NEW ISSUE—FULL BOOK-ENTRY | **RATINGS: Moody's: "Aa1"; S&P: "AA"**
(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

$310,700,000
MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
(Los Angeles County, California)
Election of 2018 General Obligation Bonds, Series 2019A

Dated: Date of Delivery | **Due: August 1, as shown on the inside cover**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The Mt. San Antonio Community College District (Los Angeles, California) Election of 2018 General Obligation Bonds, Series 2019A (the "Bonds") were authorized at an election of the registered voters of the Mt. San Antonio Community College District (the "District") held on November 6, 2018, at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of $750,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued by the District to (i) pay the District's 2019 General Obligation Bond Anticipation Notes, (ii) finance the costs of acquiring, constructing, repairing and equipping District sites, buildings and facilities, and (iii) pay the costs of issuing the Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of Los Angeles County (the "County") is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

The Bonds will be issued as current interest bonds, such that interest thereon shall accrue from the date of delivery and be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2019. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof.

Payments of principal and interest on the Bonds will be made by the Paying Agent (defined herein) to DTC for subsequent disbursement to DTC Participants (defined herein) who will remit such payments to the Beneficial Owners of the Bonds. U.S. Bank National Association, Los Angeles, California, has been appointed as agent of the Treasurer and Tax Collector of Los Angeles County to act as Paying Agent for the Bonds.

The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to their stated maturity dates, as stated herein.

Maturity Schedule
(See inside front cover)

The Bonds are offered when, as and if issued, and received by the Underwriters, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel to the District. Certain matters will be passed upon for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel, and for the Underwriters by Norton Rose Fulbright US LLP, Los Angeles, California. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company, in New York, New York, on or about April 4, 2019.

RBC CAPITAL MARKETS | **STIFEL**

The date of this official statement is March 13, 2019.

MATURITY SCHEDULE

$310,700,000
MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
(Los Angeles, California)
Election of 2018 General Obligation Bonds, Series 2019A

Base CUSIP*: 623040

$156,085,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2020	$22,010,000	3.000%	1.350%	JJ2
2021	23,565,000	4.000	1.360	JK9
2022	13,910,000	4.000	1.380	JL7
2024	145,000	5.000	1.470	KF8
2025	540,000	5.000	1.580	JM5
2026	965,000	5.000	1.650	JN3
2027	1,430,000	5.000	1.730	JP8
2028	1,930,000	5.000	1.820	JQ6
2029	2,470,000	5.000	1.940	JR4
2030	3,050,000	5.000	2.080(1)	JS2
2031	3,680,000	5.000	2.240(1)	JT0
2032	4,355,000	5.000	2.340(1)	JU7
2033	5,080,000	5.000	2.440(1)	JV5
2034	5,860,000	5.000	2.520(1)	JW3
2035	6,700,000	5.000	2.600(1)	JX1
2036	7,600,000	4.000	2.990(1)	JY9
2037	8,485,000	4.000	3.050(1)	JZ6
2038	9,430,000	4.000	3.100(1)	KA9
2039	10,430,000	5.000	2.810(1)	KB7
2040	11,600,000	5.000	2.870(1)	KC5
2041	12,850,000	5.000	2.920(1)	KG6

$45,000,000 – 5.000% Term Bonds due August 1, 2044 -- Yield 3.000%(1) CUSIP†: KD3

$109,615,000 – 4.000% Term Bonds due August 1, 2049 -- Yield 3.460%(1) CUSIP†: KE1

---

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriters, nor the District are responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriters and are included solely for the convenience of the registered owners of the applicable Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(1) Yield to call at par on August 1, 2029.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder, for the issuance and sale of municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been obtained from sources outside the District which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriters have provided the following sentence for inclusion in this Official Statement: "The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of their transaction, but the Underwriters do not guarantee the accuracy or completeness of such information."

In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page and said public offering prices may be changed from time to time by the Underwriters.

The District maintains a website. However, the information presented there is not part of this Official Statement, is not incorporated herein by any reference, and should not be relied upon in making an investment decision with respect to the Bonds.

<u>PROFESSIONAL SERVICES</u>

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Paying Agent

U.S. Bank National Association, as agent of the
Treasurer and Tax Collector of Los Angeles County
Los Angeles, California

TABLE OF CONTENTS

Page

TABLE OF CONTENTS (cont'd)

$310,700,000
MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
(Los Angeles County, California)
Election of 2018 General Obligation Bonds, Series 2019A

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of the Mt. San Antonio Community College District (Los Angeles County, California) Election of 2018 General Obligation Bonds, Series 2019A (the "Bonds").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The Mt. San Antonio Community College District (the "District") was established in 1945. The District provides public community college education over an approximately 189 square-mile area in Los Angeles County (the "County"). The District operates Mt. San Antonio College, located on a 420-acre campus approximately 25 miles east of the City of Los Angeles. Mt. San Antonio College is fully accredited by the Accrediting Commission for Community and Junior Colleges ("ACCJC"), and offers over 200 degree and certificate programs to students from the Cities of Baldwin Park, City of Industry, Covina, Diamond Bar, Glendora, Irwindale, La Puente, La Verne, Pomona, San Dimas, Walnut, and West Covina, as well as the unincorporated communities of Bassett, Charter Oak, Hacienda Heights, Rowland Heights, and Valinda. For fiscal year 2018-19, the District has a budgeted full time equivalent student count ("FTES") of 33,912 students, and taxable property within the District has an assessed valuation of $92,430,315,328. The District's audited financial statements for the fiscal year ended June 30, 2018 are attached hereto as APPENDIX B and should be read in their entirety.

The governing body of the District is its Board of Trustees (the "Board"). The Board includes seven voting members elected within seven trustee areas by the voters of the District to serve four-year terms. Elections for positions to the Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by the President/CEO, who is appointed by the Board. Dr. William T. Scroggins is currently serving as the District's President/CEO.

See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" herein and "MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT" herein for information regarding the District generally and "TAX BASE FOR REPAYMENT OF THE BONDS" herein for information regarding the District's assessed valuation.

Purpose of the Bonds

The Bonds are being issued to (i) pay the District's 2019 General Obligation Bond Anticipation Notes (the "2019 Notes"), (ii) finance the costs of acquiring, constructing, repairing and equipping District sites, buildings and facilities, and (ii) pay the costs of issuing the Bonds.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the California Government Code and other applicable law, and pursuant to a resolution adopted by the Board on January 9, 2019 (the "Resolution"). See "THE BONDS – Authority for Issuance" herein.

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County (the "County Board") is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

See also "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See "THE BONDS" and "– Book-Entry Only System" herein. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution. See "THE BONDS – Transfer and Exchange; Discontinuation of Book-Entry Only System; Payment to Beneficial Owners" herein.

So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the captions "INTRODUCTION – Tax Matters" and "TAX MATTERS" herein and in "APPENDIX A" attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available in the denominations of $5,000 principal amount or any integral multiple thereof.

Redemption. The Bonds are subject to optional redemption prior to their stated maturity dates as further described herein. The Bonds are further subject to mandatory sinking fund redemption as further described herein. See "THE BONDS – Redemption" herein.

Payments. The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the initial date of delivery thereof (the "Date of Delivery"), such interest to be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2019 (each, a "Bond Payment Date"). Principal of the Bonds is payable on August 1 in the amounts and years set forth on the inside cover page hereof.

Payments of the principal of and interest on the Bonds will be made by the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds. U.S. Bank National Association has been appointed as agent of the Treasurer and Tax Collector of the County (the "Treasurer") to act as Paying Agent for the Bonds.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to certain tax consequences of ownership of the Bonds.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York on or about April 4, 2019.

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District and certain other considerations related thereto, see "TAX BASE FOR REPAYMENT OF THE BONDS" and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

Continuing Disclosure

The District will covenant for the benefit of Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriters (as defined herein) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). See "LEGAL MATTERS – Continuing Disclosure-Current Undertaking" herein. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "intend," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS,

UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Norton Rose Fulbright US LLP, Los Angeles, California, is acting as counsel to the Underwriters. From time to time, Bond Counsel represents each of the Underwriters on matters unrelated to the District or the Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from Mt. San Antonio Community College District, 1100 North Grand Avenue, Walnut, California 91789, telephone: (909) 274-7500. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such documents, statutes and constitutional provisions.

Certain of the information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, Article XIIIA of the State Constitution and pursuant to the Resolution.

The District received authorization at an election held on November 6, 2018, by the requisite 55% of the votes cast by eligible voters within the District, to issue not-to-exceed $750,000,000 of general obligation bonds (the "2018 Authorization"). The Bonds are the first series of bonds issued pursuant to the 2018 Authorization, and following the issuance of the Bonds, $439,300,000 of the authorization will remain outstanding.

Security and Sources of Payment

The Bonds are general obligations of the District, payable solely from the proceeds of *ad valorem* property taxes. The County Board is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve established for the purpose of avoiding fluctuating tax levies. However, the District can make no representation the County will maintain such a reserve.

Such taxes, when collected, will be deposited by the County in the Debt Service Fund (defined herein) created by the Resolution, which fund is segregated and maintained by the County and which is designated for payment of the Bonds, and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy an *ad valorem* property tax for the payment of the Bonds and the County will maintain the Debt Service Fund, the Bonds are not a debt of the County.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds, as the same becomes due and payable, will be transferred by the County to the Paying Agent who will in turn remit the funds to DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of such Bonds.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, drought, fire, wildfire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations" herein.

Statutory Lien

Pursuant to California Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. See "— Book-Entry Only System" herein. Beneficial Owners will not receive certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees. The Bonds will be dated as of the Date of Delivery.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing August 1, 2019. Interest on the Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2019, in which event it will bear interest from the Date of Delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof, and mature on August 1, in the years and amounts set forth on the inside cover page hereof.

Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the 15th day of the month immediately preceding such Bond Payment Date (the "Record Date"), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premiums, if any, payable on the Bonds shall be payable upon maturity upon surrender at the principal office of the Paying Agent. The principal of, and interest, and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds.

Annual Debt Service

The following table summarizes the annual debt service requirements of the District for the Bonds, assuming no optional redemptions are made:

Year Ending August 1	Annual Principal Payment	Annual Interest Payment(1)	Total Annual Debt Service
2019	--	$4,344,843.75	$4,344,843.75
2020	$22,010,000.00	13,368,750.00	35,378,750.00
2021	23,565,000.00	12,708,450.00	36,273,450.00
2022	13,910,000.00	11,765,850.00	25,675,850.00
2023	--	11,209,450.00	11,209,450.00
2024	145,000.00	11,209,450.00	11,354,450.00
2025	540,000.00	11,202,200.00	11,742,200.00
2026	965,000.00	11,175,200.00	12,140,200.00
2027	1,430,000.00	11,126,950.00	12,556,950.00
2028	1,930,000.00	11,055,450.00	12,985,450.00
2029	2,470,000.00	10,958,950.00	13,428,950.00
2030	3,050,000.00	10,835,450.00	13,885,450.00
2031	3,680,000.00	10,682,950.00	14,362,950.00
2032	4,355,000.00	10,498,950.00	14,853,950.00
2033	5,080,000.00	10,281,200.00	15,361,200.00
2034	5,860,000.00	10,027,200.00	15,887,200.00
2035	6,700,000.00	9,734,200.00	16,434,200.00
2036	7,600,000.00	9,399,200.00	16,999,200.00
2037	8,485,000.00	9,095,200.00	17,580,200.00
2038	9,430,000.00	8,755,800.00	18,185,800.00
2039	10,430,000.00	8,378,600.00	18,808,600.00
2040	11,600,000.00	7,857,100.00	19,457,100.00
2041	12,850,000.00	7,277,100.00	20,127,100.00
2042	13,555,000.00	6,634,600.00	20,189,600.00
2043	14,970,000.00	5,956,850.00	20,926,850.00
2044	16,475,000.00	5,208,350.00	21,683,350.00
2045	18,660,000.00	4,384,600.00	23,044,600.00
2046	20,200,000.00	3,638,200.00	23,838,200.00
2047	21,830,000.00	2,830,200.00	24,660,200.00
2048	23,550,000.00	1,957,000.00	25,507,000.00
2049	25,375,000.00	1,015,000.00	26,390,000.00
Total	$310,700,000.00	$264,573,293.75	$575,273,293.75

(1) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2019.

See "MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT – District Debt Structure" herein for a full debt service schedule of all of the District's outstanding general obligation bond debt.

Application and Investment of Bond Proceeds

The Bonds are being issued to (i) pay the 2019 Notes, (ii) finance the costs of acquiring, constructing, repairing and equipping District sites, buildings and facilities, as specified in a list submitted to and approved by the voters of the District, and (iii) pay the costs of issuing the Bonds.

A portion of the net proceeds from the sale of Bonds will be deposited and held uninvested with U.S. Bank National Association in its capacity as Paying Agent for the 2019 Notes, to be used to pay principal of and interest on the 2019 Notes, as the same becomes due and payable. The remaining net proceeds from the sale of the Bonds will be deposited by the County to the credit of the building fund created by the Resolution (the "Building Fund"), and will be applied solely for the purposes for which the Bonds are being issued. Any interest earnings in the Building Fund will be retained therein. Any excess proceeds from the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Debt Service Fund (defined herein) and applied to payment of principal of and interest on the Bonds.

The *ad valorem* property taxes levied by the County for the payment of the Bonds, when collected, are required to be held separate and apart by the County in a debt service fund created by the Resolution (the "Debt Service Fund"), and used only for payment of principal of and interest on the Bonds. Any accrued interest and net premium received upon the sale of the Bonds will be deposited in the Debt Service Fund. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after all of the Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Debt Service Fund, said moneys will be transferred to the general fund of the District as provided and permitted by law.

Moneys in the Building Fund and the Debt Service Fund are expected to be invested through the County's pooled investment fund. See "APPENDIX E – LOS ANGELES COUNTY TREASURY POOL" attached hereto.

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2029 are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on or after August 1, 2030 may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, in whole or in part, on August 1, 2029 or on any date thereafter, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 2044, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2042 at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such Bonds to be so redeemed and the dates therefor and the final maturity date is as indicated in the following table:

Redemption Date (August 1)	Principal Amount to be Redeemed
2042	$13,555,000
2043	14,970,000
2044 [(1)]	16,475,000

(1) Maturity.

In the event that a portion of the Bonds maturing on August 1, 2044 are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, in integral multiples of $5,000 principal amount, in respect of the portion of such Current Interest Bonds optionally redeemed.

The Bonds maturing on August 1, 2049 are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2045, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table:

Redemption Date (August 1)	Principal Amount
2045	$18,660,000
2046	20,200,000
2047	21,830,000
2048	23,550,000
2049 (1)	25,375,000

(1) Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 2049 is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select the Bonds for redemption as so directed by the District, and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; *provided, however*, that the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption. When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a "Redemption Notice") of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice will further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services; and (d) provide such Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System.

“Securities Depository” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Conditional Notice of Redemption. With respect to any notice of optional redemption of Bonds as described above, unless upon the giving of such notice such Bonds (or portions thereof) shall be deemed to have been defeased as described in “—Defeasance” herein, such notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, and premium, if any, and interest on such Bonds (or portions thereof) to be redeemed, and that, if such moneys shall not have been so received, said notice shall be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of such rescission in the same manner as the Redemption Notice was originally provided.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Redemption Notice. Notice having been given as described above, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as described in “—Defeasance” herein, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest accrued to such redemption date, shall be held in trust so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed will cease to accrue and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed Outstanding and will be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "MMI Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The DTC, New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has an S&P (as defined herein) rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated by reference herein.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Transfer and Exchange; Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent, initially located in Los Angeles, California. Interest on the Bonds will be paid by the Paying Agent by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of like series, tenor, maturity and principal amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such designated office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the owner equal to the principal amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with any amounts transferred from the Debt Service Fund, is sufficient to pay all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any), at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with any amounts transferred from the Debt Service Fund and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), and obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") or by Moody's Investors Service ("Moody's").

[REMAINDER OF PAGE LEFT BLANK]

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

Sources of Funds	
Principal Amount of Bonds	$310,700,000.00
Original Issue Premium	33,538,454.10
Total Sources	$344,238,454.10
Uses of Funds	
Deposit to Building Fund	$285,000,000.00
Deposit to 2019 Notes Debt Service Fund(1)	25,854,544.45
Deposit to Debt Service Fund	31,731,644.65
Costs of Issuance(2)	425,000.00
Underwriter's Discount	1,227,265.00
Total Uses	$344,238,454.10

(1) Held by U.S. Bank, in its capacity as Paying Agent for the 2019 Notes.
(2) Reflects all costs of issuance of the Bonds, including, but not limited to, demographics fees, legal fees, ratings fees and the fees of the Paying Agent. See "MISCELLANEOUS – Underwriting" herein.

TAX BASE FOR REPAYMENT OF THE BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds shall be payable solely from* ad valorem *property taxes levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as county, city and special district taxes. Assessed valuations are the same for both District and county taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within such county's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the County. After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of $10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecure tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "– Tax Levies, Collections and Delinquencies" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including school districts and community college districts (collectively, "K-14 school districts") will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions. Shown in the table on the following page are the assessed valuations for the District for the period 2009-10 through 2018-19, as of the date the equalized assessment tax roll is established in August of each year.

ASSESSED VALUATIONS
Fiscal Years 2009-10 through 2018-19
Mt. San Antonio Community College District

	Local Secured	Utility	Unsecured	Total	% Change
2009-10	$64,271,360,340	$5,413,478	$2,914,242,940	$67,191,016,758	--
2010-11	63,791,383,012	5,352,087	2,764,919,214	66,561,654,313	(0.94)%
2011-12	64,853,666,362	3,965,658	2,752,525,550	67,610,157,570	1.58
2012-13	65,818,902,443	14,960,416	2,727,324,074	68,561,186,933	1.41
2013-14	68,354,340,931	391,499,077	2,714,445,827	71,460,285,835	4.23
2014-15	72,018,787,635	511,297,460	2,828,066,081	75,358,151,176	5.45
2015-16	75,710,504,673	547,139,525	2,919,772,351	79,177,416,549	5.07
2016-17	79,704,009,047	486,113,826	2,955,687,315	83,145,810,188	5.01
2017-18	83,764,891,359	440,328,148	3,030,116,099	87,235,335,606	4.92
2018-19	88,873,452,490	398,703,240	3,158,159,598	92,430,315,328	5.96

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District’s control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, wildfire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the County to pay the debt service with the Bonds. See “THE BONDS – Security and Sources of Payment” herein.

Appeals and Adjustments of Assessed Valuation. Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution” herein.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, wildfire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Article XIIIA of the California Constitution" herein.

No assurance can be given that property tax appeals currently pending or in the future, or actions by county assessors, will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 ("AB 102"). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

[REMAINDER OF PAGE LEFT BLANK]

Assessed Valuation by Land Use. The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2018-19.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2018-19
Mt. San Antonio Community College District

Non-Residential:	**2018-19 Assessed Valuation**[1]	**% of Total**	**No. of Parcels**	**% of Total**
Commercial/Office	$12,509,950,490	14.08%	9,612	4.69%
Vacant Commercial	336,823,940	0.38	1,813	0.88
Industrial	6,312,627,275	7.10	2,461	1.20
Vacant Industrial	387,569,450	0.44	1,233	0.60
Recreational	115,733,423	0.13	254	0.12
Government/Social/Institutional	88,146,946	0.10	279	0.14
Miscellaneous	21,445,504	0.02	1,401	0.68
Subtotal Non-Residential	$19,772,297,028	22.25%	17,053	8.32%
Residential:				
Single Family Residence	$59,416,424,411	66.86%	167,411	81.71%
Condominium/Townhouse	2,746,376,123	3.09	12,016	5.86
Mobile Home Park	44,383,563	0.05	45	0.02
2-4 Residential Units	2,010,817,159	2.26	2,971	1.45
5+ Residential Units/Apartments	4,550,354,821	5.12	3,069	1.50
Vacant Residential	332,799,385	0.37	2,323	1.13
Subtotal Residential	$69,101,155,462	77.75%	187,835	91.68%
Total	$88,873,452,490	100.00%	204,888	100.00%

[1] Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Assessed Valuation by Jurisdiction. The following table below shows an analysis of the distribution of taxable property in the District by jurisdiction, in terms of its fiscal year 2018-19 assessed valuation.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2018-19
Mt. San Antonio Community College District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Azusa	$27,629,510	0.03%	$4,810,638,583	0.57%
City of Baldwin Park	4,849,232,356	5.25	4,882,763,579	99.31
City of Covina	5,421,959,144	5.87	5,522,724,224	98.18
City of Diamond Bar	10,030,502,911	10.85	10,030,502,911	100.00
City of Glendora	1,569,524,011	1.70	7,535,090,475	20.83
City of Industry	8,801,957,234	9.52	9,293,155,324	94.71
City of Irwindale	918,838,333	0.99	2,567,413,272	35.79
City of La Puente	2,305,532,249	2.49	2,305,532,249	100.00
City of La Verne	4,641,018,327	5.02	4,694,460,089	98.86
City of Pomona	11,306,982,432	12.23	11,656,073,274	97.01
City of San Dimas	5,328,642,618	5.77	5,452,299,664	97.73
City of Walnut	5,560,005,060	6.02	5,560,005,060	100.00
City of West Covina	11,931,639,281	12.91	11,931,639,281	100.00
Unincorporated Los Angeles County	19,736,851,862	21.35	$107,886,940,384	18.29
Total District	$92,430,315,328	100.00%		
Los Angeles County	$92,430,315,328	100.00%	$1,518,401,584,349	6.09%

Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Assessed Valuation of Single Family Homes. The following table shows the distribution of single family homes within the District among various fiscal year 2018-19 assessed valuation ranges, as well as the average and median.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2018-19
Mt. San Antonio Community College District

	No. of Parcels	2018-19 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	167,411	$59,416,424,411	$354,914	$305,455

2018-19 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	5,166	3.086%	3.086%	$207,284,084	0.349%	0.349%
50,000 - 99,999	12,277	7.333	10.419	898,330,684	1.512	1.861
100,000 - 149,999	11,218	6.701	17.120	1,415,698,596	2.383	4.243
150,000 - 199,999	15,635	9.339	26.459	2,761,042,825	4.647	8.890
200,000 - 249,999	19,907	11.891	38.351	4,482,121,884	7.544	16.434
250,000 - 299,999	17,749	10.602	48.953	4,870,947,834	8.198	24.632
300,000 - 349,999	15,703	9.380	58.332	5,093,718,583	8.573	33.205
350,000 - 399,999	14,218	8.493	6.825	5,324,979,665	8.962	42.167
400,000 - 449,999	12,529	7.484	74.309	5,316,977,979	8.949	51.116
450,000 - 499,999	9,986	5.965	80.274	4,733,137,687	7.966	59.082
500,000 - 549,999	7,545	4.507	84.781	3,952,456,342	6.652	65.734
550,000 - 599,999	5,750	3.435	88.216	3,298,154,664	5.551	71.285
600,000 - 649,999	4,438	2.651	90.867	2,766,931,938	4.657	75.942
650,000 - 699,999	3,257	1.946	92.812	2,195,731,224	3.695	79.637
700,000 - 749,999	2,546	1.521	94.333	1,842,459,262	3.101	82.738
750,000 - 799,999	1,943	1.161	95.494	1,500,949,902	2.526	85.264
800,000 - 849,999	1,432	0.855	96.349	1,180,443,392	1.987	87.251
850,000 - 899,999	1,068	0.638	96.987	932,993,067	1.570	88.821
900,000 - 949,999	845	0.505	97.492	780,697,496	1.314	90.135
950,000 - 999,999	632	0.378	97.869	615,278,534	1.036	91.171
1,000,000 and greater	3,567	2.131	100.000	5,246,088,769	8.829	100.000
Total	167,411	100.000%		$59,416,424,411	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Tax Levies, Collections and Delinquencies

The following table shows secured *ad valorem* property tax levies for the District, and amounts delinquent as of June 30, for the fiscal years 2009-10 through 2017-18. See "– Alternative Method of Tax Apportionment – Teeter Plan" below.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2009-10 through 2017-18
Mt. San Antonio Community College District

	Secured Tax Charge[1]	Amt. Del. June 30	% Del. June 30
2009-10	$18,736,950.75	$643,076.45	3.43%
2010-11	18,659,317.99	447,882.60	2.40
2011-12	19,044,042.77	397,487.15	2.09
2012-13	19,415,474.86	349,128.73	1.80
2013-14	20,285,760.83	299,320.28	1.48
2014-15	21,454,153.18	309,440.66	1.44
2015-16	22,611,798.09	321,208.75	1.42
2016-17	23,693,062.94	281,880.99	1.19
2017-18	25,023,662.16	311,382.94	1.24

	Secured Tax Charge[2]	Amt. Del. June 30	% Del. June 30
2009-10	$16,240,486.97	$495,433.14	3.05%
2010-11	16,519,612.17	334,296.18	2.02
2011-12	16,872,313.22	298,713.55	1.77
2012-13	18,816,282.19	268,962.35	1.43
2013-14	13,757,869.70	171,843.63	1.25
2014-15	15,321,303.54	162,617.96	1.06
2015-16	16,307,943.42	173,290.50	1.06
2016-17	19,086,180.53	168,865.52	0.88
2017-18	19,799,000.26	178,447.55	0.90

(1) 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects County-wide delinquency rate.
(2) District's general obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - Teeter Plan

Certain counties in the State of California operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. **The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District's receipt of property taxes is therefore subject to delinquencies.**

The District participates in the California Statewide Delinquent Tax Finance Authority ("CSDTFA"). CSDTFA is a joint exercise of powers agency formed for the purpose of purchasing delinquent ad valorem property taxes of its members in accordance with Section 6516.6 of the State Government Code. The District anticipates that CSDTFA will from time to time purchase delinquent ad valorem property tax receivables from the District. For the most recent fiscal year for which CSDTFA purchase delinquencies (the 2017-18 fiscal year), such delinquencies were purchased from the District at a purchase price equal to 110% thereof. Any penalty charges collected with respect to such delinquencies will be retained by CSDTFA. CSDTFA does not currently purchase *ad valorem* property tax receivables related to the payment of general obligation bonds of the District. Thus, the District's participation in CSDTFA's program does not ensure that the District will receive the timely payment of *ad valorem* property taxes levied to secure payment of its general obligation bonds. See " – *Ad Valorem* Property Taxation" herein.

