



See what's possible.

**MT. SAN JACINTO
COMMUNITY COLLEGE DISTRICT**

FINANCIAL STATEMENTS

JUNE 30, 2025

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

Independent Auditors' Report	1
Management's Discussion and Analysis	4

FINANCIAL SECTION

Basic Financial Statements:	
Statement of Net Position	13
Statement of Revenues, Expenses, and Changes in Net Position	14
Statement of Cash Flows	15
Notes to Financial Statements	17

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios	50
Schedule of the District's Proportionate Share of the Net Pension Liability	52
Schedule of District Contributions - Pensions	54
Note to Required Supplementary Information	56

SUPPLEMENTARY INFORMATION

Organizational Structure	57
Schedule of Expenditures of Federal Awards	58
Schedule of Expenditures of State Awards	59
Schedule of Workload Measures for State General Apportionment - Annual/Actual Attendance	60
Reconciliation of the ECS 84362 (50 Percent Law) Calculation	61
Details of the Education Protection Account Expenditures	62
Reconciliation of Governmental Funds to the Statement of Net Position	63
Note to Supplementary Information	64

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	66
Independent Auditors' Report on Compliance For Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	68
Independent Auditors' Report on State Compliance	71

FINDINGS AND QUESTIONED COSTS SECTION

Summary of Auditors' Results	73
Financial Statement Findings	74
Federal Awards Findings and Questioned Costs	75
State Awards Findings and Questioned Costs	76
Schedule of Prior Year Audit Findings	77



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Mt. San Jacinto Community College District
San Jacinto, California

Report on Audit of Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Mt. San Jacinto Community College District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District, as of June 30, 2025, and the respective changes in financial position, and its cash flows 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 (GAAS) 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 the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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 basic 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 accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California
January 8, 2026

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs and financial condition of Mt. San Jacinto Community College District (the "District") as of June 30, 2025. The report consists of three basic financial statements: the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows and provides information about the District as a whole. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

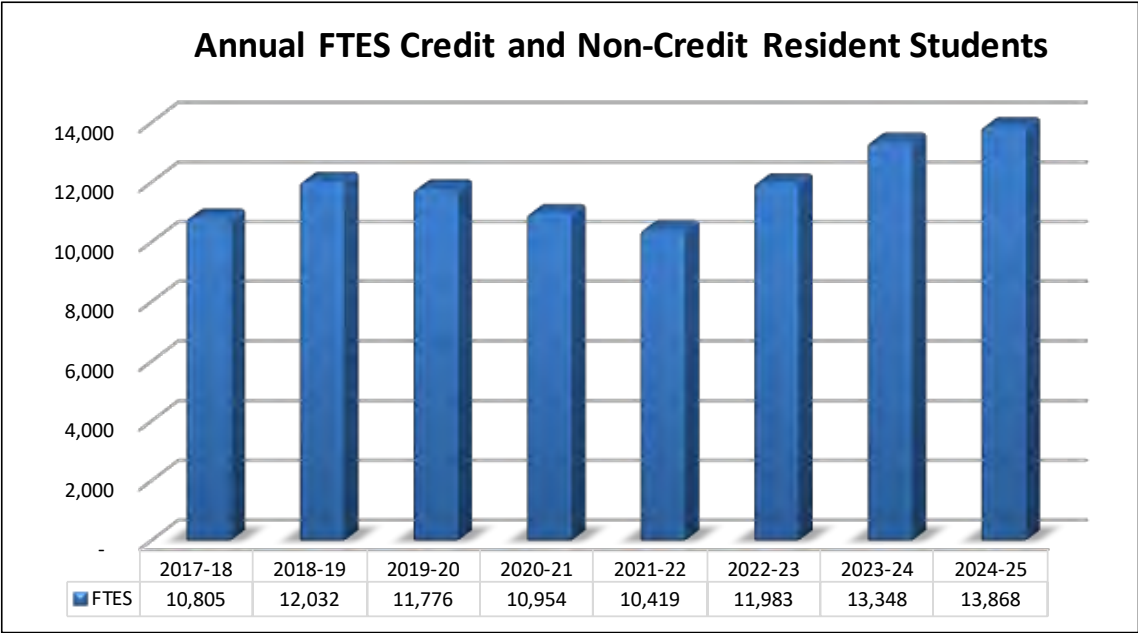
Mt. San Jacinto Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and No. 35, *Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities*. These statements allow for the presentation of financial activity and results of operations which focuses on the District's Primary Government. The entity wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS

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). See the below chart for a historical perspective on the changes in FTES over the past 8 years.



During the 2024-2025 fiscal year, the District provided \$53,464,326 in financial aid to students attending classes at its three 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 resources as shown below.

	2025	2024	Change
Federal Pell Grants (PELL)	\$ 37,262,418	\$ 28,703,494	\$ 8,558,924
Federal Supplemental Education Opportunity Grants (FSEOG)	885,850	856,800	29,050
Federal Work-Study Program (FWS)	441,390	414,872	26,518
State of California Cal Grant B and C	4,828,360	3,415,418	1,412,942
California community college Board of Governor's Fee Wavier	10,046,308	11,485,142	(1,438,834)
Total	\$ 53,464,326	\$ 44,875,726	\$ 8,588,600

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Condensed Statement of Net Position

The preceding schedule has been prepared from the District's Statement of Net Position on page 13 which is presented on the accrual basis of accounting whereby assets are capitalized and depreciated. The District's Net Position increase by \$25.3 million for the year ending June 30, 2025.

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2025	2024	Change
Current assets	\$ 236,703,356	\$ 228,146,031	\$ 8,557,325
Non-current assets	375,659,610	376,426,290	(766,680)
Deferred outflows of resources	37,753,196	40,318,604	(2,565,408)
Total Assets and Deferred Outflows of Resources	650,116,162	644,890,925	5,225,237
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	42,247,808	54,640,806	(12,392,998)
Non-current liabilities	357,723,729	367,813,847	(10,090,118)
Deferred inflows of resources	10,832,360	8,385,689	2,446,671
Total Liabilities and Deferred Inflows of Resources	410,803,897	430,840,342	(20,036,445)
NET POSITION			
Net investment in capital assets	137,870,398	132,873,966	4,996,432
Restricted	81,884,151	70,875,229	11,008,922
Unrestricted	19,557,716	10,301,388	9,256,328
Total Net Position	\$ 239,312,265	\$ 214,050,583	\$ 25,261,682

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Statement of Revenues, Expenses, and Changes in Net Position

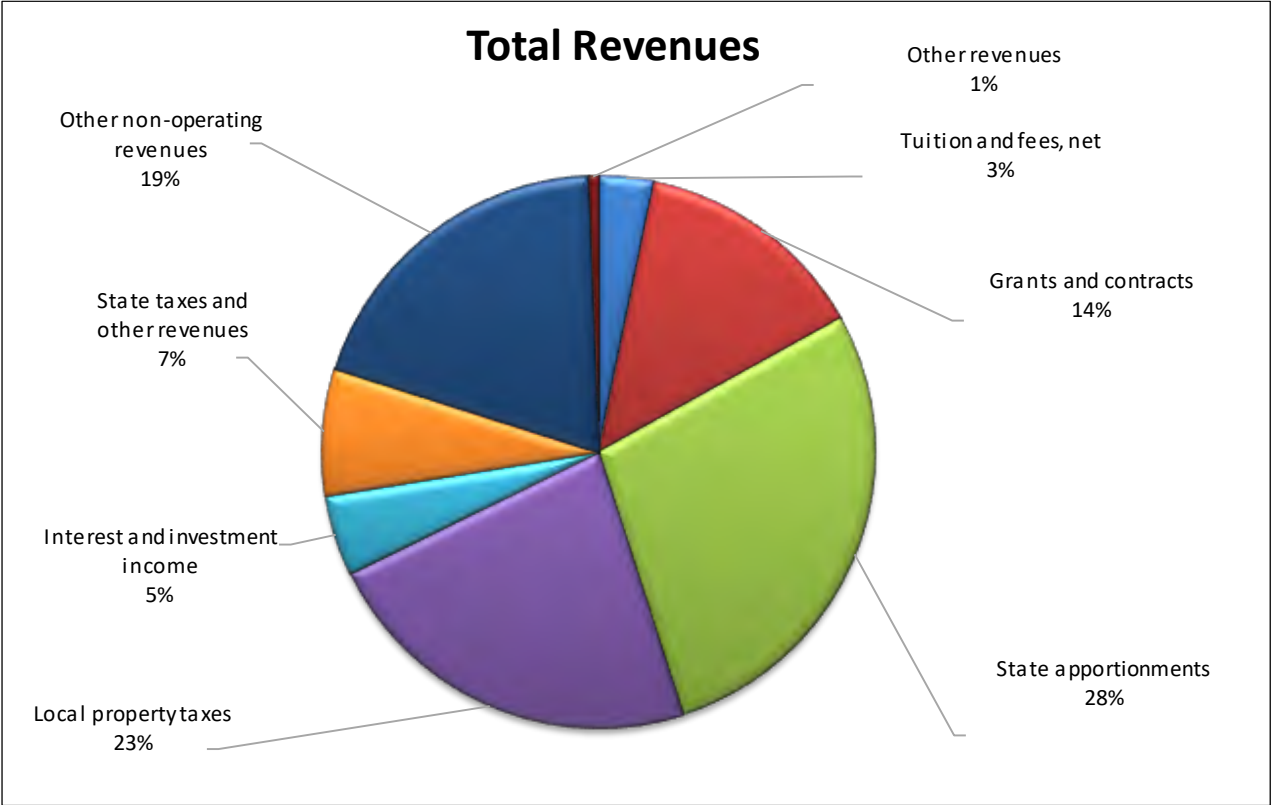
The schedule presented below has been prepared from the Statement of Revenues, Expenses, and Changes in Net Position. The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses and Changes in Net position on page 14.

