
	$ 20,865,500

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Experience study	July 1, 2006 through June 30, 2010
Actuarial cost method	Entry age normal
Discount rate	7.60%
Investment rate of return	7.60%
Consumer price inflation	3.00%
Wage growth	3.75%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

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

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions (continued)

Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return
Global equity	47%	4.50%
Private equity	12%	6.20%
Real estate	15%	4.35%
Inflation sensitive	5%	3.20%
Fixed income	20%	0.20%
Cash/liquidity	1%	0.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. 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 (7.60%) 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.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California State Teachers' Retirement System (CalSTRS) (continued)

Discount Rate (continued)

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 (6.60%)	$ 132,077,600
Current discount rate (7.60%)	84,733,650
1% increase (8.60%)	45,257,400

Plan Fiduciary Net Position

Detailed information about The STRP's plan fiduciary net position is available in a separate comprehensive annual financial report for CalSTRS. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard, Sacramento, CA 95826.

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) (continued)

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 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2015, are summarized as follows:

	School Employer Pool (CalPERS)	
Hire date	On or Before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a precentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	6.974%	6.000%
Required employer contribution rate	11.771%	11.771%

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) (continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are determined 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 contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2015 are presented above and the total District contributions were $4,704,697.

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

As of June 30, 2015, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $40,721,184. The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.3587%.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) (continued)

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

For the year ended June 30, 2015, the District recognized pension expense of $3,619,281. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,704,697	$
Net differences between projected and actual earnings on plan investments		13,992,255
Total	$ 4,704,697	$ 13,992,255

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 year ended June 30, 2016. The deferred inflows of resources are amortized over a closed 5-year period. The remaining pension expense to be recognized in subsequent years is as follows:

Year Ended June 30	Amortization
2016	$ 3,498,063
2017	3,498,064
2018	3,498,064
2019	3,498,064
	$ 13,992,255

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions

Total pension liability for the School Employer Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.50%
Investment rate of return	7.50%
Consumer price inflation	2.75%
Wage growth	3.00%

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions (continued)

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 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target 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	47%	5.25%
Global fixed income	19%	0.99%
Private equity	12%	6.83%
Real estate	11%	4.50%
Inflation sensitive	6%	0.45%
Infrastructure and Forestland	3%	4.50%
Liquidity	2%	-0.55%

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

California Public Employees Retirement System (CalPERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 one percent lower or higher than the current rate:

Discount rate	Net Pension Liability
1% decrease (6.50%)	$ 71,434,252
Current discount rate (7.50%)	40,721,184
1% increase (8.50%)	15,057,319

Plan Fiduciary Net Position

Detailed information about CalPERS School Employer plan fiduciary net position is available in a separate comprehensive annual financial report. Copies of the annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

MetLife

Plan Description

MetLife is a defined contribution plan qualifying under §401(a) and §401 of the Internal Revenue Code that is administered by Alliance of Schools for Cooperative Insurance Program (ASCIP). The plan covers part-time, seasonal and temporary employees and employees not covered by §3121(b)(7)(F) of the Internal Revenue Code. The benefit provisions and contribution requirements of plan members and the District are established and may be amended by the ASCIP Board of Trustees.

Funding Policy

Contributions of 3% of covered compensation of eligible employees are made by the employer and 4.5% are made by the employee. Total contributions, employer and employee combined, were made in the amount of $767,026 during the fiscal year. The total amount of covered compensation was $10,227,019. Total contributions made are 100% of the amount of contributions required for fiscal year 2014-15.

NOTE 12 - POSTEMPLOYMENT HEALTHCARE BENEFITS:

Plan Description

The District administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides medical benefits to eligible retirees and their spouses in accordance with provisions established through negotiations between the District and the bargaining unions representing employees. Plan provisions are renegotiated each three-year bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Retirees and beneficiaries receiving benefits	579
Terminated plan members entitled to but not yet receiving benefits	4
Active plan members	867
Total	1,450

NOTE 12 - POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Funding Policy

The contribution requirements are established and may be amended by the District. The required contribution is based on projected pay-as-you-go financing requirements, with an annual adjustment to fully fund the actuarially determined annual required contribution. For fiscal year 2014-15, the District made contributions of $2,500,000. Current year premiums of $3,790,007 were paid by the Mt. San Antonio Community College District OPEB Trust. The District is responsible for 100% of the cost of coverage.

Annual OPEB Cost and Net OPEB Obligation (Asset)

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District has elected to amortize the unfunded actuarial liability over 30 years. The table below shows the components of the District's annual OPEB cost for the year, the amount actually contributed, and change in the District's net OPEB obligation (asset).

Annual required contribution (ARC)	$ 6,903,119
Interest on net OPEB obligation	657,838
Adjustment to annual required contribution	(855,868)
Annual OPEB cost (expense)	6,705,089
Contributions made	(2,500,000)
Change in net OPEB obligation/(asset)	4,205,089
Net OPEB asset - beginning of year	13,156,754
Net OPEB obligation - end of year	$ 17,361,843

NOTE 12 - POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued

Annual OPEB Cost and Net OPEB Obligation (Asset) (continued)

The District's annual OBEB cost, the percentage of annual OPEB cost contributed, and the net OPEB obligation for each of the last three fiscal years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Assets)
6/30/2013	$ 6,585,543	0.00%	$ 6,461,099
6/30/2014	6,695,655	0.00%	13,156,754
6/30/2015	6,705,089	37.29%	17,361,843

Funding Status and Funding Progress

As of March 1, 2014 the most recent actuarial valuation date, the plan was 67.2% funded. The actuarial accrued liability for benefits was $107.4 million, and the actuarial value of assets held in the Mt. San Antonio Community College District OPEB Trust was $72.1 million, resulting in an unfunded actuarial liability (UAAL) of $35.2 million. The covered payroll (annual payroll of active employees covered by the plan was $78.6 million, and the ratio of the UAAL to the covered payroll was 44.9%.