Tax Rates

A representative tax rate area ("TRA") located within the District is Tax Rate Area 7790. The table below shows the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in this TRA during the five-year period from 2014-15 through 2018-19.

TYPICAL TAX RATES (TRA 7790)[(1)]
Fiscal Years 2014-15 through 2018-19
Mt. San Antonio Community College District

	2014-15	2015-16	2016-17	2017-18	2018-19
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Pomona Unified School District	.165993	.153643	.143683	.172921	.169418
Mt. San Antonio Community College District	.021294	.021537	.023996	.023709	.024354
Metropolitan Water District	.003500	.003500	.003500	.003500	.003500
Total	1.190787%	1.178680%	1.171179%	1.20013%	1.197272%

(1) 2018-19 assessed valuation of TRA 7790 is $5,510,890,599.
Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2018-19 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

20 LARGEST LOCAL SECURED TAXPAYERS
2018-19 Assessed Valuations
Mt. San Antonio Community College District

	Property Owner	Primary Land Use	2018-19 Assessed Valuation	% of Total[(1)]
1.	Majestic Realty Company	Industrial	$375,465,234	0.42%
2.	Gilead Sciences Inc.	Industrial	237,534,289	0.27
3.	Industry East Land LLC – Lessee	Industrial	230,412,406	0.26
4.	Plaza West Covina LLC	Shopping Center	194,238,003	0.22
5.	301 South Glendora Avenue	Commercial	173,046,650	0.19
6.	BRE DDR BR Eastland CA LLC	Shopping Center	172,071,313	0.19
7.	1301 East Gladstone Street	Shopping Center	135,413,296	0.15
8.	JCC California Properties LLC	Commercial	119,202,112	0.13
9.	Tropicana Manufacturing Company	Industrial	111,737,480	0.13
10.	Crow Family Holdings Industrial LP	Industrial	110,176,866	0.12
11.	Newage PHM LLC	Shopping Center	106,735,681	0.12
12.	Rowland Ranch Properties LLC	Commercial	92,575,223	0.10
13.	Quemetco West LLC	Industrial	85,897,010	0.10
14.	Hacienda Heights CA LLC	Apartments	84,969,732	0.10
15.	San Gabriel Valley Water Company	Water Company	82,352,994	0.09
16.	CPT Towers Industrial LLC	Industrial	81,860,000	0.09
17.	Adcor Realty Corp.	Industrial	80,851,074	0.09
18.	Wal Mart Real Estate Business Trust	Shopping Center	74,942,330	0.08
19.	Target Corporation	Commercial	73,005,829	0.08
20.	Duke Realty LP	Industrial	71,700,000	0.08
			$2,694,187,522	3.03%

(1) 2018-19 Local Secured Assessed Valuation: $88,873,452,490.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report"), prepared by California Municipal Statistics, Inc. for debt outstanding as of January 1, 2019. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The following table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

[REMAINDER OF PAGE LEFT BLANK]

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Mt. San Antonio Community College District

2018-19 Assessed Valuation: $92,430,315,328

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 1/1/19**
Metropolitan Water District	3.168%	$1,919,808
Mount San Antonio Community College District	**100.000**	**420,577,694**[(1)(2)]
Baldwin Park Unified School District	100.000	95,953,976
Bonita Unified School District	100.000	120,414,790
Covina Valley Unified School District	100.000	190,942,882
Hacienda-La Puente Unified School District	98.717	139,521,672
Pomona Unified School District	100.000	263,470,310
Rowland Unified School District	99.856	232,357,969
Walnut Valley Unified School District	100.000	143,949,565
Other Unified School Districts	100.000	211,560,729
City of Industry	94.714	67,142,755
County Community Facilities Districts	100.000	870,000
City 1915 Act Bonds	100.000	3,250,000
County Special Assessment Bonds	6.087-100.000	829,049
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,892,761,199
OVERLAPPING GENERAL FUND DEBT:		
Los Angeles County General Fund Obligations	6.087%	$131,703,467
Los Angeles County Superintendent of Schools Certificates of Participation	6.087	354,742
Baldwin Park Unified School District General Fund Obligations	100.000	28,575,000
Hacienda-La Puente Unified School District Certificates of Participation	98.717	20,715,762
Pomona Unified School District General Fund Obligations	100.000	14,005,000
Other Unified School District General Fund Obligations	98.856-100.000	38,439,772
City of La Verne Pension Obligation Bonds	98.862	52,990,032
City of Pomona General Fund and Pension Obligation Bonds	97.005	77,406,241
City of West Covina General Fund Obligations	100.000	40,430,000
Other City General Fund Obligations	Various	13,422,480
Los Angeles County Sanitation District No. 21 Authority	89.618	4,673,666
Other Los Angeles County Sanitation District Authorities	Various	4,827,735
TOTAL OVERLAPPING GENERAL FUND DEBT		$427,543,897
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$588,622,199
COMBINED TOTAL DEBT		$2,908,927,295[(3)]

Ratios to 2018-19 Assessed Valuation:
Direct Debt ($420,577,694)..0.46%
Total Direct and Overlapping Tax and Assessment Debt 2.05%
Combined Total Debt..3.15%

Ratios to Redevelopment Incremental Valuation ($23,677,954,879):
Total Overlapping Tax Increment Debt 2.49%

(1) Excludes the Bonds and the 2019 Notes.
(2) Includes 2017 Bond Anticipation Notes (the "2017 Notes") which are an obligation of the District payable from (i) the proceeds of a future sale of bonds issued pursuant to an authorization received at the November 4, 2008 general election, at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of $353,000,000 of general obligation bonds of the District or (ii) from other funds of the District lawfully available for the purpose of repaying the Notes. Interest may be payable from an *ad valorem* property tax lawfully levied to pay such interest thereon. However, the District does not intend to levy an *ad valorem* property tax to pay interest on the 2017 Notes.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an ad valorem *property tax levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein. Articles XIIIA, XIIIB, XIIIC and XIIID of the Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County on behalf of the District to levy* ad valorem *property taxes for payment of the Bonds.*

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The Bonds were approved by more than 55% of persons voting on the proposition to authorize the issuance and sale of general obligation bonds of the District. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the State Legislature (the "State Legislature") to change any State taxes for the purpose of increasing tax revenues.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

That portion of annual property tax revenues generated by increases in assessed valuations within each tax rate area within a county, subject to claims on tax increment and subject to changes in organizations, if any, of affected jurisdictions, is allocated to each jurisdiction within the tax rate area in the same proportion that the total property tax revenue from the tax rate area for the prior year was allocated to such jurisdictions.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in fiscal year 1981-82, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 of assessed value. All taxable property is now shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to the County by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a community supported district, taxes lost through any reduction in assessed valuation will not be compensated by the State as equalization aid under the State's education financing formulas. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues" herein.

Article XIIIB of the California Constitution

Article XIIIB ("Article XIIIB") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, community college district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines

(a) “change in the cost of living” with respect to K-14 districts to mean the percentage change in California per capita income from the preceding year, and

(b) “change in population” with respect to a K-14 school district means the percentage change in the average daily attendance of such K-14 district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “– Propositions 98 and 111” below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, “Article XIIIC” and “Article XIIID”), which contain a number of provisions affecting the ability of local agencies, including K-14 school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIIIC establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts and community college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-14 school districts at a level equal to the greater of (a) the same percentage of the State General Fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the General Fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of General Fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of such district's minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into such districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, was recalculated beginning in fiscal year 1990-91. It was based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. <u>School Funding Guarantee</u>. Proposition 111 made a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" (also referred to as a "maintenance factor") to K-14 school districts which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the governing board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the governing board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary or high school district), or $25 (for a community college district), per $100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to K-14 school districts, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to K-14 school districts or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for school districts and community college districts, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15 year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as a an emergency within the meaning of Article XIIIB of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the Minimum Funding Guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the Minimum Funding Guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the Minimum Funding Guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated Minimum Funding Guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated Minimum Funding Guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in state general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school districts lack sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school ($500 million) and technical education ($500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at $3 million for a new facility and $1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and Legislature will select among eligible projects as part of the annual state budget process.

The District makes no guarantees that it will either pursue or qualify for Proposition 51 state facilities funding.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 39, 22, 26, 30, 55 and 51 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

The information in this section concerning State funding of community college districts is provided as supplementary information only, and it should not be inferred from the inclusion of the information under this heading that the principal of and interest on the Bonds is payable from the State revenues. The Bonds are payable solely from the revenues generated by an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Major Revenues

General. California community college districts (other than community supported districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for the most of the remainder. A small part of a community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, and State aid comprise a district's revenue limit. State funding is generally subject to the appropriation of funds in the State's annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

"Community supported" community college districts (also referred to "basic aid" districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. See also "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 55" herein. Thus, community supported districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for community supported districts is that the legislatively determined annual COLAs and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is not a community supported district.

Enrollment Based Funding. California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 ("SB 361"). SB 361 provided for a basic allocation (a "Basic Allocation") based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation ("CDCP") non-credit FTES.

SB 361 specified that, commencing with the 2006-07 fiscal year the minimum funding per FTES would be: (a) not less than $4,367 per credit FTES; (b) at a uniform rate of $2,626 per non-credit FTES; and (c) $3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 fiscal year set the minimum funding for CDCP FTES at the same level as credit FTES. Each such minimum funding rate was subject to cost of living adjustments (each, a "COLA"), if any, funded through the State budgeting legislation in each fiscal year.

One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

In each fiscal year, the State budget established an enrollment cap on the maximum number of resident FTES, known as the "funded" FTES, for which a community college district would receive a revenue allocation. A district's enrollment cap was based on the previous fiscal year's reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap were considered "unfunded" FTES. Nonresident and international students are excluded from the State funding formula and pay full tuition.

Student Centered Funding Formula. Assembly Bill 1809 ("AB 1809"), the higher education trailer bill passed as part of the State budget for fiscal year 2018-19, referred to as the "Student Centered Funding Formula," (the "SCFF"). The SCFF includes three components: (1) a base allocation (the "Base Allocation") driven primarily by enrollment, (2) a supplemental allocation (the "Supplemental Allocation") based on the number of certain types of low-income students, and (3) a student success allocation (the "Student Success Allocation") that is calculated using various performance-based metrics.

The SCFF includes several provisions to provide districts greater financial stability in transitioning to the new formula: (i) for fiscal years 2018-19 through 2020-21, community college districts will receive no less in total apportionment funding than they received in 2017-18, adjusted for COLAs; (ii) for fiscal year 2021-22 and onward, districts will receive no less in apportionment funding per-student than they received in fiscal year 2017-18; and (iii) beginning in fiscal year 2018-19, districts will receive the greater of the amount calculated by the SCFF for the current or prior year (excluding amounts districts receive pursuant to the provision summarized in (i) above.)

<u>Base Allocation.</u> The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see "—Enrollment Based Funding"), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation is expected to constitute approximately 70% of Statewide funding for community college district in fiscal year 2018-19, 65% in fiscal year 2019-20 and 60% in fiscal years 2020-21 and onward.

The SCFF provides minimum funding levels for credit FTES for the first three fiscal years, as follows: (i) $3,727 for fiscal year 2018-19, (ii) $3,387 for fiscal year 2019-20, adjusted for COLAs and other base adjustments, and (iii) $3,046 for fiscal year 2020-21, adjusted for COLAs and other base adjustments in both the then-current and prior fiscal year. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts, which do not include the District, that were entitled to higher funding rates under the prior funding formula. Beginning in fiscal year 2021-22, the provision of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See "—Enrollment Based Funding" herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year.

The table below shows a breakdown of the District's historical resident FTES figures for the last nine fiscal years, and a projection for the current fiscal year.

RESIDENT FULL TIME EQUIVALENT STUDENTS
Fiscal Years 2009-10 through 2018-19
Mt. San Antonio Community College District

Fiscal Year	Actual FTES	Funded FTES	Unfunded FTES
2009-10	31,084	29,334	1,714
2010-11	31,152	30,085	1,067
2011-12	28,701	27,803	898
2012-13	28,650	28,231	419
2013-14	29,682	28,876	806
2014-15	30,654	30,269	385
2015-16	31,385	31,385	--
2016-17	31,018	31,018	--
2017-18(1)	32,720	--	--
2018-19(2)	33,912	--	--

(1) The actual FTES of 32,720 represents the amount submitted by the District in its final Attendance Report in October 2018. The Chancellor's office will report the final funded FTES for the 2017-18 fiscal during late February 2019.
(2) For fiscal year 2018-19, the District has budgeted a funded FTES of 32,631 in its 2018-19 Adopted budget based on a three year average. Final funded FTES for this fiscal year will be finalized in early 2020.
Source: Mt. San Antonio Community College District.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that qualify for Federal Pell Grants, California College Promise Grants or student fee waivers under California Education Code 76300. The SCFF provides $919 per qualifying student for fiscal year 2018-19. Beginning in fiscal year 2019-20, the provision of COLAs and other adjustments to this amount will be subject to appropriation therefor in the annual State budget. Headcounts are not unduplicated, such that districts will receive twice as much supplemental funding for a student that falls into more than one of the aforementioned categories.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in a various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student's first year, and having students obtain a regional living wage within a year of completing community college. The Student Success Allocation is expected to account for 10% of statewide funding for community college districts in fiscal year 2018-19, 15% in fiscal year 2019-20 and 20% in fiscal years 2020-21 and onward. Each metric is assigned a point value, with some metrics are weighted more than others. A single student outcome with more points will generate more funding. Outcome metrics for students that qualify for Federal Pell Grants and California College Promise Grants are eligible for additional funding.

For fiscal year 2018-19, the SCFF provides a rate for all students of $440 per point, and additional $111 per point for Pell Grant and California College Promise Grant students. For fiscal year 2019-20, these rates increase to $660 per point and $167 per point, respectively, subject to COLAs and other base adjustments. For fiscal year 2020-21, the rates increase to $880 per point and $222 per point, respectively, subject to COLAs and other base adjustments.

Budget Procedures

On or before September 15, the Board of Trustees of a community college district is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor, submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the governor, and by January 10 a proposed State budget is presented by the governor to the legislature. The Governor's State budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the governor issues a revised budget with changes he or she can support. The law requires the legislature to submit its approved budget by June 15, and by June 30 the governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

See "MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT – General Fund Budgeting" herein for more information regarding the District's recent budgeting trends.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111

General. In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding test ("Test 3") to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIIIB).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount Proposition 98 guarantee (K-14 aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40 percent. Because of the major shifts of property tax from local government to school districts and community college districts which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth and per-capita personal income COLA.

Test 3 established pursuant to Proposition 111, provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance (also referred to as a "maintenance factor") equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

State Assistance

State community college districts' principal funding formulas and revenue sources are derived from the State budget. The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Underwriters have independently verified such information.

2018-19 Budget. On June 27, 2018, the Governor signed into law the State budget for fiscal year 2018-19 (the "2018-19 Budget"). The following information is drawn from the LAO's review of the 2018-19 Budget.

To protect against potential future economic recessions, the 2018-19 Budget fully funds the BSA with a total deposit of over $4.4 billion, including a $2.6 billion optional deposit in addition to the Constitutionally-required deposit, and adds two additional reserves to State law: the Safety Net Reserve Fund, intended to save money specifically for future expenditures of the CalWORKs and Medi-Cal programs; and the Budget Deficit Savings Account ("BDSA"), which for 2018-19 will temporarily hold the $2.6 billion optional BSA deposit until May 2019. In May 2019, the optional BSA deposit amount will be adjusted as necessary to reflect updated estimates of revenues, at which point it will be transferred to the BSA. The projected ending balance in the BSA at the end of the 2018-19 fiscal year is expected to equal the BSA's current constitutional maximum of 10 percent of the estimated general fund revenues for fiscal year 2018-19.

For fiscal year 2017-18, the 2018-19 Budget projects total general fund revenues and transfers of $129.8 billion and total expenditures of $127.0 billion. The State is projected to end the 2017-18 fiscal year with total available general fund reserves of $16.7 billion, including $7.3 billion in the traditional general fund reserve and $9.4 billion in the BSA. For fiscal year 2018-19, the 2018-19 Budget projects total general fund revenues and transfers of $133.3 billion and authorizes expenditures of $138.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of $15.9 billion, including $2.0 billion in the traditional general fund reserve, $13.8 billion in the BSA and $200 million in the Safety Net Reserve Fund. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

With respect to education funding, the 2018-19 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2016-17 and 2017-18, as a result of higher general fund revenues. The 2018-19 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2016-17 at $71.6 billion, an increase of $252 million from the prior year. The 2018-19 Budget revises the minimum funding guarantee for fiscal year 2017-18 at $75.6 billion, reflecting an increase of $1.1 billion from the prior year. As part of the 2017-18 increase, the State is making an additional maintenance factor payment of $789 million, on top of a previous $536 million payment. After making the approximately $1.3 billion total payment, the State will have eliminated all remaining maintenance factor for the first time since 2005-06. In both 2016-17 and 2017-18, the State is spending at the calculated minimum guarantee.

For fiscal year 2018-19, the 2018-19 Budget sets the minimum funding guarantee at $78.4 billion, reflecting an increase of $2.8 billion (or 3.7%) from the revised prior-year level. Fiscal year 2018-19 is projected to be a "Test 2" year, with the increase in the minimum funding guarantee attributable to a 3.67% increase in per capita personal income. With respect to community college education, the 2018-19 Budget sets Proposition 98 funding at $9.2 billion, including $6.0 billion from the State general fund, reflecting an increase of $474 million (or 5.5%) from the prior year. This increase includes $164 million for the K-12 component of the Strong Workforce Program – excluding this amount, the total increase for community college spending from the prior year's level is $310 million (or 3.6%). Per-FTES spending increases $630 (or 8.5%) to $8,046.

Other significant features with respect to community college education funding include the following:

- *New Funding Formula* – $175 million in ongoing and $35 million one-time Proposition 98 funding to begin the transition to a new community college funding formula. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues – Student Centered Funding Formula."

- *Enrollment; Apportionments* – An increase of $60 million in Proposition 98 funding to base allocations to support a 1% growth in enrollment system-wide. The 2018-19 Budget also provides $173 million to fund a 2.71% COLA to apportionments and $13 million to fund a 2.71% COLA to selected categorical programs.

- *California Online College* – $100 million in one-time Proposition 98 funding and $20 million in ongoing Proposition 98 funding for the establishment and operation of a fully online community college (the "Online College") to be administered by the California Community Colleges Board of Governors.

- *Online Programs for Existing Community College Districts* – $35 million one-time Proposition 98 funding for existing community college districts to develop online programs and courses that lead to short-term industry-valued credentials or enable a student who completed a program at the Online College to continue their education at an existing community college.

- *Faculty* – $50 million additional ongoing Proposition 98 funding for colleges to hire more full-time faculty, and $50 million one-time Proposition 98 funding for part-time faculty office hours.

- *Financial Aid* – $46 million in Proposition 98 funding for the expansion of the California College Promise Grant program. The 2018-19 Budget also replaces the Full-Time Student Success Grant and the Community College Completion Grant with a new program – the Community Colleges Student Success Completion Grant – intended to help financially needy community college students with their living costs. The 2018-19 Budget provides $132 million in funding for this new program, an increase of $41 million over the combined cost of the two prior programs in 2017-18.

- *Student Services* – Several one-time allocations for community college districts to help students with various issues of core academic instruction, including $10 million to provide mental health services, $10 million to address student hunger at campuses, and $10 million to provide legal services to undocumented students.

- *Maintenance and Instructional Equipment* – $28 million in one-time Proposition 98 funding for scheduled maintenance, special repairs, hazardous substance abatement, architectural barrier removal, certain seismic retrofit projects, water conservation projects and replacement of instructional equipment and library materials. Funds will be allocated based on full time equivalent student enrollment.

- *Proposition 51* – $10 million in Proposition 51 bond funds for initial design activities for six new capital outlay projects, and $40 million in Proposition 51 bond funds for subsequent phases of 15 projects approved in the 2017-18 fiscal year.

For additional information regarding the 2018-19 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Proposed 2019-20 Budget. On January 10, 2019, the Governor released his proposed State budget for fiscal year 2019-20 (the "Proposed 2019-20 Budget"). The following information is drawn from the State Department of Finance's summary, and the LAO's review of, the Proposed 2019-20 Budget.

For fiscal year 2018-19, the Proposed 2019-20 Budget projects total general fund revenues and transfers of $136.9 billion and total expenditures of $144.1 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of $18.3 billion, including $3.9 billion in the traditional general fund reserve, $13.5 billion in the BSA and $900 million in the Safety Net Reserve Fund. For fiscal year 2019-20, the Proposed 2019-20 Budget projects total general fund revenues and transfers of $142.6 billion and authorizes expenditures of $144.2 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of $18.5 billion, including $2.3 billion in the traditional general fund reserve, $15.3 billion in the BSA and $900 million in the Safety Net Reserve Fund. The Governor notes that additional deposits to the BSA are premised on a recent opinion by the California Office of Legislative Counsel which concluded that supplemental payments to the BSA made in prior fiscal years do not count towards calculating its constitutional maximum of 10%. Under the Governor's new estimates, mandatory deposits to the BSA represent only 8.1% of State general fund taxes. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

With respect to education funding, the Proposed 2019-20 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2017-18 and 2018-19, as a result of lower-than-anticipated ADA and a year-to-year decline in State general fund revenue growth. The Proposed 2019-20 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2017-18 at $75.5 billion, a decrease of $120.1 million from the prior year. The Proposed 2019-20 Budget revises the minimum funding guarantee for fiscal year 2018-19 at $77.9 billion, reflecting a decrease of $525.7 million from the prior year. Notwithstanding these decreases, the Proposed 2019-20 Budget maintains level funding for K-14 education in these years by maintaining a $44 million overappropriation to the fiscal year 2017-18 minimum guarantee and using settle-up payments to offset otherwise unfunded obligations in fiscal year 2018-19.

For fiscal year 2019-20, the Proposed 2019-20 Budget sets the minimum funding guarantee at $80.7 billion, reflecting an increase of $2.8 billion (or 3.6%) from the revised prior-year level. Fiscal year 2019-20 is projected to be a "Test 3" year. Significant features with respect to community college funding include the following:

- *Student Centered Funding Formula* – The Proposed 2019-20 Budget includes certain revisions to the Student Centered Funding Formula, including (i) funding outcomes included in the Student Success Allocation at their current rates, adjusted for inflation in fiscal year 2019-20, and (ii) establishing reasonable limits, capped at 10%, on the year-over-year increases in resources a community college district could receive through the Student Success Allocation. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues – Student Centered Funding Formula."

- *Enrollment; Apportionments* – An increase of $26 million in Proposition 98 funding to base allocations to support a growth in enrollment system-wide. The Proposed 2019-20 Budget also provides $248.3 million to fund a 3.46% COLA to apportionments, and $18 million to fund a similar COLA for the Adult Education block grant program.

- *California College Promise* – $40 million of Proposition 98 funding to support a second year of free tuition for certain qualifying students.

- *Pension Costs* – A $3 billion, one-time payment from non-Proposition 98 funds to CalSTRS, to reduce long-term liabilities for K-14 school districts. Of this amount, $700 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21. The remaining $2.3 billion would be paid towards employers' long-term unfunded liability.

- *Legal Services* – An increase of $10 million in Proposition 98 funding to provide legal services to undocumented and immigrant students, faculty and staff on district campuses.

- *Proposition 51* – $358.7 million in Proposition 51 bond funds for 12 new and 15 continuing projects.

For additional information regarding the Proposed 2019-20 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Future Actions. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District's finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax which is required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The Mt. San Antonio Community College District was established in 1945. The District provides public community college education over an approximately 189 square-mile area in Los Angeles County. The District operates Mt. San Antonio College, located on a 420-acre campus approximately 25 miles east of the City of Los Angeles. Mt. San Antonio College is fully accredited by the ACCJC, and offers over 200 degree and certificate programs to students in the Cities of Baldwin Park, City of Industry, Covina, Diamond Bar, Glendora, Irwindale, La Puente, La Verne, Pomona, San Dimas, Walnut, and West Covina, as well as the unincorporated communities of Bassett, Charter Oak, Hacienda Heights, Rowland Heights, and Valinda. For fiscal year 2018-19, the District has a budgeted full time equivalent student count ("FTES") of 33,912 students, and taxable property within the District has an assessed valuation of $92,430,315,328.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of subsequent audited financial reports of the District may be obtained by contacting: Mt. San Antonio Community College District, Attention: Vice President, Administrative Services, 1100 N. Grand Avenue, Walnut, California 91789.

Administration

The governing body of the District is its Board of Trustees. The Board includes seven voting members elected within seven trustee areas by the voters of the District. The Trustees serve four-year terms. Elections for positions to the Board are held every two years, alternating between three and four available positions. Current elected members of the Board, together with their offices and the dates their terms expire, are listed herein:

BOARD OF TRUSTEES
Mt. San Antonio Community College District

Member	Office	Term Expires
Mr. Robert Hidalgo	President	November 2022
Mr. Jay F. Chen	Vice President	November 2020
Ms. Laura Santos	Clerk	November 2022
Dr. Manuel Baca	Member	November 2020
Ms. Rosanne Bader	Member	November 2020
Mr. Gary Chow	Member	December 2022
Ms. Judy Chen Haggerty, Esq.	Member	November 2022

Brief biographies of key District administrators follow:

Dr. William T. Scroggins, President/CEO. Dr. Scroggins has served as the President and Chief Executive Officer of the District since July of 2011. Previously, Dr. Scroggins served as Superintendent/President of the College of the Sequoias Community College District for five years. Dr. Scroggins' prior positions have also included Vice President of Instruction at Modesto Junior College, Dean of Science and Math at San Bernardino Valley College, and a professor of chemistry at El Camino College and Chabot College. Dr. Scroggins has nearly 30 years of experience in higher education, including 11 as an administrator. Dr. Scroggins earned a Bachelor of Science degree in chemistry from the University of California, Los Angeles, and a doctorate degree in chemistry from the University of California, Riverside.