	2025	2024	Change
OPERATING REVENUES			
Tuition and fees, net	\$ 7,847,136	\$ 7,744,055	\$ 103,081
Grants and contracts	33,783,989	45,007,546	(11,223,557)
Other operating revenue	-	192,019	(192,019)
Total Operating Revenues	41,631,125	52,943,620	(11,312,495)
OPERATING EXPENSES			
Salaries and employee benefits	121,776,917	112,735,755	9,041,162
Supplies, materials, and other operating expenses	24,256,100	24,812,634	(556,534)
Student financial aid	45,875,932	41,134,788	4,741,144
Depreciation and amortization	14,218,575	14,428,555	(209,980)
Total Operating Expenses	206,127,524	193,111,732	13,015,792
Operating Loss	(164,496,399)	(140,168,112)	(24,328,287)
NON-OPERATING REVENUES (EXPENSES)			
State apportionments, noncapital	69,129,983	64,157,717	4,972,266
Local property taxes, noncapital	50,377,849	47,701,172	2,676,677
State taxes and other revenues, noncapital	12,178,639	5,321,556	6,857,083
State financial aid grants	45,836,996	35,566,624	10,270,372
Interest and investment income/(loss), noncapital	6,293,369	8,621,997	(2,328,628)
Other non-operating revenues	1,967,127	5,905,014	(3,937,887)
Total Non-Operating Revenues (Expenses)	185,783,963	167,274,080	18,509,883
OTHER REVENUES (EXPENSES)			
State revenues, capital	5,967,665	13,592,462	(7,624,797)
Local revenues, capital	1,838,407	1,582,388	256,019
Local property taxes and revenues, capital	5,384,229	18,510,487	(13,126,258)
Interest and investment income/(loss), capital	5,357,879	1,781,232	3,576,647
Interest expense, capital	(8,091,346)	(7,934,982)	(156,364)
Gain (loss) on disposal of capital assets	(261,163)	-	(261,163)
Change in Net Position	31,483,235	54,637,555	(23,154,320)
NET POSITION -- BEGINNING OF YEAR	214,050,583	159,413,028	54,637,555
PRIOR PERIOD ADJUSTMENTS (SEE NOTE 12)	(6,221,553)	-	(6,221,553)
NET POSITION -- END OF YEAR	\$ 239,312,265	\$ 214,050,583	\$ 25,261,682

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Revenues by Source

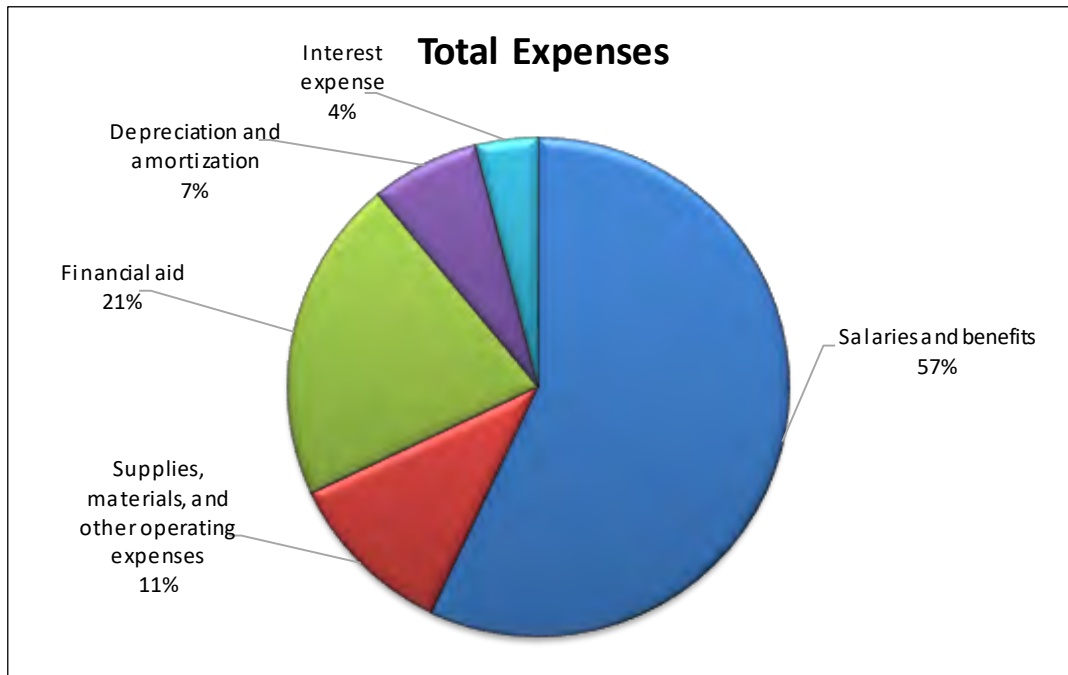
The District’s primary revenue is from the State apportionment, local property taxes, student enrollment fees, and grants. Property taxes levied and received from property within the County increased in 2024-2025. State apportionments increased based on the Student Centered Funding Formula (SCFF) and system wide revenue and allocations. The composition of operating and nonoperating revenues for the year ended June 30, 2025 are reflected below:



**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Expenditures by Type

The District's expenses consisted primarily of employee salaries, benefits, supplies and operating items, payments to students for financial aid, and depreciation and amortization expense. Total salaries and benefits increased \$9.0 million over the prior year, due to providing salary schedule equity and annual raises through labor negotiations with CWA, CSEA, and CTA:



Expenditures by Activity

In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

Functional Classifications	Salaries	Employee Benefits	Supplies, Materials, Other Operating Expenses and Services	Depreciation and Amortization	Total
Instructional activities	\$ 53,485,452	\$ 1,499,408	\$ -	\$ -	\$ 54,984,860
Academic support	12,094,976	888,072	-	-	12,983,048
Student services	18,472,367	1,042,894	43,551	-	19,558,812
Operations and maintenance of plant	4,865,131	2,583,364	-	-	7,448,495
Institutional support services	22,886,260	5,378,069	-	-	28,264,329
Community services and economic development	1,563,319	295,782	-	-	1,859,101
Ancillary services and Auxiliary operations	5,260,033	1,017,114	-	-	6,277,147
Physical property and related acquisitions	3,149,379	4,238,135	-	-	7,387,514
Student aid	-	7,313,262	45,832,381	-	53,145,643
Depreciation and amortization	-	-	-	14,218,575	14,218,575
	<u>\$ 121,776,917</u>	<u>\$ 24,256,100</u>	<u>\$ 45,875,932</u>	<u>\$ 14,218,575</u>	<u>\$ 206,127,524</u>

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the 2024-2025 fiscal year, the District had \$488.0 million in a broad range of capital assets, including land, buildings, and furniture, equipment, leased assets, and subscription IT assets. At June 30, 2025, the District's net capital assets were \$375.7 million. Major capital improvement projects are ongoing throughout the college campuses. These projects are primarily funded through the General Obligation Bonds issued by the District. Projects will be accounted for within our construction in progress account until the project is completed at which time the cost will be recorded in the depreciable capital asset categories.

	2025	2024	Change
Capital assets not being depreciated	\$ 70,728,538	\$ 108,861,055	\$ (38,132,517)
Capital assets being depreciated	405,321,147	357,306,197	48,014,950
Accumulated depreciation	(105,808,710)	(94,312,815)	(11,495,895)
Right-to-use assets	11,986,760	9,854,133	2,132,627
Accumulated amortization	(6,568,125)	(6,857,117)	288,992
Total Capital and Right-to-Use Assets	\$ 375,659,610	\$ 374,851,453	\$ 808,157

We present more detailed information about our capital assets in Note 5 to the financial statements.

Long-Term Liabilities

At the end of the 2024-2025 fiscal year, the District had \$255.2 million in General Obligation Bonds outstanding, including premium on bonds. These bonds are repaid semi-annually, utilizing Debt Service Funds, in accordance with the debt service schedules.

In addition to the General Obligation Bonds, leases, and subscription-based IT arrangements, the District is obligated to employees of the District for vacation, and load banking.

	2025	2024	Change
General obligation bonds	\$ 237,330,000	\$ 242,210,000	\$ (4,880,000)
Bond premium	17,896,209	18,580,576	(684,367)
Lease liability	943,413	1,776,004	(832,591)
Subscription-based IT arrangements	4,230,795	926,687	3,304,108
Compensatory time	8,086,522	2,750,173	5,336,349
Load banking	492,833	348,041	144,792
Net OPEB liability/(asset)	5,173,799	7,103,258	(1,929,459)
Net pension liability	91,729,590	100,189,129	(8,459,539)
Total Long-term Liabilities	\$ 365,883,161	\$ 373,883,868	\$ (8,000,707)

We present more detailed information about our long-term liabilities in Note 6 to the financial statements

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Aggregate Net OPEB Liability and Aggregate Net Pension Liability

At year-end, the District has an aggregate net other postemployment benefit (OPEB) liability of \$5,173,799 versus \$7,103,258 last year, a decrease of \$1,929,459, or 27.2%.

At year-end, the District has an aggregate net pension liability of \$91,729,590 versus \$100,189,129 last year, a decrease of \$8,459,539, or 8.4%.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget to provide for unanticipated changes in revenues and expenditures. The Board of Trustees adopted the final amendment for the fiscal year 2024-2025 budget on September 11, 2025.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

On June 27, 2025, Governor Newsom signed the Budget Act of 2025. Updated estimates, overruns in healthcare expenses, and tempered revenue expectations resulting from tariff related concerns resulted in a \$12 billion deficit for fiscal year (FY) 2025-26. The 2025 Budget Act tackles this deficit using reserves and special fund transfers along with program reductions, revenue generation, internal borrowing, and deferrals. The State's enacted FY 2025-26 budget of \$321 billion includes a 7.8% (approximately \$23.2 billion) increase from the FY 2024-25 enacted budget and the general fund increases approximately \$16.9 billion or 8% to \$228.4 billion.

The State budget includes 2.30% Cost of Living Adjustment (COLA), 2.35% growth funding spread over fiscal years 2024-25 and 2025-26, and one-time funding includes \$60 million for Student Support Block Grant, \$20 million for emergency financial aid, \$15 million to scale up Credit for Prior Learning, \$12 million to initiate a systemwide Common Data Platform, and \$68.5 million in capital outlay funding to support one (1) continuing project and 29 new projects.