Actuarial valuations of an ongoing benefit plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of postemployment healthcare benefits funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 12 - POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Funding Status and Funding Progress (continued)

The accompanying schedule of employer contributions, also presented as required supplementary information, presents trend information about the amounts contributed to the plan by employers in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Actuarial Methods and Assumptions

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

The actuarial cost method used in determining the benefit obligations is the Entry Age Normal Cost method. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses) which is a blended rate of the expected long-term investment returns on plan assets and on the employers own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 4.0 percent which included a 3.0 percent inflation assumption. The initial UAAL is being amortized as a level percentage of projected payroll on a closed basis over a 30 year period. The amortization period will expire on June 30, 2037. The residual UAAL is being amortized as a level percentage of projected payroll on an open basis over a 30 year period.

NOTE 13 - SELF-INSURANCE PROGRAM:

The District finances its risk of loss related to property and liability through a combination of self-insurance and participation the ASCIP JPA. Under this program, the District provides coverage for up to a maximum of $25,000 for each general liability or property damage claim. ASCIP provides excess insurance coverage above the member retained limit.

Claims are managed by a third-party administrator (TPA). Funding of the amounts held by the TPA as well as reserves held by ASCIP as trustee are based on estimates of the amounts needed to pay prior and current year claims. Funding is provided by transfers from the general fund and claims paid within the member retained limit during 2014-15 totaled $115,008. Settled claims have not exceeded the coverage provided by the JPA in any of the past three fiscal years.

NOTE 14 - JOINT POWERS AGREEMENT:

The Mt. San Antonio Community College District participates in four joint powers agreement (JPA) entities; the Alliance of Schools for Cooperative Insurance Programs (ASCIP); the Southern California Community College District Joint Powers Agency (SCCCD-JPA); the Schools Excess Liability Fund (SELF); and the Protected Insurance Programs for Schools (PIPS).

ASCIP arranges for and provides property and liability insurance plans and dental and vision insurance plans for its member districts. Mt. San Antonio Community College District pays a premium commensurate with the level of coverage requested. In addition, ASCIP maintains defined pension plans for employees not covered by STRS or PERS (see Note 11).

SCCCD-JPA provides workers' compensation coverage for its seven member districts for workers' compensation self-insured run-off claims dated prior to 1995. Payments transferred to funds maintained under the JPA are expensed when made. SCCCD has self-funded their workers' compensation coverage since inception as a joint banking pool, and accordingly, does not transfer risk between members. District administrators are of the opinion that the procedures for accumulating and maintaining reserves are sufficient to cover future contingencies under potential workers' compensation claims.

SELF arranges for and provides a self-funded or additional insurance for excess liability for approximately 1,100 public educational agencies. SELF is governed by a board of 16 elected voting members, elected alternates, and two ex-officio members. The board controls the operations of SELF, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the board. Each member pays an annual contribution based upon that calculated by SELF's board of directors and shares surpluses and deficits proportionately to its participation in SELF.

NOTE 14 - JOINT POWERS AGREEMENT: (continued)

PIPS provides workers' compensation reinsurance protection to its membership for public schools and community colleges throughout California. This is a finite risk sharing pool that transfers risk away from the members. Premiums are determined based on payroll expense and additional premiums may be required in subsequent years.

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the Mt. San Antonio Community College District beyond the District's representation on the governing boards.

The relationships between the Mt. San Antonio Community College District and the JPAs are such that none of the JPAs are component units of the District for financial reporting purposes.

Condensed financial information of ASCIP, SCCCD-JPA, SELF, and PIPS for the most current information available is as follows:

	ASCIP 6/30/2015 (Unaudited)	SCCCD-JPA 6/30/2015 (Audited) Workers' Compensation Insurance Fund	SELF 6/30/2015 (Audited)	PIPS 6/30/2015 (Unaudited)
Total assets	$ 370,258,738	$ 17,486,672	$ 154,826,708	$ 109,911,317
Total liabilities	212,434,841	693,317	122,637,079	99,473,185
Net position	$ 157,823,897	$ 16,793,355	$ 32,189,629	$ 10,438,132
Total revenues	$ 228,708,268	$ 8,855,790	$ 11,968,752	$ 236,319,886
Total expenditures	216,333,100	8,435,764	23,063,637	237,952,641
Change in net position	$ 12,375,168	$ 420,026	$ (11,094,885)	$ (1,632,755)

NOTE 15 - FUNCTIONAL EXPENSE:

Operating expenses are reported by natural classification in the statement of revenues, expenses and change in net position. A schedule of expenses by function is shown below:

	Salaries	Employee Benefits	Supplies, Materials, Utilities, Other Expenses and Services	Student Aid and Other Uses	Depreciation	Total
Instructional	$ 73,291,844	$ 18,697,770	$ 3,594,992	$	$	$ 95,584,606
Academic Support	10,501,309	3,444,633	907,132			14,853,074
Student Services	13,240,410	4,544,543	1,370,509	213,048		19,368,510
Operation & Maintenance of Plant	6,322,720	3,044,183	5,347,375			14,714,278
Institutional Support	12,860,480	6,825,476	5,943,786			25,629,742
Community Services and Economic Development	1,806,538	522,511	944,310			3,273,359
Ancillary Services and Auxiliary Operations	4,224,342	1,446,454	1,771,728			7,442,524
Student Aid				48,824,431		48,824,431
Other Outgo	957,933	242,420	7,817,481			9,017,834
Depreciation Expense					12,373,279	12,373,279
Totals by Object	$ 123,205,576	$ 38,767,990	$ 27,697,313	$ 49,037,479	$ 12,373,279	$251,081,637

NOTE 16 – CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT TO BEGINNING NET POSITION:

The beginning net position has been restated by $(149,169,120) to recognize the beginning balance of the net pension liability of $(158,618,334) and deferred outflows of resources of $9,449,214 resulting from the implementation of GASB Statements No. 68 and No. 71. The beginning fiduciary net position has been restated by $(194,172) to recognize the beginning balance of the fiduciary net pension liability of $(206,691) and deferred outflows of resources of $12,519 resulting from the implementation of GASB Statements No. 68 and No. 71. The beginning net position was not restated for the effect of deferred inflows as the amount was not practical to determine.