Mr. Michael D. Gregoryk, Vice President, Administrative Services. Mr. Gregoryk has served as the Vice President, Administrative Services of the District since 2005. Previously, Mr. Gregoryk served as the Deputy Chancellor of the Ventura County Community College District for nine years. He has also served as the Vice President of Administrative Services at Western Nebraska Community College and the Vice President of Administrative Services at Palomar College. Mr. Gregoryk holds a Bachelor of Arts degree in Business Administration from Minot State University and a Master of Arts degree in Management and Organizational Development from the United States International University.

Labor Relations

The District currently employs 2,155 full-time and adjunct academic professionals as well as 696 classified employees, 13 confidential employees, and 129 management employees. District employees, except management, confidential, and some part-time employees, are represented by the bargaining units noted below:

BARGAINING UNITS
Mt. San Antonio Community College District

Labor Organization	Number of Employees In Organization	Contract Expiration Date
California School Employees Association – Chapter 262[(1)]	586	June 30, 2020
California School Employees Association – Chapter 651[(2)]	110	June 30,2020
Faculty Association, Inc., CTA/NEA	2,155	June 30, 2019

(1) Represents classified non-teaching academic and administrative staff.
(2) Represents classified maintenance and operations staff.
Source: Mt. San Antonio Community College District.

Retirement Programs

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District, the Municipal Advisor or the Underwriters.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 school districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The District's contributions to STRS were $6,110,250 in fiscal year 2014-15, $7,711,066 in fiscal year 2015-16, $9,710,823 in fiscal year 2016-17 and $11,934,888 for fiscal year 2017-18. The District currently projects $14,269,278 for its contribution to STRS for fiscal year 2018-19.

The State also contributes to STRS, currently in an amount equal to 7.328% for fiscal year 2018-19. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2017 included 1,624 public agencies and 1,366 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 18.062% of eligible salary expenditures or fiscal year 2018-19. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2017-18 and fiscal year 2018-19, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6.5% in fiscal year 2017-18 and will be 7% in fiscal year 2018-19. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contributions to PERS were $4,704,697 in fiscal year 2014-15, $5,201,696 in fiscal year 2015-16, $6,547,815 in fiscal year 2016-17, and $7,447,598 for fiscal year 2017-18. The District currently projects $10,176,083 for its contribution to PERS for fiscal year 2018-19.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

[REMAINDER OF PAGE LEFT BLANK]

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) [(1)]
Fiscal Years 2010-11 through 2016-17

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[(2)]	Unfunded Liability (MVA)[(2)]	Value of Trust Assets (AVA)[(3)]	Unfunded Liability (AVA)[(3)]
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)[(3)]	Unfunded Liability (AVA)[(3)]
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	--[(4)]	--[(4)]
2014-15	73,325	56,814	16,511	--[(4)]	--[(4)]
2015-16	77,544	55,785	21,759	--[(4)]	--[(4)]
2016-17	84,416	60,865	23,551	--[(4)]	--[(4)]

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on the change in actuarial assumptions adopted by the STRS Board, including the adoption of a 7% investment rate of return, recent investment experience and the insufficiency of the contributions received in fiscal year 2016-17 to cover interest on the unfunded actuarial obligation, the 2017 STRS Actuarial Valuation reports that the unfunded actuarial obligation increased by $10.6 billion since the June

30, 2016 actuarial valuation and the funded ratio decreased by 1.1% to 62.6% over such time period. As a result, it is currently projected that there will be a need for higher contributions from the State, employers and members in the future to reach full funding by 2046.

According to the 2017 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.6%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% in fiscal year 2017-18, 7.25% in fiscal year 2018-19 and 7.00% in fiscal year 2019-20. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The Schools Pool Actuarial Valuation as of June 30, 2017, reported that, based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for 2019-20 is projected to be 20.7%, with annual increases thereafter, resulting in a projected 25.5% employer contribution rate for fiscal year 2025-26.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2018, the District's proportionate shares of the STRS and PERS net pension liabilities were $133,895,447 and $90,112,838, respectively. For more information, see "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2018 – Note 12" attached hereto.

Pension Trust. During fiscal year 2015-16, the District established an irrevocable trust for the purpose of funding future employer contributions associated with the District's STRS and PERS obligations (the "Pension Trust"). Funds deposited into the Pension Trust are not considered "plan assets" for GASB Statement No. 68 reporting, therefore the balance of the irrevocable trust is not netted against the District's net pension liability. In fiscal year 2017-18, the District contributed $2,000,000 to the Pension Trust. The District does not expect to make a contribution for fiscal year 2018-19. As of January 31, 2019, the net value of assets in the Pension Trust was $10,382,655. See also "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2018 – Note 12" attached hereto.

Defined Contribution Plan. The District has established a defined contribution plan that qualifies under Sections 401(a) and 501 of the Internal Revenue Code as a governmental, tax-exempt retirement plan. The plan, which is administrated by ASCIP (defined herein), covers certain part-time, seasonal and temporary District employees. Benefit provisions and contribution requirements are established and amended by the ASCIP governing board. The District currently makes contributions equal to 3% of covered compensation, which employees contribute 4.5%. District contributions were $306,810 in fiscal year 2014-15, $354,261 in fiscal year 2015-16, $368,861 in fiscal year 2016-17, and $406,514 in fiscal year 2017-18. The District estimates a contribution of $593,239 for fiscal year 2018-19. "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2018 – Note 12" attached hereto.

Other Post-Employment Health Care Benefits

Benefits Plan. The District provides post-employment health care benefits to qualified retired employees (and under certain circumstances, their spouses) who have rendered at least five years of service to the District and who retire at either age 50 (for PERS retirees) or age 55 (for STRS retirees). For employees hired after December 31, 1995, benefits are no longer provided for such employee's spouse and employees must serve the District 10 years or more. Benefit provisions are established by the District in conjunction with its bargaining units, and are renegotiated every three years. As of June 30, 2018, there were 571 retirees receiving these benefits and 1,065 active plan members.

Funding Policy. The District currently covers the cost of insurance premiums for current retirees from proceeds on deposit in the OPEB Trust (defined herein). For fiscal years 2014-15 through 2017-18, the District's insurance premiums for current retirees were $3,790,007, $3,931,388, $3,900,335, and $3,972,152, respectively. For fiscal year 2018-19, the District projects that its insurance premiums for current retirees will be $4,258,276.

The District has established an irrevocable, Governmental Accounting Standards Board ("GASB") qualifying trust to fund its accrued liability for the District's post-employment benefits (the "OPEB Trust") The District makes an ongoing annual contribution of $2,500,000 to the OPEB Trust pursuant to a directive from the District's Board of Trustees. As of February 20, 2019, the net value of assets in the OPEB Trust was $70,452,560.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved Statements Nos. 74 and 75 (each, "GASB 74" and "GASB 75") with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the Net OPEB Liability and a sensitivity analysis of the Net OPEB Liability to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB. The Fiduciary Net Position measures the value of trust assets, adjusted for payees and receivables.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District's financial statements for fiscal year 2016-17. GASB Statement No. 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. For fiscal year 2017-18, the District reported a Total OPEB Liability of $122,600,679, a Fiduciary Net Position of $71,413,136 and a Net OPEB Liability of $51,187,543. See also "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2018 – Note 10" attached hereto.

Actuarial Study. The District's most recent actuarial study, dated as of January 21, 2019, calculated the District's accrued liability in accordance with GASB No. 74 and GASB No. 75. The study concluded that, as of a June 30, 2018 measurement date, the District's Total OPEB Liability was $122,600,679, its Fiduciary Net Position was $71,740,415 and its Net OPEB Liability was $50,860,264.

Medicare Premium Payment Program. The District participates in the Medicare Premium Payment ("MPP") Program, a cost-sharing multiple-employer other postemployment benefit plan. STRS administers the MPP Program through the Teachers' Health Benefit Fund (the "THBF"). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRS Defined Benefit Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The MPP Program is now closed to new entrants.

The MPP Program is funded on a pay-as-you-go basis from a portion of the monthly District benefit payments. Benefit payments that would otherwise be credited to the STRS Defined Benefit Program each month are instead credited to the MPP Program to fund monthly program and administrative costs.

An actuarial study of the liability of the MPP Program has been prepared pursuant to GASB statements No. 74 and No. 75. The District's proportionate share of the net MPP Program liability as of June 30, 2018 was $628,750. See also "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2018 – Note 10" attached hereto.

Risk Management

The District is exposed to various risks of loss related to property, general liability, and employee benefits. These risks are addressed through a combination of commercial insurance, self-insurance and participation in certain public entity risk pools, as described below. The District is self-insured for property and liability risk, with excess coverage provided by ASCIP (as defined below).

District participates in joint powers agreements with the following entities (each a "JPA"): the Alliance of Schools for Cooperative Insurance Programs ("ASCIP"); the Southern California Community College District Joint Powers Agency ("SCCCD-JPA"); and the Schools Excess Liability Fund ("SELF"). The District pays annual premiums to each of JPAs for property and liability, health, and workers' compensation insurance coverage. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

There are a number of claims pending against the District. In the opinion of the District, the related liability, if any, stemming from these claims will not materially affect the financial condition of the District. Settled claims have not exceeded available insurance coverages in the past three fiscal years.

See also "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2018 – Note 11" and "– Note 13" attached hereto.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. GASB has released Statement No. 34, which makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective for fiscal periods beginning after June 15, 2001 (Phase I) for any governmental agency with annual revenues in excess of $100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

[REMAINDER OF PAGE LEFT BLANK]

District Budgeting

The following table reflects the District's general fund budgets for fiscal years 2014-15 through 2018-19, and ending results for fiscal years 2014-15 through 2017-18.

GENERAL FUND BUDGETING[1]
Fiscal Years 2014-15 through 2017-18
Mt. San Antonio Community College District

	Fiscal Year 2014-15		Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19
REVENUES:	Budgeted	Ending	Budgeted	Ending	Budgeted	Ending	Budgeted	Ending	Budgeted
Federal	$4,696,330	$4,700,320	$5,459,604	$4,994,249	$5,760,083	$4,712,840	$6,050,560	$4,781,509	$5,160,927
State	126,159,871	130,922,506	169,890,188	162,152,293	165,228,825	152,940,215	156,057,840	156,125,922	170,475,079
Local	35,782,009	43,307,930	41,606,557	59,332,714	57,811,078	68,709,797	67,016,037	79,628,860	78,162,968
TOTAL REVENUES	166,638,210	178,930,756	216,956,349	226,479,256	228,799,986	226,361,852	229,124,437	240,536,291	253,798,974
EXPENDITURES:									
Academic Salaries	77,316,281	76,240,937	87,143,631	84,236,976	94,191,014	89,927,665	94,466,507	93,288,144	96,864,109
Classified Salaries	43,612,498	44,139,686	49,611,040	49,976,689	57,799,436	53,924,672	61,351,229	58,156,038	62,109,520
Employee Benefits	29,496,498	29,335,375	33,786,117	41,945,952	43,915,072	48,698,707	45,511,551	49,969,724	51,001,924
Books and Supplies	5,634,840	3,583,471	5,956,960	3,832,776	7,754,799	4,630,971	7,840,221	4,042,993	8,838,123
Services and Other Operating Expenditures	20,192,954	15,191,177	43,269,739	18,112,059	38,288,893	19,111,477	35,539,945	21,377,175	49,145,738
Capital Outlay	4,916,385	5,375,511	5,816,894	6,371,182	6,777,864	5,691,207	6,993,272	4,519,383	5,981,372
TOTAL EXPENDITURES	181,169,456	173,866,157	225,584,381	204,475,634	248,727,078	220,984,699	251,702,725	231,353,457	273,940,786
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(14,531,246)	5,064,599	(8,628,032)	22,003,622	(19,927,092)	5,377,153	(22,578,288)	9,182,834	(20,141,812)
OTHER FINANCING SOURCES (USES)	830,343	1,182,661	1,720,927	1,641,456	1,550,458	5,389,859	1,744,807	1,629,518	1,539,707
OTHER OUTGO	(1,512,961)	(1,821,476)	(5,405,798)	(16,589,579)	(3,918,312)	(6,728,716)	(4,665,044)	(7,170,145)	(5,891,744)
NET INCREASE (DECREASE) IN FUND BALANCES	(15,213,864)	4,425,784	(12,312,903)	7,055,499	(22,294,946)	4,038,296	(25,498,525)	3,642,207	(24,493,849)
BEGINNING FUND BALANCE	31,744,630	31,744,630	36,170,414	36,170,414	43,225,913	43,225,913	47,264,209	47,264,209	50,906,416
ENDING FUND BALANCE	$16,530,766	$36,170,414	$23,857,511	$43,225,913	$20,930,967	$47,264,209	$21,765,84	$50,906,416	$26,412,567

(1) From the District's CCFS-311 Reports filed with the California Community Colleges Chancellor's Office. For audited results of the District's primary government funds for fiscal years 2013-14 through 2017-18, see "—Comparative Financial Statements" on the following page.

Source: Mt. San Antonio Community College District

Comparative Financial Statements

The following table shows the audited summary of revenues, expenditures and change in net assets for the District's governmental funds for fiscal years 2013-14 through 2017-18.

AUDITED REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS[1]
Fiscal Years 2013-14 through 2017-18
Mt. San Antonio Community College District

	2013-14 Audited	2014-15 Audited	2015-16 Audited	2016-17 Audited	2017-18 Audited
OPERATING REVENUES					
Enrollment, tuition and other fees (gross)	$38,244,683	$39,449,295	$40,126,861	$39,949,612	$40,634,445
Less: Scholarship discounts and allowances	(20,893,374)	(21,516,300)	(21,092,311)	(20,299,662)	(20,209,741)
Net enrollment, tuition and other fees	17,351,309	17,932,995	19,034,550	19,649,950	20,424,704
Grants and contracts, non-capital:					
Federal	49,090,528	50,504,804	--	--	5,261,415
State	12,443,762	22,705,888	--	--	38,669,194
Local	2,564,822	2,551,161	--	--	2,394,596
Sales and charges, net	372,458	449,009	--	--	--
Enterprise sales and charges	--	--	180,862	211,836	--
Farm operations	--	--	290,830	296,641	156,677
TOTAL OPERATING REVENUES	81,822,879	94,143,857	19,506,242	20,158,427	66,906,586
OPERATING EXPENSES					
Salaries	117,468,649	123,205,576	137,380,705	146,456,768	155,388,626
Employee benefits	33,046,380	38,767,990	42,639,104	53,923,489	66,325,373
Supplies, materials and other operating expenses and services	21,898,029	24,372,833	34,376,724	29,736,130	31,703,297
Financial aid	47,325,799	49,037,479	48,904,177	45,460,176	49,688,609
Utilities	3,605,458	3,324,480	5,086,970	4,732,770	4,448,273
Depreciation	11,456,017	12,373,279	12,705,045	13,220,132	13,969,042
TOTAL OPERATING EXPENSES	234,800,332	251,081,637	281,092,725	293,529,465	321,523,220
OPERATING INCOME/(LOSS)	(152,977,453)	(156,937,780)	(261,586,483)	(273,371,038)	(254,616,634)
NON-OPERATING REVENUE (EXPENSES)					
State apportionments, non-capital	106,316,533	109,307,574	112,173,759	108,807,524	112,113,017
Local property taxes, levied for general purpose	20,787,189	23,871,147	36,968,125	46,420,792	56,072,855
Taxes levied for other specific purposes	--	--	17,269,244	20,000,456	20,742,119
Federal grants	--	--	49,746,989	45,526,370	43,182,194
State grants	--	--	29,549,340	38,981,948	4,522,915
State taxes and other revenues	5,560,504	7,257,522	24,879,928	10,377,893	8,362,746
Contributions, grants and other local revenue	179,558	291,571	--	--	--
Proceed from insurance settlements, non-capital	--	--	--	--	--
Transfers from/to fiduciary funds – net	(6,038)	--	(4,000,000)	(4,001,000)	(2,002,000)
Transfers in from Auxiliary agency funds	--	--	--	--	--
Book rental program transfer	(317,345)	--	--	--	--
Interest expense	(11,901,966)	(27,518,970)	(18,047,304)	(25,931,178)	(22,832,528)
Investment income, net	392,200	360,437	1,001,650	1,615,596	2,882,361
Investment income on capital asset-related debt, net	--	--	80,170	86,875	140,921
Other nonoperating revenue	--	--	3,215,836	5,915,173	2,048,861
TOTAL NON-OPERATING REVENUES (EXPENSES)	121,010,635	113,569,281	252,837,737	247,800,449	225,233,461
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS (LOSSES)	(31,966,818)	(43,368,499)	(8,748,746)	(25,570,589)	(29,383,173)
OTHER REVENUES, EXPENSES GAINS OR (LOSSES)					
State apportionments, capital	1,160,514	1,262,584	2,581,884	1,322,241	1,304,806
Local property taxes and revenues capital	16,625,533	18,610,759	1,525,495	2,528,619	826,041
Investment income, capital	1,020,676	956,193	--	--	--
Donated fixed assets	--	--	--	--	--
Gain (Loss) on disposal of fixed assets	22,557	15,706	(6,949)	(38,952)	(225,035)
Transfer from associated student trust	--	--	--	--	--
TOTAL OTHER REVENUES, EXPENSES, GAINS OR (LOSSES)	18,832,280	20,845,242	4,100,430	3,811,908	1,905,812
INCREASE (DECREASE) IN NET ASSETS	(13,134,538)	(22,523,257)	(4,648,316)	(21,758,681)	(27,477,361)
NET ASSETS, BEGINNING OF YEAR	167,082,851	4,779,193[2]	(17,744,064)	(22,392,380)	(52,861,045)[3]
NET ASSETS, END OF YEAR	$153,948,313	$(17,744,064)	$(22,392,380)	$(44,151,061)	$(80,338,406)

(Footnotes to follow on the next page).

(Footnotes to prior table)

(1) The District changed auditing firms for fiscal year 2015-16 and, as a result, the classification of certain revenues and expenses for fiscal year 2015-16 and onward has changed.

(2) Reflects a net restatement of $(149,169,120) to beginning nets assets and results from the implementation of GASB Statement Nos. 68 and 71. See also " – Retirement Programs – GASB Statement Nos. 67 and 68" herein.

(3) Reflects a net restatement of $(8,709,984) to beginning assets and results from the implementation of GASB Statement No. 75. See also " – Other Post-Employment Healthcare Benefits – GASB Statement Nos. 74 and 75" herein.

Source: Mt. San Antonio Community College District.

District Debt Structure

Summary of Long-Term Debt. A schedule of the District's general long-term debt as of June 30, 2018, is shown below:

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Bonds and Notes Payable				
General obligation bonds – 2001 Election (Measure R)				
General obligation bonds – Series 2008D	$811,264	$68,736	$880,000	--
2013 General obligation refunding bonds – Series A	67,410,000	--	4,200,000	$63,210,000
Unamortized debt premium	6,972,371	--	633,852	6,338,519
2013 General obligation refunding bonds – Series B	40,990,000	--	3,980,000	37,010,000
2015 General obligation refunding bonds	19,130,000	--	--	19,130,000
Unamortized debt premium	2,938,441	--	183,653	2,754,788
General obligation bonds – 2008 Election (Measure RR)				
General obligation bonds – Series 2013A	243,110,154	13,933,118	255,000	256,788,272
Unamortized debt premium	9,980,729	--	383,874	9,596,855
General obligation bonds – Series 2013B	8,460,000	--	1,110,000	7,350,000
General obligation bonds – Series 2015C	19,500,000	--	2,750,000	16,750,000
Unamortized debt premium	1,015,413	--	203,083	812,330
2017 General Obligation Bond Anticipation Note	89,996,003	2,126,775	--	92,122,778
Unamortized debt premium	364,590	--	72,918	291,672
Loan Payable – City of Walnut	64,184	--	64,184	64,184
Total Bonds and Notes Payable	510,743,149	16,128,629	14,716,564	512,155,214
Other Liabilities				
Compensated absences and load banking	10,071,329	993,332	--	11,064,661
Other postemployment benefits (OPEB)	34,937,860	20,295,201	3,416,768	51,816,293
Aggregate net pension obligation	188,277,216	35,731,069	--	224,008,285
Total Other Liabilities	233,286,405	57,019,602	3,416,768	286,889,239
Total Long-Term Obligations	$744,029,554	$73,148,231	$18,133,332	$799,044,453

Source: 2017-18 Audited Financial Statements of the District.

Bond Anticipation Notes. On March 22, 2017, the District issued its 2017 Notes in an aggregate initial principal amount of $89,996,003.25. The 2017 Notes mature on April 1, 2022 and yield interest at a rate of 2.382%. On January 29, 2019, the District issued its 2019 Notes (and, together with the 2017 Notes, the "Notes") in an aggregate initial principal amount of $25,700,000. The 2019 Notes mature on April, 29, 2019 and yield interest at a rate of 3.3305%. The Notes were issued to finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities, in anticipation of proceeds from general obligation bonds to be issued by the District pursuant to two voter-approved authorizations. The Notes are each an obligation of the District payable from (i) proceeds of a future sale of general obligation bonds of the District, or (ii) from other funds of the District lawfully available for the purpose of repaying the Notes. Interest thereon may also be payable from an *ad valorem* property tax lawfully levied to pay such interest. However, the District does not intend to levy an *ad valorem* property tax to pay interest on either of the Notes.

Following the application of the proceeds of the Bonds, as described in "THE BONDS – Application and Investment of Bond Proceeds", the 2019 Notes will be defeased and all obligations of the District with respect thereto will cease.

General Obligation Bonds. The following table summarizes the prior outstanding general obligation bond issuances by the District (not including the Bonds).

OUTSTANDING GENERAL OBLIGATION BOND ISSUANCES
Mt. San Antonio Community College District

Issuance	Initial Principal Amount	Principal Outstanding[1]	Date of Delivery
Election of 2008, Series 2013A	$205,586,691.45	$200,306,691.45	August 1, 2013
Election of 2008, Series 2013B	11,715,000.00	6,215,000.00	August 1, 2013
2013 Refunding Bonds, Series A	74,910,000.00	58,265,000.00	August 1, 2013
2013 Refunding Bonds, Series B	48,190,000.00	34,415,000.00	August 1, 2013
Election of 2008, Series 2015C	20,000,000.00	14,250,000.00	September 11, 2015
2015 Refunding Bonds	19,440,000.00	19,130,000.00	September 11, 2015

(1) As of December 3, 2018.

The table on the following page displays the annual debt service requirements of the District for all outstanding general obligation bonds, including the Bonds (and assuming no optional redemptions):

[REMAINDER OF PAGE LEFT BLANK]

GENERAL OBLIGATION BOND ANNUAL DEBT SERVICE – MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

Year Ending (Aug. 1)	2008 Series 2013A Bonds[3]	2008 Series 2013B Bonds[3]	2013 Series A Refunding Bonds[1]	2013 Series B Refunding Bonds[3]	2008 Series 2015C Bonds[3]	2015 Refunding Bonds[2]	The Bonds[3]	Total Annual Debt Service
2019	$1,421,000.00	$1,387,882.80	$8,108,250.00	$6,427,987.30	$3,805,750.00	$1,787,400.00	$4,344,843.75	$27,283,113.85
2020	1,726,000.00	1,387,618.80	8,108,500.00	6,963,995.30	3,845,550.00	1,796,450.00	35,378,750.00	59,206,864.10
2021	2,051,000.00	1,392,108.30	8,105,750.00	7,538,137.80	3,834,450.00	1,801,450.00	36,273,450.00	60,996,346.10
2022	2,811,000.00	1,390,571.10	8,104,500.00	7,726,686.80	3,811,000.00	1,798,950.00	25,675,850.00	51,318,557.90
2023	3,796,000.00	1,389,775.04	8,104,000.00	7,724,442.60	--	1,799,200.00	11,209,450.00	34,022,867.64
2024	13,563,862.50	--	8,108,500.00	--	--	1,796,950.00	11,354,450.00	34,823,762.50
2025	15,013,862.50	--	8,107,000.00	--	--	1,797,200.00	11,742,200.00	36,660,262.50
2026	16,133,862.50	--	8,104,000.00	--	--	1,794,700.00	12,140,200.00	38,172,762.50
2027	17,306,518.74	--	8,108,750.00	--	--	1,799,450.00	12,556,950.00	39,771,668.74
2028	25,408,431.24	--	1,050,000.00	--	--	1,985,950.00	12,985,450.00	41,429,831.24
2029	27,706,000.00	--	--	--	--	1,984,950.00	13,428,950.00	43,119,900.00
2030	29,076,000.00	--	--	--	--	1,990,200.00	13,885,450.00	44,951,650.00
2031	30,476,000.00	--	--	--	--	1,988,000.00	14,362,950.00	46,826,950.00
2032	31,931,000.00	--	--	--	--	1,990,750.00	14,853,950.00	48,775,700.00
2033	34,121,000.00	--	--	--	--	1,344,000.00	15,361,200.00	50,826,200.00
2034	36,915,750.00	--	--	--	--	--	15,887,200.00	52,802,950.00
2035	38,630,000.00	--	--	--	--	--	16,434,200.00	55,064,200.00
2036	40,367,812.50	--	--	--	--	--	16,999,200.00	57,367,012.50
2037	42,185,937.50	--	--	--	--	--	17,580,200.00	59,766,137.50
2038	44,087,812.50	--	--	--	--	--	18,185,800.00	62,273,612.50
2039	46,070,625.00	--	--	--	--	--	18,808,600.00	64,879,225.00
2040	48,140,625.00	--	--	--	--	--	19,457,100.00	67,597,725.00
2041	50,307,500.00	--	--	--	--	--	20,127,100.00	70,434,600.00
2042	52,574,062.50	--	--	--	--	--	20,189,600.00	72,763,662.50
2043	54,936,562.50	--	--	--	--	--	20,926,850.00	75,863,412.50
2044	--	--	--	--	--	--	21,683,350.00	21,683,350.00
2045	--	--	--	--	--	--	23,044,600.00	23,044,600.00
2046	--	--	--	--	--	--	23,838,200.00	23,838,200.00
2047	--	--	--	--	--	--	24,660,200.00	24,660,200.00
2048	--	--	--	--	--	--	25,507,000.00	25,507,000.00
2049	--	--	--	--	--	--	26,390,000.00	26,390,000.00
Total	$706,758,224.98	$6,947,956.04	$74,009,250.00	$36,381,249.80	$15,296,750.00	$27,455,600.00	$575,273,293.75	$1,442,122,324.57

(1) Principal payable on September 1 of each year. Interest payable on March 1 and September 1 of each year.
(2) Principal payable on June 1 of each year. Interest payable on June 1 and December 1 of each year.
(3) Principal payable on August 1 of each year. Interest payable on February 1 and August 1 of each year.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The excess of the stated redemption price at maturity over the issue price of a Bond (the first price at which a substantial amount of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the applicable Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of the Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix A.