Starting in 2025-26, districts will be funded at their SCFF generated amount or their "floor" (2024-25 funding amount), whichever is higher.

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

OTHER HIGHLIGHTS

Mt. San Jacinto College has been providing food distributions on both the San Jacinto and Meniffee Campuses in the last four years and throughout the pandemic. Both campuses now house permanent food pantries.

Mt. San Jacinto College is in the process of eliminating equity barriers by establishing a New Strategic Equity Plan. The following goals will initiate the work to eliminate equity issues and barriers for students, faculty, and staff.

Goal 1: Promote, encourage, and create a culture of racial equity, diversity, and inclusion to address and eliminate systemic racism, academic barriers, and educational injustice through implementation of culturally responsive and affirming practices.

Goal 2: Create structured educational experiences that support students from point of entry to timely and efficient attainment of educational goal in both on campus and distance education environments.

Goal 3: Implement, strengthen, and transform curriculum, classroom management, and academic and student support services to focus on the success and retention of our highest priority students in both on campus and distance education environments.

Goal 4: Foster an institutional climate that promotes inclusivity, is welcoming and engaging, and creates community and belonging for students, faculty, and staff.

Goal 5: Partner with local business, industry, cities, and communities to increase experiential opportunities for student to explore, transition-to, or promote within the regional workforce.

Goal 6: Strategic Enrollment, Planning, and Fiscal Responsibility: Support the optimization of strategic enrollment management, planning, and student success to ensure fiscal viability.

Goal 7: Facilities Planning and Improvement – Provide facilities at all locations that are inviting, accessible, and safe.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Mt. San Jacinto Community College District at 41888 Motor Car Parkway, Temecula, CA 92591.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 220,978,774
Accounts receivable, net	14,750,260
Inventory	1,186
Prepaid expenditures and other assets	973,136
Total Current Assets	<u>236,703,356</u>

Non-current Assets:

Right-to-use assets, net	5,418,635
Capital assets, net	370,240,975
Total Non-current Assets	<u>375,659,610</u>

TOTAL ASSETS

612,362,966

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows - OPEB	4,158,049
Deferred outflows - pensions	33,595,147

TOTAL DEFERRED OUTFLOWS OF RESOURCES

37,753,196

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	8,114,858
Accrued interest	3,648,276
Unearned revenue	22,325,242
Long-term debt, current portion	8,159,432
Total Current Liabilities	<u>42,247,808</u>

Non-current Liabilities:

Net OPEB liability	5,173,799
Net pension liability	91,729,590
Long-term debt, non-current portion	260,820,340
Total Non-current Liabilities	<u>357,723,729</u>

TOTAL LIABILITIES

399,971,537

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to OPEB	298,755
Deferred inflows related to pensions	10,533,605

TOTAL DEFERRED INFLOWS OF RESOURCES

10,832,360

NET POSITION

Net investment in capital assets	137,870,398
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Restricted for:

Debt service	34,434,122
Capital projects	41,530,632
Educational programs	3,641,014
Other special purpose	2,278,383

Unrestricted	19,557,716
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TOTAL NET POSITION

\$ 239,312,265

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES

Tuition and fees, gross	\$ 17,893,444
Less: Scholarship discounts and allowances	(10,046,308)
Net tuition and fees	<u>7,847,136</u>
Grants and contracts, noncapital:	
Federal	5,242,762
State	28,454,169
Local	<u>87,058</u>
TOTAL OPERATING REVENUES	<u>41,631,125</u>

OPERATING EXPENSES

Salaries	90,519,028
Employee benefits	31,257,889
Supplies, materials, and other operating expenses	24,256,100
Student financial aid	45,875,932
Depreciation and amortization	<u>14,218,575</u>
TOTAL OPERATING EXPENSES	<u>206,127,524</u>

OPERATING LOSS

(164,496,399)

NON-OPERATING REVENUES (EXPENSES)

State apportionments, noncapital	69,129,983
Local property taxes, noncapital	50,377,849
State taxes and other revenues, noncapital	12,178,639
Federal and State financial aid grants	45,836,996
Interest and investment income/(loss), noncapital	6,293,369
Other non-operating revenues	<u>1,967,127</u>
TOTAL NON-OPERATING REVENUES	<u>185,783,963</u>

LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS, AND LOSSES

21,287,564

OTHER REVENUES, EXPENSES, GAINS AND LOSSES

State revenues, capital	5,967,665
Local revenues, capital	1,838,407
Local property taxes and revenues, capital	5,384,229
Interest and investment income/(loss), capital	5,357,879
Interest expense, capital	(8,091,346)
Gain (loss) on disposal of capital assets	<u>(261,163)</u>
TOTAL OTHER REVENUES, EXPENSES, GAINS AND LOSSES	<u>10,195,671</u>

CHANGE IN NET POSITION

31,483,235

NET POSITION -- BEGINNING OF YEAR

214,050,583

PRIOR PERIOD ADJUSTMENTS (SEE NOTE 12)

(6,221,553)

NET POSITION -- END OF YEAR

\$ 239,312,265

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 7,847,136
Grants and contracts	33,044,997
Payments to or on behalf of employees	(126,696,216)
Payments to vendors for supplies and services	(34,845,282)
Payment to students	(45,875,932)
Net Cash Provided by/(Used in) Operating Activities	<u>(166,525,297)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State apportionments	69,129,983
Local property taxes	50,377,849
State taxes and other revenues	12,178,639
Federal and State financial aid grants	45,836,996
Other non-operating revenues	1,967,127
Net Cash Provided by/(Used in) Non-capital Financing Activities	<u>179,490,594</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Net purchase and sale of capital assets	(10,143,596)
State and local revenue, capital projects	5,967,665
Local property taxes on capital related debt	7,222,636
Interest earned on capital related debt	5,357,879
Principal paid on capital debt	(7,175,977)
Interest paid on capital debt	(8,861,463)
Net Cash Provided by/(Used in) Capital and Related Financing Activities	<u>(7,632,856)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income/(expense)	<u>6,293,369</u>
Net Cash Provided by Investing Activities	<u>6,293,369</u>

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

CASH AND CASH EQUIVALENTS, END OF YEAR

11,625,810
<u>209,352,964</u>
<u>\$ 220,978,774</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating loss	\$ (164,496,399)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and amortization	14,218,575
Changes in Assets and Liabilities:	
Accounts receivable	3,189,716
Inventory	480
Prepaid expenditures and other assets	(121,711)
Deferred outflows - pensions	2,930,585
Deferred outflows - OPEB	(365,177)
Accounts payable and accrued liabilities	(10,467,951)
Unearned revenues	(3,928,708)
Compensated absences and load banking	457,620
Net OPEB liability	(1,929,459)
Net pension liability	(8,459,539)
Deferred inflows - pensions	2,495,403
Deferred inflows - OPEB	(48,732)
Total Adjustments	(2,028,898)
Net Cash Flows From Operating Activities	\$ (166,525,297)

COMPONENTS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 220,978,774
Total Cash and Cash Equivalents	\$ 220,978,774

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 establish 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 consists of 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 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. 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 accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board (GASB). The District identified no component units that met the criteria listed above.

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State financial grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

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 equivalents also include cash with county treasury balances and other investments for purposes of the Statement of Cash Flows.

Investments

Investments are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value, including money market investments and participating interest-earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost.

The District's investment in the County treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool is not required to be categorized within the fair value hierarchy.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District does not record an allowance for uncollectible accounts because collectability of the receivables from such sources is probable.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

Inventories

Inventories consist primarily of paper and office supplies for daily operational needs. Inventories are stated at cost, utilizing the average cost method. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital and Right-to-Use Assets

Capital assets are stated at cost at the date of acquisition. The District's capitalization policy includes all items with a unit cost of \$5,000 (for equipment) and an estimated useful life of greater than one year. Buildings, renovations to buildings, infrastructure, and land improvements that cost more than \$5,000, significantly increase the value, or extend the useful life of the structure, are capitalized. Routine repair and maintenance costs are charged to operating expenses in the year in which the expense is incurred.

Depreciation of equipment and vehicles, facilities, and other physical properties is provided using the straight-line method over the estimated useful lives of the respective assets, or in the case of assets acquired under capital leases, the shorter of the lease term or useful life. Costs for construction in progress are capitalized when incurred.

The following estimated useful lives are used to compute depreciation:

Land improvements	10-50 years
Buildings and improvements	10-50 years
Machinery and equipment	3-7 years

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

Compensated Absences and Load Banking

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the government-wide financial statements.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences and Load Banking, continued

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive a 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. All other bond issuance costs are expensed when incurred.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources for OPEB and pension related items. The deferred amounts related to OPEB and pension related items are associated with differences between expected and actual earnings on plan investments, changes of assumptions, and other OPEB and pension related changes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for OPEB and pension related items.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability/(asset), deferred outflows/inflows of resources related to OPEB, and OPEB expense/(benefit), information about the fiduciary net position of the District OPEB Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District OPEB Plan and MPP. For this purpose, the District OPEB Plan and MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Leases

The District recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements. The District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription-based IT Arrangements

The District recognizes a subscription-based IT arrangement liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. The District measures the subscription-based IT arrangement liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription-based IT arrangement liability is reduced by the principal portion of subscription payments made. The right-to-use subscription IT asset is initially measured as the initial amount of the subscription-based IT arrangement liability, plus certain initial direct costs. Subsequently, the right-to-use subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset.

Pensions

For purposes of measuring the net pension liability, 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. The aggregate net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Unearned revenue is primarily composed of (1) amounts received for tuition and fees prior to the end of the fiscal year, that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, capital leases, compensated absences, compensatory time, load banking, PARS supplemental retirement plan, the aggregate net OPEB liability, and the aggregate net pension liability with maturities greater than one year.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$81,884,151 of restricted net position.

Operating and Nonoperating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB. Classifications are as follows:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB Statements.

Classification of Expenses - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating according to the following criteria:

Operating expenses - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.

