



**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT**

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**MEASURE AA GENERAL OBLIGATION BONDS  
ELECTION 2014**

**FINANCIAL AUDIT**

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**JUNE 30, 2018**

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT  
MEASURE AA GENERAL OBLIGATION BOND FUND**

**FINANCIAL AUDIT  
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JUNE 30, 2018**

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*FINANCIAL SECTION*

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***FINANCIAL SECTION***

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure AA General Obligation Bond Fund (General Obligation Bonds, Election 2014) of the District at June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure AA General Obligation Bond Fund specific to General Obligation Bonds, Election 2014, and are not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2018, on our consideration of the District's Measure AA General Obligation Bond Fund's (General Obligation Bonds, Election 2014) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's Measure AA General Obligation Bond Fund's (General Obligation Bonds, Election 2014) internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Measure AA General Obligation Bond Fund's (General Obligation Bonds, Election 2014) internal control over financial reporting and compliance.

Riverside, California  
October 29, 2018

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT  
MEASURE AA GENERAL OBLIGATION BOND FUND

BALANCE SHEET  
JUNE 30, 2018

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ASSETS

Deposits and investments	\$ 92,401,440
Accounts receivable	425,202
Due from other funds	<u>485,333</u>
Total Assets	<u>\$ 93,311,975</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 1,938,686
Due to other funds	<u>67,310</u>
Total Liabilities	<u>2,005,996</u>

FUND BALANCE

Restricted for capital projects	<u>91,305,979</u>
Total Liabilities and Fund Balance	<u>\$ 93,311,975</u>

The accompanying notes are an integral part of these financial statements.







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MEASURE AA GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

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Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Riverside County Treasury Investment Pool has been rated by Fitch Ratings as AA Af/S1.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

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

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

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

Uncategorized - Investments in the Riverside County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2018:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Uncategorized</u>
Riverside County Treasury Investment Pool	<u>\$ 91,882,542</u>	<u>\$ 91,882,542</u>

All assets have been valued using a market approach, with quoted market prices.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT  
MEASURE AA GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

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NOTE 4 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2018, consist of the following:

Interest	<u>\$ 425,202</u>
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NOTE 5 - DUE FROM OTHER FUNDS

Due from other funds at June 30, 2018, consist of \$485,333 due from the General Fund for payroll and benefit expenses for five employees working on bond activities. The District elected to cover these expenses with unrestricted funds to allow more Measure AA General Obligation Bond funds to be utilized on bond projects.

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2018, consist of the following:

Construction payables	<u>\$ 1,938,686</u>
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NOTE 7 - DUE TO OTHER FUNDS

Due from other funds at June 30, 2018, consist of \$67,310 due to the Scheduled Maintenance Fund for expenses related to repairs made to the athletic facilities.

NOTE 8 - FUND BALANCE

Fund balance at June 30, 2018, is composed of the following element:

Restricted Capital projects	<u>\$ 91,305,979</u>
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MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT  
 MEASURE AA GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018

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NOTE 9 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2018, the Measure AA General Obligation Bonds (Measure AA) had the following commitments with respect to unfinished projects:

<u>CAPITAL PROJECT</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Building 3000	\$ 2,219,802	January 2019
Science Moudulars	198,446	September 2018
	<u>\$ 2,418,248</u>	

Litigation

The District may be involved in various litigation arising from the normal course of business. In the opinion of manage fopnt i nB85Aq 1 0 0 1 55.6 98.39 -0.6 re f EMC /Arti39 -0.6 re fi-4.Aq 1.4 i-4.7.9n 510.tnes2Oo7mEMC /

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INDEPENDENT AUDITOR'S REPORT

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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT  
MEASURE AA GENERAL OBLIGATION BOND FUND**

**FINANCIAL STATEMENT FINDINGS  
JUNE 30, 2018**

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None reported.

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT  
MEASURE AA GENERAL OBLIGATION BOND FUND**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2018**

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There were no audit findings reported in the prior year's Financial Statement Findings.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

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MEASURE AA GENERAL OBLIGATION BONDS  
ELECTION 2014

PERFORMANCE AUDIT

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JUNE 30, 2018

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT  
MEASURE AA GENERAL OBLIGATION BOND FUND



**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT  
MEASURE AA GENERAL OBLIGATION BOND FUND**

**JUNE 30, 2018**

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***AUTHORITY FOR ISSUANCE***

The Measure AA General Obligation Bonds (the Bonds) were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California *Education Code*, and other applicable provisions of law. The Bonds were authorized to be issued by a resolution adopted by the Board of Supervisors of Riverside County (the County Resolution), pursuant to a request of the Mt. San Jacinto Community College District (the District) made by a resolution adopted by the Board of Trustees of the District (the District Resolution).9 Td [(MEA)1.3 (SUR)-9a3cd [(ME )-28473 Td [(T)-8.2 (he)7 D Bi8 Tespre reqvirad 1-3.9 (a)-1.8 (ov)0.4 (r)-3.2 (ov)9.4 la-7 bc ate3.9 (a)-1.8 (s)7.2 (s )]TJ 0 -1.253 Td 55 p(e)-1.1 (e



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MEASURE AA GENERAL OBLIGATION BOND FUND**

**JUNE 30, 2018**

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3. Requires the community college district to appoint a Citizens' Oversight Committee.
4. Requires the community college district to conduct an annual independent financial audit and

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MEASURE AA GENERAL OBLIGATION BOND FUND

JUNE 30, 2018

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5. Our sample included transactions totaling \$66,177,913 for the year ended June 30, 2018. This represents 91 percent of the total expenditures of \$72,541,667.

6.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2018

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None reported.

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MEASURE AA GENERAL OBLIGATION BOND FUND

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2018

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