LIMITATION ON REMEDIES; BANKRUPTCY

General. State law contains certain safeguards to protect the financial solvency of community college districts. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" herein. If the safeguards are not successful in preventing a community college district from becoming insolvent, the State Chancellor and the Board of Governors, operating through a special trustee appointed by the State Chancellor, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the community college district for the adjustment of its debts. In addition, an insolvent community college district may be able to file a petition under Chapter 9 before a special trustee is appointed. Prior to such petition, if any, the community college district is required to participate in a neutral evaluation process with interested parties as provided in the Government Code or declare a fiscal emergency and adopt a resolution by a majority vote of the governing board that includes findings that the financial state of the community college district jeopardizes the health, safety, or well-being of the residents of its jurisdiction or service area absent the protections of Chapter 9.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien. Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the District or the Board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Security and Sources of Payment" herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues. If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property revenues should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies. The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the Treasury Pool, as described in "THE BONDS – Application and Investment of Bond Proceeds" herein and "APPENDIX E – LOS ANGELES COUNTY TREASURY POOL" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed form of the approving opinion of Bond Counsel attached hereto as Appendix A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

Continuing Disclosure

Current Undertakings. In connection with the issuance of the Bonds, the District has covenanted for the benefit of bondholders (including Beneficial Owners of the Bonds) to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than 270 days following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2018-19 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Prior Undertakings. Within the past five years, the District failed to properly associate the annual report for fiscal year 2016-17 with certain of the CUSIPs of its then-outstanding debt obligations. The fiscal year 2016-17 report has since been properly associated with such CUSIPs.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Code, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. The effective date of this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal opinion

The legal opinion of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers thereof without cost. A copy of the proposed form of such legal opinion for the Bonds is attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

The Bonds have been assigned ratings of "Aa1" and "AA" by Moody's and S&P, respectively. The ratings reflect only the view of the rating agencies, and any explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich, New York, NY 10007 and S&P Global Ratings, 55 Water Street, 45th Floor, New York, NY 10041. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

Financial Statements

The financial statements with supplemental information for the year ended June 30, 2018, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 4, 2018 of Vavrinek, Trine, Day & Co., LLP (the "Auditor"), are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Underwriting

RBC Capital Markets, LLC ("RBCCM") and Stifel, Nicolaus & Company, Inc. ("Stifel," and together with RBCCM, the "Underwriters") have agreed to purchase all of the Bonds for a purchase price of $342,586,189.10 (consisting of the principal amount of the Bonds of $310,700,000.00, plus original issue premium of $33,538,454.10, less an Underwriters' discount of $1,227,265.00, and less $425,000.00 to be retained by RBCCM and deposited with U.S. Bank National Association to pay the costs of issuance of the Bonds).

The Purchase Contract for the Bonds provides that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriter.

The Underwriters have provided the following information for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should not be construed as a representation of the District.

RBCCM made a voluntary contribution to the committee that was formed to support the District's 2008 general obligation bond election.

RBCCM and its affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBCCM and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBCCM and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the District. RBCCM and its affiliates may make a market in credit default swaps with respect to municipal securities in the future. RBCCM and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of the offering of the Bonds or other offerings of the District; provided, however, that potential investors are advised that the offering of the Bonds is made only by means of the Official Statement. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representation other than as contained in the Official Statement.

Stifel has been an annual sponsor of the Mt. San Antonio College Foundation & Alumni Association's Annual Golf Tournament. Stifel does not believe this is a conflict of interest.

ADDITIONAL INFORMATION

This Official Statement supplies information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein about the District has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds.

This Official Statement and the delivery thereof have been duly approved and authorized by the District.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

By: /s/ Michael D. Gregoryk
Vice President, Administrative Services

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds substantially in the following form.

April 4, 2019

Board of Trustees
Mt. San Antonio Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $310,700,000 Mt. San Antonio Community College District (Los Angeles, California) Election of 2018 General Obligation Bonds, Series 2019A (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code of the State of California, commencing with Section 53506 *et seq*., a fifty-five percent vote of the qualified electors of the Mt. San Antonio Community College District (the "District") voting at an election held on November 6, 2018, and a resolution of the Board of Trustees of the District (the "Resolution").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond. Original issue discount that accrues to the Bond Owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6 The amount by which a Bond Owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Bond Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bond Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2018

[THIS PAGE INTENTIONALLY LEFT BLANK]

Mt. San Antonio Community College District

Annual Financial Report

June 30, 2018

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

TABLE OF CONTENTS
JUNE 30, 2018

TABLE OF CONTENTS
JUNE 30, 2018

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Mt. San Antonio Community College District
Walnut, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component unit (Mt. San Antonio College Auxiliary Services), and the aggregate remaining fund information of Mt. San Antonio Community College District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 2017-2018 *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

10681 Foothill Blvd., Suite 300, Rancho Cucamonga, CA 91730 P 909.466.4410 F 909.466.4431 W vtdcpa.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 2 and Note 16 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 5 through 27, and other required supplementary schedules on pages 84 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming 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) and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary 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.

The accompanying unaudited supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2018, 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.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 4, 2018

1100 North Grand Avenue
Walnut, CA 91789-1399
909.274.7500 • www.mtsac.edu

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the Mt. San Antonio Community College District (the District) for the year ended June 30, 2018. This discussion is prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

Mt. San Antonio Community College District is a public Community College district that offers a diversified program designed to develop qualities of general education essential for citizens in a democratic society. The mission of the College is to support all students in achieving their educational goals in an environment of academic excellence. Specifically, the College is committed to providing quality education, services, and workforce training so that students become productive members of a diverse, sustainable, global society. The College pledges to prepare students for lifelong learning through the mastery of basic skills, the achievement of associate degrees and certificates, and the completion of career and transfer pathways. The College will carry out this commitment by providing an engaging and supportive teaching and learning environment for students of diverse origins, experiences, needs, abilities, and goals. The College is dedicated to serving our community through improving economic achievement, advancing civic engagement, enhancing personal well-being, promoting critical thinking, and enriching aesthetic and cultural experiences.

Mt. San Antonio Community College District has emerged as a leader in education not only in the San Gabriel Valley, but in the State of California. The District is the largest, single-campus community college district in the State. The District proudly celebrates over 70 years of educational excellence. The District will continue to offer access to quality programs and services, as well as provide an environment for educational excellence throughout the 21st century.

Accounting Standards

In June 1999, the Governmental Accounting Standard's Board (GASB) released Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and in November 1999, GASB released Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, which have been amended by GASB Statements No. 37, No. 38, and No. 39. These statements established that for financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. The Fiscal Accountability and Standards Committee of the California Community Colleges Chancellor's Office recommended that all California community colleges follow the standards under the Business Type Activity (BTA) model. This presentation provides a comprehensive government-wide perspective of the District's assets, liabilities, activities, and cash flows; instead of the fund group perspective previously required. The District is reporting its financial statements according to these standards.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for pensions. It also improves information provided by State and local governmental employers about financial support for pensions that is provided by other entities. This Statement impacts the accounting and reporting (accrual basis) of pension expense and net pension liability by reflecting the amounts on the government-wide financial statements. The California Community Colleges Chancellor's Office recommended that all California community colleges follow these new standards to reflect the proportionate share of the CalSTRS and CalPERS pension expense and net pension liability. The District has implemented the provisions of this statement.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting Postemployment Benefit Plans Other than pensions Plans.* The principal objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports (financial reports) of State and local governmental benefit plans for making decisions and assessing accountability. These benefits are referred to as other postemployment benefits (OPEB), and the plans through which the benefits are provided are referred to as OPEB plans. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes standards for governmental employer recognition, measurement, and presentation of information about OPEB. GASB Statement No. 75 also establishes requirements for reporting information about financial support provided by certain non-employer entities for OPEB that is provided to the employees of other entities. GASB Statements No. 74 and No. 75 are closely related in some areas, and certain provisions of this GASB Statement No. 74 refer to GASB Statement No. 75. The District has implemented the provisions of this Statement as of June 30, 2018.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees (both active employees and inactive employees) are provided with postemployment benefits other than pensions. These benefits are referred to as other postemployment benefits (OPEB). One aspect of that objective is to provide information about the effects of OPEB-related transactions and other events on the elements of the basic financial statements. This information will assist users in assessing accountability and the relationship between a government's inflows of resources and its total cost (including OPEB expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government's OPEB obligations and the resources, if any, available to satisfy those obligations. An additional objective of this Statement, is to improve the information provided in government financial reports about OPEB-related financial support provided by certain non-employer entities for OPEB that is provided to the employees of other entities. Finally, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes standards of financial reporting for defined benefit OPEB plans and defined contribution OPEB plans. GASB Statements No. 74 and No. 75 are closely related in some areas, and certain provisions of this Statement refer to GASB Statement No. 74. The District has implemented the provisions of this Statement as of June 30, 2018.

FINANCIAL HIGHLIGHTS

This section is to provide an overview of the District's financial activities. A comparative analysis is included in the Management's Discussion and Analysis using prior year information.

Selected Highlights

- Prior to July 2009, the Los Angeles County Superintendent of Schools provided the District with fiscal, budgetary, and financial management services through a contractual agreement for many years. On August 27, 2008, the Board of Trustees approved the District's application to the Los Angeles County Superintendent of Schools requesting Fiscal Accountability Status. The District began this process by following the steps as defined in *Education Code* Section 85266, which required adhering to statutory requirements with specific deadlines. Part of this approval process was to demonstrate to the Los Angeles County Superintendent of Schools that the District had a financial management system in place, as it would no longer be using the County's Finance and Payroll Systems. The integrity and security of the new Banner Finance and Human Resources/Payroll systems were validated by a team of external auditors prior to obtaining Fiscal Accountability Status. In addition, the auditors also validated that the District had a system of adequate internal controls, processes and procedures.

  Effective July 1, 2009 the District obtained Fiscal Accountability Status as approved by the Los Angeles County Superintendent of Schools. Achieving the Fiscal Accountability Status was necessary, because it allowed the District to implement an integrated management information system without the need for extensive interfaces with the County's systems. This transition has given departments the ability to obtain accurate and timely information that is required to monitor budgets and analyze current financial data in order to ensure sound financial decision making.

  As a result of the Fiscal Accountability Status, the District assumed the majority of the responsibilities previously performed by the Los Angeles County Superintendent of Schools for fiscal, budget, human resources/payroll, and financial management systems processing. In addition, the District assumed oversight for the internal audit function for the issuance of payroll and commercial warrants. With the Fiscal Accountability Status, the Los Angeles County Superintendent of Schools retained high-level oversight of the District, but was no longer involved in the day-to-day activities. Their role was to ensure that the District complied with the approved Fiscal Accountability Plan.

  This transfer of responsibilities from the Los Angeles County Superintendent of Schools to the District was an enormous undertaking. The time and effort required to obtain Fiscal Accountability Status was achieved by hard work, collaboration, and dedication by the District's staff.

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

Under *Education Code* Section 85266.5, Fiscal Independence is granted upon the approval of the Board of Governors of the California Community College Systems Office, based largely on the recommendation from the Los Angeles County Superintendent of Schools and the Los Angeles County Auditor/Controller, supported by the results of an assigned independent Certified Public Accountant firm's survey of Mt. San Antonio College's accounting controls. Obtaining Fiscal Independence Status allows the District to have broad authority to issue warrants without the review or approval of the Los Angeles County Superintendent of Schools or the Los Angeles County Auditor/Controller.

Based on the District's excellent reputation for fiscal management, validation of the internal controls by a team of external auditors, a recommendation from the Los Angeles County Superintendent of Schools, and a recommendation from the Los Angeles Auditor-Controller, the State Chancellor's Office submitted a request to the Board of Governors to grant Fiscal Independence Status to Mt. San Antonio Community College District. On November 7, 2011, the Board of Governors approved Mt. San Antonio College Fiscal Independence Status, effective July 1, 2012.

In March 2017, the College received a commendation from the Accrediting Commission for Community and Junior Colleges for successfully completing the rigorous testing and implementation required to achieve fiscal independence status. The College has been operating under the fiscal independence status since the fiscal year 2012-2013, evidence of compliance is included in the Fiscal Independence oversight reports issued by the Los Angeles County Office of Education.

- On November 6, 2001, the voters of the District approved a $221 million general obligation bond (Measure R) under Proposition 39 to provide better facilities for the students, faculty, and the community. Originally, there were 17 construction projects planned, but due to the increase in construction costs, three of these projects were eliminated; which left 14 major projects to be undertaken. Ground breaking began, for some of the projects, during 2001-2002 and continued through 2015-2016. The proceeds of these general obligation bond funds were completely expensed on June 30, 2015. The following bonds were issued:

  - $40 million Series A were issued in May 2002.
  - $75 million Series B were issued in February 2004.
  - $75.7 million refunding bonds were issued in September 2005. This issuance refunded certain Series A and B bonds.
  - $80 million Series C were issued in September 2006.
  - $26 million Series D were issued in July 2008/
  - $29.9 million refunding bonds were issued in June 2012. This issuance refunded certain 2005 refunding bonds.
  - $74.9 million Series A and $48.2 million Series B refunding bonds were issued in August 2013. These issuances refunded certain 2006 Series C bonds, 2005 refunding bonds, and 2012 refunding bonds.
  - $19.4 million 2015 refunding bonds were issued in September 2015. This issuance refunded certain 2008 Series D bonds.

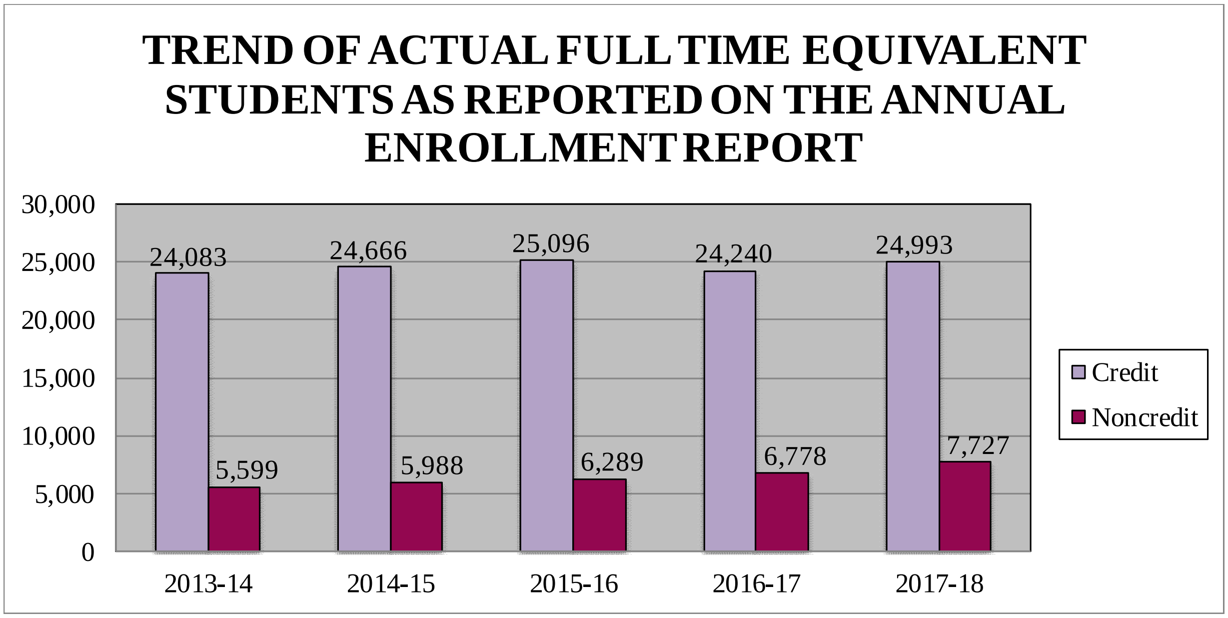
- On November 4, 2008, the voters of the District approved a $353 million general obligation bond (Measure RR) under Proposition 39 to finance the repair, upgrade and acquisition of equipment and instructional facilities for the science and computer labs, library, fire academy training facility, classrooms for nursing, paramedics and police officers, classrooms for education and vocational job training, a new computer technology center, and the establishment of a 2008 lease revenue bonds escrow account. The following bonds were issued:

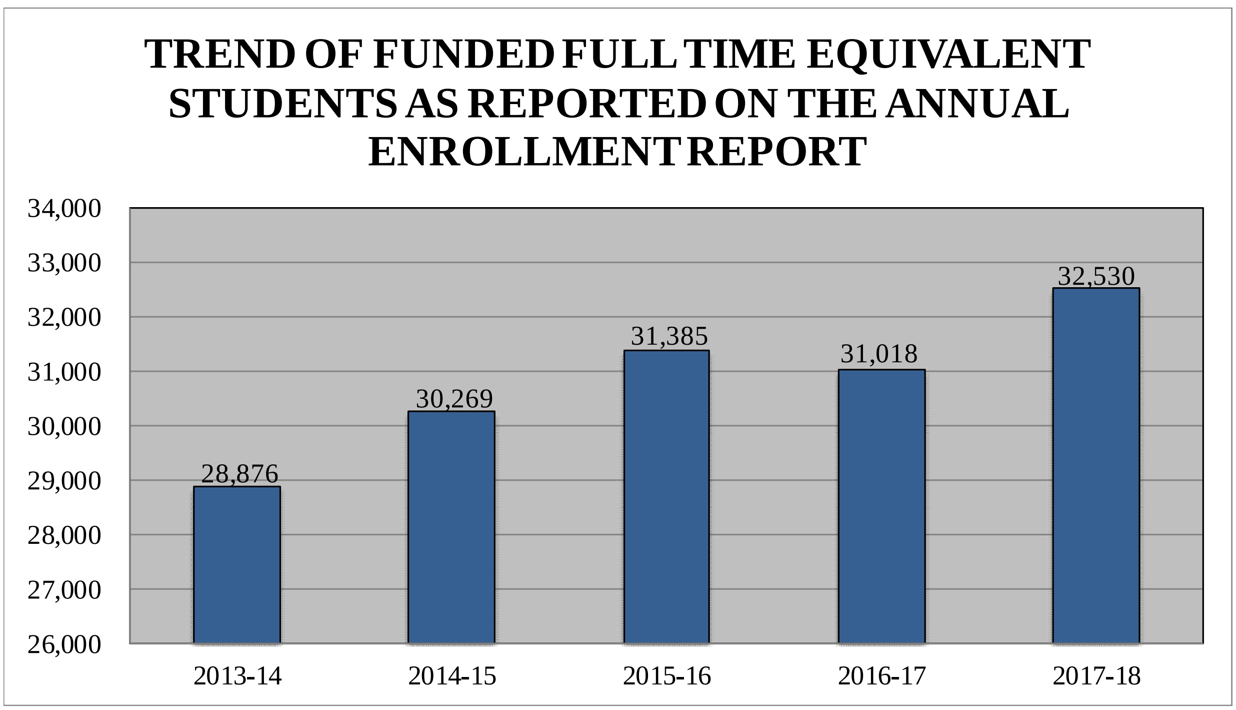
    - $205.6 million Series A and $11.7 million Series B were issued in August 2013.
    - $20 million Series C were issued in September 2015.

- On May 1, 2010, the District issued $65 million in bond anticipation notes. This was the result of the District's inability to issue bonds from the 2008 election (Measure RR) due to the decreased property valuations and the need to continue with scheduled construction projects. These bond anticipation notes financed the repair, upgrade, acquisition, construction and equipment of certain District property and facilities, and an escrow account was established to retire the debt for the 2008 lease revenue bonds. The District retired this bond anticipation notes obligation in August 2013 with the issuance of Series A and B 2008 Election general obligation bonds.

- On April 6, 2017, the District issued $90 million, under the Measure RR authorization, in bond anticipation notes. When assessed value improves, the College will sell general obligation bonds and retire this obligation. These bond anticipation notes will finance the remaining cost of the Business Project, the startup cost of the Athletics Complex, the Design of the Campus Center, and other campus-wide improvements.

- As of June 30, 2018, the total actual full-time equivalent students (FTES) increased from 31,018 to 32,720, a 5.5 percent increase for credit and noncredit courses. Funded credit and noncredit FTES are the basis for which the District receives State apportionment funding. The District estimated funded FTES for credit and noncredit increased from 31,018 in 2016-2017 to 32,530 in 2017-2018. This results in an approximate increase of 1,512 FTES, of which 388 FTES are to restore FTES due to the decline in the fiscal year 2016-2017 and 1,124 FTES to earn the 2017-2018 Growth. The final funded FTES for the fiscal year 2017-2018 will be communicated to the District with the apportionment recalculation in February 2019.





- The District ended the fiscal year 2017-2018 with an ending fund balance of $47.6 million in the Unrestricted General Fund, which represents 23.84 percent of the total expenditures, well above the 10 percent unassigned fund balance board policy. The District continues to end the fiscal year with a strong fund balance (reserves) due to fiscal prudence. These healthy fund balances and the efficient use of its resources have allowed the District to serve its students and the community at a high level, while allowing for careful consideration of budget plans for the fiscal year 2018-2019 and beyond.

Financial Statement Presentation and Basis of Accounting

The District's financial report includes three financial statements: The Statement of Net Position; the Statement of Revenues, Expenses and Change in Net Position; and the Statement of Cash Flows. Additional information regarding these financial statements is provided on the following pages.

The financial statements noted above are prepared in accordance with GASB Statements No. 34 and No. 35 which provides an entity wide perspective. Therefore, the financial data presented in these financial statements is a combined total of all District funds including Student Financial Aid Programs.

Also, in accordance with GASB Statements No. 34 and No. 35, the financial statements have been prepared under the full accrual basis of accounting which requires that revenues are recognized when earned and expenses are recorded when an obligation has been incurred. A reconciliation between the fund balances reported on the June 30, 2018 Annual Financial and Budget Report (CCFS-311), based upon governmental accounting principles and the modified accrual basis of accounting, and the total net position recorded on the full accrual basis of accounting is as follows:

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Fund Balance:		
General Funds	$ 50,906,416	
Child Development	817,649	
Health Services	1,144,605	
Debt Service	17,190,840	
Capital Outlay	64,170,217	
Bond Construction	8,085,186	
Farm Operations	245,172	
Fiduciary Funds	3,580,932	
Total Fund Balance per CCFS-311	146,141,017	
Funds not included in the CCFS-311 report	81,954,565	
Total Fund Balance - All District Funds		228,095,582
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	651,123,307	
Accumulated depreciation is	(156,821,464)	494,301,843
Amounts held in trust on behalf of others (Trust and Agency Funds)		(85,521,170)
The District has refunded debt obligations. The difference between the amount that was sent to escrow agent for the payment of the old debt and the actual remaining debt obligations will be amortized as an adjustment to interest expense. The balance represents the unamortized deferred charges on refunding amounts as of June 30, 2018.		2,026,787
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term obligations is recognized when it is incurred.		(2,439,879)
Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to pensions at year-end consist of:		
Pension contributions subsequent to the measurement date	19,412,486	
Net change in proportionate share of net pension liability	3,962,114	
Differences between projected and actual earnings on pension plan investments	3,117,288	
Differences between expected and actual experience in the measurement of the total net pension liability	3,723,530	
Changes of assumption	37,968,092	
Total Deferred Outflows of Resources related to Pensions		68,183,510

(continued)

Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year-end consist of:		
Net change in proportionate share of net pension liability	$ 2,270,922	
Differences between expected and actual experience in the measurement of the total net pension liability	3,566,008	
Differences between expected and actual experience in the measurement of the total net pension liability	2,335,352	
Changes of assumption	1,060,967	
Total Deferred Inflows of Resources related to Pensions		$ (9,233,249)
Deferred outflows of resources related to OPEB represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to OPEB at year-end consist of:		
Differences between projected and actual earnings on OPEB plan investments	1,741,280	
Changes of assumption	10,934,030	
Total Deferred Outflows of Resources related to OPEB		12,675,310
Deferred inflows of resources related to OPEB represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to OPEB at year-end consist of:		
Differences between expected and actual experience		(447,348)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bonds payable	433,752,698	
Premium on bonds	19,794,164	
Aggregate net other postemployment benefits (OPEB) liability	51,816,293	
Aggregate net pension obligation	224,008,285	
In addition, the District issued 'capital appreciation' general obligation bonds. The accretion of interest on those bonds to date is the following:	58,608,352	
		(787,979,792)
Total Net Position		**$ (80,338,406)**

Statement of Net Position

The Statement of Net Position presents the assets, liabilities and net position of the District as of the end of the fiscal year and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a point of time financial statements. The purpose of this statement is to present to the readers a fiscal snapshot of the District. The Statement of Net Position presents end-of-year data concerning assets (current and noncurrent), liabilities (current and noncurrent) and net position (assets minus liabilities).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the District. Readers are also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the net position and their availability for expenditure by the District.

The difference between total assets and total liabilities (net position) is one indicator of the current financial condition of the District as the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allocation for depreciation expense.

The Net Position is divided into three major categories. The first category, invested in capital assets, provides the equity amount in property, plant and equipment owned by the District. The second category is expendable restricted net position; this net position is available for expenditure by the District, but must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position that is available to the District for any lawful purpose of the District.

Our analysis below focuses on net position and change in net position of the District's business-type activities.