Nonoperating expenses - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Riverside bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed a General Obligation Bond in November 2014 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarship Discounts and Allowances

Tuition and fee revenue is reported net of scholarships discount and allowances. Fee waivers approved by the California Community College Board of Governors are included within the scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Financial Assistance Programs

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government and State of California. Financial aid provided to the student in the form of cash is reported as an operating expense in the Statement of Revenues, Expenses, and Changes in Net Position. Federal financial assistance programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and those differences could be material.

Interfund Activity

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government has been eliminated in the consolidation process of the basic financial statements.

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the primary government have been eliminated in the consolidation process of the basic financial statements.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ending June 30, 2025:

Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023.

Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024.

Upcoming (GASB) Pronouncements

The GASB has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for periods beginning after June 15, 2025.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND CASH EQUIVALENTS

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.

Cash in County Treasury - The District deposits substantially all receipts and collections of monies with their County Treasurer. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

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	40%	30%
Banker's Acceptance	180 days	25%	10%
Commercial Paper	270 days	30%	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	20% of base	None
Reverse Repurchase Agreements	92 days	30%	None
Medium-Term Corporate Notes	5 years	20%	10%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND CASH EQUIVALENTS, continued

Authorized Under Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of debt agreements, rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

Summary of Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2025, consist of the following:

	Primary Government
Cash on hand and in banks	\$ 925,931
Cash in revolving	26,000
Cash with fiscal agent	528,193
Cash in county treasury	219,498,650
Total Cash and Cash Equivalents	<u>\$ 220,978,774</u>

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. The District manages its exposure to interest rate risk by investing in the Riverside County Investment Pool and having the pool purchase a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of \$219,498,650 with the Riverside County Investment Pool with an average weighted maturity of 467 days.

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 Investment Pool was rated AAf/S1 by Fitch Rating as of the year end.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND CASH EQUIVALENTS, continued

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 for deposits. 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% 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% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance was fully insured and/or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025 consisted of the following:

	Primary Government
Federal Government	
Categorical aid	\$ 1,304,284
State Government	
Apportionment	2,864,133
Categorical aid	5,014,900
Lottery	997,313
Other state aid	1,371,603
Local Sources	
Interest	1,791,764
Property tax	1,085,583
Other local sources	320,680
Total Accounts Receivable	<u>\$ 14,750,260</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – CAPITAL AND RIGHT-TO-USE ASSETS

Capital and right-to-use asset activity for the District for the year ended June 30, 2025, was as follows:

	Adjusted Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Capital Assets Not being Depreciated				
Land	\$ 10,162,506	\$ -	\$ 262,531	\$ 9,899,975
Construction-in-progress	98,698,549	3,327,904	41,197,890	60,828,563
Total Capital Assets Not Being Depreciated	108,861,055	3,327,904	41,460,421	70,728,538
Capital Assets Being Depreciated				
Land improvements	22,942,013	440,958	-	23,382,971
Buildings and improvements	296,959,569	44,120,297	-	341,079,866
Furniture and equipment	37,404,615	3,453,695	-	40,858,310
Total Capital Assets Being Depreciated	357,306,197	48,014,950	-	405,321,147
Total Capital Assets	466,167,252	51,342,854	41,460,421	476,049,685
Less: Accumulated Depreciation				
Land improvements	9,926,512	725,063	-	10,651,575
Buildings and improvements	62,057,402	8,581,814	-	70,639,216
Furniture and equipment	22,328,901	2,189,018	-	24,517,919
Total Accumulated Depreciation	94,312,815	11,495,895	-	105,808,710
Capital Assets, net	371,854,437	39,846,959	41,460,421	370,240,975
Right-to-Use Assets				
Leased equipment	2,921,757	188,497	-	3,110,254
Subscription-based IT arrangements	6,932,376	4,955,802	3,011,672	8,876,506
Total Right-to-Use Assets	9,854,133	5,144,299	3,011,672	11,986,760
Less: Accumulated Amortization				
Leased equipment	1,524,366	645,658	-	2,170,024
Subscription-based IT arrangements	5,332,751	2,077,022	3,011,672	4,398,101
Total Accumulated Amortization	6,857,117	2,722,680	3,011,672	6,568,125
Right-to-Use Assets, net	2,997,016	2,421,619	-	5,418,635
Capital Assets and Right-to-Use Assets, net	\$ 374,851,453	\$ 42,268,578	\$ 41,460,421	\$ 375,659,610

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2025 consisted of the following:

	Balance July 1, 2024	Restatement	Additions	Deductions	Balance June 30, 2025	Due Within One Year
General Obligation Bonds						
General obligation bonds	\$ 242,210,000	\$ -	\$ -	\$ 4,880,000	\$ 237,330,000	\$ 4,230,000
Premiums, net	18,580,576	-	-	684,367	17,896,209	1,029,484
Total General Obligation Bonds	260,790,576	-	-	5,564,367	255,226,209	5,259,484
Other Long-Term Liabilities						
Lease liability	1,776,004	(376,805)	188,497	644,283	943,413	521,485
Subscription-based IT arrangements	926,687	-	4,955,802	1,651,694	4,230,795	1,420,164
Compensated absences	2,750,173	5,023,521	312,828	-	8,086,522	958,299
Load banking	348,041	-	144,792	-	492,833	-
Total Other Long-Term Liabilities	5,800,905	4,646,716	5,601,919	2,295,977	13,753,563	2,899,948
Total Long-Term Liabilities	\$ 266,591,481	\$ 4,646,716	\$ 5,601,919	\$ 7,860,344	\$ 268,979,772	\$ 8,159,432

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. The leases will be paid by the General Fund. The subscription-based IT arrangements will be paid by the General Fund and Restricted General Fund. The compensated absences and load banking liability will be paid by the fund for which the employee worked.

General Obligation Bonds

The outstanding general obligation bonded debt at June 30, 2025 was as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds	
				Outstanding July 1, 2024	Additions	Redeemed	Outstanding June 30, 2025	
5/21/2015	8/1/2040	2.00% - 5.00%	\$ 70,000,000	\$ 49,460,000	\$ -	\$ 1,060,000	\$ 48,400,000	
2/14/2018	8/1/2043	3.00% - 5.00%	120,000,000	100,960,000	-	845,000	100,115,000	
1/20/2021	8/1/2043	2.00% - 4.00%	105,000,000	91,790,000	-	2,975,000	88,815,000	
				\$ 242,210,000	\$ -	\$ 4,880,000	\$ 237,330,000	

In November 2014, voters authorized a total of \$295,000,000 in general obligation bonds. In May 2015, the District issued Election of 2014 General Obligation Bonds Series A in the amount of \$70,000,000. The bonds were used to finance the acquisition, construction, and modernization of property and school facilities, to refund outstanding lease revenue bonds, and to pay certain costs of issuing the bonds. The bonds were issued as current interest bonds. The bonds bear interest rates of 2.00 to 5.00%. At June 30, 2025, the principal balance outstanding was \$48,400,000. Unamortized premium received on issuance of the bonds amounted to \$3,454,123.

In February 2018, the District issued Election of 2014 General Obligation Bonds Series B in the amount of \$120,000,000. The bonds were used to finance the acquisition, construction, modernization and renovation of District sites and facilities and pay the costs of issuing the bonds. The bonds were issued as current interest bonds. The bonds bear interest rates of 3.00 to 5.00%. At June 30, 2025, the principal balance outstanding was \$100,115,000. Unamortized premium received on issuance of the bonds amounted to \$7,454,182.

In January 2021, the District issued Election of 2014 General Obligation Bonds Series C in the amount of \$105,000,000. The bonds were used to finance the acquisition, construction, modernization and renovation of District sites and facilities and pay the costs of issuing the bonds. The bonds were issued as current interest bonds. The bonds bear interest rates of 2.00 to 4.00%. At June 30, 2025, the principal balance outstanding was \$88,815,000. Unamortized premium received on issuance of the bonds amounted to \$6,987,904.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

Debt Maturity

The Series A General Obligation Bonds matures through 2041 as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,220,000	\$ 2,061,863	\$ 3,281,863
2027	1,400,000	1,996,363	3,396,363
2028	1,590,000	1,921,613	3,511,613
2029	1,795,000	1,836,988	3,631,988
2030	2,010,000	1,741,863	3,751,863
2031-2035	13,760,000	7,058,406	20,818,406
2036-2040	21,285,000	3,351,575	24,636,575
2041	5,340,000	106,800	5,446,800
Total	\$ 48,400,000	\$ 20,075,471	\$ 68,475,471

The Series B General Obligation Bonds matures through 2044 as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,060,000	\$ 4,208,250	\$ 5,268,250
2027	1,295,000	4,149,375	5,444,375
2028	1,550,000	4,078,250	5,628,250
2029	1,825,000	3,993,875	5,818,875
2030	2,125,000	3,895,125	6,020,125
2031-2035	15,890,000	17,433,575	33,323,575
2036-2040	26,645,000	12,833,575	39,478,575
2041-2044	49,725,000	4,508,700	54,233,700
Total	\$ 100,115,000	\$ 55,100,725	\$ 155,215,725

The Series C General Obligation Bonds matures through 2044 as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,950,000	\$ 2,389,750	\$ 4,339,750
2027	2,185,000	2,307,050	4,492,050
2028	2,430,000	2,214,750	4,644,750
2029	2,695,000	2,112,250	4,807,250
2030	2,970,000	1,998,950	4,968,950
2031-2035	19,275,000	8,342,875	27,617,875
2036-2040	27,885,000	4,863,850	32,748,850
2041-2044	29,425,000	1,217,850	30,642,850
Total	\$ 88,815,000	\$ 25,447,325	\$ 114,262,325

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

Leases

The District has entered into agreements to lease various equipment. The District's liability for lease agreements is summarized below:

Leases	Adjusted Balance			Balance
	July 1, 2024	Additions	Deductions	June 30, 2025
Copiers	\$ 1,395,263	\$ 156,281	\$ 635,857	\$ 915,687
Postage Machines	3,936	32,216	8,426	27,726
Total	\$ 1,399,199	\$ 188,497	\$ 644,283	\$ 943,413

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 521,485	\$ 4,033	\$ 525,518
2027	319,347	1,388	320,735
2028	94,491	285	94,776
2029	6,697	105	6,802
2030	1,393	2	1,395
Total	\$ 943,413	\$ 5,813	\$ 949,226

The District entered into multiple agreements to lease copiers for five to six years, with the earliest beginning July 1, 2021. Under the terms of the lease, the District currently pays monthly payments of \$53,997, which amounted to total principal and interest costs of \$641,719. The annual interest rate charged on the leases ranges from 0.03% to 4.16%. At June 30, 2025, the District has recognized a right-to-use leased asset of \$912,806 net of accumulated amortization and a lease liability of \$915,687 related to this agreement. During the fiscal year, the District recorded \$636,965 in amortization expense and \$5,862 in interest expense for the right to use of the copiers.