The effect of this implementation has resulted in a negative net position balance at June 30, 2015. The retirement plan administrators for CalSTRS and CalPERS will require increases in contribution amounts to reduce the net pension liability in future years. The District has budgeted for increased contributions in the 2016 year.

NOTE 17 - COMMITMENTS AND CONTINGENCIES:

A. State and Federal Allowances, Awards and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

B. Litigation

The District is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements. However, one such claim is scheduled for arbitration to begin in November 2015 with ultimate binding resolution to occur early 2016. The claim has been estimated not to exceed $1 million. This amount has not been accrued in these financial statements as the outcome is uncertain and the District intends to defend against the claim. An amount has been reserved in the event arbitration results in a judgment against the District.

C. Purchase Commitments

As of June 30, 2015 the District was committed under various capital expenditure purchase agreements for various projects totaling approximately $28 million to be funded from general obligation bond proceeds, bond anticipation notes and State funding for capital outlay projects.

In July 2006, the Board authorized the acquisition of a fully integrated Enterprise Application System (EAS) to replace several of its legacy information systems with a strategic, scalable, non-propriety system to enhance academic and administrative services to campus constituents. Total costs are estimated to be $21.6 million over a ten year timeline with funding including ongoing maintenance provided from the unrestricted general fund. Funding for the first three years of implementation came from the designated EAS reserve.

NOTE 18 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2015, that have effective dates that may impact future financial presentations; however, the impact of the implementation of each of the statements below to the District's financial statements has not been assessed at this time.

Statement No. 72 - ***Fair Value Measurement and Application***

This statement was issued in February 2015 and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements by establishing a hierarchy of inputs to valuation techniques used to measure fair value. The statement is effective for the fiscal year 2015-16.

Statement No. 73 - ***Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68***

This statement was issued in June 2015 and extends the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. The object is to provide information about financial support provided by certain non-employer entities for pensions that are provided to the employees of other entities and that are not within the scope of Statement No. 68 and to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements of state and local governmental employers. The statement is effective for the fiscal year 2015-16 except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for the fiscal year 2016-17.

Statement No. 74 - ***Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans***

This statement was issued in June 2015 and establishes standards of financial reporting for defined benefit OPEB plans and defined contribution OPEB plans. This statement is closely related in some areas to Statement No. 75. The statement is effective for the fiscal year 2016-17.

NOTE 18 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE: (continued)

Statement No. 75 - ***Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***

This statement was issued in June 2015 and establishes standards for governmental employer recognition, measurement, and presentation of information about OPEB. The statement 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. This statement is closely related in some areas to Statement No. 74. The statement is effective for the fiscal year 2017-18.

NOTE 19 - SUBSEQUENT EVENTS:

General Obligation Bonds (Measure RR)

The District issued for sale $20,000,000 of General Obligation Bonds, Election of 2008, Series 2015C on September 11, 2015. The bonds were issued with an interest rate of 2.00% to 4.00% and mature on August 1, 2022. The bonds were sold to finance the acquisition, construction, renovation and equipping of District sites and facilities. The District also issued for sale $19,440,000 of General Obligation Refunding Bonds on September 11, 2015. The bonds were issued with an interest rate of 2.00% to 5.00% and mature on June 1, 2033. The bonds were sold to refund a portion of the District's outstanding General Obligation Bonds, 2001 Election, Series D resulting in a net savings to the taxpayers from reduced interest rates.

Salary and Benefit Increases

Effective July 1, 2015, all regular employees will receive a 5.02% on schedule salary increase and health and welfare increases in the range of $396 to $514 annually.

REQUIRED SUPPLEMENTARY INFORMATION

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABLITY STATE TEACHERS RETIREMENT PLAN For the Fiscal Year Ended June 30, 2015

	2015
District's proportion of the net pension liability (assets)	0.1450%
District's proportionate share of the net pension liability (asset)	$ 84,733,650
State's proportionate share of the net pension liability (asset) associated with the District	51,166,350
Total	$135,900,000
District's covered-employee payroll	$ 66.4 million
District's proportionate share of the net pension liability (asset) as a percentage of its overed-employee payroll	127.50%
Plan fiduciary net position as a percentage of the total pension liability	77.00%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available. The amounts for covered payroll are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

See the accompanying notes to the required supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABLITY
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT PLAN – SCHOOLS POOL PLAN
For the Fiscal Year Ended June 30, 2015

	2015
District's proportion of the net pension liability (assets)	0.3587%
District's proportionate share of the net pension liability (asset)	$ 40,721,184
District's covered-employee payroll	$ 38.1 million
District's proportionate share of the net pension liability (asset) as a percentage of its overed-employee payroll	106.86%
Plan fiduciary net position as a percentage of the total pension liability	83.37%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available. The amounts for covered payroll are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

See the accompanying notes to the required supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
STATE TEACHERS RETIREMENT PLAN
For the Fiscal Year Ended June 30, 2015

	2015
Contractually required contribution	$ 6,110,250
Contributions in relation to the contractually required contribution	6,110,250
Contribution deficiency (excess)	$ -
District's covered-employee payroll	$ 68.8 million
Contributions as a percentage of covered-employee payroll	8.880%

Note: Accounting standards require presentation of 10 years of information. However, the information in the schedule is not required to be presented retroactively. Years will be added to this schedule as further data becomes available.

