

**MT. SAN JACINTO
COMMUNITY COLLEGE DISTRICT**

ANNUAL FINANCIAL REPORT

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

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Mt. San Jacinto Community College District
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Ann Motte
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USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and
Mt. San Jacinto Community College District (the District) as of June 30, 2014. The

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013**

FINANCIAL HIGHLIGHTS

- x The District's primary funding source is from apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES).

	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>
Total Reported Resident FTE	\$ 10,622	\$ 10,052	\$ 10,684
Funded Credit FTES	9,558	9,313	9,309
Unfunded FTES	641	102	905

- x During the 2013-2014 fiscal year, the District provided \$31,904,208 in financial aid to students attending classes at the two campuses. This aid was provided in the form of grants, scholarships, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding as shown below.

Federal Pell Grants (PELL)	\$20,700,488
Federal Supplement Education Opportunity Grant (FSEOG)	363,600
Federal Work Study Program (FWS)	250,084
State of California Cal Grant B and C (CALG-B and C)	987,398
California Community College Board of Governor's Fee Waiver	9,602,638
Total Financial Aid Provided to Students	<u>\$ 31,904,208</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014 AND 2013

THE DISTRICT AS A WHOLE

Net Position

Table 1

(Amounts in thousands)

	2014	2013	Change 2014-2013	2012*	Change 2013-2012
ASSETS					
Current Assets					
Cash and investments	\$ 11,876	\$ 14,559	\$ (2,683)	\$ 6,998	\$ 7,561
Accounts receivable (net)	9,549	10,283	(734)	10,812	(529)

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014 AND 2013

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statements of Revenues, Expenses, and Changes in Net Position on page 15.

Table 2

(Amounts in thousands)	2014	2013	Change 2014-2013	2012	Change 2013-2012
Operating Revenues					
Tuition and fees (net)	\$ 4,132	\$ 4,778	\$ (646)	\$ 4,451	\$ 327
Other operating revenues	2,343	2,671	(328)	3,017	(346)
Total Operating Revenues	6,475	7,449	(974)	7,468	(19)
Operating Expenses					
Salaries and benefits	51,303	49,564	1,739	51,556	(1,992)
Supplies and maintenance	13,935	13,870	65	10,833	3,037
Student financial aid	22,188	18,666	3,522	19,236	(570)
Depreciation	3,002	2,607	395	2,858	(251)

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013**

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013**

Year ended June 30, 2013:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Equipment, Maintenance, and Repairs	Financial Aid	Depreciation	Total
Instructional activities	\$ 22,347,426	\$ 711,943	\$ 58,710	\$ -	\$ -	\$ 23,118,079
Academic support	6,152,576	438,090	27,421	-	-	6,618,087
Student services	6,829,567	950,282	6,030	208,096	-	7,993,975
Plant operator and maintenance	2,053,041	2,176,098	3,997	-	-	4,233,136
Instructional suppo services	8,006,916	5,515,114	38,021	-	-	13,560,051
Community services an economic development	649,593	683,020	1,203	-	-	1,333,816
Ancillary services an auxiliary operations	3,505,250	1,113,381	13,563	-	-	4,632,194
Physical property ar related acquisitions	19,763	1,645,969	487,363	-	-	2,153,095
Transfers, student ai and other outgoing	-	-	-	18,457,475	-	18,457,475
Unallocated depreciation	-	-	-	-	2,606,665	2,606,665
Total	\$ 49,564,132	\$ 13,233,897	\$ 636,308	\$ 18,665,571	\$ 2,606,665	\$ 84,706,573

Changes in Cash Position

Table 4

(Amounts in thousand	2014	2013	Change 2014-2013	2012	Change 2013-2012
Cash Provided by (Used i					
Operating activitie	\$ (85,490	\$ (70,781	\$ (14,709	\$ (73,652	\$ 2,871
Noncapital financing activitie	85,476	81,316	4,160	75,352	5,964
Capital financing activitie	(2,688	(3,020	332	(5,262	2,242
Investing activitie	19	46	(27)	331	(285)
Net Change in Cas	(2,683	7,561	(10,244	(3,229	10,790
Cash, Beginning of Year	14,550	6,990	7,561	10,227	(3,229)
Cash, End of Year	<u>\$ 11,867</u>	<u>\$ 14,551</u>	<u>\$ (2,683</u>	<u>\$ 6,998</u>	<u>\$ 7,561</u>

The Statement of Cash Flows on pages 16 and 17 provides information about our cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. The District's primary operating receipts are student tuition and fees. The primary operating expense of the District is the payment of salaries and benefits to faculty, administrators, and classified staff.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013**

Obligations

At the end of the 2013-2014 fiscal year, the District had \$11 million in Lease Revenue Bonds outstanding. These bonds are repaid annually, utilizing District funds, in accordance with the obligation schedule of payments.