The District entered into multiple agreements to lease postage machines for three to four years, with the earliest beginning August 1, 2019. Under the terms of the lease, the District pays monthly payments of \$2,254, which amounted to total principal and interest costs of \$9,128. The annual interest rate charged on the leases ranges from 0.00% to 4.16%. At June 30, 2025, the District has recognized a right-to-use leased asset of \$27,424 net of accumulated amortization and a lease liability of \$27,726 related to this agreement. During the fiscal year, the District recorded \$8,693 in amortization expense and \$702 in interest expense for the right to use of the copiers.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

Subscriptions-Based IT Arrangements (SBITAs)

The District entered into multiple SBITAs for the use of various software. At June 30, 2025, the District has recognized a right-to-use subscriptions IT asset of \$4,478,405 net of accumulated amortization and a SBITA liability of \$4,230,795 related to these agreements. During the fiscal year, the District recorded \$2,077,022 in amortization expense. The District is required to make annual principal and interest payments through June 30 2029.

The subscriptions have interest rates that range from 2.40% to 3.16%.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,420,164	\$ 105,901	\$ 1,526,065
2027	1,349,456	63,676	1,413,132
2028	734,845	24,630	759,475
2029	726,330	1,913	728,243
Total	<u>\$ 4,230,795</u>	<u>\$ 196,120</u>	<u>\$ 4,426,915</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2025, the District reported an aggregate net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 5,173,799	\$ 4,158,049	\$ 298,755	\$ (57,612)

District Plan

Plan Administration

The District has established a Postemployment Benefits Plan (the Plan) and participates in an agent multiple-employer defined retiree healthcare plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. CalPERS issues a publicly available financial report that can be found on the CalPERS website at: <https://calpers.ca.gov/pages/forms-publications>.

Plan Membership

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

	Number of Participants
Inactive Employees Receiving Benefits	130
Active Employees	533
	<u>663</u>

Benefits Provided

The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the District’s bargaining units. Voluntary contributions based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits with the District, Teacher Education Association, California Service Employee Association, and the unrepresented groups are based on availability of funds. For the measurement period of June 30, 2024, the District contributed \$2,170,787 to the Plan, of which \$1,023,036 was used for current premiums, \$1,000,000 was used to fund the OPEB Trust, and \$147,751 represents the effect of the implicit rate subsidy.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the Plan's adopted asset allocation policy as of June 30, 2024:

Asset Class	Percentage of Portfolio
All equities	49%
All fixed income	23%
Real estate investment trusts	20%
All commodities	3%
Treasury inflation protected securities (TIPS)	5%
Total	100%

Net OPEB Liability/(Asset) of the District

The District's net OPEB liability/(asset) of \$5,173,799 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30 2023. The components of the net OPEB liability of the District at June 30, 2024, were as follows:

Total OPEB liability	\$	18,719,428
Plan fiduciary net position		13,545,629
Net OPEB liability/(asset)	\$	5,173,799

Plan fiduciary net position as a percentage of the total OPEB liability	72.36%
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MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.50%
Investment rate of return	6.75%
Salary Increase	2.75%
Healthcare cost trend rate	4.00%

The discount rate was based on the assumed long-term expected rate of return on plan assets.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actual experience study as of June 2023.

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
All equities	7.25%
All fixed income	4.25%
Real estate investment trusts	7.25%
All commodities	7.25%
Treasury inflation protected securities (TIPS)	3.00%

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance July 1, 2023	\$ 18,099,198	\$ 11,258,660	\$ 6,840,538
Changes for the year:			
Service cost	754,367	-	754,367
Interest	1,202,059	-	1,202,059
Employer contributions to trust	-	1,000,000	(1,000,000)
Employee contributions as benefit payments	-	1,336,196	(1,336,196)
Expected investment income	-	793,583	(793,583)
Investment gains/(losses)	-	497,121	(497,121)
Administrative expense	-	(3,735)	3,735
Expected benefit payments	(1,336,196)	(1,336,196)	-
Net change	620,230	2,286,969	(1,666,739)
Balance June 30, 2024	\$ 18,719,428	\$ 13,545,629	\$ 5,173,799

There were no changes in the benefit terms since the previous valuation. There were no changes in assumptions since the previous valuation.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability/(asset)	\$ 6,744,931	\$ 5,173,799	\$ 3,778,205

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – AGGREGATE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a healthcare cost trend rate that is one percent lower or higher than the current healthcare costs trend rate:

	1% Decrease (3.00%)	Current Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability/(asset)	\$ 3,366,284	\$ 5,173,799	\$ 7,356,601

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 173,284	\$ -
Differences between expected and actual experience	535,694	298,755
Change of assumptions	1,426,035	-
District contributions subsequent to the measurement date	2,023,036	-
	<u>\$ 4,158,049</u>	<u>\$ 298,755</u>

The deferred outflows of resources related to OPEBs resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/(asset) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 276,761
2027	561,946
2028	144,434
2029	137,391
2030	236,812
Thereafter	478,914
	<u>\$ 1,836,258</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – RISK MANAGEMENT

Property and Liability 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 Schools Association for Excess Risk (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, 2025, 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 2024-2025, the District participated in the Riverside Schools Risk Management Authority (RSRMA) 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.

Insurance Program / Company Name	Type of Coverage	Limits	
Riverside Schools Risk Management Authority (RSRMA)	Workers' Compensation	\$	155,000,000
Schools Association for Excess Risk (SAFER)	Excess Liability	\$	250,000,000
Statewide Association of Community Colleges (SWACC)	Property (per occurrence)	\$	24,000,000
Statewide Association of Community Colleges (SWACC)	Liability (per occurrence)	\$	25,000,000

Employee Medical Benefits

The District has contracted with Riverside County Employer/Employee Partnership (REEP) for Benefits JPA through Keenan & Associates, Kaiser Permanente, Anthem Blue Cross, United Health, and Pacific Care plans to provide employee medical benefits. The District provides health and welfare benefits to all full-time and permanent part-time employees (20 hours or more). Those employees working less than full-time will receive a pro-rata share of the benefit package. Employees in positions less than 20 hours per week do not receive any fringe benefits.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – RISK MANAGEMENT, continued

Employee Medical Benefits, continued

If the employee elects not to enroll for health insurance coverage from one of the carriers provided by the District, such employee must provide evidence of other health insurance coverage.

- Medical - The employee has a choice of Kaiser Permanente, Anthem Blue Cross, United Health, and Pacific Care plans. The employee may elect to change carriers once per year during open enrollment. Normally, such election shall be effective July 1 of each year.
- Dental - Delta, MetLife, and MetLife/Safeguard carried insurance coverage for employees and is provided by the District. All employees shall participate in the program.
- Life Insurance - The District provides a \$20,000 group term life insurance policy by a carrier designated by REEP. All employees participate in this life insurance program.

Rates are set by the REEP for Benefits JPA. The District pays monthly premiums which are placed in a common fund with REEP from which claim payments are made for all participating districts. Claims are paid for all participants regardless of the claim's expense. The REEP Board of Directors has the right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS

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).

For the fiscal year ended June 30, 2025, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 39,830,174	\$ 17,919,106	\$ 6,421,951	\$ 4,828,295
CalPERS	51,899,416	15,676,041	4,111,654	7,893,430
Total	<u>\$ 91,729,590</u>	<u>\$ 33,595,147</u>	<u>\$ 10,533,605</u>	<u>\$ 12,721,725</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS)

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.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2024, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

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 non-employer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2025, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	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 percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions

Required member, District and State of California contributions 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. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the District's total contributions were \$7,593,386.

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

At June 30, 2025, 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's proportionate share of the net pension liability	\$	39,830,174
State's proportionate share of the net pension liability associated with the District		18,274,501
Total	\$	<u>58,104,675</u>

The net pension liability was measured as of June 30, 2024. 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. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.059 percent and 0.059 percent, resulting in no net change in the proportionate share.

For the year ended June 30, 2025, the District recognized pension expense of \$4,828,295. In addition, the District recognized pension expense and revenue of (\$1,667,800) for support provided by the State. At June 30, 2025, 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
Difference between projected and actual earnings on plan investments	\$ -	\$ 162,728
Differences between expected and actual experience	4,505,811	1,742,852
Changes in assumptions	174,354	2,720,010
Net changes in proportionate share of net pension liability	5,645,555	1,796,361
District contributions subsequent to the measurement date	7,593,386	-
Total	<u>\$ 17,919,106</u>	<u>\$ 6,421,951</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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 subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (1,662,438)
2027	4,380,886
2028	897,485
2029	86,967
2030	396,233
Thereafter	(195,364)
Total	<u>\$ 3,903,769</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP– 2021 Ultimate Projection Scale.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
	<u>100%</u>		

*20 to 30 year geometric average.

**Real rates of return are net of assumed 2.75% inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases as disclosed in the plan description and contribution information.

Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those 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 the 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 is one percent lower or higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 70,844,846	\$ 39,830,174	\$ 13,931,636

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

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 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five 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 age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS School Employee Pool provisions and benefits in effect at June 30, 2025, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	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 percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	27.05%	27.05%

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, 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 July 1 following notice of a change in the rate. Total plan contributions are calculated 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 contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the total District contributions were \$8,161,890.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$51,899,416. The net pension liability was measured as of June 30, 2024. 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 college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.145% and 0.154%, respectively, resulting in a net decrease in the proportionate share of 0.009%.