See the accompanying notes to the required supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT PLAN – SCHOOLS POOL PLAN
For the Fiscal Year Ended June 30, 2015

	2015
Contractually required contribution	$ 4,704,697
Contributions in relation to the contractually required contribution	4,704,697
Contribution deficiency (excess)	$ -
District's covered-employee payroll	$ 39.9 million
Contributions as a percentage of covered-employee payroll	11.771%

Note: Accounting standards require presentation of 10 years of information. However, the information in the schedule is not required to be presented retroactively. Years will be added to this schedule as further data becomes available.

See the accompanying notes to the required supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS
June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (Entry Age Normal Method) (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funding Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
5/1/2011	$ 65,348,742	$ 114,656,841	$ 49,308,099	57.0%	$ 75,140,236	65.6%
3/1/2012	71,343,707	120,114,689	48,770,982	59.4%	75,140,236	64.9%
3/1/2014	72,129,965	107,412,110	35,282,145	67.2%	78,653,318	44.9%

See the accompanying notes to the required supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS
EMPLOYER CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2015

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2013	$ 6,583,670	0.00%
2014	6,792,905	0.00%
2015	6,903,119	36.22%

See the accompanying notes to the required supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2015

NOTE 1 - PURPOSE OF SCHEDULES:

A. Schedules of the District's Proportionate Share of the Net Pension Liability – STRP and CalPERS – Schools Pool Plan

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the State's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

B. Schedules of District Contributions – STRP and CalPERS – Schools Pool Plan

The 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, 10 years of information will be presented.

C. Schedule of Postemployment Healthcare Benefits Funding Progress

The schedule is intended to show trends about the funding progress of the District's actuarially determined liability for postemployment benefits other than pensions.

D. Schedule of Postemployment Healthcare Benefits Employer Contributions

The schedule is intended to show trends about the percentage of the annual required contribution made to the plan.

SUPPLEMENTARY INFORMATION

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

HISTORY AND ORGANIZATION
June 30, 2015

Mt. San Antonio Community College District is a public community college that has been serving the people of Baldwin Park, Bassett, Charter Oak, Covina, Diamond Bar, Southern portion of Glendora, Hacienda Heights, Industry, Irwindale, La Puente, La Verne, Pomona, Rowland Heights, San Dimas, Valinda, Walnut and West Covina since 1946.

The District maintains its campus on 421 acres of land in the City of Walnut, California, in the Eastern portion of Los Angeles County. Mt. San Antonio Community College District is accredited by the Western Association of Schools and Colleges.

BOARD OF TRUSTEES

Member	Office	Term Expires
Dr. David K. Hall	President	November 30, 2015
Judy Chen Haggerty	Vice President	November 30, 2017
Rosanne M. Bader	Clerk	November 30, 2017
Manuel Baca	Member	November 30, 2015
Fred Chyr	Member	November 30, 2015
Robert Hidalgo	Member	November 30, 2017
Laura Santos	Member	November 30, 2017
Elizabeth Santos	Student Trustee	June 30, 2016

DISTRICT EXECUTIVE OFFICERS

Dr. William Scroggins	President/CEO
Dr. Irene Malmgren	Vice President, Instruction
Michael D. Gregoryk	Vice President, Administrative Services
James P. Czaja	Vice President, Human Resources
Dr. Audrey Yamagata-Noji	Vice President, Student Services

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2015

Program Name	Federal Catalog Number	Pass-Through Entity Identifying Number	Total Program Expenditures
Federal Categorical Aid Programs			
Department of Education			
Direct:			
Student Financial Aid Cluster:			
Direct Loans - William D. Ford Program	84.268	N/A	$ 1,142,960
Federal Work Study	84.033	N/A	419,515
Pell	84.063	N/A	43,496,284
Student Financial Aid Administrative Expenses	84.000	N/A	87,771
Supplemental Educational Opportunities Grant (SEOG)	84.007	N/A	707,100
Passed through from the California Department of Education:			
TRIO Program Cluster:			
Student Support Services	84.042A	(1)	206,672
Upward Bound	84.047A	(1)	303,201
Direct:			
Asian American Native American Pacific Islander Serving Institutions (AANAPISI)	84.382B	N/A	548,815
Developing Hispanic Serving Institutions, Title V:			
Building Pathways of Persistence and Completion	84.31S	N/A	665,187
Parent in School Program	84.335A	N/A	375,000
Veteran's Education Administrative Expenses	84.065	N/A	6,525
Passed through from the California Department of Education:			
Child Development Division, Childcare and Development Quality Improvement Funds, Child Development Training Consortium	93.575	(1)	8,478
Child Nutrition Program	10.555	03755	83,140
Workforce Investment Act, Title II: Adult Education and Family Literacy Act, Section 225, Section 231, and English Literacy and Civics Education	84.002	(1)	1,217,617
Passed through from the California Community College Chancellor's Office:			
Career and Technical Education (CTE):			
Perkins, Title I, Part C	84.048	03578	924,902
Perkins, Title I, Part C, Transitions	84.048A	(1)	43,154

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2015

Program Name	Federal Catalog Number	Pass-Through Entity Identifying Number	Total Program Expenditures
National Science Foundation			
Direct:			
Advance Technological Education (ATE)			
Science, Technology, Engineering and Mathematics (STEM)			
Teacher Preparation Program	47.076	N/A	45,368
Collaborative Research: Geodesy Curriculum	47.076	N/A	10,750
Department of Health & Human Services			
Passed through from the California Community College Chancellor's Office:			
Substance Abuse and Mental Health Services - Projects			
of Regional and National Significance	93.243	5U79SM060459	12,165
Temporary Assistance for Needy Families (TANF)	93.558	(1)	124,966
Department of Labor			
Passed through from the East San Gabriel Valley ROP/TC:			
Employment and Training Administration (ETA)			
Youth Career Connect	17.274	58110.0	75,234
Total Federal Expenditures			$ 50,504,804
Student Financial Aid Loan Programs			
Mt. San Antonio Community College District had the following loan balance outstanding as of 6/30/15:			
Perkins Program	84.038		$ 97,243

Note: (1) Pass-through entity identifying number not readily available.