In addition to the above obligations, the District is obligated for lease purchase agreements for equipment and obligations to employees of the District for vacation, load banking, and retirement benefits.

Table 6

(Amounts in thousands)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Lease revenue bonds	\$ 11,675	\$ -	\$ (285)	\$ 11,390
Other liabilities	4,586	1,278	(1,675)	4,189
Total Long-Term Obligation	<u>\$ 16,261</u>	<u>\$ 1,278</u>	<u>\$ (1,960)</u>	<u>\$ 15,579</u>
Amount due within one year				<u>\$ 1,226</u>

BASIC FINANCIAL STATEMENTS

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Student Tuition and Fees	\$ 13,734,139	\$ 14,170,956
Less: Scholarship discount and allowance	(9,602,638)	(9,392,632)
Net tuition and fees	<u>4,131,501</u>	<u>4,778,324</u>
Auxiliary Enterprise Sales and Charges		
Bookstore	1,990,979	2,076,456
Other Operating Revenues	<u>352,450</u>	<u>594,304</u>
TOTAL OPERATING REVENUES	<u>6,474,930</u>	<u>7,449,084</u>
OPERATING EXPENSES		
Salaries	39,952,644	38,399,879
Employee benefits	11,350,512	11,164,253
Supplies, materials, and other operating expenses and services	13,189,537	13,233,897
Student financial aid	22,188,450	18,665,571
Equipment, maintenance, and repairs	745,137	636,308
Depreciation	<u>3,001,512</u>	<u>2,606,665</u>
TOTAL OPERATING EXPENSES	<u>90,427,792</u>	<u>84,706,573</u>
OPERATING LOSS	<u>(83,952,862)</u>	<u>(77,257,489)</u>
NONOPERATING REVENUES (EXPENSES)		
State apportionments, noncapital	30,590,382	24,610,884
Local property taxes, levied for general purposes	18,374,467	17,163,818
Federal grants	24,403,639	21,283,529
State grants	6,108,706	4,677,540
Other State revenues	3,309,104	3,519,237
Investment income	46,219	35,647
Interest expense on capital related debt	(493,574)	(520,405)
Disposal of capital assets	(3,303)	-
Other nonoperating revenue	<u>3,550,085</u>	<u>6,060,295</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>85,885,725</u>	<u>76,830,545</u>
INCOME (LOSS) BEFORE OTHER REVENUES	<u>1,932,863</u>	<u>(426,944)</u>
State revenues, capital	54,664	1,789,068
Local revenues, capital	<u>812,593</u>	<u>708,155</u>
TOTAL OTHER REVENUES	<u>867,257</u>	<u>2,497,223</u>
CHANGE IN NET POSITION	<u>2,800,120</u>	<u>2,070,279</u>
NET POSITION, BEGINNING OF YEAR AS RESTATED	<u>81,003,191</u>	<u>78,932,911</u>
NET POSITION, END OF YEAR	<u>\$ 83,803,311</u>	<u>\$ 81,003,191</u>