For the year ended June 30, 2025, the District recognized pension expense of \$7,893,430. At June 30, 2025, 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
Difference between projected and actual earnings on plan investments	\$ 2,015,992	\$ -
Differences between expected and actual experience	4,351,007	371,442
Changes in assumptions	1,147,152	-
Net changes in proportionate share of net pension liability	-	3,740,212
District contributions subsequent to the measurement date	8,161,890	-
Total	<u>\$ 15,676,041</u>	<u>\$ 4,111,654</u>

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

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 subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 1,431,098
2027	3,671,297
2028	(577,644)
2029	(1,122,254)
Total	<u>\$ 3,402,497</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997, through June 30,
Actuarial cost method	2015 Entry age normal
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset 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	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	<u>100%</u>	

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. 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 expected rate of return on the School Employer Pool investments 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 is one percent lower or higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 77,097,016	\$ 51,899,416	\$ 31,084,194

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$3,689,971. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

NOTE 10 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Riverside Schools Risk Management Authority (RSRMA), the Schools Association for Excess Risk (SAFER), the Statewide Association of Community Colleges (SWACC), and Riverside County Employer/Employee Partnership (REEP) for Benefits Joint Powers Authority JPAs. The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPAs and the District are included in these statements. Audited financial statements are available from the respective entities.

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – COMMITMENTS AND CONTINGENCIES, continued

Construction Commitments

As of June 30, 2025, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitments	Expected Date of Completion
MVC Stadium	\$ 300	December 2025
STEM Building - MVC	2,100,000	December 2025
STEM Building - SJC	500,000	December 2024
Total	<u>\$ 2,600,300</u>	

NOTE 12 – PRIOR PERIOD ADJUSTMENT

Net position decreased by \$6,221,553 due to prior period adjustments related to the implementation of GASB 101, *Compensated Absences*, for \$5,023,521, accumulated depreciation for prior year assets of \$1,089,050, and changes in the lease liability of \$108,982. These balances have been restated as of July 1, 2024.

NOTE 13 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through January 8, 2026, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 754,367	\$ 766,467	\$ 823,440	\$ 835,041
Interest	1,202,059	1,103,173	1,050,442	985,108
Changes of benefit terms	-	-	-	-
Experience (gains)/losses	-	583,627	-	(232,486)
Changes of assumptions	-	340,134	-	935,649
Benefit payments	(1,336,196)	(1,175,379)	(1,086,178)	(923,423)
Net change in total OPEB liability	620,230	1,618,022	787,704	1,599,889
Total OPEB liability, beginning of year	18,099,198	16,481,176	15,693,472	14,093,583
Total OPEB liability, end of year (a)	\$ 18,719,428	\$ 18,099,198	\$ 16,481,176	\$ 15,693,472
Plan fiduciary net position				
Employer contributions	\$ 2,336,196	\$ 2,175,379	\$ 2,086,178	\$ 1,923,423
Expected investment income	793,583	682,609	708,385	525,783
Investment gains/(losses)	497,121	(35,247)	(2,087,557)	1,425,944
Administrative expense	(3,735)	(2,844)	(2,557)	(2,697)
Expected benefit payments	(1,336,196)	(1,175,379)	(1,086,178)	(923,423)
Change in plan fiduciary net position	2,286,969	1,644,518	(381,729)	2,949,030
Fiduciary trust net position, beginning of year	11,258,660	9,614,142	9,995,871	7,046,841
Fiduciary trust net position, end of year (b)	\$ 13,545,629	\$ 11,258,660	\$ 9,614,142	\$ 9,995,871
Net OPEB liability/(asset), ending (a) - (b)	\$ 5,173,799	\$ 6,840,538	\$ 6,867,034	\$ 5,697,601
Covered payroll	\$ 90,630,954	\$ 72,848,839	\$ 66,861,643	\$ 58,212,849
Plan fiduciary net position as a percentage of the total OPEB liability	72.36%	62.21%	58.33%	63.69%
Net OPEB liability/(asset) as a percentage of covered payroll	5.71%	9.39%	10.27%	9.79%
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

Note: In the future, as data becomes available, ten years of information will be presented.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 735,046	\$ 594,311	\$ 683,856	\$ 665,553
Interest	922,894	874,904	813,012	715,885
Changes of benefit terms	-	(1,073,077)	-	-
Experience (gains)/losses	-	(316,771)	-	-
Changes of assumptions	-	1,167,110	-	-
Benefit payments	(762,064)	(500,480)	(635,370)	(610,933)
Net change in total OPEB liability	895,876	745,997	861,498	770,505
Total OPEB liability, beginning of year	13,197,707	12,451,710	11,590,212	10,819,707
Total OPEB liability, end of year (a)	\$ 14,093,583	\$ 13,197,707	\$ 12,451,710	\$ 11,590,212
Plan fiduciary net position				
Employer contributions	\$ 1,262,064	\$ 1,000,480	\$ 1,135,370	\$ 1,110,933
Expected investment income	459,533	405,988	339,975	394,469
Investment gains/(losses)	(222,500)	(61,233)	27,328	-
Administrative expense	(3,161)	(4,670)	(5,491)	(3,308)
Expected benefit payments	(762,064)	(500,480)	(635,370)	(610,933)
Change in plan fiduciary net position	733,872	840,085	861,812	891,161
Fiduciary trust net position, beginning of year	6,312,969	5,472,884	4,611,072	3,719,911
Fiduciary trust net position, end of year (b)	\$ 7,046,841	\$ 6,312,969	\$ 5,472,884	\$ 4,611,072
Net OPEB liability/(asset), ending (a) - (b)	\$ 7,046,742	\$ 6,884,378	\$ 6,978,826	\$ 6,979,140
Covered payroll	\$ 56,618,422	\$ 57,563,811	\$ 53,967,962	\$ 53,808,269
Plan fiduciary net position as a percentage of the total OPEB liability	50.00%	47.84%	43.95%	39.78%
Net OPEB liability/(asset) as a percentage of covered payroll	12.45%	11.96%	12.93%	12.97%
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note: In the future, as data becomes available, ten years of information will be presented.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalSTRS					
District's proportion of the net pension liability	0.059%	0.059%	0.053%	0.056%	0.057%
District's proportionate share of the net pension liability	\$ 39,830,174	\$ 44,581,163	\$ 36,942,506	\$ 25,280,439	\$ 54,986,526
State's proportionate share of the net pension liability associated with the District	18,274,501	21,360,089	18,500,663	12,720,136	28,345,560
Total	\$ 58,104,675	\$ 65,941,252	\$ 55,443,169	\$ 38,000,575	\$ 83,332,086
District's covered - employee payroll	\$ 43,239,058	\$ 40,568,157	\$ 33,528,570	\$ 32,612,904	\$ 33,442,520
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	92%	110%	110%	78%	164%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalSTRS					
District's proportion of the net pension liability	0.053%	0.051%	0.051%	0.050%	0.045%
District's proportionate share of the net pension liability	\$ 47,589,427	\$ 47,097,210	\$ 46,914,359	\$ 40,114,200	\$ 30,455,197
State's proportionate share of the net pension liability associated with the District	25,963,209	26,966,653	27,754,365	22,839,660	16,107,399
Total	\$ 73,552,636	\$ 74,063,863	\$ 74,668,724	\$ 62,953,860	\$ 46,562,596
District's covered - employee payroll	\$ 25,300,147	\$ 27,965,364	\$ 28,247,933	\$ 25,497,698	\$ 21,422,962
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	188%	168%	166%	157%	142%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalPERS					
District's proportion of the net pension liability	0.145%	0.154%	0.162%	0.166%	0.167%
District's proportionate share of the net pension liability	\$ 51,899,416	\$ 55,607,966	\$ 55,809,840	\$ 33,723,434	\$ 51,210,371
District's covered - employee payroll	\$ 28,978,100	\$ 26,681,151	\$ 24,604,989	\$ 23,795,449	\$ 24,077,876
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	179%	208%	227%	142%	213%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalPERS					
District's proportion of the net pension liability	0.163%	0.157%	0.148%	0.144%	0.140%
District's proportionate share of the net pension liability	\$ 47,460,089	\$ 41,948,139	\$ 35,389,443	\$ 28,333,305	\$ 20,660,881
District's covered - employee payroll	\$ 18,554,440	\$ 20,809,478	\$ 18,692,382	\$ 17,024,859	\$ 15,231,697
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	256%	202%	189%	166%	136%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 7,593,386	\$ 8,258,660	\$ 7,748,518	\$ 5,673,034	\$ 5,266,984
District's contributions in relation to the statutorily required contribution	7,593,386	8,258,660	7,748,518	5,673,034	5,266,984
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 39,755,948	\$ 43,239,058	\$ 40,568,157	\$ 33,528,570	\$ 32,612,904
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	19.10%	16.92%	16.15%

CalSTRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 5,718,671	\$ 4,118,864	\$ 4,035,402	\$ 3,553,590	\$ 2,735,903
District's contributions in relation to the statutorily required contribution	5,718,671	4,118,864	4,035,402	3,553,590	2,735,903
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 33,442,520	\$ 25,300,147	\$ 27,965,364	\$ 28,247,933	\$ 25,497,698
District's contributions as a percentage of covered-employee payroll	17.10%	16.28%	14.43%	12.58%	10.73%

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalPERS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 8,161,890	\$ 7,731,357	\$ 6,769,008	\$ 5,637,003	\$ 4,925,658
District's contributions in relation to the statutorily required contribution	8,161,890	7,731,357	6,769,008	5,637,003	4,925,658
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 30,173,346	\$ 28,978,100	\$ 26,681,151	\$ 24,604,989	\$ 23,795,449
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	25.37%	22.91%	20.70%

CalPERS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 4,748,398	\$ 3,351,303	\$ 3,231,920	\$ 2,595,998	\$ 2,016,935
District's contributions in relation to the statutorily required contribution	4,748,398	3,351,303	3,231,920	2,595,998	2,016,935
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 24,077,876	\$ 18,554,440	\$ 20,809,478	\$ 18,692,382	\$ 17,024,859
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	15.53%	13.89%	11.85%

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability/(asset), including beginning and ending balances and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - There were no changes in assumptions since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District.