(Amounts in thousands)

	2018	(as restated) 2017	Change
ASSETS			
Current Assets			
Cash and investments	$ 184,115	$ 240,475	$ (56,360)
Accounts receivable and other assets	12,410	8,675	3,735
Total Current Assets	196,525	249,150	(52,625)
Capital Assets (net)	494,302	456,974	37,328
Total Assets	690,827	706,124	(15,297)
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	2,027	2,769	(742)
Deferred outflows related to pensions	68,184	42,040	26,144
Deferred outflows related to OPEB	12,675	-	12,675
Total Deferred Outflows of Resources	82,886	44,809	38,077
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	25,086	34,652	(9,566)
Unearned revenue	20,241	17,384	2,857
Current portion of long-term obligations other than pensions	14,040	13,175	865
Total Current Liabilities	59,367	65,211	(5,844)
Long-Term Obligations	785,004	730,854	54,150
Total Liabilities	844,371	796,065	48,306
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	9,233	7,729	1,504
Deferred inflows related to OPEB	447	-	447
Total Deferred Inflows of Resources	9,680	7,729	1,951
NET POSITION			
Net investment in capital assets	92,559	91,064	1,495
Restricted	42,494	41,546	948
Unrestricted	(215,391)	(185,471)	(29,920)
Total Net Position	$ (80,338)	$ (52,861)	$ (27,477)

This schedule has been prepared from the District *Statement of Net Position* (page 28), which is presented on the accrual basis of accounting whereby capital assets are capitalized and depreciated and all liabilities of the District are recognized.

Cash and short-term investments consist primarily of funds held in the County Treasury. The changes in cash position are explained in the *Statement of Cash Flows* (pages 30-31).

- The total cash balance had a net decrease of $56.4 million. The General Fund cash decreased by $6.0 million primarily as result of property tax revenues for the Educational Revenue Augmentation Fund (ERAF) that was not received until July 2019 and an increase in adjunct faculty to support the 2017-2018 Growth. The Capital Outlay and Bond Interest Redemption funds experienced increases in revenues of $2.6 million mainly as a result of projects funded with the Strong Workforce Regional grants. The Bond Construction funds decreased by $53.0 million for payments made for construction on the Business and Computer Technology Building, Athletics Complex Phase 2, Parking Structure Lot R, Temporary Space Portable Building 40, Portable Building 16E, and other miscellaneous projects.

- Total account receivables and other assets increased by $3.7 million. The General Fund increased by $5.2 million mostly due to property tax revenues for the ERAF that were accrued as of June 30, 2018; the Capital Outlay Fund decreased by $0.8 million because the accounts receivable for the Southern California Edison Rebate for the Central Plant Chilled Water Project outstanding as of June 30, 2017 was collected during the 2017-2018 fiscal year. In addition, the Retirees Health Premiums accounts receivable from the OPEB trust decreased by $0.7 million due to a reduction in outstanding premiums year-over-year. The financial statements for the OPEB Trust are presented in the Statement of Fiduciary Net Position. On May 27, 2015, the Board of Trustees approved a funding plan for the OPEB, which consists of funding $2.5 million from the Unrestricted General Fund and paying the Retirees Health Premiums from the interest earned on the OPEB Trust.

- Capital assets had a net increase of $37.3 million. The District had additions of $164.8 million related to equipment purchases, site and site improvement, and construction in progress. The District recognized a depreciation expense of $14.0 million during 2017-2018. The capital asset section of this discussion and analysis provides additional information.

- The deferred charges on refunding decreased by $0.7 million. This decrease is the result of the amortization for the Measure R general obligation refunding bonds series 2013A, 2013B and 2015.

- Changes in net pension obligation attributable to experience gain/losses, assumption changes, and differences between projected and actual earnings on investments not recognized as expenses during the 2017-2018 fiscal year are accounted for as deferred inflows and outflows of resources.

  The deferred outflows of resources related to pensions increased by $26.1 million. This increase is due to the District's share of deferred outflows for changes in assumptions in the discount rate, basically CalSTRS and CalPERS lowered the discount rate, which increases the net pension obligation. CalSTRS deferred outflows of resources increased by $19.4 million, while CalPERS deferred outflows increased by $6.7 million. The deferred inflows of resources related to pensions decreased by $1.5 million. CalSTRS deferred inflows increased by $2.6 million, while CalPERS deferred inflows decreased by $1.1 million. See Note 12 for detailed information related to the aggregate net pension obligation and the associated deferred inflows and outflows of resources.

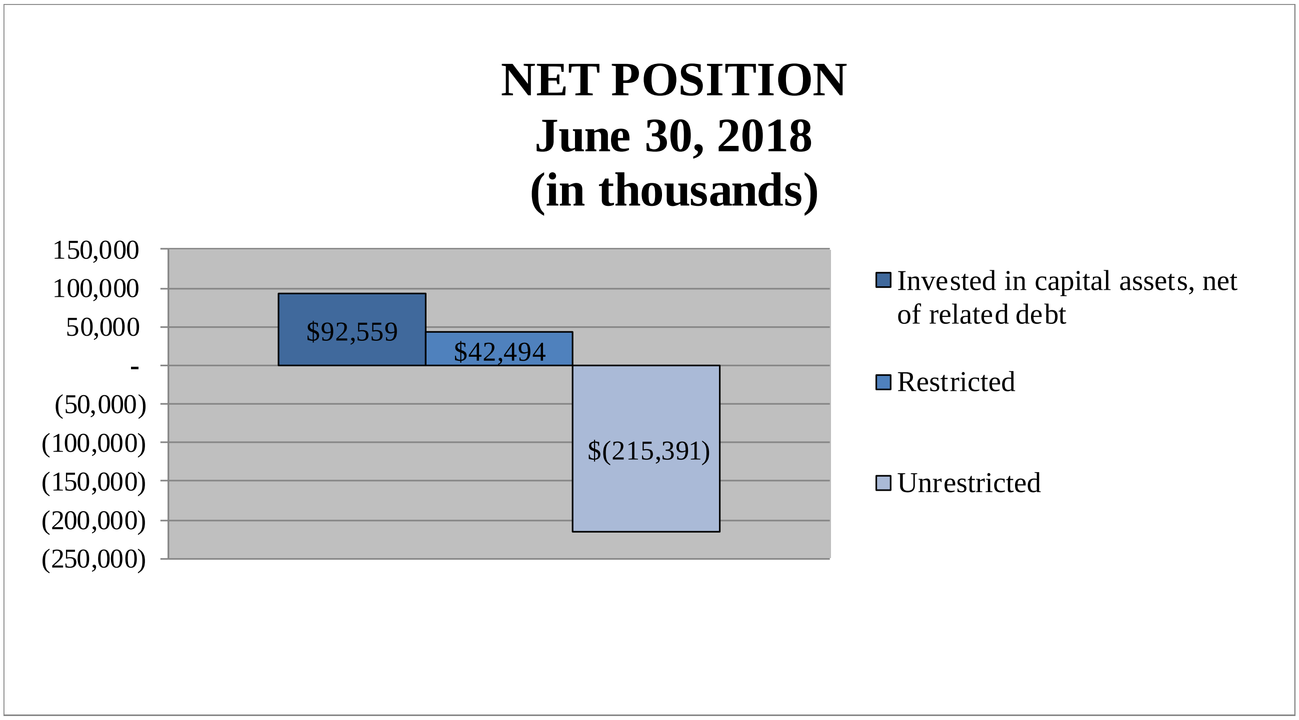
Due to the implementation of GASB statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District accounted for deferred inflows and deferred outflows related to OPEB. The deferred outflows of resources related to OPEB increased by $12.7 million. This increase is due to changes in assumptions in the discount rate used in the latest actuarial report, where the rate was decreased from 5.0 percent to 4.2 percent. The deferred inflows of resources related to OPEB decreased by $0.4 million. See Note 10 for detailed information related to the aggregate net OPEB liability and the associated deferred inflows and outflows of resources.

- Accounts payable and accrued liabilities had a net decrease of $9.6 million. Accounts payable decreased in the General Fund by $7.3 million due to receiving general apportionment, Education Protection Account (EPA), and property taxes higher than estimated when comparing the 2016-2017 and the 2017-2018 fiscal years. Accounts payable also had a net decrease of $2.3 million. Most of these major increases and decreases are for capital projects. While accounts payable for the Athletics Complex Phase 2, Parking Structure Lot R, Parking Structure Lot S, Building 26 Air Handlers, and Construction Support increased; accounts payable for the Business and Computer Technology Building, Central Plant Chilled Water Project, Portable Building 16E, and Temporary Space Portable Building 40 decreased.

- The long-term debt liabilities (current and noncurrent) net increase of $55.0 million is mainly attributed to the increases in aggregate net pension obligation and OPEB liability. As explained before, CalSTRS and CalPERS lowered the discount rates, which resulted in higher deferred outflows and higher pension obligations. Similarly, the OPEB liability increased because the discount rate was lowered from 5.0 percent to 4.2 percent in the District's latest actuarial report, resulting in a higher OPEB liability.

- The District's net position was $(80.3) million for the fiscal year ended June 30, 2018. Of this amount, $(215.4) million was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Board's ability to use that net position for day-to-day operations.

The following is a graphic representation of the Net Position as of June 30, 2018:



Statement of Revenues, Expenses, and Change in Net Position

Change in net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Change in Net Position (page 29). The purpose of this statement is to present the operating and nonoperating revenues earned, whether received or not, by the District, the operating and nonoperating expenses incurred, whether paid or not, by the District, and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this Statement presents the District's results of operations.

Generally, operating revenues are earned for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided; for example, State appropriations are nonoperating because they are provided by the legislature to the District without the legislature directly receiving commensurate goods and services for those revenues.

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

(Amounts in thousands)

	2018	2017	Change
Operating Revenues			
Tuition and fees	$ 20,425	$ 19,650	$ 775
Grants and contracts	46,325	41,801	4,524
Enterprise sales and charges	157	211	(54)
Total Operating Revenues	66,907	61,662	5,245
Operating Expenses			
Salaries and benefits	221,714	200,380	21,334
Supplies, materials, and other operating expenses	36,152	34,469	1,683
Student financial aid	49,689	45,460	4,229
Depreciation	13,969	13,220	749
Total Operating Expenses	321,524	293,529	27,995
Loss on Operations	(254,617)	(231,867)	(22,750)
Nonoperating Revenues (Expenses)			
State apportionments	112,113	108,808	3,305
Property taxes	76,815	66,421	10,394
Federal and State financial aid grants	47,705	44,310	3,395
State taxes and other revenues	8,363	10,378	(2,015)
Net interest expense	(19,809)	(24,229)	4,420
Other nonoperating revenues (expenses)	47	608	(561)
Total Nonoperating Revenues	225,234	206,296	18,938
Other Revenues and (Losses)			
State, local capital income and (losses)	1,906	3,812	(1,906)
Net Change in Net Position	$ (27,477)	$ (21,759)	$ (5,718)

The operating revenues for the District are specifically defined as revenues from users of the College's facilities and programs. Excluded from operating revenues are the components of the primary source of District funding; the State apportionment process which includes the State general apportionment and local property taxes. As these resources of revenues are from the general population of the State of California, and not from the direct users of the educational services, they are considered to be nonoperating. As a result, the operating loss of $254.6 million is balanced by other funding sources. Total District expenses exceeded total revenues by $27.5 million for the year ended June 30, 2018.

Grants and contract revenues relate Federal and State grants received for programs serving students of the District. These grants and program revenues are restricted as to the allowable expenses related to the programs.

Interest income is primarily the result of cash held at the County Treasury. Interest expense relates to interest payments on the general obligation bonds as described in Note 10 of the financial statements.

- Net enrollment, tuition and fees increased by $0.8 million. This increase is attributed to the international student insurance fee, which the District started processing in its books in 2017-2018 fiscal year. Previously, this insurance was paid directly by the students to the insurance providers.

- Grants and Contracts had a net increase of $4.5 million. This increase is primarily attributed to State grants. The most significant increases are in the Strong Workforce Local and Regional Programs, Board Financial Assistance Program (BFAP), Instructional Equipment Grant, and the CalSTRS On-Behalf Revenues.

- The net increase in operating expenses of $28.0 million is mainly due to the following items: an ongoing two percent salary increase for all employee groups, new positions and operating expenses approved through the Colleges' New Resources Allocation Process, increases in CalSTRS and CalPERS employer contributions due to rate increases, increase in pension obligations as established by GASB, and an increase in depreciation expense. As new buildings are completed, depreciation expense is recognized.

- Since the fiscal year 2012-2013, the District's base apportionment sources of funding include property taxes, enrollment fees, State apportionment, and the Education Protection Account (EPA). Districts' State aid is reduced by one dollar for each dollar received from EPA, local property taxes, and enrollment fees. The EPA was created in November 2012 by Proposition 30 and was amended with Proposition 55 on November 2016. Proposition 55 extends the temporary personal income tax increases enacted in 2012 until December 2030. The State apportionment noncapital increased by $3.3 million as a result of State funding increases for Cost-of-Living Adjustment (COLA), Growth, and Base Allocation.

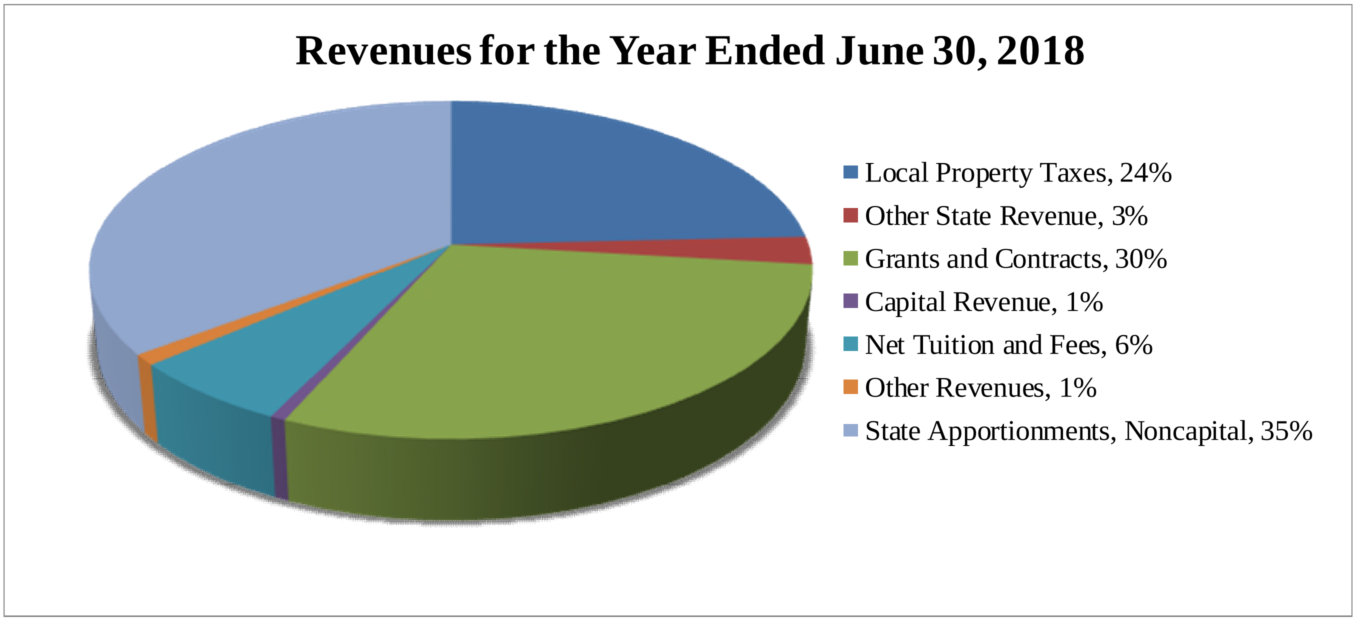
- Property taxes levied for general purposes and for other specific purposes increased by $10.4 million. The property taxes levied for general purposes increased by $9.7 million as a result of greater collections of the Education Revenue Augmentation Fund (ERAF) and additional property taxes from Redevelopment Agencies. Property taxes for other specific purposed increased by $0.7 million due to the collections of the general obligation bond repayments.

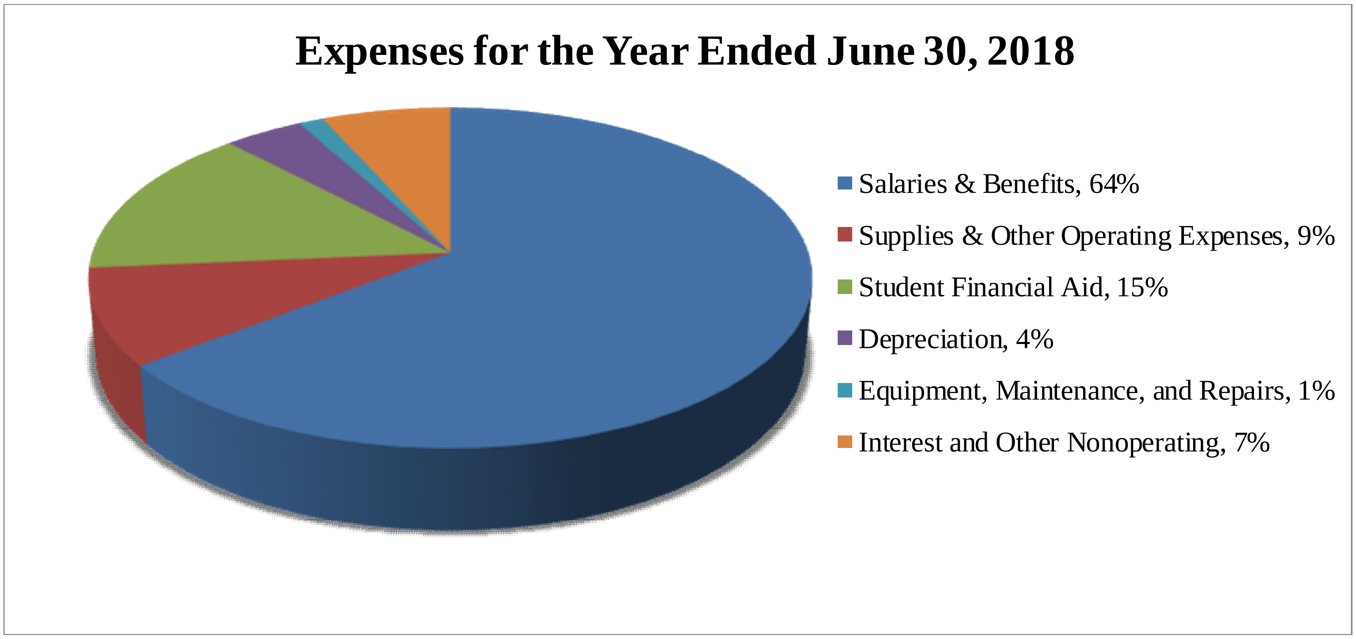
- Federal and State financial aid had a net increase of $3.4 million. Federal financial aid grant increased by $2.8 million, which is mainly due to Pell grants for increased number of applicants. State grants also increased by $0.5 million for California Community College Completion Grant (CCCCG), Cal Grants, and Emergency Dreamers grant.

- State revenues have a net decrease of $2.0 million. While Lottery revenues increased by $0.8 million, one-time State Mandated Costs Reimbursement decreased by $2.8 million. There was no one-time State Mandated Cost Reimbursement State funding for the fiscal year 2017-2018.

- Net interest expenses decreased by $4.4 million essentially as a result of the amortization for the Measure R general obligation refunding bonds series 2013A, 2013B and 2015.

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





Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This Statement also helps users assess the District's ability to generate positive cash flows, meet obligations as they come due, and obtain external financing.

The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash used by the operating activities of the District. The second part details cash received for nonoperating, noninvesting and noncapital financing purposes. The third part shows cash flows from capital and related financing activities, disclosing the cash used for the acquisition and construction of capital and related items. The fourth part provides information from investing activities and the amount of interest received. The last section reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenues, Expenses and Change in Net Position.

(Amounts in thousands)

	2018	2017	Change
Cash Provided by (Used in)			
Operating activities	$ (222,096)	$ (198,601)	$ (23,495)
Noncapital financing activities	212,248	207,798	4,450
Capital financing activities	(49,026)	41,552	(90,578)
Investing activities	2,514	1,406	1,108
Net Increase (Decrease) in Cash	(56,360)	52,154	(108,515)
Cash, Beginning of Year	240,475	188,321	52,154
Cash, End of Year	$ 184,115	$ 240,475	$ (56,361)

The primary operating receipts are student tuition and fees and enterprise sales and charges. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff, as well as District administrators.

- Cash receipts from "operating activities" are from student enrollment, tuition and other fees. Uses of cash include payments to employees, vendors and students related to the instructional programs. The net increase in cash used by operating activities is primarily due to the timing of when revenue is received and payments are paid.

- Cash received from "noncapital financing activities" increased by $4.4 million. The main contributors to this net increase were the result of increases in property taxes revenues received for the Educational Revenue Augmentation Fund (ERAF) and Pell grants.

- The cash from "capital financing activities" had a net decrease of $90.6 million. The cash decreased because the District did not receive proceeds from bond issuances in the fiscal year 2017-2018 when comparing the 2017-2018 and 2016-2017 fiscal years. The cash also decreased due to payments made for the Business and Computer Technology Building, Athletics Complex Phase 2, Student Center, Parking Structure Lot R, Parking Structure Lot S, Utility Infrastructure South East Quadrant Water Line, Temporary Space Portable Building 40, and Portable Building 16E.

- Cash provided by "investing activities" includes interest earned on bank accounts and cash invested through the Los Angeles County Investment Pool.

District's Fiduciary Responsibility

The District includes Mt. San Antonio Auxiliary Services as a component unit. The Auxiliary is a separate not-for-profit corporation formed to promote and assist the educational programs of the District. Separate financial statements for the Auxiliary can be obtained through the District.

The Mt. San Antonio Community College District OPEB Trust was established in 2008-2009. The Trust is an irrevocable government trust for the purpose of funding post-employment health benefits. The District acts as the fiduciary of the Trust and the financial activity of the Trust has been discretely presented in the financial statements.

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

On June 23, 2016, the District established an irrevocable trust for future CalSTRS and CalPERS obligation increases. The District acts as the fiduciary of the Trust and the financial activity of the Trust has been discretely presented in the financial statements.

Capital Assets

As of June 30, 2018, the District had over $494.3 million invested in depreciable capital assets. The total cost of capital assets of $651.1 million consist of land, buildings and building improvements, construction in progress, vehicles, data processing equipment and other office equipment. These assets have accumulated depreciation of $156.8 million. Significant capital asset additions and deletions of $47.8 million, which is mainly a net decrease in construction in progress totaling $67.0 million, a net increase in equipment totaling $3.2 million, and an increase in buildings and site improvements totaling $111.6 million, occurred during 2017-2018. Depreciation expense of $14.0 million was recorded for the fiscal year.

During 2017-2018, the following projects were capitalized:

- Business and Computer Technology Building
- Child Development
- Child Development Center Corrective Measures, Site Improvement
- Food Services Building
- Student Services Annex
- Administration Building Second Floor Renovation
- Agricultural Science Building Project

Construction in progress during 2017-2018 includes the following projects:

Solar Photovoltaic System
48 Agricultural Building
Student Center
Athletics Complex Phase 2
Fire Academy Site Preparation
Parking Structure
Parking Structure Lot R
Parking Structure Lot S
Building 26 Air Handlers Project
Temple and Grand Avenue Landscape Improvement
Central Plant Chilled Water
Utility Infrastructure South East Quadrant Water Line
Utility Infrastructure North East Quadrant Building 40
Site Improvement Adjacent to Building 16E
Temporary Space Building Upgrade
Temporary Space Portable Building 40
Portable Building 16E
Portable Building 46A
Portable Building Athletics
Building 66 Language Lab Expansion
Building 40 Testing Center
Physical Education, Wellness Facility

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below:

(Amounts in thousands)

	2018	2017
Land, collections, and construction in progress	$ 81,822	$ 148,849
Buildings and improvements	518,836	407,183
Furniture and equipment	50,465	47,251
Total Capital Assets	651,123	603,283
Less accumulated depreciation	(156,821)	(146,309)
Capital Assets, Net	$ 494,302	$ 456,974

Debt

On June 30, 2018, the District had $799.0 million in debt. The balance includes the remaining principal debt for the Measure R (Election 2001) bonded debt, the Measure RR (Election 2008) bonded debt, the 2017 Measure RR bond anticipation Notes, the Net OPEB Obligation, and the Net Pension Liability for CalSTRS and CalPERS. The outstanding bond debt of Measure R consists of $63.2 million Series A general obligation refunding bonds issued August 2013, $37.0 million Series B general obligation refunding bonds issued August 2013, and $19.1 million general obligation refunding bonds issued September 2015. The outstanding bond debt of Measure RR consists of $256.8 million Series A general obligation bonds, $7.4 million Series B general obligation bonds issued in August 2013, and $16.8 million Series C general obligation bonds issued in September 2015. The general obligation bonds were issued to finance the repair, upgrade, acquisition, construction and equipment of certain District property and facilities. The balance also includes $92.1 million in 2017 Measure RR bond anticipation Notes issued in April 2017. The general obligation bonds and net pension liability comprise approximately 92 percent of the District's total long-term debt. Debt payments on the bond will be funded through property tax receipts collected over the term of the bonds.

Notes 10 and 12 in the financial statements provide additional information on long-term obligations. A summary of long-term obligations is presented below:

(Amounts in thousands)	2018	(as restated) 2017
General obligation bonds and notes payable	$ 512,155	$ 510,743
Compensated absences and load banking	11,065	10,071
Aggregate net OPEB liability	51,816	34,938
Aggregate net pension obligation	224,008	188,277
Total Long-Term Obligations	$ 799,044	$ 744,029

Economic Factors that May Affect the Future

As of June 30, 2018, the District's overall financial position is strong due to prior year's prudent fiscal management, which resulted in a healthy balance of $47.6 million in the Unrestricted General Fund.

The 2018-2019 Adopted Budget reflects the Governor's ongoing commitment to public higher education. The most significant changes for California community colleges are a new Student-Centered Funding Formula (SCFF), the creation of a fully online community college, and the consolidation of the Student Success and Support Program, Student Equity Program, and the Basic Skills Program into a new Student Equity and Achievement Program.