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

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS - PRIMARY GOVERNMENT, Continued
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Loss	<u>\$(83,952,862)</u>	<u>\$(77,257,489)</u>
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities:		
Depreciation and amortization expense	3,001,512	2,606,665
Changes in Assets and Liabilities:		
Receivables	612,262	(598,857)
Student receivables	(103,264)	(25,005)
Inventories	(361,873)	130,107
Prepaid expenses	(15,958)	147,586
Accounts payable and accrued liabilities	(5,375,661)	4,468,905
Unearned revenue	934,652	(523,164)
Accrued interest payable	(2,594)	(2,613)
Other postemployment benefits	(225,784)	(207,315)
Total Adjustments	<u>(1,536,708)</u>	<u>5,996,309</u>
Net Cash Flows From Operating Activities	<u><u>\$(85,489,570)</u></u>	<u><u>\$(71,261,180)</u></u>
 CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:		
Cash in banks	\$ 1,782,139	\$ 2,092,910
Cash in county treasury	10,094,094	12,466,247
Total Cash and Cash Equivalents	<u><u>\$ 11,876,233</u></u>	<u><u>\$ 14,559,157</u></u>
 NON CASH TRANSACTIONS		
Interest paid	\$ 493,574	\$ 520,405
On behalf payments for benefits	\$ 1,132,683	\$ 1,102,351

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

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2014 AND 2013**

	<u>2014</u> <u>Trust</u>	<u>2013</u> <u>Trust</u>
ASSETS		
Cash and cash equivalents	\$ 156,278	\$ 143,571
Accounts receivable, net	95	1,323
Prepaid expenses	538	84
Total Assets	<u>156,911</u>	<u>144,978</u>
LIABILITIES		
Accounts payable	1,562	1,479
Due to primary government	15,989	12,629
Total Liabilities	<u>17,551</u>	<u>14,108</u>
NET POSITION		
Unreserved	139,360	130,870
Total Net Position	<u>\$ 139,360</u>	<u>\$ 130,870</u>

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

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
	Trust	Trust
ADDITIONS		
Local revenues	\$ 156,420	\$ 142,476
Total Additions	156,420	142,476
DEDUCTIONS		
Books and supplies	71,610	70,271
Services and operating expenditures	73,973	84,831
Capital outlay	547	4,987
Total Deductions	146,130	160,089
OTHER FINANCING SOURCES (USES)		
Other sources	-	11,213
Other uses	(1,800)	(11,829)

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

NOTES TO FINANCIAL STATEMENTS

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

NOTE 1 - ORGANIZATION

The Mt. San Jacinto Community College District (the District) was established in 1962 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, capital project funds, and proprietary funds, but these budgets are managed at the department level. Currently, the District is a single college with one center and two other offsite locations located within Riverside County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of GASB Statement No. 61. The District has considered all potential component units in determining how to define the reporting entity using criteria set forth in accounting principles generally accepted in the United States of America. The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled, or has the ability to otherwise access, are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The District identified no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted GASB Statement No. 61, **Determining Whether Certain Organizations are Component Units**. This statement amends GASB Statement No. 14, **Financial Reporting Entity**, to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37 and No. 38. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Accordingly,

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

On Behalf Payments

GASB Statement No. 24 requires direct on behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees for another legally separate entity be recognized as revenues and expenditures by the employer entity. The State of California makes direct on behalf payments to CalSTRS and CalPERS on behalf of all community colleges in California. The California Department of Education has issued a fiscal advisory instructing districts not to record the revenue and expenditures for the on behalf payments within the funds and accounts of a district. The amount of the on behalf payments made for the District for the year ended June 30, 2014, was \$1,132,683 for CalSTRS and \$0 for CalPERS. These amounts are reflected in the District's audited financial statements.

Estimates

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

As the result of implementing GASB Statement No. 65, the District has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2012, by \$480,008. The decrease results from no longer deferring and amortizing bond issuance costs.

New Accounting Pronouncements

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

Comparative Financial Information

Comparative financial information for the prior year has been presented for additional analysis; certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 3 - DEPOSITS AND INVESTMENTS

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer under Education Code Section (ECS)