N/A Pass-through entity identifying number not applicable.

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE - GRANTS
For the Fiscal Year Ended June 30, 2015

Program Name	Program Revenues					Total Program Expenditures
	Cash Received	Accounts Receivable	Deferred Revenue	Accounts Payable	Total	
State Categorical Aid Programs:						
AB86 Adult Education Consortium Planning	$ 309,922	$	$ 158,432	$	$ 151,490	$ 151,490
Assessment, Remediation & Retention (ARR) Associate Degree Nursing	68,400				68,400	68,400
Basic Skills	1,421,086		483,501		937,585	937,585
Board Financial Assistance Program (BFAP)	1,065,229		15,397		1,049,832	1,049,832
California State Preschool Program	262,278	476			262,754	262,754
CalWORKS	537,694				537,694	537,694
CARE	102,393				102,393	102,393
Career Technical Education - Community Collaborative (San Gabriel Valley)	10,525				10,525	10,525
Career Technical Education - Enhancement Fund (Local and Regional Share)	253,910	31,143			285,053	285,053
Career Technical Education - Pathways Program (LA County Ring Colleges)	3,779	5,489			9,268	9,268
Center of Excellence - Career Technical Education: Strategic Hubs	86,685				86,685	86,685
Center of Excellence - Economic Development	210,041	50,337			260,378	260,378
Child Care Food Program	4,052	767			4,819	4,819
Child Care General Center and Development Program	392,709	30,916			423,625	423,625
Child Care Tax Bailout	88,976				88,976	88,976
Child Development Workforce Initiative	250,085	103,939			354,024	354,024
Course Identification (C-ID) Program		643			643	643
Disabled Student Programs & Services (DSPS)	3,471,115				3,471,115	3,471,115
Enrollment Growth AA Nursing	160,937				160,937	160,937
Equal Employment Opportunity	25,733		3,735		21,998	21,998
Extended Opportunity Programs and Services (EOPS)	788,592				788,592	788,592
Instructional Equipment and Library Materials	1,997,425		148,770		1,848,655	1,848,655
Student Success and Support Program (SSSP) - Credit	3,230,237		1,064,603		2,165,634	2,165,634
Student Success and Support Program (SSSP) - Noncredit	851,629		79,446		772,183	772,183
Student Success and Support Program (SSSP) - Student Equity	1,655,272		1,143,697		511,575	511,575
Proposition 39 - Clean Energy Workforce	12,878	23,723			36,601	36,601
Song-Brown Registered Nurse Program	52,093	30,000			82,093	82,093
Technical Assistance Provider - Contract Education	95,010	108,479			203,489	203,489
Workforce Innovation Partnerships	149,780				149,780	149,780
Total State Programs	$ 17,558,465	$ 385,912	$ 3,097,581	$	$ 14,846,796	$ 14,846,796

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT – ANNUAL (ACTUAL) ATTENDANCE
For the Fiscal Year Ended June 30, 2015

	Annual - Factored FTES		
	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2014 only)			
1. Noncredit[1]	2,568.37		2,568.37
2. Credit	1,766.47		1,766.47
B. Summer Intersession (Summer 2015 - Prior to July 1, 2015)			
1. Noncredit[1]	-		-
2. Credit	-		-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	18,061.44		18,061.44
(b) Daily Census Contact Hours	2,567.35		2,567.35
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit[1]	3,419.42		3,419.42
(b) Credit	1,008.65		1,008.65
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	740.37		740.37
(b) Daily Census Contact Hours	521.88		521.88
(c) Noncredit Independent Study/Distance Education Courses	N/A		N/A
D. Total FTES	30,653.95	-	30,653.95
Supplemental Information (subset of above information)			
E. In-Service Training Courses (FTES)	N/A		
H. Basic Skills courses and Immigrant Education			
(a) Noncredit[1]	5,099.28		
(b) Credit	2,022.87		
CCFS 320 Addendum			
CDCP Noncredit FTES	4,185.75		
Centers FTES			
(a) Noncredit	N/A		
(b) Credit	N/A		

[1] Including Career Development and College Preparation (CDCP) FTES

N/A - Workload Measure is not applicable

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

The audit resulted in no adjustments to the fund balances reported on the June 30, 2015 Annual Financial and Budget Report (CCFS-311) based upon governmental accounting principles.

The financial data for the District's Bond Interest and Redemption Fund is a component part of these financial statements and is not reported in the District's CCFS-311 series.

Additional entries were made to comply with the GASB 34/35 reporting requirements. These entries are not considered audit adjustments for purposes of this reconciliation.