The new funding formula will be phased in over three years and includes a three-year hold harmless provision that guarantees all colleges receive at least a cost-of-living for three years. Among the most significant increases, the 2018-2019 District's budget includes $4.8 million for Cost-of-Living Adjustment (COLA), and $4.5 million for the Student-Centered Funding Formula. The Governor's budget includes $59.1 million for one percent growth funding. Accordingly, the District plans to increase course offerings for the fiscal year 2018-2019.

Although the 2018-2019 budget for community colleges is favorable, it is important to point out that colleges continue to have major increases in CalPERS and CalSTRS pension costs. Additionally, the degree of uncertainty due to the complexity of implementing the Student-centered Funding Formula is another important factor for consideration.

Subsequent Events

Effective July 1, 2018, the Faculty, Management, and CSEA 262 employee groups will receive a 2.71 percent ongoing increase in salaries, and the Confidential employee group will received a 2.95 percent ongoing increase in salaries. Effective January 2019, the CSEA 262 employee group will receive an additional 1.29 percent ongoing increase in salaries and a one-time health and welfare increase.

On November 6, 2018, the voters of the District approved a $750 million general obligation bond (Measure GO) under Proposition 39. These bonds will finance facilities to help the College support more students, help local students transfer to 4-year universities, train more workers, and improve safety.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2018

ASSETS	
Current Assets	
Cash and cash equivalents - unrestricted	$ 213,880
Cash and cash equivalents - restricted	232,209
Investments - unrestricted	66,065,982
Investments - restricted	117,602,824
Accounts receivable	10,969,118
Student receivable, net	1,035,880
Due from Auxiliary	78,401
Due from fiduciary funds	327,280
Total Current Assets	196,525,574
Noncurrent Assets	
Nondepreciable capital assets	81,822,253
Depreciable capital assets, net of depreciation	412,479,590
Total Noncurrent Assets	494,301,843
TOTAL ASSETS	690,827,417
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	2,026,787
Deferred outflows of resources related to pensions	68,183,510
Deferred outflows of resources related to OPEB	12,675,310
Total Deferred Outflows of Resources	82,885,607
LIABILITIES	
Current Liabilities	
Accounts payable	22,645,698
Accrued interest payable	2,439,879
Due to Auxiliary	32
Unearned revenue	20,240,771
Current portion of long-term obligations other than pensions	14,040,000
Total Current Liabilities	59,366,380
Noncurrent Liabilities	
Compensated absences and load banking payable	11,064,661
Bonds payable	498,115,214
Aggregate net other postemployment benefits (OPEB) liability	51,816,293
Aggregate net pension obligation	224,008,285
Total Noncurrent Liabilities	785,004,453
TOTAL LIABILITIES	844,370,833
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	9,233,249
Deferred inflows of resources related to OPEB	447,348
Total Deferred Inflows of Resources	9,680,597
NET POSITION	
Net investment in capital assets	92,559,079
Restricted for:	
Debt service	14,750,961
Capital projects	22,478,093
Educational programs	5,264,380
Unrestricted	(215,390,919)
TOTAL NET POSITION	$ (80,338,406)

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

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT FOR THE YEAR ENDED JUNE 30, 2018

OPERATING REVENUES	
Student Tuition and Fees	$ 40,634,445
Less: Scholarship discount and allowance	(20,209,741)
Net tuition and fees	20,424,704
Grants and Contracts, Noncapital	
Federal	5,261,415
State	38,669,194
Local	2,394,596
Total grants and contracts, noncapital	46,325,205
Enterprise Sales and Charges	
Farm operations	156,677
TOTAL OPERATING REVENUES	66,906,586
OPERATING EXPENSES	
Salaries	155,388,626
Employee benefits	66,325,373
Supplies, materials, and other operating expenses and services	31,703,297
Student financial aid	49,688,609
Equipment, maintenance, and repairs	4,448,273
Depreciation	13,969,042
TOTAL OPERATING EXPENSES	321,523,220
OPERATING LOSS	(254,616,634)
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	112,113,017
Local property taxes, levied for general purposes	56,072,855
Taxes levied for other specific purposes	20,742,119
Federal financial aid grants, noncapital	43,182,194
State financial aid grants, noncapital	4,522,915
State taxes and other revenues	8,362,746
Investment income	2,882,361
Interest expense on capital related debt	(22,832,528)
Investment income on capital asset-related debt	140,921
Transfer to fiduciary funds	(2,002,000)
Other nonoperating revenue	2,048,861
TOTAL NONOPERATING REVENUES (EXPENSES)	225,233,461
LOSS BEFORE OTHER REVENUES AND (LOSSES)	(29,383,173)
OTHER REVENUES AND (LOSSES)	
State revenues, capital	1,304,806
Local revenues, capital	826,041
Loss on disposal of capital assets	(225,035)
TOTAL OTHER REVENUES AND (LOSSES)	1,905,812
CHANGE IN NET POSITION	(27,477,361)
NET POSITION, BEGINNING OF YEAR, as restated	(52,861,045)
NET POSITION, END OF YEAR	$ (80,338,406)

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

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 20,237,316
Payments to vendors for supplies and services	(36,233,865)
Payments to or on behalf of employees	(204,513,689)
Payments to students for scholarships and grants	(49,688,609)
Federal, State, and local grants and contracts	47,948,940
Enterprise sales and charges	153,671
Net Cash Flows From Operating Activities	(222,096,236)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State apportionments	112,113,017
Federal and State financial aid grants	47,705,109
Property taxes - nondebt related	50,709,752
State taxes and other apportionments	8,136,013
Other nonoperating	(6,416,271)
Net Cash Flows From Noncapital Financing Activities	212,247,620
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(53,936,264)
Proceeds from capital debt	16,128,629
State revenue, capital projects	3,948,654
Local revenue, capital projects	826,041
Property taxes - related to capital debt	20,742,119
Principal paid on capital debt	(14,716,564)
Interest paid on capital debt	(22,159,897)
Interest received on capital asset-related debt	140,921
Net Cash Flows From Capital Financing Activities	(49,026,361)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	2,514,377
NET CHANGE IN CASH AND CASH EQUIVALENTS	(56,360,600)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	240,475,495
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 184,114,895

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

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	$ (254,616,634)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities	
Depreciation expense	13,969,042
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows	
Receivables, net	(79,357)
Deferred outflows of resources related to pensions	(26,142,870)
Deferred outflows of resources related to OPEB	(12,675,310)
Accounts payable and accrued liabilities	381,498
Unearned revenue	1,512,698
Compensated absences and load banking	993,332
Aggregate net OPEB liability	16,878,433
Aggregate net pension obligation	35,731,069
Deferred inflows of resources related to pensions	1,504,515
Deferred inflows of resources related to OPEB	447,348
Total Adjustments	32,520,398
Net Cash Flows From Operating Activities	$ (222,096,236)
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:	
Cash in banks	$ 446,089
Cash in county treasury	183,668,806
Total Cash and Cash Equivalents	$ 184,114,895
NONCASH TRANSACTIONS	
On behalf payments for benefits	$ 6,441,584

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018

	District Retiree OPEB Trust	STRS and PERS Trust	Other Trusts
ASSETS			
Cash and cash equivalents	$ 3,803,604	$ 813,110	$ -
Investments	67,936,812	9,728,319	3,558,682
Accounts receivable	-	-	308,441
Student receivable	-	-	28,955
Total Assets	71,740,416	10,541,429	3,896,078
LIABILITIES			
Accounts payable	-	-	36,453
Due to District	327,280	-	-
Due to Auxiliary	-	-	188,564
Amounts held on behalf of others	-	-	104,456
Total Liabilities	327,280	-	329,473
NET POSITION			
Restricted	71,413,136	10,541,429	-
Unrestricted	-	-	3,566,605
Total Net Position	$ 71,413,136	$ 10,541,429	$ 3,566,605

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

Component Unit Auxiliary Retiree OPEB Trust	Agency Funds
$ 311,755	$ -
3,207,746	132,599
-	-
-	-
3,519,501	$ 132,599
-	$ 792
-	-
-	-
-	131,807
-	$ 132,599
3,519,501	
-	
$ 3,519,501	

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	District Retiree OPEB Trust	STRS and PERS Trust	Other Trusts	Component Unit Auxiliary Retiree OPEB Trust
ADDITIONS				
Local revenues	$ -	$ -	$ 1,582,854	$ -
District contributions	2,500,000	-	-	262,944
Interest and investment income	4,127,765	548,682	-	203,170
Net realized and unrealized losses	(3,281,707)	(251,161)	-	(141,213)
Total Additions	3,346,058	297,521	1,582,854	324,901
DEDUCTIONS				
Classified salaries	-	-	205,783	-
Employee benefits	3,972,152	-	37,133	262,944
Books and supplies	-	-	67,117	-
Services and operating expenditures	25,076	2,606	1,242,449	2,770
Capital outlay	-	-	16,565	-
Total Deductions	3,997,228	2,606	1,569,047	265,714
OTHER FINANCING SOURCES				
Transfer from primary government	-	2,000,000	2,000	-
Change in Net Position	(651,170)	2,294,915	15,807	59,187
Net Position - Beginning of Year	72,064,306	8,246,514	3,550,798	3,460,314
Net Position - End of Year	$ 71,413,136	$ 10,541,429	$ 3,566,605	$ 3,519,501

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

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

MT. SAN ANTONIO COLLEGE AUXILIARY SERVICES
STATEMENT OF NET POSITION - COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2018

ASSETS	
Current Assets	
Cash and cash equivalents	$ 267,270
Investments	2,476,893
Accounts receivable	414,498
Notes receivable, current portion	3,529
Due from District	188,596
Prepaid expenses	1,000
Total Current Assets	3,351,786
Noncurrent Assets	
Notes receivable	10,588
Depreciable capital assets, net of depreciation	151,635
Total Noncurrent Assets	162,223
TOTAL ASSETS	3,514,009
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	1,206,708
Deferred outflows of resources related to OPEB	88,792
Total Deferred Outflows of Resources	1,295,500
LIABILITIES	
Current Liabilities	
Accounts payable	82,833
Due to District	78,401
Total Current Liabilities	161,234
Noncurrent Liabilities	
Compensated absences payable	71,826
Net other postemployment benefits (OPEB) liability	657,606
Aggregate net pension obligation	3,917,476
Total Noncurrent Liabilities	4,646,908
TOTAL LIABILITIES	4,808,142
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	242,319
NET POSITION	
Net investment in capital assets	151,635
Unrestricted	(392,587)
TOTAL NET POSITION	$ (240,952)

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

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

MT. SAN ANTONIO COLLEGE AUXILIARY SERVICES
STATEMENT OF CHANGES IN NET POSITION - COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2018

OPERATING REVENUE		
Sales, net	$ 2,322,713	
Less: Cost of goods sold	(1,851,219)	
Gross Margin on Sales		$ 471,494
Book rentals		141,480
Bookstore commissions		300,000
Food service commissions		183,049
Vending		74,027
Miscellaneous revenues		534,975
TOTAL OPERATING REVENUE		1,705,025
OPERATING EXPENSES		
Salaries		601,175
Employee benefits		982,073
Supplies and materials		228,716
Other operating expenses and services		322,462
Capital outlay		3,769
Financial aid		32,500
Depreciation		31,090
TOTAL OPERATING EXPENSES		2,201,785
NET OPERATING LOSS		(496,760)
NONOPERATING INCOME (LOSSES)		
Interest income		15,759
Special item: Loss associated with outsourcing bookstore operations		(671,798)
TOTAL NONOPERATING LOSS		(656,039)
CHANGE IN NET POSITION		(1,152,799)
NET POSITION, BEGINNING OF YEAR, as restated		911,847
NET POSITION, END OF YEAR		$ (240,952)

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

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

MT. SAN ANTONIO COLLEGE AUXILIARY SERVICES
STATEMENT OF CASH FLOWS - COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Auxiliary enterprise sales and charges	$ 1,338,708
Payments to vendors for supplies and services	(863,852)
Payments to or on behalf of employees	(1,168,200)
Liquidation of inventory and prepaid expenditures	2,607,516
Payments to students for aid	(32,500)
Special item: Loss associated with outsourcing bookstore operations	(671,798)
Net Cash Flows From Operating Activities	1,209,874
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(10,402)
CASH FLOWS FROM INVESTING ACTIVITIES	
Notes receivable collections	3,529
Interest received from investments	11,910
Net Cash Flows From Investing Activities	15,439
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,214,911
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,529,252
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,744,163

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

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

MT. SAN ANTONIO COLLEGE AUXILIARY SERVICES
STATEMENT OF CASH FLOWS - COMPONENT UNIT, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	$ (496,760)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities	
Depreciation expense	31,090
Special item: Loss associated with outsourcing bookstore operations	(671,798)
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows	
Receivables	(366,317)
Prepaid expenses	542,014
Inventories	2,065,502
Deferred outflows of resources related to pensions	(340,683)
Deferred outflows of resources related to OPEB	(88,792)
Accounts payable	(271,169)
Compensated absences	3,487
Net OPEB liability	(94,710)
Aggregate net pension obligation	1,008,841
Deferred inflows of resources related to pensions	(110,831)
Total Adjustments	1,706,634
Net Cash Flows From Operating Activities	$ 1,209,874
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:	
Cash in banks	$ 267,270
Cash in County treasury	2,476,893
Total Cash and Cash Equivalents	$ 2,744,163

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

NOTE 1 - ORGANIZATION

Mt. San Antonio Community College District (the District) is a comprehensive, public, two-year institution offering higher education in the County of Los Angeles (the County), in the State of California (the State). The District is governed by a locally elected seven-member Board of Trustees, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, as well as all other funds. These budgets are the responsibility of management. The District consists of one community college located in Walnut, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Trustees.

The District has adopted GASB Statement No. 61, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment to GASB Statement No. 14.* These statements amend GASB Statement No. 14, *The Financial Reporting Entity,* to provide additional guidance 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. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion.

Based on the application of the criteria listed above, the following component unit has been discretely presented in this report:

Mt. San Antonio College Auxiliary Services

The Auxiliary is a separate not-for-profit corporation formed to promote and assist the educational programs of the District. The Board of Directors is comprised of the Vice President of Administrative Services and Vice President of Student Services of the District, along with the Associated Students President and two other members appointed by the Vice President of Administrative Services. In addition, the Auxiliary may not carry on any activities not approved by the Vice President of Administrative Services of the District. Upon dissolution of the Auxiliary, net position, other than trust funds, will be distributed to the District. The financial activities of the Auxiliary have been discretely presented. Separate financial information for the Auxiliary can be obtained through the District.

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

Mt. San Antonio College Foundation

The Mt. San Antonio College Foundation (the Foundation) is a legally separate, not-for-profit corporation. The Foundation provides financial support for various college-related programs including student scholarships and awards and general department and program support. The Board of the Foundation consists of community members, alumni, and other supporters of the Foundation. The Foundation is not included as a component unit because the economic resources received and held by the Foundation are not significant to the District and because the District does not control the timing or amount of receipts from the Foundation. Separate financial statements for the Foundation can be obtained from the District.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, and No. 39. This presentation provides a comprehensive government-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, 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 prescribed 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.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees, Federal, State, local grants and contracts, and activities through the Farm Operations. Revenue from Federal, State, and local grants and contracts are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State financial aid grants, 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.

Operating expenses are costs incurred to provide instructional services including support costs, ancillary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating.

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

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
  - Statement of Net Position - Primary Government
  - Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
  - Statement of Cash Flows - Primary Government
  - Financial Statements for the Fiduciary Funds including:
    - Statement of Fiduciary Net Position
    - Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2018, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Restricted Investments

Restricted investments arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted investments represent those required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance.

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 ancillary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District has recorded an allowance for uncollectible related to student receivables. The amount of allowance for doubtful accounts was $542,065 at June 30, 2018. When receivables are determined to be uncollectible, a direct write-off is recorded.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30.

Capital Assets and Depreciation

Capital assets are stated at cost at the date of acquisition or fair value at the date of gift. 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 $150,000, 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 cost of capital assets includes ancillary charges necessary to place an asset in its intended location and condition for use.

The following estimated useful lives are used to compute depreciation:

Land improvements	10 years
Buildings and improvements	50 years
Equipment and vehicles	8 years
Technology	3 years

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

Debt Issuance Costs, Premiums, and Discounts

Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, are amortized over the life of the bonds using the straight-line method.

Deferred Outflows/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 or expenditure until then. The District reports deferred outflows of resources for the deferred charges on the refunding of general obligation bonds, pension related items, and OPEB related items. Deferred charges on refunding are amortized using the straight-line method over the remaining life of the new or old debt, whichever is shorter.

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 pension and OPEB related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (the 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the District's OPEB Plan and the CalSTRS Medicare Premium Payment (MPP) Program fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District's OPEB Plan and MPP. For this purpose, the District's 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.

Compensated Absences

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 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. At year end, there were balances of $6,237,962 and $4,826,699 outstanding for accrued vacation and load banking liabilities, respectively.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Sick leave with pay is provided when employees are absent for health or personal 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 school members who retire after January 1, 1999. At retirement, each member will receive .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.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (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.

Noncurrent Liabilities

Noncurrent liabilities include bonds and notes payable, compensated absences, load banking, aggregate net other postemployment benefits (OPEB) liability, and the aggregate net pension obligation with maturities greater than one year.

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent the difference between assets and liabilities. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component invested in capital assets.

Restricted: Net position is reported as restricted when there are limitations imposed on their use, either through 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 resources are available.

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The government-wide financial statements report $42,493,434 of restricted net position.

Operating 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 Statements No. 34 and No. 35. Classifications are as follows:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions such as student 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, gifts and contributions, and other revenue sources defined in GASB Statements No. 34 and No. 35.

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.

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 Los Angeles bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation bonds in 2001 and 2008 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.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the Board of Governors are included within the scholarships, 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.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, Direct Loans, SEOG Grants, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These 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.

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Change in Accounting Principles

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by State and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The District has implemented the provisions of this Statement as of June 30, 2018.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation;
- Reporting amounts previously reported as goodwill and "negative" goodwill;
- Classifying real estate held by insurance entities;
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost;
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;
- Recognizing on behalf payments for pensions or OPEB in employer financial statements;
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
- Classifying employer-paid member contributions for OPEB;
- Simplifying certain aspects of the alternative measurement method for OPEB; and
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The District has implemented the provisions of this Statement as of June 30, 2018.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The District has implemented the provisions of this Statement as of June 30, 2018.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Early implementation is encouraged. The requirements of this Statement should be applied prospectively.

The District has implemented the provisions of this Statement as of June 30, 2018.

New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Early implementation is encouraged.

In June 2017, the GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

NOTE 3 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section (ECS) 41001). 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	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the 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 Deposits and Investments

Deposits and investments as of June 30, 2018, consist of the following:

Primary government	$ 184,114,895
Fiduciary funds	85,973,126
Total Deposits and Investments	$ 270,088,021

Cash on hand and in banks	$ 79,461
Cash in revolving	100,000
Cash with fiscal agent	4,883,342
Investments	265,025,218
Total Deposits and Investments	$ 270,088,021

Interest Rate Risk and Credit 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 policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. 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.

Investment Type	Carrying Value	Fair Value	Weighted Average Maturity in Days	Average Credit Rating
Mutual funds	$ 3,131,341	$ 3,131,341	No maturity	Not applicable
Equities	25,227,466	25,227,466	No maturity	Not applicable
Preferred stock	2,205,240	2,205,240	No maturity	Not applicable
Municipal bonds	445,262	445,262	2,011	BBB-
Corporate and other bonds	46,655,822	46,655,822	7,923	BBB-
Los Angeles County Investment Pool	187,360,087	184,850,290	609	AA+
Total	$ 265,025,218	$ 262,515,421		

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2018, the District's bank balance of $519,368 was fully insured or collateralized with securities, held by the pledging financial institutions trust department in the District's name.

NOTE 4 - FAIR VALUE MEASUREMENTS

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

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

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

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

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

The District categorizes the fair value measurements of its investments as follows at June 30, 2018:

Investment Type	Fair Value	Level 1 Inputs	Uncategorized
Mutual funds	$ 3,131,341	$ 3,131,341	$ -
Equities	25,227,466	25,227,466	-
Preferred stock	2,205,240	2,205,240	-
Municipal bonds	445,262	445,262	-
Corporate and other bonds	46,655,822	46,655,822	-
Los Angeles County Investment Pool	184,850,290	-	184,850,290
Total	$ 262,515,421	$ 77,665,131	$ 184,850,290

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

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018, consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

	Primary Government	Fiduciary Funds
Federal Government		
Categorical aid	$ 1,754,783	$ -
State Government		
Categorical aid	917,247	-
Lottery	1,459,300	-
Local Sources		
Educational Revenue Augmentation Fund (ERAF) taxes	5,363,103	-
Interest	1,171,631	15,741
Other local sources	303,054	292,700
Total	$ 10,969,118	$ 308,441
Student receivables	$ 1,575,276	$ 31,624
Less allowance for bad debt	(539,396)	(2,669)
Student receivables, net	$ 1,035,880	$ 28,955

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Capital Assets Not Being Depreciated				
Land	$ 619,480	$ -	$ -	$ 619,480
Collections - art	128,058	-	-	128,058
Construction in progress	148,101,130	46,269,754	113,296,169	81,074,715
Total Capital Assets Not Being Depreciated	148,848,668	46,269,754	113,296,169	81,822,253
Capital Assets Being Depreciated				
Buildings and improvements	407,183,036	112,640,213	986,723	518,836,526
Furniture and equipment	47,250,573	5,908,513	2,694,558	50,464,528
Total Capital Assets Being Depreciated	454,433,609	118,548,726	3,681,281	569,301,054
Total Capital Assets	603,282,277	164,818,480	116,977,450	651,123,307
Less Accumulated Depreciation				
Buildings and improvements	112,941,766	9,233,727	933,822	121,241,671
Furniture and equipment	33,366,902	4,735,315	2,522,424	35,579,793
Total Accumulated Depreciation	146,308,668	13,969,042	3,456,246	156,821,464
Net Capital Assets	$ 456,973,609	$ 150,849,438	$ 113,521,204	$ 494,301,843

Depreciation expense for the year was $13,969,042.

NOTE 7 - ACCOUNTS PAYABLE

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

	Primary Government	Fiduciary Funds
Accrued payroll	$ 6,364,508	$ 3,679
Apportionment	4,882,572	-
Construction	8,627,356	-
Vendor payables	2,725,449	33,324
Sales and use tax payable	45,813	242
Total	$ 22,645,698	$ 37,245

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2018, consisted of the following:

	Primary Government
Federal categorical aid	$ 2,548
State categorical aid	10,615,249
Other state	6,183,903
Enrollment fees	1,463,061
Other local	1,976,010
Total	$ 20,240,771

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

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 governmental funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government, the fiduciary funds, and Auxiliary Services are not eliminated in the consolidation process. As of June 30, 2018 for the primary government, the amounts owed from and to the Auxiliary Services were $78,401 and $32, respectively. The amount owed from the fiduciary funds to the Auxiliary Services was $188,564. Additionally, the amount owed from the fiduciary funds to the primary government was $327,280.

Interfund Operating Transfers

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 funds of the District have been eliminated in the consolidation process. Transfers between the primary government, the fiduciary funds, and Auxiliary Services are not eliminated in the consolidation process. The amount transferred to the fiduciary funds from the primary government amounted to $2,002,000.

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2018 fiscal year consisted of the following:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due in One Year
Bonds and Notes Payable					
General obligation bonds - 2001 Election (Measure R)					
General obligation bonds - Series 2008D	$ 811,264	$ 68,736	$ 880,000	$ -	$ -
2013 General obligation refunding bonds - Series A	67,410,000	-	4,200,000	63,210,000	4,945,000
Unamortized debt premium	6,972,371	-	633,852	6,338,519	-
2013 General obligation refunding bonds - Series B	40,990,000	-	3,980,000	37,010,000	4,595,000
2015 General obligation refunding bonds	19,130,000	-	-	19,130,000	865,000
Unamortized debt premium	2,938,441	-	183,653	2,754,788	-
General obligation bonds - 2008 Election (Measure RR)					
General obligation bonds - Series 2013A	243,110,154	13,933,118	255,000	256,788,272	-
Unamortized debt premium	9,980,729	-	383,874	9,596,855	-
General obligation bonds - Series 2013B	8,460,000	-	1,110,000	7,350,000	1,135,000
General obligation bonds - Series 2015C	19,500,000	-	2,750,000	16,750,000	2,500,000
Unamortized debt premium	1,015,413	-	203,083	812,330	-
2017 General Obligation Bond Anticipation Note	89,996,003	2,126,775	-	92,122,778	-
Unamortized debt premium	364,590	-	72,918	291,672	-
Loan payable - City of Walnut	64,184	-	64,184	-	-
Total Bonds and Notes Payable	510,743,149	16,128,629	14,716,564	512,155,214	14,040,000
Other Liabilities					
Compensated absences and load banking	10,071,329	993,332	-	11,064,661	-
Aggregate net OPEB liability	34,937,860	20,295,201	3,416,768	51,816,293	-
Aggregate net pension obligation	188,277,216	35,731,069	-	224,008,285	-
Total Other Liabilities	233,286,405	57,019,602	3,416,768	286,889,239	-
Total Long-Term Obligations	$ 744,029,554	$ 73,148,231	$ 18,133,332	$ 799,044,453	$ 14,040,000

Description of Debt

General Obligation Bond debt is paid from property taxes collected by the County Treasurer and is recorded in the Bond Interest and Redemption Fund. The loan payable was paid with proceeds from ticket sales of the Performing Arts Center. Compensated absences, load banking, and the aggregate net pension liability are paid by the fund for which the employee worked or the District's General Fund. The aggregate net OPEB liability is paid from resources of the General Fund.

Measure R General Obligation Bonds

In November 2001, voters authorized a total of $221,000,000 in general obligation bonds. In July 2008, the District issued Election of 2001 Series 2008D General Obligation Bonds in the amount of $26,003,609. The bonds were issued as current interest bonds in the aggregate principal amount of $20,065,000 and as capital appreciation bonds in the principal amount of $5,938,609. The bonds were issued to finance the acquisition, construction, modernization, and renovation of District facilities. The bonds bear interest rates of 2.92 to 5.00 percent. These bonds were refunded in the 2016 fiscal year with the issuance of the 2015 General Obligation Refunding Bonds. Principal and interest payments are due each June 1 and December 1 through June 1, 2018. At June 30, 2018, the principal balance outstanding was paid in full.