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

<u>Investment Type</u>	<u>Fair Market Value</u>	<u>Weighted Average of Maturity in Days</u>
Riverside County Treasury Pooled Investment	\$ 8,984,887	500
First American Treasury Obligation	1,104,443	16
Total	<u>\$ 10,089,330</u>	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Riverside County Treasury pool are rated Aaa/AAA by Moody's Investors Service and Fitch ratings as of June 30, 2014. Treasury obligations have been rated by Standard & Poor's rating agency.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Rating June 30, 2014</u>	<u>Fair Market Value</u>
Riverside County Treasury Pooled Investment	Not Required	Aaa/AA+	\$ 8,984,887
First American Treasury Obligation	Not Applicable	AAAm/AAAmf	1,104,443
Total			<u>\$ 10,089,330</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2014, the District's bank balance was fully collateralized with eligible collateral in accordance with California Government Code Section 53651.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The cash held in the County Treasury is uncategorized and the fair value approximates carrying value are shown above in the credit risk schedule. Deposits with the County Treasury are not categories because they do not represent securities which exist in physical or book entry form. The deposits with the County Treasury are valued using the amortized cost method (which approximates fair value). The fair values are provided by the County Treasurer. As of June 30, 2014, \$8,989,651 is invested in the Riverside County Treasurer's Pooled Investment Fund.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance Beginning of Year	Additions	Deductions and Adjustments	Balance End of Year
Capital Assets Not Being Depreciated Land	\$ 6,809,952	\$ -	\$ -	\$ 6,809,952

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Balance Beginning of Year	Additions	Deductions and Adjustments	Balance End of Year
Cap1.84 63572-118(s)9.(f)9Enrl9-s8(ea)ea	3246.3	(Y)5.6(ap)-7re0(N)-1ci(al)5.t0(o)55.8((r)]TJ ET Q q BT /F3 9.69 Tf 1		

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 10 - LONG-TERM OBLIGATIONS

Long-Term Obligations Summary

The changes in long-term obligations during the 2014 fiscal year consisted of the following:

	Balance Beginning of Year	Additions	Deductions/ Adjustments	Balance End of Year	Due in One Year
Lease Revenue Bonds					
Series 2003	\$ 6,185,000	\$ -	\$ 205,000	\$ 5,980,000	\$ 215,000
Series 2008A	5,490,000	-	80,000	5,410,000	85,000
Total Bonds Payable	11,675,000	-	285,000	11,390,000	300,000
Other Liabilities					
Compensated absences	1,271,536	-	103,603	1,167,933	-
Capital leases	395,701	-	171,870	223,831	171,869
Golden handshake	2,590,474	-	1,084,068	1,506,406	498,692
Supplemental Early Retirement Plan	-	1,278,395	255,679	1,022,716	255,679
Load banking	328,462	-	60,829	267,633	-
Total Other Liabilities	4,586,173	1,278,395	1,676,049	4,188,519	926,240
Total Long-Term Obligations	\$16,261,173	\$ 1,278,395	\$ 1,961,049	\$15,578,519	\$ 1,226,240

The changes in long-term obligations during the 2013 fiscal year consisted of the following:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Lease Revenue Bonds					
Series 2003	\$ 6,385,000	\$ -	\$ 200,000	\$ 6,185,000	\$ 205,000
Series 2008A	5,565,000	-	75,000	5,490,000	80,000
Total Bonds Payable	11,950,000	-	275,000	11,675,000	285,000
Other Liabilities					
Compensated absences	1,336,436	-	64,900	1,271,536	-
Capital leases	175,790	399,115	179,204	395,701	171,870
Golden handshake	2,645,664	315,128	370,318	2,590,474	324,151
Load banking	415,687	-	87,225	328,462	-
Total Other Liabilities	4,573,577	714,243	701,647	4,586,173	496,021
Total Long-Term Obligations	\$16,523,577	\$ 714,243	\$ 976,647	\$16,261,173	\$ 781,021

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

Debt service requirements to maturity - Series 2003 Lease Revenue Bond matures through 2033 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 215,000	454,605	\$ 469,605
2016	220,000	448,811	466,811
2017	230,000	238,561	468,561
2018	240,000	229,706	469,706
2019	250,000	220,106	470,106
2020-2024	1,405,000	936,019	2,341,019
2025-2029	1,735,000	602,875	2,337,875
2030-2033	1,685,000	188,345	1,873,345
Total	<u>\$ 5,980,000</u>	<u>\$ 2,917,028</u>	\$ 8,897,028

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

The District's principal obligations on lease agreements with options to purchase are summarized below:

<u>Year Ending June 30,</u>	<u>Lease Payment</u>
2015	\$ 171,869
2016	41,831
2017	10,131
Total	<u>\$ 223,831</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Annual OPEB Cost and Net OPEB Asset

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the payments 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 accrued liabilities (UAAL) (or funding costs) over a period not to exceed