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF 50 PERCENT LAW CALCULATION
For the Fiscal Year Ended June 30, 2015

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 32,017,072	$	$ 32,017,072	$ 32,017,072	$	$ 32,017,072
Other	1300	28,930,737		28,930,737	28,930,737		28,930,737
Total Instructional Salaries		60,947,809		60,947,809	60,947,809		60,947,809
Non-Instructional Salaries							
Contract or Regular	1200			-	10,776,372		10,776,372
Other	1400			-	1,293,645		1,293,645
Total Non-Instructional Salaries		-		-	12,070,017		12,070,017
Total Academic Salaries		60,947,809	-	60,947,809	73,017,826	-	73,017,826
Classified Salaries							
Non-Instructional Salaries							
Regular Status	2100			-	26,925,828		26,925,828
Other	2300			-	2,776,574		2,776,574
Total Non-Instructional Salaries					29,702,402		29,702,402
Instructional Aides							
Regular Status	2200	1,707,801		1,707,801	1,707,801		1,707,801
Other	2400	1,071,336		1,071,336	1,071,336		1,071,336
Total Instructional Aides		2,779,137		2,779,137	2,779,137		2,779,137
Total Classified Salaries		2,779,137	-	2,779,137	32,481,539	-	32,481,539
Employee Benefits	3000	12,726,079		12,726,079	26,077,936		26,077,936
Supplies and Materials	4000			-	2,434,195		2,434,195
Other Operating Expenses	5000			-	12,048,298		12,048,298
Equipment Replacement	6420			-			-
Total Expenditures Prior to Exclusions		76,453,025	-	76,453,025	146,059,794	-	146,059,794

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

RECONCILATION OF 50 PERCENT LAW CALCULATION
For the Fiscal Year Ended June 30, 2015

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff–Retirees' Benefits and Retirement Incentives	5900	1,161,750		1,161,750	2,505,714		2,505,714
Student Health Services Above Amount Collected	6441			-			-
Student Transportation	6491			-	234,959		234,959
Non-instructional Staff-Retirees' Benefits and Retirement Incentives	6740			-			-
Objects to Exclude							
Rents and Leases	5060			-	231,777		231,777
Lottery Expenditures							
Academic Salaries	1000			-			-
Classified Salaries	2000			-			-
Employee Benefits	3000			-			-
Supplies and Materials	4000			-			-
Software	4100			-			-
Books, Magazines, & Periodicals	4200			-			-
Instructional Supplies & Materials	4300			-			-
Noninstructional, Supplies & Materials	4400			-			-
Total Supplies and Materials							
Other Operating Expenses and Services	5000			-	4,006,720		4,006,720
Capital Outlay	6000			-			-
Library Books	6300			-			-
Equipment	6400			-			-
Equipment - Additional	6410			-			-
Equipment - Replacement	6420			-			-
Total Equipment							
Total Capital Outlay							
Other Outgo	7000			-			-
Total Exclusions		1,161,750	-	1,161,750	6,979,170	-	6,979,170
Total for ECS 84362, 50% Law		$ 75,291,275	$ -	$ 75,291,275	$139,080,624	$ -	$139,080,624
Percent of CEE (Instructional Salary Cost / Total CEE)		54.13%	0.00%	54.13%	100.00%	0.00%	100.00%
50% of Current Expense of Education					$ 69,540,312	$ -	$ 69,540,312

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACCOUNT EXPENDITURE REPORT
For the Fiscal Year Ended June 30, 2015

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				$ 25,184,227
Activity Classification	**Object Code**	**Salaries and Benefits (1000 - 3000)**	**Operating Expenses (4000 - 5000)**	**Capital Outlay (6000)**	**Total**
Instructional Activities	0100-5900	$ 25,184,227	$	$	$ 25,184,227
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total Expenditures for EPA*		$ 25,184,227	$ -	$ -	25,184,227
Revenues less Expenditures					-

*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
UNRESTRICTED AND RESTRICTED GENERAL FUNDS (COMBINED)
For the Fiscal Year Ended June 30,

	(Budget) 2016		2015		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue								
Federal	$ 5,459,604	2.36	$ 4,700,320	2.68	$ 4,673,276	2.86	$ 6,446,834	4.14
State	169,890,188	73.55	130,922,506	74.65	121,224,596	74.19	97,375,470	62.58
County and Local	41,606,557	18.01	43,012,239	24.52	39,556,012	24.21	48,233,860	31.00
Total Revenue	216,956,349	93.92	178,635,065	101.85	165,453,884	101.26	152,056,164	97.72
Expenditures								
Academic Salaries	87,143,631	37.73	76,240,937	43.47	74,110,137	45.36	70,152,313	45.09
Classified Salaries	49,611,040	21.48	44,139,686	25.17	41,084,914	25.14	39,825,446	25.60
Employee Benefits	33,786,117	14.63	29,335,375	16.73	25,759,399	15.76	24,552,898	15.78
Supplies and Materials	5,956,960	2.58	3,583,471	2.04	3,153,470	1.93	3,332,331	2.14
Other Operating Expenses and Services	43,269,739	18.73	14,895,486	8.49	14,957,608	9.16	13,740,644	8.83
Capital Outlay	5,816,894	2.52	5,375,511	3.06	3,043,316	1.86	3,012,872	1.94
Other Uses	5,405,798	2.34	1,821,476	1.04	1,290,671	0.79	974,607	0.62
Total Expenditures	230,990,179	100.00	175,391,942	100.00	163,399,515	100.00	155,591,111	100.00
Other Financing Sources	1,720,927	0.75	1,182,661	0.67	587,699	0.36	1,097,068	0.71
Change in Fund Balance	$ (12,312,903)	(5.33)	$ 4,425,784	2.52	$ 2,642,068	1.62	$ (2,437,879)	(1.57)
Combined General Fund:								
Assigned Fund Balance	$ -	-	$ 10,069,209	5.74	$ 5,577,996	3.41	$ 3,959,495	2.54
Unassigned Fund Balance	23,704,069	10.26	24,437,641	13.93	24,658,189	15.09	23,770,463	15.28
Restricted Fund Balance	153,442	0.07	1,663,564	0.95	1,508,445	0.92	1,372,604	0.88
Ending Fund Balance *	$ 23,857,511	10.33	$ 36,170,414	20.62	$ 31,744,630	19.42	$ 29,102,562	18.70
Full-time Equivalent Students	32,962		30,654		29,682		28,650	
Total Long-Term Debt	$ 516,171,019		$ 528,434,906		$ 554,194,267		$ 243,820,673	

IMPORTANT NOTES:

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

* Unrestricted General Fund expenditure and fund balance for 2015-16 budget year is projected to be $196,640,300 and $23,704,069 respectively, which meets the District's policy of 10% unrestricted ending fund balance. The percentage of 10.33 is the result of inclusion of restricted General Fund.