In August 2013, the District issued 2013 General Obligation Refunding Bonds, Series A and Series B, in the amount of $74,910,000 and $48,190,000, respectively. The bonds were issued to refund certain general obligation refunding bonds (2005 Refunding, Series C, and 2012 Refunding). The bonds bear interest rates of 0.72 to 5.00 percent. Principal and interest payments for Series A are due each September 1 and March 1 through September 1, 2028. Principal and interest payments for Series B are due each August 1 and February 1 through August 1, 2023. At June 30, 2018, the principal balance outstanding for Series A and Series B was $63,210,000 and $37,010,000, respectively. Unamortized premium received on issuance of the bonds amounted to 6,338,519 as of June 30, 2018.

In September 2015, the District issued 2015 General Obligation Refunding Bonds in the amount of 19,440,000. The proceeds of $22,700,512 (representing the principal amount of $19,440,000 plus premium on issuance of $3,260,512) from the issuance were used to advance refund a portion of the District's outstanding 2001 General Obligation Bonds, Series 2008D and to pay the cost of the issuance associated with the refunding bonds. The bonds bear interest rates of 2.00 to 5.00 percent. Principal and interest payments are due each June 1 and December 1 through June 1, 2033. At June 30, 2018, the principal balance outstanding was $19,130,000. Unamortized premium received on issuance of the bonds amounted to $2,754,788 as of June 30, 2018.

Measure RR General Obligation Bonds

In November 2008, voters authorized a total of $353,000,000 in general obligation bonds. In August 2013, the District issued Election of 2008 Series 2013A and 2013B General Obligation Bonds in the amounts of $205,586,691 and $11,715,000, respectively. The bonds were issued as current interest bonds in the aggregate principal amount of $5,280,000, current interest term bonds in the principal amount of $22,520,000, capital appreciation bonds in the aggregate principal amount of $28,534,146, and convertible capital appreciation term bonds in the aggregate principle amount of $149,252,545. The Series 2013B bonds were issued as current interest bonds in the aggregate principal amount of $11,715,000. The bonds were issued to liquidate bond anticipation notes held by the District and to pay for certain capital improvements. The bonds bear interest rates of 0.72 to 4.10 percent. Principal and interest payments are due each August 1 and February 1 through August 1, 2043. At June 30, 2018, the principal balance outstanding for Series A and Series B was $256,788,272 and $7,350,000, respectively. Unamortized premium received on issuance of the bonds amounted to $9,596,855 as of June 30, 2018.

In September 2015, the District issued Election of 2008 Series 2015C General Obligation Bonds in the amount of $20,000,000. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, construction, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00 to 4.00 percent. Principal and interest payments are due each August 1 and February 1 through August 1, 2022. At June 30, 2018, the principal balance outstanding was $16,750,000. Unamortized premium received on issuance of the bonds amounted to $812,330 as of June 30, 2018.

General Obligation Bond Anticipation Note Payable

In April 2017, the District issued the 2017 General Obligation Bond Anticipation Notes. The notes were issued as capital appreciation notes in the original principal amount of $89,996,003. The notes mature and are due in full on April 1, 2022 with an appreciated maturity value of $101,275,000. The notes are payable from either proceeds from the future sale of general obligation bonds or other funds of the District lawfully available for the purpose of repaying the Notes. The District has covenanted in its resolution authorizing the issuance of the notes to take all actions required to authorize, sell, and issue, on or before April 1, 2022, general obligation bonds or certificates of participation in an aggregate principal amount sufficient to pay the maturity value of the notes. At June 30, 2018, the principal balance outstanding was $92,122,778. Unamortized premium received on issuance of the bonds amounted to $291,672 as of June 30, 2018.

Loan Payable

The District entered into an agreement on November 24, 1993 with the Walnut Improvement Agency (the Agency) on behalf of the City of Walnut (the City), whereby the Agency shall contribute a maximum of $1,000,000 to the District for the construction of the Performing Arts Center. The District will reimburse the City for the Agency's contribution over a period of twenty years. The District must pay the City on a quarterly basis $1 for every ticket sold for all performances during the quarter. The District also receives credit towards the loan for the City's usage of the facility. At June 30, 2018, the principal balance outstanding was paid in full.

Debt Maturity

General Obligation Bonds

Issue Date	Series	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2017	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2018
7/9/2008	2008D	6/1/2018	2.92%-5.00%	$ 26,003,609	$ 811,264	$ -	$ 68,736	$ 880,000	$ -
8/1/2013	2013A*	9/1/2028	2.00%-5.00%	74,910,000	67,410,000	-	-	4,200,000	63,210,000
8/1/2013	2013B*	8/1/2023	0.72%-4.10%	48,190,000	40,990,000	-	-	3,980,000	37,010,000
9/11/2015	2015*	6/1/2033	2.00%-5.00%	19,440,000	19,130,000	-	-	-	19,130,000
				Subtotal Measure R	128,341,264	-	68,736	9,060,000	119,350,000
8/1/2013	2013A	8/1/2043	2.00%-4.00%	205,586,691	243,110,154	-	13,933,118	255,000	256,788,272
8/1/2013	2013B	8/1/2023	0.72%-4.10%	11,715,000	8,460,000	-	-	1,110,000	7,350,000
9/11/2015	2015C	8/1/2022	2.00%-4.00%	20,000,000	19,500,000	-	-	2,750,000	16,750,000
				Subtotal Measure RR	271,070,154	-	13,933,118	4,115,000	280,888,272
				Total General Obligation Bonds	$ 399,411,418	$ -	$ 14,001,854	$ 13,175,000	$ 400,238,272

*General Obligation Refunding Bonds

The Series 2013A Refunding bonds mature through fiscal year 2029 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2019	$ 4,945,000	$ 3,036,875	$ 7,981,875
2020	5,195,000	2,783,375	7,978,375
2021	5,455,000	2,517,125	7,972,125
2022	5,725,000	2,237,625	7,962,625
2023	6,010,000	1,944,250	7,954,250
2024-2028	34,880,000	4,780,250	39,660,250
2029	1,000,000	25,000	1,025,000
Total	$ 63,210,000	$ 17,324,500	$ 80,534,500

The Series 2013B Refunding bonds mature through fiscal year 2024 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2019	$ 4,595,000	$ 1,255,448	$ 5,850,448
2020	5,230,000	1,118,491	6,348,491
2021	5,925,000	938,566	6,863,566
2022	6,700,000	712,412	7,412,412
2023	7,140,000	445,565	7,585,565
2024	7,420,000	152,222	7,572,222
Total	$ 37,010,000	$ 4,622,704	$ 41,632,704

The Series 2015 Refunding bonds mature through fiscal year 2033 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2019	$ 865,000	$ 922,400	$ 1,787,400
2020	900,000	896,450	1,796,450
2021	950,000	851,450	1,801,450
2022	995,000	803,950	1,798,950
2023	1,045,000	754,200	1,799,200
2024-2028	6,240,000	2,934,250	9,174,250
2029-2033	8,135,000	1,162,900	9,297,900
Total	$ 19,130,000	$ 8,325,600	$ 27,455,600

The Series 2013A bonds mature through fiscal year 2044 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Current Interest to Maturity	Total
2019	$ -	$ -	$ 1,126,000	$ 1,126,000
2020	266,072	28,928	1,126,000	1,421,000
2021	505,182	94,818	1,126,000	1,726,000
2022	727,041	197,959	1,126,000	2,051,000
2023	1,236,335	448,665	1,126,000	2,811,000
2024-2028	33,513,971	15,851,029	17,122,822	66,487,822
2029-2033	34,175,139	26,824,861	92,501,216	153,501,216
2034-2038	61,160,660	37,149,340	91,236,405	189,546,405
2039-2043	98,108,897	89,111,103	48,110,001	235,330,001
2044	27,094,975	24,610,025	1,615,781	53,320,781
Total	$ 256,788,272	$ 194,316,728	$ 256,216,225	$ 707,321,225

The Series 2013B bonds mature through fiscal year 2024 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2019	$ 1,135,000	$ 242,076	$ 1,377,076
2020	1,160,000	210,251	1,370,251
2021	1,195,000	172,364	1,367,364
2022	1,240,000	128,840	1,368,840
2023	1,285,000	80,173	1,365,173
2024	1,335,000	27,387	1,362,387
Total	$ 7,350,000	$ 861,091	$ 8,211,091

The Series 2015C bonds mature through fiscal year 2023 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2019	$ 2,500,000	$ 475,750	$ 2,975,750
2020	3,380,000	358,150	3,738,150
2021	3,555,000	255,000	3,810,000
2022	3,615,000	165,225	3,780,225
2023	3,700,000	55,500	3,755,500
Total	$ 16,750,000	$ 1,309,625	$ 18,059,625

The 2017 General Obligation Bond Anticipation Notes mature in fiscal year 2022. Principal and accreted interest to maturity is as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Total
2022	$ 92,122,778	$ 9,152,222	$ 101,275,000

Compensated Absences

At June 30, 2018, the liability for compensated absences was $11,064,661, which is comprised of accrued vacation liability of $6,237,962 and a load banking liability of $4,826,699.

Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2018, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 51,187,543	$ 12,675,310	$ 447,348	$ 4,721,181
Medicare Premium Payment (MPP) Program	628,750	-	-	(70,710)
Total	$ 51,816,293	$ 12,675,310	$ 447,348	$ 4,650,471

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the plan is vested in the District management. Management of the trustee assets is vested with the Mt. San Antonio College Other Postemployment Benefits (OPEB) Trust Investment Committee, which is comprised of three appointed plan members.

Plan Membership

At June 30, 2018, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	571
Active employees	1,065
	1,636

Mt. San Antonio College Other Postemployment Benefits (OPEB) Trust

The Trust is an irrevocable governmental trust pursuant to Section 115 of the Internal Revenue Code for the purpose of funding certain postemployment benefits. The Trust Investment Committee, comprised of the Vice President of Administrative Services, Chief Compliance and College Budget Officer, and a Manager appointed by the President/CEO provide oversight over Trust investments. The Trust Administrative Committee comprised of the Vice President of Administrative Services and a representative from the Faculty Association, CSEA 651, and CSEA 262 provide oversight over the plan administration. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been included in the fiduciary funds of the District. Separate financial statements are not prepared for the Trust.

Benefits Provided

The Plan provides medical insurance benefits to eligible retirees, with spouse coverage only for those hired prior to January 1, 1996. 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, the Mt. San Antonio College Faculty Association (MSACFA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the District governing board and management. For fiscal year 2017-2018, the District contributed $2,500,000 to the Plan, which was used to fund the OPEB Trust.

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, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2018:

Asset Class	Target Allocation
Equity instruments	35%
Long-term bonded instruments	65%

Rate of Return

For the year ended June 30, 2018, the annual money-weighed rate of return on investments, net of investment expense, was 1.15 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $51,187,543 was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The components of the net OPEB liability of the District at June 30, 2018, were as follows:

Total OPEB liability	$ 122,600,679
Plan fiduciary net position	71,413,136
District's net OPEB liability	$ 51,187,543
Plan fiduciary net position as a percentage of the total OPEB liability	58%

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial roll-forward valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent
Investment rate of return	4.20 percent
Healthcare cost trend rates	4.00 percent

The discount rate was based on the assumed long-term return on plan assets assuming 100 percent funding by the District.

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 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 actual assumptions used in the June 30, 2017 valuation were based on the results of an actual experience study as of March 2017.

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, 2018, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity instruments	7.795%
Long-term bonded instruments	5.295%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.2 percent. 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 lability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2017	$ 106,302,706	$ 72,064,306	$ 34,238,400
Service cost	3,205,326	-	3,205,326
Interest	4,448,610	-	4,448,610
Contributions - employer	-	2,500,000	(2,500,000)
Expected net investment income	-	3,022,658	(3,022,658)
Differences between projected and actual earnings on OPEB plan investments	-	(2,176,600)	2,176,600
Changes of assumptions or other inputs	12,616,189	-	12,616,189
Expected benefit payments	(3,455,981)	(3,455,981)	-
Differences between expected and actual experience	(516,171)	(516,171)	-
Administrative expense	-	(25,076)	25,076
Net change in total OPEB liability	16,297,973	(651,170)	16,949,143
Balance at June 30, 2018	$ 122,600,679	$ 71,413,136	$ 51,187,543

Changes of assumptions and other inputs reflect a change in the discount rate from 5.0 percent to 4.2 percent since the previous valuation. There were no changes in benefit terms since the previous valuation.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability
1% decrease (3.2%)	$ 69,957,463
Current discount rate (4.2%)	51,187,543
1% increase (5.2%)	36,317,944

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3.0%)	$ 35,160,278
Current healthcare cost trend rate (4.0%)	51,187,543
1% increase (5.0%)	70,257,804

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 447,348
Changes of assumptions	10,934,030	-
Differences between projected and actual earnings on OPEB plan investments	1,741,280	-
Total	$ 12,675,310	$ 447,348

The deferred outflows of resources related to the differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2019	$ 435,320
2020	435,320
2021	435,320
2022	435,320
	$ 1,741,280

Amounts reported as deferred outflows/(inflows) of resources and related to the differences between expected and actual experience and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 7.5 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ 1,613,336
2020	1,613,336
2021	1,613,336
2022	1,613,336
2023	1,613,336
Thereafter	2,420,002
	$ 10,486,682

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016 annual actuarial valuation report, Medicare Premium Payment 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 MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

Contributions

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District STRS contributions. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

OPEB Liabilities and OPEB Expense

At June 30, 2018, the District reported a liability of $628,750 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2016, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating community college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017, was 0.1495 percent.

For the year ended June 30, 2018, the District recognized OPEB expense of $(70,710).

Actuarial Methods and Assumptions

The total OPEB liability for the MPP Program as of June 30, 2016, was determined based on a financial reporting actuarial valuation that used the June 30, 2016 assumptions presented in the table below. The June 30, 2017 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total OPEB liability to June 30, 2017, using the assumptions listed in the following table:

Measurement Date	June 30, 2017	June 30, 2016
Valuation Date	June 30, 2016	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2016	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.58%	2.85%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2016, CalSTRS used custom mortality tables based on RP2000 Series tables issued by the Society of Actuaries, adjusted to fit CalSTRS specific experience through June 30, 2015. For the valuation as of June 30, 2017, CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015, experience study adopted by the board in February 2017. CalSTRS now uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among the members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 571 or an average of 0.32 percent of the potentially eligible population (177,763).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2017 and 2016, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2017 and 2016 was 3.58 percent and 2.85 percent, respectively. The MPP Program is funded on a pay-as-you-go basis as described in Note 2, and under the pay-as-you-go method, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.58 percent and 2.85 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2017 and 2016, respectively, was applied to all periods of projected benefit payments to measure the total OPEB liability.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability
1% decrease (2.58%)	$ 696,071
Current discount rate (3.58%)	628,750
1% increase (4.58%)	563,267

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB 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:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 568,172
Current Medicare costs trend rate (3.7% Part A and 4.1% Part B)	628,750
1% increase (4.7% Part A and 5.1% Part B)	688,724

Aggregate Net Pension Obligation

As of June 30, 2018, the aggregate net pension obligation was $224,008,285. See Note 12 for additional information.

NOTE 11 - RISK MANAGEMENT

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for the first $25,000 of each general liability or property damage claim. During fiscal year ending June 30, 2018, the District contracted with Alliance for Schools for Cooperative Insurance Programs (ASCIP) and Schools Excess Liability Fund (SELF) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. These have not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2017-2018, the District participated in the Southern California Community College District Joint Powers Authority (SCCCD-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.

NOTE 12 - 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, 2018, the District reported the net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses 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		$ 133,895,447	$ 39,388,127	$ 8,172,282	$ 13,537,950
CalPERS		90,112,838	28,795,383	1,060,967	16,967,250
	Total	$ 224,008,285	$ 68,183,510	$ 9,233,249	$ 30,505,200

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by 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, 2016, 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 nonemployer contributing entity to the STRP.

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

The STRP provisions and benefits in effect at June 30, 2018, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
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%	9.205%
Required employer contribution rate	14.43%	14.43%
Required State contribution rate	9.328%	9.328%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution 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, 2018, are presented above, and the District's total contributions were $11,934,888.

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

At June 30, 2018, 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:

Total net pension liability, including State share:		
District's proportionate share of net pension liability	$	133,895,447
State's proportionate share of net pension liability associated with the District		79,211,415
Total	$	213,106,862

The net pension liability was measured as of June 30, 2017. 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 and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017 and June 30, 2016, was 0.1448 percent and 0.1429 percent, respectively, resulting in a net increase in the proportionate share of 0.0019 percent.

For the year ended June 30, 2018, the District recognized pension expense of $13,537,950. In addition, the District recognized pension expense and revenue of $7,973,390 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 11,934,888	$ -
Net change in proportionate share of net pension liability	2,152,386	2,270,922
Differences between projected and actual earnings on the pension plan investments	-	3,566,008
Differences between expected and actual experience in the measurement of the total pension liability	495,158	2,335,352
Changes of assumptions	24,805,695	-
Total	$ 39,388,127	$ 8,172,282

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.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ (2,964,554)
2020	2,243,294
2021	323,469
2022	(3,168,217)
Total	$ (3,566,008)

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ 3,675,828
2020	3,675,828
2021	3,675,828
2022	3,675,832
2023	3,719,788
Thereafter	4,423,861
Total	$ 22,846,965

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2017, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 196,601,024
Current discount rate (7.10%)	133,895,447
1% increase (8.10%)	83,005,621

California Public Employees' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under 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, 2016, 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 provisions and benefits in effect at June 30, 2018, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
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%	6.50%
Required employer contribution rate	15.531%	15.531%

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, 2018, are presented above, and the total District contributions were $7,477,598.

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $90,112,838. The net pension liability was measured as of June 30, 2017. 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, 2017 and June 30, 2016, was 0.3775 percent and 0.3681 percent, respectively, resulting in a net increase in the proportionate share of 0.0094 percent.

For the year ended June 30, 2018, the District recognized pension expense of $16,967,250. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,477,598	$ -
Net change in proportionate share of net pension liability	1,809,728	-
Differences between projected and actual earnings on the pension plan investments	3,117,288	-
Differences between expected and actual experience in the measurement of the total pension liability	3,228,372	-
Changes of assumptions	13,162,397	1,060,967
Total	$ 28,795,383	$ 1,060,967

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.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ (84,468)
2020	3,596,674
2021	1,312,108
2022	(1,707,026)
Total	$ 3,117,288

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ 6,116,794
2020	6,116,897
2021	4,905,839
Total	$ 17,139,530

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. 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	Long-Term Expected Real Rate of Return
Global equity	47%	5.38%
Global debt securities	19%	2.27%
Inflation assets	6%	1.39%
Private equity	12%	6.63%
Real estate	11%	5.21%
Infrastructure and Forestland	3%	5.36%
Liquidity	2%	-0.90%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 132,584,862
Current discount rate (7.15%)	90,112,838
1% increase (8.15%)	54,878,738

CalSTRS/CalPERS Irrevocable Trust

During the 2015-2016 fiscal year, the District established an irrevocable trust for the purpose of funding future employer contributions associated with the CalSTRS and CalPERS pension plans. Funds deposited into this trust are not considered "plan assets" for GASB Statement No. 68 reporting; therefore, the balance of the irrevocable trust is not netted against the net pension liability shown on the Statement of Net Position. The balance and activity of the trust is recorded as a fiduciary fund of the District. For the year ended June 30, 2018, the District contributed a total of $2,000,000 to the trust. As of June 30, 2018, the balance of the trust was $10,541,429.

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2018, which amounted to $6,441,584 (8.956 percent) of salaries subject to CalSTRS. 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. No contributions were made for CalPERS for the year ended June 30, 2018. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of operating revenue and employee benefit expense.

Deferred Compensation

The District offers its employees a MetLife defined contribution plan qualifying under Sections 401 of the Internal Revenue Code that is administered by Alliance of Schools for Cooperative Insurance (ASCIP). The plan covers part-time, seasonal, and temporary employees, as well as employees not covered by Section 3121(b)(7)(F) of the Internal Revenue Code. The benefit provisions and contribution requirements of plan members and the District are established and may be amended by the ASCIP Board of Trustees. The District contributes 3.0 percent of covered compensation for eligible employees, and employees contribute 4.5 percent. During the year ended June 30, 2018, the District made contributions of $406,514.

NOTE 13 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the ASCIP, SELF, SCCCD-JPA. The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPAs is such that the JPAs are not component units 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.

During the year ended June 30, 2018, the District made payments of $877,620 and $2,549,148 to ASCIP and SCCCD-JPA, respectively.

NOTE 14 - 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 is 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, 2018.

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, 2018.

Construction Commitments

As of June 30, 2018, the District had committed under various capital expenditure purchase agreements for various projects totaling approximately $31.5 million to be funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

NOTE 15 - FUNCTIONAL EXPENSES CLASSIFICATION

The District's operating expenses by functional classification for the fiscal year ended June 30, 2018, are:

	Salaries	Benefits	Supplies, Materials, and Other Operating Expenses and Services	Student Financial Aid	Depreciation	Total
Instructional Activities	$ 89,298,590	$ 34,404,658	$ 3,598,621	$ -	$ -	$ 127,301,869
Academic Support	7,141,024	2,681,566	153,983	-	-	9,976,573
Student Services	26,476,450	10,156,548	2,243,955	-	-	38,876,953
Plant Operations and Maintenance	7,425,185	3,652,806	2,383,764	-	-	13,461,755
Instructional Support Activities	15,967,924	12,034,704	3,261,457	-	-	31,264,085
Community Services and Economic Development	2,045,719	708,269	642,077	-	-	3,396,065
Ancillary Services and Auxiliary Operations	5,406,360	2,077,313	1,190,461	-	-	8,674,134
Student Aid	-	-	-	49,688,609	-	49,688,609
Physical Property and Related Acquisitions	1,627,374	609,509	22,677,252	-	-	24,914,135
Depreciation	-	-	-	-	13,969,042	13,969,042
Total	$ 155,388,626	$ 66,325,373	$ 36,151,570	$ 49,688,609	$ 13,969,042	$ 321,523,220

NOTE 16 - RESTATEMENT OF PRIOR YEAR NET POSITION

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the current year. As a result, the effect on the current fiscal year is as follows:

Primary Government	
Net Position - Beginning	$ (44,151,061)
Inclusion of aggregate net OPEB liability from the adoption of GASB Statement No. 75	(8,709,984)
Net Position - Beginning, as Restated	$ (52,861,045)

REQUIRED SUPPLEMENTARY INFORMATION

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018

	2018
Total OPEB Liability	
Service cost	$ 3,205,326
Interest	4,448,610
Changes of assumptions	12,616,189
Expected benefit payments	(3,455,981)
Differences between expected and actual experience	(516,171)
Net changes in total OPEB liability	16,297,973
Total OPEB Liability - beginning	106,302,706
Total OPEB Liability - ending (a)	$ 122,600,679
Plan fiduciary net position	
Contributions - employer	$ 2,500,000
Expected net investment income	3,022,658
Differences between projected and actual earnings on OPEB plan investments	(2,176,600)
Expected benefit payments	(3,455,981)
Differences between expected and actual experience	(516,171)
Administrative expense	(25,076)
Net change in plan fiduciary net position	(651,170)
Plan fiduciary net position - beginning	72,064,306
Plan fiduciary net position - ending (b)	$ 71,413,136
District's net OPEB liability - ending (a) - (b)	$ 51,187,543
Plan fiduciary net position as a percentage of the total OPEB liability	58.25%
Covered-employee payroll	$ 130,855,132
District's net OPEB liability as a percentage of covered-employee payroll	39.12%

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

See accompanying note to required supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OPEB INVESTMENT RETURNS
FOR THE YEAR ENDED JUNE 30, 2018

	2018
Annual money-weighted rate of return, net of investment expense	1.15%

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

See accompanying note to required supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2018

Year ended June 30,	2018
District's proportion of the net OPEB liability	0.1495%
District's proportionate share of the net OPEB liability	$ 628,750
District's covered-employee payroll	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	0.01%

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

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

See accompanying note to required supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CalSTRS		
District's proportion of the net pension liability	0.1448%	0.1429%
District's proportionate share of the net pension liability	$ 133,895,447	$ 115,568,294
State's proportionate share of the net pension liability associated with the District	79,211,415	65,790,968
Total	$ 213,106,862	$ 181,359,262
District's covered-employee payroll	$ 77,192,552	$ 71,864,548
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	173.46%	160.81%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%
CalPERS		
District's proportion of the net pension liability	0.3775%	0.3681%
District's proportionate share of the net pension liability	$ 90,112,838	$ 72,708,922
District's covered-employee payroll	$ 47,147,285	$ 43,907,285
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	191.13%	165.60%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%

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

See accompanying note to required supplementary information.

	2016	2015
	0.1472%	0.1448%
	$ 99,092,060	$ 84,733,650
	52,408,776	51,166,350
	$ 151,500,836	$ 135,900,000
	$ 68,809,122	$ 66,400,000
	144.01%	127.50%
	74%	77%
	0.3592%	0.3587%
	$ 52,940,449	$ 40,721,184
	$ 39,968,541	$ 38,100,000
	132.46%	106.86%
	79%	83%

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CalSTRS		
Contractually required contribution	$ 11,934,888	$ 9,710,823
Contributions in relation to the contractually required contribution	11,934,888	9,710,823
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 82,708,857	$ 77,192,552
Contributions as a percentage of covered-employee payroll	14.43%	12.58%
CalPERS		
Contractually required contribution	$ 7,477,598	$ 6,547,815
Contributions in relation to the contractually required contribution	7,477,598	6,547,815
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 48,146,275	$ 47,147,285
Contributions as a percentage of covered-employee payroll	15.531%	13.888%

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

See accompanying note to required supplementary information.