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

NOTE 12 - RISK MANAGEMENT

Insurance Coverages

The District is exposed to various risks of loss related to torts and liability; theft of, damage to and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of various joint powers authorities or through the purchase of coverage from a risk retention group. The District uses SAFER for excess property limits of \$250,000,000 per occurrence, with no aggregate and a \$5,000 member retained limit. Then, their excess liability has the first \$1,000,000 worth of coverage through the Statewide Association of Community Colleges (SWACC) and \$24,000,000 excess coverage of \$1,000,000 is in SAFER with a \$10,000 Member Retained Limit.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2014, the District contracted with SWACC Joint Powers Authority (JPA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2013-2014, the District participated in the Protected Insurance Programs for Schools (PIPS) JPA, an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

CalPERS

Plan Description

The District contributes to the School Employer Pool under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

NOTE 14 - CalSTRS EARLY RETIREMENT INCENTIVE PROGRAM

The District has adopted an early retirement incentive program pursuant to Education Code Sections 22714 and 87488, whereby the service credit to eligible employees is increased by two years (and age is increased by two years). Eligible employees must have five or more years of service under the California State Teachers' Retirement System and retire during a period of not more than 120 days or less than 60 days from the date of the formal action taken by the District (retire during the window period in the formal action taken by the District's Governing Board). (See golden handshake.)

NOTE 15 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Statewide Association of Community Colleges (SWACC), Schools Association for Excess Risk (SAFER), Protected Insurance Program for Schools (PIPS), Riverside County Employer/Employee Partnerships for Benefits (REEP), and Community Colleges of Riverside County Self-Insurance Program for Employees (CCRCSEIPE) Joint Powers Authorities (JPAs). The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between t.1(d)-2.5

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Early Retirement - Golden Handshake

The District has adopted an early retirement incentive program. The outstanding contract amount for this purpose is \$1,506,406. This amount is contingent upon the employee performing the required service days per year.

Supplemental Early Retirement Plan - (SERP)

The District has adopted an early retirement incentive program. The outstanding contract amount for this purpose is \$1,022,716. This amount is contingent upon the employee performing the required service days per year.

Construction Commitments

REQUIRED SUPPLEMENTARY INFORMATION

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING
PROGRESS
FOR THE YEAR ENDED JUNE 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)*	Actuarial Accrued Liability (AAL) - Entry Age Normal Method Used (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
March 1, 2010	\$ 1,156,287	\$ 4,856,592	\$ 3,700,305	24%	\$ 36,147,539	10.24%

SUPPLEMENTARY INFORMATION

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-Throu Grantor/Program or Cluster Tit	CFDA Numbe	Pass-Throug Entity Identifying Numbe	Federa Expenditure
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See accompanying note to supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

Program	Program Entitlements		Total Entitlement
	Current Year	Prior Year	
Board Financial Assistance Program (BFAP)	\$ 487,143	\$ -	\$ 487,143
Extended Opportunity Program and Services (EOPS)	519,714	-	519,714
Cooperative Agencies Resources for Education (CARE)	98,856	-	98,856
Disabled Students Program (DSP)	832,067	382	832,449
CalWORKS	401,368	-	401,368
Credit Matriculation	643,671	18,093	661,764
Non-Credit Matriculation	61,442	-	61,442
Staff Diversity	5,788	15,050	20,838
Enrollment Growth and Retention	164,000	82,918	246,918
CTE Pathways Community Collaborative	-	622,136	622,136
SB1070 CTE Pathways Consortium Program	200,000	-	200,000
Basic Skills	131,555	188,716	320,271

See accompanying note to supplementary information.