All percentages are of total unrestricted and restricted expenditures combined.

The 2015-16 budget presents the Budget adopted by the Board of Trustees on September 9, 2015.

Long-term debt is reported for the District as a whole and includes debt related to all funds. Long-term debt excludes unamortized premium. Total long term debt for the 2013-14 year has been revised to reflect the implementation of GASB Statements No. 68 and No. 71.

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF BUDGETARY COMPARSION
FOR THE COMBINED GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Revenue from Federal Sources			
Higher Education Act	$ 3,001,216	$ 2,153,191	$ (848,025)
Temporary Assistance for Needy Families	124,966	124,966	-
Student Financial Aid	100,000	77,970	(22,030)
Veterans Education	6,525	6,525	-
Vocational and Technical Education Act	968,172	968,056	(116)
Other Federal Revenue	1,981,808	1,369,612	(612,196)
Revenue from State Sources			
General Apportionments	110,461,371	109,307,574	(1,153,797)
Categorical Apportionments	14,718,001	11,706,392	(3,011,609)
Other State Revenues	9,932,071	9,908,540	(23,531)
Revenue from Local Sources			
Property Taxes	23,897,531	23,897,531	-
Interest and Investment Income	250,000	308,126	58,126
Student Fees and Charges	15,744,128	16,328,811	584,683
Contributions	397,963	291,571	(106,392)
Other Local Revenue	2,493,333	2,186,200	(307,133)
TOTAL REVENUES	184,077,085	178,635,065	(5,442,020)
EXPENDITURES			
Academic Salaries	79,260,605	76,240,937	3,019,668
Classified Salaries	46,921,078	44,139,686	2,781,392
Employee Benefits	30,426,887	29,335,375	1,091,512
Supplies and Materials	6,068,078	3,583,471	2,484,607
Other Operating Expenses & Services	23,397,058	14,895,486	8,501,572
Capital Outlay	8,091,320	5,375,511	2,715,809
TOTAL EXPENDITURES	194,165,026	173,570,466	20,594,560
Excess (deficiency) of revenues over expenditures	(10,087,941)	5,064,599	15,152,540
OTHER FINANCING SOURCES (USES)			
Proceeds from the sale of non-capitalized equipment	76,236	89,567	13,331
Interfund Transfers In	1,093,094	1,093,094	-
Interfund Transfers Out	(1,566,052)	(1,416,894)	149,158
Student Financial Aid	(469,717)	(404,582)	65,135
TOTAL OTHER FINANCING SOURCES (USES)	(866,439)	(638,815)	227,624
Excess (deficiency) of revenues over expenditures and other sources (uses)	$ (10,954,380)	4,425,784	$ 15,380,164
Fund Balances at Beginning of Year		31,744,630	
Fund Balances at End of Year		$ 36,170,414	

See the accompanying notes to the supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2015

NOTE 1 - PURPOSE OF SCHEDULES:

A. Schedules of Expenditures of Federal Awards and State Financial Assistance - Grants

The audit of the Mt. San Antonio Community College District for the year ended June 30, 2015 was conducted in accordance with OMB Circular A-133, which requires a disclosure of the financial activities of all federally funded programs. The Schedule of Federal Awards and the Schedule of State Financial Assistance was prepared on the modified accrual basis of accounting.

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

The Schedule of Workload Measures for State General Apportionment represents the basis of apportionment of the Mt. San Antonio Community College District's annual source of funding.

C. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule reports any audit adjustments made to the fund balances of all funds as reported on the Annual Financial and Budget Report (Form CCFS-311).

D. Reconciliation of 50 Percent Law Calculation

This schedule reports any audit adjustments made to the 50 percent law calculation (Education Code Section 84362).

E. Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule reports how funds received from the passage of the Proposition 30, Education Protection Act were recorded and expended.

F. Schedule of Financial Trends and Analysis

This schedule is prepared to show financial trends of the General Fund (combined) over the past three fiscal years as well as the current year budget. This schedule is intended to identify if the District faces potential fiscal problems and if they have met the recommended available reserve percentages.

NOTE 1 - PURPOSE OF SCHEDULES: (continued)

G. Schedule of Budgetary Comparison for the Combined General Fund

Continuing disclosure for the general obligation bond requires a budgetary comparison be presented for the General Fund (combined). This schedule presents the final General Fund budget as of the fiscal year end, actual amounts at fiscal yearend and the variance between the final budget and actual amounts.

OTHER INDEPENDENT AUDITOR'S REPORTS

VICENTI ♦ LLOYD ♦ STUTZMAN LLP
BUSINESS CONSULTANTS AND CPAs

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
1100 North Grand Avenue
Walnut, California 91789

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 basic financial statements of the Mt. San Antonio Community College District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2015.