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuations for either CalSTRS or CalPERS.
- *Changes of Assumptions* - There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.

Schedule of District Contributions – Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

SUPPLEMENTARY INFORMATION

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL STRUCTURE
JUNE 30, 2025**

The Mt. San Jacinto Community College District was established in 1962 and is comprised of an area of approximately 1,700 square miles located in Riverside County. There were no changes in the boundaries of the District during the current year. The District's colleges are accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

GOVERNING BOARD

NAME	OFFICE	TERM EXPIRES
Tom Ashley	President	2028
Vicki Carpenter	Clerk	2026
Jhalister Corona	Trustee	2026
Calvin Smith	Trustee	2028
Brian Sylva	Trustee	2028

ADMINISTRATION

Dr. Roger Schultz
Superintendent/President

Ms. Diana Galindo
Vice President, Human Resources

Dr. Jeremy Brown
Vice President, Instruction

Ms. Rebecca Teague
Vice President, Student Services

Mr. Brandon Moore
*Vice President, Institutional Effectiveness and
Enrollment Management*

Mr. Michael Beckham
Vice President, Business Services

Vacant
*Vice President, Career Education, Counseling,
Nursing & Allied Health*

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
Mt. San Jacinto College Foundation	Rebecca Orlauski, Director of Foundation and Donor Initiatives	Master agreement revised October 13, 2022

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grant Number	Total Program Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Program</i>			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	n/a	\$ 37,262,418
Federal Pell Grant Program Administrative Allowance	84.063	n/a	48,075
Federal Direct Student Loans	84.268	n/a	2,189,587
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	n/a	885,850
Federal Supplemental Educational Opportunity Grant (FSEOG) Administrative Allowance	84.007	n/a	56,564
Federal Work Study (FWS)	84.033	n/a	441,390
Federal Work Study (FWS) Administrative Allowance	84.033	n/a	22,069
Subtotal Student Financial Assistance Cluster			<u>40,905,953</u>
TRIO Cluster			
TRIO Upward Bound Program	84.047A	n/a	337,900
TRIO Talent Search Program	84.044A	n/a	302,763
Subtotal TRIO Cluster			<u>640,663</u>
Higher Education Emergency Relief Fund			
COVID-19 HEERF III ARP - Institutional	84.425F	n/a	1,368,965
<i>Passed through the Riverside County Workforce Development Division</i>			
COVID-19 HEERF III ARP - Career Technical Education	84.425F	n/a	231,805
Subtotal Higher Education Emergency Relief Fund			<u>1,600,770</u>
Strengthening Institutional Success (Title V)	84.031S	n/a	587,026
<i>Passed through California Community Colleges Chancellor's Office</i>			
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	20-C01-940	669,135
<i>Passed through California Department of Education</i>			
Workforce Innovation and Opportunity Act, Title II: Adult Education & Family Literacy			
Act English as a Second Language	84.002A	V002A240005	755,267
Total U.S. Department of Education			<u>45,158,814</u>
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through California Department of Social Services</i>			
Child and Adult Care Food Program	10.558	3094-1A	42,848
Total U.S. Department of Agriculture			<u>42,848</u>
U.S. DEPARTMENT OF VETERAN AFFAIRS			
<i>Direct Program</i>			
Veterans Education	64.000	n/a	46,150
Chapter 33 - Veterans Post 911 GI Bill	64.028	n/a	244,788
Total U.S. Department of Veteran Affairs			<u>290,938</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Direct Program</i>			
Child Care and Development Fund (CCDF) Cluster			
Child Care and Development Block Grant	93.575	CCTR-4221	134,697
Subtotal Child Care and Development Fund (CCDF) Cluster			<u>134,697</u>
<i>Passed through California Community Colleges Chancellor's Office:</i>			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	94,258
Total U.S. Department of Health and Human Services			<u>228,955</u>
Total Federal Programs			<u>\$ 45,721,555</u>

[1] - Pass-through entity identifying number not readily available.

n/a - Pass-through entity identifying number not applicable.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

	Program Revenues				Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable	Accounts Payable	Deferred Income		
Board Financial Assistance Program	\$ 1,723,175	\$ -	\$ -	\$ 997,744	\$ 725,431	\$ 725,431
Veterans Resource Center Restricted Funds	746,808	-	-	347,472	399,336	399,336
Student Success and Completion Grant	5,066,999	-	-	-	5,066,999	5,066,999
Financial Aid Technology	146,455	-	-	112,198	34,257	34,257
Mental Health Support	1,017,642	-	-	727,036	290,606	290,606
College Promise	3,195,467	-	2,361,185	-	834,282	834,282
Extended Opportunity Program & Services	1,337,400	-	-	179,457	1,157,943	1,157,943
Cooperative Agencies Resources for Education	347,820	-	-	127,406	220,414	220,414
Undocumented Resource Liaison	150,788	-	-	56,015	94,773	94,773
Immediate Action - Retention and Enrollment Outreach	759,321	-	-	302,352	456,969	456,969
Basic Needs Center	1,260,129	-	-	556,106	704,023	704,023
LGBTQ+	297,193	-	-	289,395	7,798	7,798
NextUp	614,464	-	-	560,893	53,571	53,571
Disabled Students Program	3,125,520	-	-	2,064,002	1,061,518	1,061,518
Zero Cost Textbook	497,158	-	-	354,660	142,498	142,498
Information Technology and Security	568,898	-	-	325,714	243,184	243,184
Seamless Transfer of Ethnic Studies	48,695	-	-	3,576	45,119	45,119
Student Transfer Achievement Reform	548,838	-	-	353,051	195,787	195,787
Common Course Numbering	913,043	-	-	894,753	18,290	18,290
CalWORKs	941,373	-	-	185,893	755,480	755,480
Student Equity and Achievement	8,099,786	-	-	2,112,960	5,986,826	5,986,826
Guided Pathways Initiative	313,693	-	-	160,632	153,061	153,061
Native American Student Support & Success	1,415,237	-	-	1,086,327	328,910	328,910
Staff Diversity	564,440	-	-	464,611	99,829	99,829
Classified Professional Development	28,691	-	-	23,210	5,481	5,481
Culturally Competent Faculty Professional Development	199,020	-	-	-	199,020	199,020
Equitable Placement, Support and Completion	724,096	-	-	311,992	412,104	412,104
Instructional Improvement Block Grant	1,980,980	-	-	1,623,828	357,152	357,152
Enrollment Growth & Retention	104,137	-	-	49,059	55,078	55,078
California Adult Education Program	2,280,852	-	-	421,272	1,859,580	1,859,580
Strong Workforce Program SWP Local Apportionment	4,542,991	-	16,626	1,870,437	2,655,928	2,655,928
Prekindergarten & Family Literacy	2,609	2,391	-	-	5,000	5,000
Inland Empire/Desert Region Strong Workforce Program	437,350	468,933	-	-	906,283	906,283
Puente Program - Regents of UC	300,000	-	-	244,805	55,195	55,195
Inland Empire/Desert Region Employment Engagement Manager	149,089	69,726	-	-	218,815	218,815
California Apprenticeship Initiative: New and Innovative	97,492	537,006	-	140,853	493,645	493,645
Invention and Inclusive Innovation (i3) Initiative	9,695	-	-	-	9,695	9,695
A2MEND	22,521	-	-	12,792	9,729	9,729
Regional Equity and Recovery Partnerships	47,754	5,969	-	726	52,997	52,997
High Road Training Partnership (HRTTP)	218,092	256,435	-	-	474,527	474,527
Culturally Responsive Pedagogy & Practices Innovation Best Practices	41,793	109,360	-	-	151,153	151,153
High Road Construction Careers (HRCC)	563,235	2,388	-	427,208	138,415	138,415
IE K-16	50,000	12,480	-	27,597	34,883	34,883
IEDRC CTE	-	18,380	-	-	18,380	18,380
Restricted State Lottery Prop 20	857,158	522,467	-	240,951	1,138,674	1,138,674
UMOJA	98,371	-	-	42,833	55,538	55,538
General Child Care and Development Program	195,735	80,912	-	-	276,647	276,647
California State Preschool	699,160	235,765	-	20,152	914,773	914,773
Child and Adult Care Food Program - State subsidies	1,304	286	-	-	1,590	1,590
Childcare State Tax Bailout	17,250	-	-	-	17,250	17,250
Childcare Stipends	51,306	-	-	51,306	-	-
Childcare Exceptional Needs Set Aside	131,424	-	-	131,424	-	-
Childcare Cost of Care Non-Contract Increases	348,695	-	-	348,695	-	-
Cal Grant A	270,000	-	-	-	270,000	270,000
Cal Grant B	4,577,289	-	-	-	4,577,289	4,577,289
Cal Grant C	251,071	-	-	-	251,071	251,071
	\$ 52,999,502	\$ 2,322,498	\$ 2,377,811	\$ 18,251,393	\$ 34,692,796	\$ 34,692,796

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 only)			
1. Noncredit	33.12	-	33.12
2. Credit	1,650.40	-	1,650.40
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	2,405.42	-	2,405.42
(b) Daily Census Contact Hours	122.69	-	122.69
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	315.47	-	315.47
(b) Credit	211.14	-	211.14
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Contact Hours	7,606.00	-	7,606.00
(b) Daily Census Contact Hours	1,607.93	-	1,607.93
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	13,952.17	-	13,952.17
Supplemental Information (subset of above information)			
E. In-service Training Courses	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Credit*	4.25	-	4.25
2. Noncredit*	310.43	-	310.43
Total Basic Skills FTES	314.68	-	314.68
<u>CCFS 320 Addendum</u>			
CDCP Noncredit FTES	235.16	-	235.16
Centers FTES			
1. Credit*	6,647.40	-	6,647.40
2. Noncredit*	201.15	-	201.15
Total Centers FTES	6,848.55	-	6,848.55