Program Revenues

Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
\$ 487,143	\$ -	\$ -	\$ -	\$ 487,143	\$ 487,143
519,714	-	-	-	519,714	519,714
98,856	-	-	-	98,856	98,856
832,449	-	-	-	832,449	832,449
401,368	-	-	-	401,368	401,368
661,764	-	-	-	661,764	661,764
61,442	-	-	30,558	30,884	30,884
20,838	-	-	10,674	10,164	10,164
220,678	26,240	-	-	246,918	246,918
535,136	-	-	66,348	468,788	468,788
80,000	-	-	69,556	10,444	10,444
320,271	-	-	187,471	132,800	132,800
4,203	466	-	-	4,669	4,669
19,992	4,750	-	-	24,742	24,742
11,057	21,457	-	-	32,514	32,514
-	3,115	-	-	3,115	3,115
205,815	-	-	195,094	10,721	10,721
178,797	165,263	-	-	344,059	344,059
422,191	-	-	191,380	230,811	230,811
118,577	-	-	48,704	69,873	69,873
363	-	-	-	363	363
952,540	-	18,891	-	933,649	933,649
53,749	-	-	-	53,749	53,749
<u>\$ 6,206,941</u>	<u>\$ 221,291</u>	<u>\$ 18,891</u>	<u>\$ 799,781</u>	<u>\$ 5,609,551</u>	<u>\$ 5,609,551</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL
 APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE
 FOR THE YEAR ENDED JUNE 30, 2014**

CATEGORIES	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Audited Data</u>
A. Summer Intersession (Summer 2013 only)			
1. Noncredit*	9	-	9
2. Credit	3	-	3
B. Summer Intersession (Summer 2014 - Prior to July 1, 2014)			
1. Credit	546	-	546
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	8,154	-	8,154
(b) Daily Census Contact Hours	1,242	-	1,242
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	557	-	557
(b) Credit	98	-	98
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	6	-	6
(b) Daily Census Contact Hours	7	-	7
D. Total FTES	<u>10,622</u>	<u>-</u>	<u>10,622</u>
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
1. Noncredit	588	-	588
2. Credit	327	-	327
<u>CCFS-320 Addendum</u>			
CDCP Noncredit FTES	190	-	190
Centers FTES			
1. Noncredit*	202	-	202
2. Credit	4,799	-	4,799

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

See accompanying note to supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2014**

		ECS 84362 / Instructional Salary Co			ECS 84362 I		
	Object/TOP Codes	Reported Data	Audit Adjustments	Audited Data	Reported Data	Audit Adjustments	Audited Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	110C	\$ 9,799,67	\$ -	\$ 9,799,67	\$ 9,799,67	\$ -	\$ 9,799,67
Other	130C	7,149,04	-	7,149,04	7,149,04	-	7,149,04
Total Instructional Salaries		16,948,722	-	16,948,722	16,948,722	-	16,948,722
Noninstructional Salaries							
Contract or Regular	120C	-	-	-	2,917,09	-	2,917,09
Other	140C	-	-	-	1,169,42	-	1,169,42
Total Noninstructional Salaries		-	-	-	4,086,52	-	4,086,52
Total Academic Salaries		16,948,722	-	16,948,722	21,035,244	-	21,035,244
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Statu	210C	-	-	-	8,486,82	-	8,486,82
Other	230C	-	-	-	1,082,19	-	1,082,19
Total Noninstructional Salaries		-	-	-	9,569,02	-	9,569,02
Instructional Aides							
Regular Statu	220C	1,591,12	-	1,591,12	1,591,12	-	1,591,12
Other	240C	285,45	-	285,45	285,45	-	285,45
Total Instructional Aides		1,876,579	-	1,876,579	1,876,579	-	1,876,579
Total Classified Salaries		1,876,579	-	1,876,579	11,445,604	-	11,445,604
Employee Benefit	300C	4,305,68	-	4,305,68	8,655,61	-	8,655,61
Supplies and Materi	400C	-	-	-	786,65	-	786,65
Other Operating Expens	500C	-	-	-	5,382,01	-	5,382,01
Equipment Replaceme	642C	-	-	-	65,74	-	65,74
Total Expenditures							
Prior to Exclusions		23,130,984	-	23,130,984	47,370,880	-	47,370,880

See accompanying note to supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311)
WITH FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2014.

See accompanying note to supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**PROPOSITION 30 EDUCATION PROTECTION ACT (EPA) EXPENDITURE REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	863C				\$7,823,509
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 7,823,509			\$7,823,509
Other Support Activities	6XXX				-
					-
Total Expenditures for EPA		\$ 7,823,509	-	-	\$7,823,509
Revenues Less Expenditures					\$ -

See accompanying note to supplementary information.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2014**

NOTE 1 - PURPOSE OF SCHEDULES

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2014

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

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

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

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

Proposition 30 Education Protection Act (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

Reconciliation of Governmental Funds to the Statement of Net Position

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

INDEPENDENT AUDITOR'S REPORTS

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated December 3, 2014.

