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MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT MEASURE AA GENERAL OBLIGATION BONDS

FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2022

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MEASURE AA GENERAL OBLIGATION BONDS
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JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Mt. San Jacinto Community College District's (the "District") Measure AA General Obligation Bonds and the related notes to the financial statements as of and for the year ended June 30, 2022, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure AA General Obligation Bonds of Mt. San Jacinto Community College District, as of June 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in h A9q83 (AA G2842842e512 TwG2842842e5e-3.9 (ie7 u)-4.3 (n).9 (Stesar e)8 (n)n).9 (S.9 (A9q83 (A

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is il.32fd(b)(a (mn.000)1 329th)a@ou)-4.6 85

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022 on our consideration of the District's internal control over financial reporting and on our test of its

FINANCIAL SECTION

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
 MEASURE AA GENERAL OBLIGATION BONDS
 STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

REVENUES	
Interest income	\$ 341,577
Cash in county FMV adjustment	<u>(1,315,102)</u>
Total Revenues	<u>(973,525)</u>
EXPENDITURES	
Other expenses and services	105,823
Capital outlay	<u>31,066,158</u>
Total Expenditures	<u>31,171,981</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,145,506)
Restricted Fund Balance, July 1, 2021	<u>97,589,743</u>
Restricted Fund Balance, June 30, 2022	<u>\$ 65,444,237</u>

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MEASURE AA GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Encumbrances

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

Fund Balances - Governmental Funds

As of June 30, 2022, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the governing board.

Assigned – amounts that do not meet

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
 MEASURE AA GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022, consisted primarily of interest earned on the District's investment in the County Treasury, amounting to \$144,134.

NOTE 5 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2022, consisted of construction payable and retentions amounting to \$1,917,391.

NOTE 6 - DUE TO OTHER FUNDS

Due to other funds at June 30, 2022, consist of \$2,949 due to the Capital Outlay Fund for the SJC STEM Project for Architectural Fees.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2022, the Measure AA General Obligation Bonds had the following commitments with respect to unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
MVC Stadium	\$ 15,091,276	April 2023
STEM Building - MVC	46,670,769	January 2024
STEM Building - SJC	34,356,933	October 2023
	<u>\$ 96,118,978</u>	

Litigation

The District is involved in various litigation arising fr

OTHER REPORTS

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mt. San Jacinto Community College District's Measure AA General Obligation Bonds' financial statements are free of material misstatement, we performed tests of the Bond Funds' compliance with certain provisions of laws, regulations, and contracts, 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting 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 for the Bond Funds. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*

FINDINGS AND RESPONSES SECTION

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MEASURE AA GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings or questioned costs identified during 2021-22.

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MEASURE AA GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

There were no financial statement findings or questioned costs identified during 2020-21.