Internal Control Over Financial Reporting

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

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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*

Compliance and Other Matters

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

Purpose of this Report

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

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 19, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Trustees
Mt. San Antonio Community College District
1100 North Grand Avenue
Walnut, California 91789

Report on Compliance for Each Major Federal Program

We have audited the Mt. San Antonio Community College District's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *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, 2015. 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 the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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, 2015.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vicenti, Lloyd + Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 19, 2015

VICENTI ♦ LLOYD ♦ STUTZMAN LLP
BUSINESS CONSULTANTS AND CPAs

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Mt. San Antonio Community College District
1100 North Grand Avenue
Walnut, California 91789

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the types of compliance requirements referred to below.

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 *2014-15 Contracted District Audit Manual*, published by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed 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.

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INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Compliance Requirements Tested

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

Section	Description	Procedures Performed
421	Salaries of Classroom Instructors (50 Percent Law)	Yes
423	Apportionment for Instructional Service Agreements/Contracts	Not applicable
424	State General Apportionment Funding System	Yes
425	Residency Determination for Credit Courses	Yes
426	Students Actively Enrolled	Yes
427	Concurrent Enrollment of K-12 Students in Community College Credit Courses	Yes
430	Scheduled Maintenance Program	Yes
431	Gann Limit Calculation	Yes
435	Open Enrollment	Yes
438	Student Fees – Health Fees and Use of Health Fee Funds	Yes
439	Proposition 39 Clean Energy Funds	Yes
440	Intersession Extension Program	Not applicable
474	Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)	Yes
475	Disabled Student Programs and Services (DSPS)	Yes
479	To Be Arranged Hours (TBA)	Yes
490	Proposition 1D State Bond Funded Projects	Not Applicable
491	Proposition 30 Education Protection Account Funds	Yes

In our opinion, the Mt. San Antonio Community College District complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2015.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2014-15 Contracted District Audit Manual,* published by the California Community Colleges Chancellor's Office, Accordingly, this report is not suitable for any other purpose.

Vicenti, Lloyd + Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 19, 2015

FINDINGS AND QUESTIONED COSTS

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR RESULTS
June 30, 2015

Financial Statements

Type of auditor's report issued:	*Unmodified*
Internal control over financial reporting:	
Material weakness(es) identified?	___Yes _X_No
Significant deficiencies identified not considered to be material weaknesses?	___Yes _X_None reported
Noncompliance material to financial statements noted?	___Yes _X_No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___Yes _X_No
Significant deficiencies identified not considered to be material weaknesses?	___Yes _X_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 Circular A-133, Section .510(a)	___Yes _X_No

Identification of major programs tested:

CFDA Number(s)	Name of Federal Program or Cluster
84.000, 84.007, 84.033, 84.038, 84.063, and 84.268	Student Financial Assistance Cluster of Programs
84.048, 84.048A	Career and Technical Education (CTE) Programs: Perkins, Title 1, Part C Perkins, Title 1, Part C, Transitions
84.31S	Developing Hispanic Serving Institutions, Title V Building Pathways of Persistence and Completion

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000
Auditee qualified as low-risk auditee?	_X_Yes ___No

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO FINANCIAL STATEMENTS
June 30, 2015

There were no findings and questioned costs related to the financial statements for the year ended June 30, 2015.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS
June 30, 2015

There were no findings and questioned costs related to federal awards for the year ended June 30, 2015.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO STATE AWARDS
June 30, 2015

There were no findings and questioned costs related to state awards for the fiscal year ended June 30, 2015.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2015

There were no findings and questioned costs for the fiscal year ended June 30, 2014.

CONTINUING DISCLOSURE INFORMATION

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

CONTINUING DISCLOSURE INFORMATION (UNAUDITED)
June 30, 2015

Assessed valuation for fiscal year 2014-15	$	72,018,787,635 (2)
Secured tax levies for fiscal year 2014-15	$	17,860,248 (1)
Secured tax delinquencies for fiscal year 2014-15	$	536,128 (1)
Secured tax collections for fiscal year 2014-15	$	17,324,120 (1)

2014-15 Largest Local Secured Taxpayers

	Property Owner	Primary Land Use	2014-15 Assessed Valuation	% of Total[3]
1.	Plaza West Covina LLC	Shopping Center	$218,902,221	0.30%
2.	Industry East Land LLC – Lessee	Industrial	212,949,681	0.30
3.	Puente Hills Mall LLC	Shopping Center	189,537,660	0.26
4.	Fairway Sub A-E LLC	Industrial	168,134,515	0.23
5.	JCC California Properties LLC	Commercial	135,539,523	0.19
6.	Cole Mt. West Covina CA LP	Shopping Center	125,868,555	0.17
7.	Tropicana Manufacturing Company Inc.	Industrial	104,967,392	0.15
8.	Crow Family Holdings Industrial LP	Industrial	102,264,661	0.14
9.	Quemetco West LLC	Industrial	80,957,084	0.11
10.	Adcor Realty Corp.	Industrial	72,780,180	0.10
11.	Metropolitan Life Insurance Co.	Office Building	71,665,366	0.10
12.	Rowland Ranch Properties LLC	Commercial	64,349,185	0.09
13.	LBA Realty Fund III-Co VII LLC	Industrial	64,219,966	0.09
14.	Costco Wholesale Corp.	Commercial	60,247,742	0.08
15.	La Colima 2010 LLC	Apartments	57,309,675	0.08
16.	Target Corporation	Commercial	56,045,744	0.08
17.	Walnut Ridge Apartments LP	Apartments	55,827,608	0.08
18.	Barranca Medici LP	Apartments	52,402,350	0.07
19.	Ikea Property Inc.	Commercial	51,750,000	0.07
20.	CO III Emerald Ridge LLC	Apartments	50,428,585	0.07
			$ 1,996,147,693	2.77%

(1) Information obtained from the Los Angeles County Auditor-Controller's Office.
(2) Information obtained from California Municipal Statistics, Inc.
(3) % of total assessed valuation for the fiscal year 2014-15 of $72,018,787,635.