Mt. San Jacinto Community College District's Responses to the Findings

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Unmodified Opinion for Each of the Other Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2014, except as described in the State Awards Findings and Questioned Costs section of the accompanying Schedule of Findings and Questioned Costs.

In connection with the audit referred to above, we selected and tested transactions and records to determine the

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2014**

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	No

Identification of major Federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.007; 84.033; 84.063</u>	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 732,533
Auditee qualified as low-risk auditee	Yes

STATE AWARDS

Type of auditor's report issued on compliance for State programs:	Qualified
Unmodified for all State programs except for the following State programs which were qualified:	

<u>Name of State Program</u>
Section 475 - Disabled Student Programs and Services (DSP)
Section 491 - Proposition 30 Education Protection Account Fund

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

None reported.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014

The following findings represent instances of noncompliance and/or questioned costs relating to State program laws and regulations.

2014-002 475 - DISABLED STUDENT PROGRAMS AND SERVICES (DSPS)

Criteria or Specific Requirement

California Code of Regulations (CCR) Title Education Code section 560, and <http://ESPS> provide guidance and direction on the reporting and accounting requirements for DSPS.

Condition

Student Educational Contracts (SEC) must be established upon initiation of DSPS services & be reviewed and updated annually for every student with a disability participating in DSPS. During the testing of the program files, three students did not have the proper form in the files.

Questioned Costs

FTES funding is not affected by this compliance find. The questioned cost is unknown at this time.

Effect

By not following program guidelines, the special funding for the DSPS program could be jeopardized.

Cause

Student files are not being reviewed and updated on a regular basis to determine what necessary documentation is included within the student file.

Recommendation

The District must ensure that the program director is aware of the DSPS requirements and is following all requirements annually for the students who are benefiting from this program.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014

Management's Response and Corrective Action Plan

The Disabled Student Program and Services Director is aware of the DSPS requirements ensure compliance with all program guidelines in the future. The Mt. San Jacinto DSPS Department is committed to ensuring compliance with Title 5, ADA, and Section 504. Student Educational Contracts (SECs) are a requirement and an important tool in assisting students with disabilities to complete their educational goals. Toward this effort, DSPS will implement the following:

1. Revision of the SEC Form making it a more meaningful tool to keep students on track and ensure the efficacy of accommodation.
2. Develop a procedure to utilize the electronic service request system to provide students with periodic reminders regarding the requirement of the annual completion of the SEC.
3. Establish internal periodic audit of files to verify completeness.

These steps will be revisited and adjusted as necessary to ensure compliance and continuous improvement.

2014-003 491 - EDUCATION PROTECTION ACCOUNT

Criteria or Specific Requirement

According to the Accounting Advisor FS 13-02, districts are required to hold an open session public meeting for the adoption of the budget plan to expend EPA funds annually, and each entity receiving funds must annually publish on its Internet website an accounting of how much money was received from the EPA and how that money was spent.

Condition

The District did not have the accounting of how much money was received from the EPA and how that money was spent published on their website.

Questioned Costs

There are no questioned costs associated with this finding. There were no questioned costs during testing.

Effect

The Education Protection Account could have unallowed expenditures.

Cause

The District did not have controls in place to ensure that the District was in compliance regarding the Education Protection Account Funds.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014

Recommendation

The District should implement a cool procedure foaccounting for future EPA functo ensure that compliance requirements are met.

Management's Response and Corrective Action Plan

The Mt. San Jacinto College website was updated on September 29, 2014, to show ho money was received from the EPA and how the funds were expensed. Per Proposition 30 requirements, the spending plan was approved by the governing board on May 9, 2013. All funds received are used for instructional salaries and benefits.

To ensure compliance in the future, the District has added this requirement to the published Budget calendar. In addition, the requirement has been added to the Business Office departmental annual systematic calendar to ensure timely posting of required information to the Mt. San Jacinto College website.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014**

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

State Awards Finding

2013-001 475 - DISABLED STUDENT PROGRAMS AND SERVICES (DSPS)