*Including Career Development and College Preparation (CDCP) FTES

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			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	
<u>Academic Salaries</u>								
Instructional Salaries								
Contract or Regular	1100	\$ 13,122,725	\$ -	\$ 13,122,725	\$ 13,122,725	\$ -	\$ 13,122,725	
Other	1300	21,652,556	-	21,652,556	21,652,556	-	21,652,556	
Total Instructional Salaries		34,775,281	-	34,775,281	34,775,281	-	34,775,281	
Non-Instructional Salaries								
Contract or Regular	1200	-	-	-	6,964,592	-	6,964,592	
Other	1400	-	-	-	1,150,154	-	1,150,154	
Total Non-Instructional Salaries		-	-	-	8,114,746	-	8,114,746	
Total Academic Salaries		34,775,281	-	34,775,281	42,890,027	-	42,890,027	
<u>Classified Salaries</u>								
Non-Instructional Salaries								
Regular Status	2100	-	-	-	13,977,668	-	13,977,668	
Other	2300	-	-	-	1,244,469	-	1,244,469	
Total Non-Instructional Salaries		-	-	-	15,222,137	-	15,222,137	
Instructional Aides								
Regular Status	2200	2,126,143	-	2,126,143	2,126,143	-	2,126,143	
Other	2400	494,368	-	494,368	494,368	-	494,368	
Total Instructional Aides		2,620,511	-	2,620,511	2,620,511	-	2,620,511	
Total Classified Salaries		2,620,511	-	2,620,511	17,842,648	-	17,842,648	
Employee Benefits		3000	11,951,690	-	11,951,690	24,703,230	-	24,703,230
Supplies and Materials		4000	-	-	-	1,325,877	-	1,325,877
Other Operating Expenses		5000	334,093	-	334,093	12,384,313	-	12,384,313
Equipment Replacement		6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions			49,681,575	-	49,681,575	99,146,095	-	99,146,095
<u>Exclusions</u>								
Activities to Exclude								
Inst. Staff-Retirees' Benefits and Incentives	5900	-	-	-	-	-	-	
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-	
Student Transportation	6491	-	-	-	-	-	-	
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	-	-	-	
Object to Exclude								
Rents and Leases	5060	-	-	-	-	-	-	
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	-	-	-	-	-	-	
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-	
Total Supplies and Materials		-	-	-	-	-	-	
Other Operating Expenses and Services	5000	-	-	-	-	-	-	
Capital Outlay	6000	-	-	-	-	-	-	
Library Books	6300	-	-	-	-	-	-	
Equipment	6400	-	-	-	-	-	-	
Equipment - Additional	6410	-	-	-	-	-	-	
Equipment - Replacement	6420	-	-	-	-	-	-	
Total Equipment		-	-	-	-	-	-	
Total Capital Outlay		-	-	-	-	-	-	
Other Outgo	7000	-	-	-	-	-	-	
Total Exclusions		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total for ECS 84362, 50% Law		\$ 49,681,575	\$ -	\$ 49,681,575	\$ 99,146,095	\$ -	\$ 99,146,095	
Percent of CEE (Instructional Salary Cost/Total CEE)		50.11%	0.00%	50.11%	100.00%	0.00%	100.00%	
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 49,573,048	\$ -	\$ 49,573,048	

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
DETAILS OF THE EDUCATION PROTECTION ACCOUNT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

EPA Revenue	\$ 19,899,683
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	Total
Instructional Activities	0100-5900	\$ 19,899,683	\$ -	\$ -	\$ 19,899,683
Total		\$ 19,899,683	\$ -	\$ -	\$ 19,899,683

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Total Fund Balance - District Funds Included in the Reporting Entity

General Funds	\$	97,085,399	
Debt Service Fund		34,434,122	
Capital Project Funds		64,141,837	
Special Revenue Funds		4,292,094	
Internal Service Funds		<u>6,309,804</u>	
Total fund balances as reported in the CCFS-311			\$ 206,263,256

Assets recorded within the statements of net position not included in the District fund financial statements:

Capital assets	476,049,685	
Accumulated depreciation	(105,808,710)	
Right-to-use assets	11,986,760	
Accumulated amortization	<u>(6,568,125)</u>	375,659,610

Unmatured Interest		(3,648,276)
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Deferred outflows recorded within the statement of net position not included in the District fund financial statements:

Deferred outflows from OPEB	4,158,049
Deferred outflows from pensions	<u>33,595,147</u>

Liabilities recorded within the statements of net position not recorded in the District fund financial statements:

General Obligation Bonds	(237,330,000)	
Bond Premium	(17,896,209)	
Compensated absences	(8,086,522)	
Load banking	(492,833)	
Lease liability	(943,413)	
Subscription-based IT arrangements	(4,230,795)	
Net OPEB liability	(5,173,799)	
Net pension liability	<u>(91,729,590)</u>	(365,883,161)

Deferred inflows recorded within the statement of net position not included in the District fund financial statements:

Deferred inflows from OPEB	(298,755)
Deferred inflows from pensions	<u>(10,533,605)</u>

Net Assets Reported Within the Statements of Net Position		\$ 239,312,265
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MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

Organizational Structure

This schedule provides information about the District's governing board members, administration members and auxiliary organizations in good standing.

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No Federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has elected not to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

The accompanying Schedule of Expenditures of State Awards includes the state grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

Schedule of Workload Measures for State General Apportionment – Annual/Actual Attendance

Full-time equivalent students (FTES) is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis for making apportionments of State funds to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

Reconciliation of the ECS 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50% 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.

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES, continued

Details of the Education Protection Account Expenditures

This schedule provides information about the District's EPA revenue and summarizes the expenditures of EPA funds.

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 government-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' 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 Jacinto Community College District
San Jacinto, California

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 financial statements of the business-type activities of Mt. San Jacinto Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 8, 2026.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



San Diego, California

January 8, 2026



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Mt. San Jacinto Community College District
San Jacinto, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mt. San Jacinto Community College District's (the "District") compliance with the types of compliance requirements described in the *OMB 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, 2025. 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.

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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 in internal control over compliance, 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California

January 8, 2026



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Mt. San Jacinto Community College District
San Jacinto, California

Report on State Compliance

Opinion on State Compliance

We have audited Mt. San Jacinto Community College District's (the "District") compliance with the types of compliance requirements as identified in the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*, for the year ended June 30, 2025. The applicable state compliance requirements are identified in the table below.

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, 2025.

Basis for Opinion

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 compliance requirements described in the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*. Our responsibilities under those standards and the compliance requirements are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's compliance with the requirements described in the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*.

Auditors' Responsibilities for the Audit of Compliance

Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit 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 standards and procedures identified in the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the applicable programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Compliance Requirements Tested

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

Section 411 – SCFF Data Management Control Environment
Section 412 – SCFF Supplemental Allocation Metrics
Section 413 – SCFF Success Allocation Metrics
Section 421 – Salaries of Classroom Instructors (50 Percent Law)
Section 423 – Apportionment for Activities Funded From Other Sources
Section 424 – Student Centered Funding Formula Base Allocation: FTES
Section 425 – Residency Determination for Credit Courses
Section 426 – Students Actively Enrolled
Section 427 – Dual Enrollment (CCAP)
Section 430 – Scheduled Maintenance Program
Section 431 – Gann Limit Calculation
Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475 – Disabled Student Programs and Services (DSPS)
Section 490 – Propositions 1D and 51 State Bond Funded Projects
Section 491 – Education Protection Account Funds
Section 492 – Student Representation Fee
Section 498 – COVID-19 Recovery Block Grant Expenditures

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
January 8, 2026

FINDINGS AND QUESTIONED COSTS SECTION

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2025

Section I – Schedule of Audit Findings and Questioned Costs

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Noted</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Noted</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards	
Identification of major programs:	<u>No</u>

<u>CFDA Numbers</u>	<u>Name of Federal Program of Cluster</u>
84.007, 84.033 84.063, 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 1,371,647</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Noted</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2025**

Section II – Financial Statement Findings

This section identifies the 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 recommendations identified during 2024-25.

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs identified during 2024-25.

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATE COMPLIANCE FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

Section IV – State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs identified during 2024-25.

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

FINDING #2024-001 – SPECIAL TESTS AND PROVISIONS – RETURN TO TITLE IV

Program Name: Student Financial Assistance Cluster

Federal Assistance Listing Number: 84.007, 84.033, 84.063, 84.268

Federal Agency: U.S. Department of Education (ED)

Direct funded by the U.S. Department of Education (ED)

Criteria or Specific Requirements

34 CFR 668.22(f)(1)(i) For purpose of paragraph (e)(2)(i) of this section, the percentage of the payment period or period of enrollment completed is determined in the case of a program that is measured in credit hours, by dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date.

34 CFR 668.22(l)(9) A student in a program offered in modules is scheduled to complete the days in a module if the student's coursework in that module was used to determine the amount of the student's eligibility for Title IV, Higher Education Act funds for the payment period or period of enrollment.

Condition

Significant Deficiency in Internal Control over Compliance – We noted the following noncompliance for Return to Title IV calculations:

1. One out of sixty Return to Title IV (R2T4) calculations did not calculate the correct number of days completed based on the module courses the student withdrew from.
2. One out of sixty R2T4 calculations did not calculate the correct number of days in the period of enrollment related to the module course.

Questioned Costs

There are no questioned costs associated with the noncompliance.

Context

We tested a non-statistical sample of 60 R2T4 calculations of a total 661 calculations performed by the District during the 2024 fiscal year.

Effect

Without proper monitoring of calculations performed over students enrolled in module courses, the District is at risk of noncompliance with the above referenced criteria.

Cause

The District's internal controls associated with the Return to Title IV procedures failed to ensure that all calculations are done accurately.

Repeat Finding (Yes or No)

No.

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

FINDING #2024-001 – SPECIAL TESTS AND PROVISIONS – RETURN TO TITLE IV, continued

Recommendation

The District should strengthen procedures to ensure that the calculations are accurately calculated.

View of Responsible Officials and Corrective Action Plan

The District is reviewing its policy and procedures to explore various options for enhancements to our current enrollment management business practices. The District is currently working on building targeted, automated email messages that would go out before and after the grade deadline to reduce the number of RD grades. The District has contracted with consulting services to further evaluate our financial aid policies and procedures, enhance our system reports and provide best practices to ensure compliancy in accurate withdrawal calculations.

Current Status

Implemented.