2016	2015
$ 7,711,066	$ 6,110,250
7,711,066	6,110,250
$ -	$ -
$ 71,864,548	$ 68,809,122
10.73%	8.88%
$ 5,201,696	$ 4,704,697
5,201,696	4,704,697
$ -	$ -
$ 43,907,285	$ 39,968,541
11.847%	11.771%

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the Plan's fiduciary net position, and the net 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 benefit terms since the previous valuation.

Changes of Assumptions **-** The plan rate of investment return assumption was changed from 5.00 percent to 4.20 percent since the previous valuation.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB liability - MPP program and the Plans' fiduciary net position. 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 **-** The plan rate of investment return assumption was changed from 2.85 percent to 3.58 percent 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. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms **-** There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Changes of Assumptions **-** The CalSTRS plan rate of investment return assumption was changed from 7.60 percent to 7.10 percent since the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.65 percent to 7.15 percent since the previous valuation.

Schedule of District Contributions for 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. In the future, as data becomes available, ten years of information will be presented.

SUPPLEMENTARY INFORMATION

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION
JUNE 30, 2018

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

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

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Dr. Manuel Baca	President	November 2020
Robert Hidalgo	Vice President	November 2018
Jay F. Chen	Clerk	November 2020
Rosanne Bader	Member	November 2020
Gary Chow (1)	Member	December 2018
Judy Chen Haggerty, Esq.	Member	November 2018
Laura Santos	Member	November 2018
Corey Case	Student Trustee	June 30, 2018
Dr. David K. Hall (1)	Member	June 13, 2018

(1) Mr. Gary Chow, a Walnut resident, was appointed as provision Trustee on June 13, 2018, replacing Dr. David K. Hall.

ADMINISTRATION

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

See accompanying note to supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Total Program Expenditures
U.S. DEPARTMENT OF EDUCATION			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		$ 889,773
FSEOG Administrative Allowance	84.007		1,542
Federal Work-Study Program (FWS)	84.033		445,664
FWS Administrative Allowance	84.033		30,272
Federal Pell Grant Program (PELL)	84.063		41,164,171
PELL Administrative Allowance	84.063		61,405
Federal Direct Student Loans	84.268		1,128,250
Total Student Financial Assistance Cluster			43,721,077
TRIO Cluster			
Achieving in College, Ensuring Success (ACES)	84.042A		181,505
Upward Bound	84.047A		254,998
Total TRIO Cluster			436,503
Asian American Native American Pacific Islander Serving Institutions (AANAPISI)	84.382B		250,509
Child Care Access Means Parents in School (CCAMPIS)	84.335A		369,937
Developing Hispanic Serving Institutions, Title V, Building Pathways of Persistence and Completion	84.031S		693,840
Passed through CSU Fullerton Auxiliary Services Corporation			
Project RAISE: Regional Alliance in STEM Education	84.031C	P031C160152	32,437
Passed through East-West Center			
Enhancing Undergraduate Chinese Language and Culture Studies	84.016A	HC 13564	9,644
Passed through California Department of Education			
WIA, Title II: Adult Education and Family Literacy Act, Section 225, Section 231, and Section 243	84.002A	14508, 13978,	1,180,898
Passed through California Community Colleges Chancellor's Office			
Career and Technical Education (CTE), Perkins Title I, Part C	84.048A	17-C01-034	1,033,839
CTE Transitions	84.048A	17-C01-034	41,592
Total U.S. Department of Education			47,770,276
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education			
Child and Adult Care Food Program	10.558	13666	109,969
U.S. DEPARTMENT OF LABOR			
Passed through East San Gabriel Valley ROP/TC			
Employment and Training Administration (ETA) Youth Career Connect	17.274	58110.0	79,423

See accompanying note to supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Identifying Number	Total Program Expenditures
NATIONAL SCIENCE FOUNDATION			
Research and Development Cluster			
Field Based Professional Development for Environmental-STEM (ESTEM) Undergraduates, Pathways in Geoscience	47.050		$ 42,685
Advance Technological Education (ATE) Science, Technology, Engineering and Mathematics (STEM) Teacher Preparation Program	47.076		184,868
Collaborative Research: Geodesy Curriculum	47.076		1,331
Total Research and Development Cluster			228,884
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Veterans Services	64.027		4,800
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Los Angeles County Office of Education			
Medi-Cal Administrative Activities (MAA)	93.778	113752	1,172
Passed through Yosemite Community College District			
Child Development Training Consortium	93.575	17-18-4472	9,262
TANF Cluster			
Passed through California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families	93.558	[1]	116,528
Passed through Los Angeles County Department of Public Social Services			
Temporary Assistance for Needy Families	93.558	[1]	122,451
Total TANF Cluster			238,979
Total U.S. Department of Health and Human Services			249,413
Total Expenditures of Federal Awards			$ 48,442,765

[1] Pass-through number not available

See accompanying note to supplementary information.

[THIS PAGE INTENTIONALLY LEFT BLANK]

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Program
Adult Education Block Grant (AEBG) Data and Accountability
Adult Education Block Grant (AEBG) Regional Consortium
Assessment, Remediation and Retention (ARR) Associate Degree Nursing
Basic Skills
Basic Skills and Student Outcomes
Board Financial Assistance Program (BFAP)
Board Financial Assistance Program (BFAP) - Full-Time Student Success
California Community College (CENIC and CalREN) Connectivity Upgrade
California Community College (CCC) Makerspace
California State Preschool Program
CalSTRS On-behalf Payments
CalWORKS
Campus Safety and Sexual Assault
CARE
Career Technical Education - Data Unlocked Initiative
Career Technical Education - Pathways Program (LA County Ring Colleges)
Center of Excellence - Economic Development
Child Care Food Program
Child Care General Center and Development Program
Child Care Tax Bailout
Child Development Center - CSPP Quality Improvement Block Grant
Course Identification (C-ID) Program
Disabled Student Programs and Services (DSPS)
Enrollment Growth AA Nursing
Equal Employment Opportunity (EEO)
Extended Opportunity Programs and Services (EOPS)
Guided Pathways
Health Careers Training Program
Hunger Free Campus Support
Instructional Equipment and Library Materials
Song-Brown Registered Nurse Program
Song-Brown Registered Nurse Special Program
Strong Workforce Program (Local)
Strong Workforce Program (Regional)
Student Equity
Student Success and Support Program (SSSP) - Credit
Student Success and Support Program (SSSP) - Noncredit
Technical Assistance Provider - Contract Education
Total

See accompanying note to supplementary information.

Program Revenues				
Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	Program Expenditures
$ 102,684	$ -	$ 46,138	$ 56,546	$ 56,546
1,675,596	-	840,722	834,874	834,874
26,206	30,794	-	57,000	57,000
2,499,941	-	1,265,037	1,234,904	1,234,904
337,523	212,867	-	550,390	550,390
1,136,578	-	20,918	1,115,660	1,115,660
1,951,291	-	64,591	1,886,700	1,886,700
50,000	-	-	50,000	50,000
181,151	77,321	-	258,472	258,472
355,415	35,000	-	390,415	390,415
430,159	-	-	430,159	430,159
521,069	-	-	521,069	521,069
46,726	-	40,990	5,736	5,736
189,497	-	-	189,497	189,497
50,000	-	44,764	5,236	5,236
10,802	6,198	-	17,000	17,000
145,565	48,413	-	193,978	193,978
4,838	1,067	-	5,905	5,905
703,614	77,185	-	780,799	780,799
95,148	-	-	95,148	95,148
33,382	-	-	33,382	33,382
90,459	-	-	90,459	90,459
3,322,503	-	-	3,322,503	3,322,503
154,660	56,340	-	211,000	211,000
50,000	-	29,390	20,610	20,610
1,226,510	-	-	1,226,510	1,226,510
784,129	-	782,930	1,199	1,199
10,800	1,200	-	12,000	12,000
68,115	-	55,004	13,111	13,111
2,508,289	-	698,183	1,810,106	1,810,106
130,487	-	2,833	127,654	127,654
56,594	-	-	56,594	56,594
4,542,986	-	2,131,144	2,411,842	2,411,842
606,300	248,185	-	854,485	854,485
4,798,291	-	911,271	3,887,020	3,887,020
8,270,738	-	2,705,377	5,565,361	5,565,361
2,920,202	-	975,957	1,944,245	1,944,245
87,229	122,677	-	209,906	209,906
$ 40,175,477	$ 917,247	$ 10,615,249	$ 30,477,475	$ 30,477,475

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2018

CATEGORIES	*Revised Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2017 only)			
1. Noncredit	3,690.18	-	3,690.18
2. Credit	1,912.88	-	1,912.88
B. Summer Intersession (Summer 2018 - Prior to July 1, 2018)			
1. Noncredit	0.51	-	0.51
2. Credit	1.40	-	1.40
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	18,177.31	-	18,177.31
(b) Daily Census Contact Hours	2,460.84	-	2,460.84
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	4,036.49	-	4,036.49
(b) Credit	775.96	-	775.96
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	903.82	-	903.82
(b) Daily Census Contact Hours	760.81	-	760.81
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	32,720.20	-	32,720.20
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
1. Noncredit	6,500.53	-	6,500.53
2. Credit	2,495.74	-	2,495.74
CCFS-320 Addendum			
CDCP Noncredit FTES	6,169.37	-	6,169.37

* Annual report revised as of October 29, 2018.

See accompanying note to supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2018

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Audited Data	Reported Data	Audit Adjustments	Audited Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 37,516,563	$ -	$ 37,516,563	$ 37,516,563	$ -	$ 37,516,563
Other	1300	34,466,992	-	34,466,992	34,466,992	-	34,466,992
Total Instructional Salaries		71,983,555	-	71,983,555	71,983,555	-	71,983,555
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	13,215,341	-	13,215,341
Other	1400	-	-	-	1,778,954	-	1,778,954
Total Noninstructional Salaries		-	-	-	14,994,295	-	14,994,295
Total Academic Salaries		71,983,555	-	71,983,555	86,977,850	-	86,977,850
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	33,488,665	-	33,488,665
Other	2300	-	-	-	4,030,183	-	4,030,183
Total Noninstructional Salaries		-	-	-	37,518,848	-	37,518,848
Instructional Aides							
Regular Status	2200	2,009,084	-	2,009,084	2,009,084	-	2,009,084
Other	2400	1,473,050	-	1,473,050	1,473,050	-	1,473,050
Total Instructional Aides		3,482,134	-	3,482,134	3,482,134	-	3,482,134
Total Classified Salaries		3,482,134	-	3,482,134	41,000,982	-	41,000,982
Employee Benefits	3000	22,957,873	-	22,957,873	43,876,557	-	43,876,557
Supplies and Material	4000	-	-	-	2,521,690	-	2,521,690
Other Operating Expenses	5000	925,801	-	925,801	15,806,130	-	15,806,130
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		99,349,363	-	99,349,363	190,183,209	-	190,183,209

See accompanying note to supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Audited Data	Reported Data	Audit Adjustments	Audited Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 1,135,211	$ -	$ 1,135,211	$ 1,135,211	$ -	$ 1,135,211
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	391,729	-	391,729
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	1,371,307	-	1,371,307
Objects to Exclude							
Rents and Leases	5060	-	-	-	272,240	-	272,240
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

See accompanying note to supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Audited Data	Reported Data	Audit Adjustments	Audited Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 5,415,508	$ -	$ 5,415,508
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		1,135,211	-	1,135,211	8,585,995	-	8,585,995
Total for ECS 84362, 50 Percent Law		$ 98,214,152	$ -	$ 98,214,152	$ 181,597,214	$ -	$ 181,597,214
Percent of CEE (Instructional Salary Cost/Total CEE)		54.08%		54.08%	100.00%		100.00%
50% of Current Expense of Education					$ 90,798,607		$ 90,798,607

See accompanying note to supplementary information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2018.

See accompanying note to supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA)
EXPENDITURE REPORT
FOR THE YEAR ENDED JUNE 30, 2018

Activity Classification	**Object Code**				**Unrestricted**
EPA Revenue:	8630				$ 24,583,549
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	1000-5900	$ 24,583,549	-	-	$ 24,583,549
Total Expenditures for EPA		$ 24,583,549	-	-	$ 24,583,549
Revenues Less Expenditures					$ -

See accompanying note to supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Fund Balance:		
General Funds	$ 50,906,416	
Child Development	817,649	
Health Services	1,144,605	
Debt Service	17,190,840	
Capital Outlay	64,170,217	
Bond Construction	8,085,186	
Farm Operations	245,172	
Fiduciary Funds	3,580,932	
Total Fund Balance per CCFS-311	146,141,017	
Funds not included in the CCFS-311 report	81,954,565	
Total Fund Balance - All District Funds		228,095,582
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	651,123,307	
Accumulated depreciation is	(156,821,464)	494,301,843
Amounts held in trust on behalf of others (Trust and Agency Funds)		(85,521,170)
The District has refunded debt obligations. The difference between the amount that was sent to escrow agent for the payment of the old debt and the actual remaining debt obligations will be amortized as an adjustment to interest expense. The balance represents the unamortized deferred charges on refunding amounts as of June 30, 2018.		2,026,787
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term obligations is recognized when it is incurred.		(2,439,879)
Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to pensions at year-end consist of:		
Pension contributions subsequent to the measurement date	19,412,486	
Net change in proportionate share of net pension liability	3,962,114	
Differences between projected and actual earnings on pension plan investments	3,117,288	
Differences between expected and actual experience in the measurement of the total net pension liability	3,723,530	
Changes of assumption	37,968,092	
Total Deferred Outflows of Resources related to Pensions		68,183,510

(continued)

See accompanying note to supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION, (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2018

Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year-end consist of:		
Net change in proportionate share of net pension liability	$ 2,270,922	
Differences between expected and actual experience in the measurement of the total net pension liability	3,566,008	
Differences between expected and actual experience in the measurement of the total net pension liability	2,335,352	
Changes of assumption	1,060,967	
Total Deferred Inflows of Resources related to Pensions		$ (9,233,249)
Deferred outflows of resources related to OPEB represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to OPEB at year-end consist of:		
Differences between projected and actual earnings on OPEB plan investments	1,741,280	
Changes of assumption	10,934,030	
Total Deferred Outflows of Resources related to OPEB		12,675,310
Deferred inflows of resources related to OPEB represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to OPEB at year-end consist of:		
Differences between expected and actual experience		(447,348)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bonds payable	433,752,698	
Premium on bonds	19,794,164	
Aggregate net other postemployment benefits (OPEB) liability	51,816,293	
Aggregate net pension obligation	224,008,285	
In addition, the District issued 'capital appreciation' general obligation bonds. The accretion of interest on those bonds to date is the following:	58,608,352	
		(787,979,792)
Total Net Position		**$ (80,338,406)**

See accompanying note to supplementary information.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS OF THE COMBINED GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2018

	(Budget*) 2019		2018	
	Amount	%	Amount	%
GENERAL FUND				
Revenues				
Federal	$ 5,160,927	1.9	$ 4,781,509	2.0
State	170,475,079	61.3	156,125,922	65.9
Local	78,162,968	28.1	79,712,925	33.6
Total Revenues	253,798,974	91.3	240,620,356	101.5
Expenditures				
Academic salaries	96,864,109	34.8	93,288,142	39.4
Classified salaries	62,109,520	22.3	58,156,042	24.5
Employee benefits	51,001,924	18.3	47,969,718	20.2
Supplies and materials	8,838,123	3.2	4,042,993	1.7
Other operating expenses	49,145,738	17.7	21,377,176	9.0
Capital outlay	5,981,372	2.1	4,519,383	1.9
Other sources and uses, net	4,352,037	1.6	7,624,695	3.2
Total Expenditures and Other Uses	278,292,823	100.0	236,978,149	99.9
INCREASE (DECREASE) IN FUND BALANCE	$ (24,493,849)	(0.1)	$ 3,642,207	1.5
Assigned fund balance	-	0.0	22,153,185	9.3
Unassigned fund balance	26,404,312	9.5	25,465,432	10.7
Restricted fund balance	8,255	0.0	3,287,799	1.4
TOTAL ENDING FUND BALANCE	$ 26,412,567	9.5	$ 50,906,416	21.4
FULL-TIME EQUIVALENT STUDENTS	32,855		32,720	
TOTAL LONG-TERM OBLIGATIONS, INCLUDING RETIREE BENEFIT LIABILITY	N/A		$ 779,250,289	

IMPORTANT NOTES:

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

* Unrestricted General Fund expenditure and fund balance for 2018-2019 budget year is projected to be $225,971,078 and $26,404,312, respectively, which meets the District's policy of 10 percent unrestricted ending fund balance.

All percentages are of total unrestricted and restricted expenditures combined.

* The 2018-2019 budget presents the budget adopted by the Board of Trustees on September 12, 2018. The budget has been included for analytical purposes and has not been subjected to audit.

Long-term debt is reported for the District as a whole and includes debt related to all funds. Long-term debt excludes unamortized premium.

See accompanying note to supplementary information.

2017 Amount	2017 %	2016 Amount	2016 %
$ 4,712,840	2.1	$ 4,994,250	2.3
152,940,215	68.8	162,152,290	73.9
68,708,795	30.9	59,332,714	27.0
226,361,850	101.8	226,479,254	103.2
88,927,671	40.0	84,236,976	38.4
53,924,668	24.2	49,976,687	22.8
48,698,706	21.9	37,945,952	17.3
4,630,969	2.1	3,832,786	1.7
19,111,477	8.6	18,112,050	8.3
5,691,207	2.6	6,371,181	2.9
1,338,856	0.6	18,948,123	8.6
222,323,554	100.0	219,423,755	100.0
$ 4,038,296	1.8	$ 7,055,499	3.2
21,115,185	9.5	20,205,035	9.2
22,742,126	10.2	20,731,836	9.4
3,406,898	1.5	2,289,042	1.0
$ 47,264,209	21.2	$ 43,225,913	19.6
31,018		31,385	
$ 722,758,010		$ 604,056,906	

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF BUDGETARY COMPARISON
FOR THE COMBINED GENERAL FUND
JUNE 30, 2018

	General Fund		
	Revised Budget*	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal revenues			
Higher Education Act	$ 1,118,063	$ 1,231,784	$ 113,721
Temporary Assistance for Needy Families	104,079	238,979	134,900
Student Financial Aid	736,964	538,883	(198,081)
Veterans Education	-	4,800	4,800
Vocational and Technical Education Act	1,076,275	1,076,275	-
Other federal revenues	3,015,179	1,690,788	(1,324,391)
State revenues			
General apportionments	112,890,748	112,113,017	(777,731)
Categorical apportionments	35,334,283	28,691,668	(6,642,615)
Other state revenues	7,832,809	15,321,237	7,488,428
Local revenues			
Property taxes	44,427,892	52,904,981	8,477,089
Interest and investment income	550,000	1,126,981	576,981
Student fees and charges	17,495,396	19,548,011	2,052,615
Contributions	-	62,724	62,724
Other local revenues	4,542,749	6,070,228	1,527,479
TOTAL REVENUES	229,124,437	240,620,356	11,495,919
EXPENDITURES			
Academic salaries	94,466,507	93,288,142	1,178,365
Classified salaries	61,351,229	58,156,042	3,195,187
Employee benefits	45,511,551	45,469,718	41,833
Supplies and materials	7,840,221	4,042,993	3,797,228
Other operating expenses	35,539,945	21,377,176	14,162,769
Capital outlay	6,993,272	4,519,383	2,473,889
TOTAL EXPENDITURES	251,702,725	226,853,454	24,849,271
EXCESS OF REVENUES OVER EXPENDITURES	(22,578,288)	13,766,902	36,345,190
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of non-capitalized equipment	10,000	12,710	2,710
Interfund transfers out	(1,652,010)	(8,401,865)	(6,749,855)
Student financial aid	(524,426)	(993,462)	(469,036)
Other financing uses	(753,801)	(742,078)	11,723
TOTAL OTHER FINANCING SOURCES (USES)	(2,920,237)	(10,124,695)	(7,204,458)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(25,498,525)	3,642,207	29,140,732
FUND BALANCE, BEGINNING OF YEAR	47,264,209	47,264,209	-
FUND BALANCE, END OF YEAR	$ 21,765,684	$ 50,906,416	$ 29,140,732

* The 2017-2018 budget has been included for analytical purposes and has not been subjected to audit.

See accompanying note to supplementary information.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance. The District did not pass through Federal funds to subrecipients during the year ended June 30, 2018.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenses, and Changes in Net Position - Primary Government and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenses, and Changes in Net Position:		$ 48,443,609
Career and Technical Education (CTE), Perkins Title I, Part C	84.048A	(844)
Total Schedule of Expenditures of Federal Awards		$ 48,442,765

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

FTES is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

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

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

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

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

Proposition 30 Education Protection Account (EPA) Expenditure Report

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

Reconciliation of Governmental Funds to the Statement of Net Position

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

Schedule of Financial Trends and Analysis of the Combined General Fund

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Schedule of Budgetary Comparison for the Combined General Fund

This schedule presents the final General Fund budget as of the fiscal year end, actual amounts at fiscal year-end, and the variance between the final budget and actual amounts.

INDEPENDENT AUDITOR'S REPORTS

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Mt. San Antonio Community College District
Walnut, California

We have audited, in accordance with the 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, the aggregate discretely presented component units, and the aggregate remaining fund information of Mt. San Antonio Community College District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2018.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 2 and Note 16 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

10681 Foothill Blvd., Suite 300, Rancho Cucamonga, CA 91730 P 909.466.4410 F 909.466.4431 W vtdcpa.com

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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001.

Mt. San Antonio Community College District's Response to Finding 2018-001

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

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.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 4, 2018

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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

Board of Trustees
Mt. San Antonio Community College District
Walnut, California

Report on Compliance for Each Major Federal Program

We have audited Mt. San Antonio 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, 2018. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2018.

10681 Foothill Blvd., Suite 300, Rancho Cucamonga, CA 91730 P 909.466.4410 F 909.466.4431 W vtdcpa.com

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 4, 2018

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Mt. San Antonio Community College District
Walnut, California

Report on State Compliance

We have audited Mt. San Antonio Community College District's (the District) compliance with the types of compliance requirements as identified in the 2017-2018 California Community Colleges Chancellor's Office *District Audit Manual* that could have a direct and material effect on each of the District's State programs as noted below for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with State laws and regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

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 2017-2018 California Community Colleges Chancellor's Office *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 opinions. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted below that were audited for the year ended June 30, 2018.

10681 Foothill Blvd., Suite 300, Rancho Cucamonga, CA 91730 P 909.466.4410 F 909.466.4431 W vtdcpa.com

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 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Instructional Service Agreements/Contracts
Section 424	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP and Non-CCAP)
Section 428	Student Equity
Section 429	Student Success and Support Program (SSSP) Funds
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 439	Proposition 39 Clean Energy Fund
Section 440	Intersession Extension Programs
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds

The District reports no Instructional Service Agreements/Contracts for Apportionment Funding; therefore, the compliance tests within this section were not applicable.

The District does not offer any Intersession Extension Programs; therefore, the compliance tests within this section were not applicable.

The District reports no Apprenticeship Related and Supplemental Instruction (RSI) Funds programs for funding; therefore, the compliance tests within this section were not applicable.

The District did not receive funding for Proposition 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 4, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL STATEMENTS	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major Federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major Federal programs:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,453,283
Auditee qualified as low-risk auditee?	Yes
STATE AWARDS	
Type of auditor's report issued on compliance for State programs:	Unmodified

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED JUNE 30, 2018

The following finding represents a significant deficiency and an instance of noncompliance related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*.

2018-001 Noncompliance With Regulations - California Community College Board of Governors Fee Waivers

Criteria or Specific Requirement

The California Community College Board of Governors Fee Waivers (BOGW), now known as the California College Promise Grant, is a program that waives enrollment fees for students who meet certain income eligibility requirements (California *Education Code* Section 76300(g)(1)).

Condition

During the 2017-2018 year, 99 students incorrectly received enrollment fee waivers which were applied to their student accounts.

Effect

The District waived enrollment fees for these students under the assumption that they were eligible for the BOGW. When the District found the errors, the waivers were reversed on the student accounts prior to the end of the 2017-2018 fiscal year. Also, prior to June 30, 2018, the District modified and accurately reported correct BOGW recipient counts to the Chancellor's Office.

Cause

The District incorrectly granted BOGW fee waiver eligibility for some students who filed manual applications, which could have been avoided if the applications had been completed using an electronic application method such as the Free Application for Federal Student Aid (FAFSA). Internal control and review processes of these manual applications were deemed insufficient to prevent the improper eligibility determinations.

Recommendation

For manual BOGW applications, and any other manual financial aid applications used, the District should implement an independent review process in which the eligibility determination and data input are reviewed for accuracy and validity. An individual who is not involved with processing manual applications should perform the review, on a 100 percent or sample basis.

Corrective Action Plan

The BOGWs were reversed on the accounts of all 99 students impacted. These students were contacted, by phone and email, to have their BOGW eligibility re-evaluated through the FAFSA or CA Dream Act. The outcome is as follows:

- 48 students qualified for the BOGW. In addition, some of these students received additional Federal aid totaling $22,205.
- 25 students paid the fees, which were the result of the BOGW reversal for $25,175.
- 26 students still have outstanding fee balances. The District continues to reach out to these students.

The District is moving towards conversion of BOGW eligibility determination through the FAFSA or CA Dream Act application. These are electronic processes with minimal manual override access granted only to management. If a revision is needed, the process requires the approval of two managers.

Manual BOGW applications will continue to be accepted, but considered on case-by-case basis with newly added internal controls to process BOGW applications manually. Front counter staff will review the application with the student applicant. Front counter staff will not input BOGW information nor determine eligibility. Pre-determined high-level financial aid staff will input BOGW application data and the system will automatically calculate and determine eligibility. A report has been developed for management to review the results of these manually inputted BOGW applications. In addition, management will routinely pull a sample audit of BOGW paper applications as a secondary measure to ensure eligibility requirements are met and calculated correctly. Access to the system and security levels have been reviewed and changed to improve internal controls.

In addition, the Financial Aid Office has modified its regular training agenda on student financial aid eligibility, which now includes implications of noncompliance, error avoidance, and conflict of interest.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

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

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

None reported.

CONTINUING DISCLOSURE INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

Assessed valuation for fiscal year 2017-18	$ 83,764,891,359	(2)
Secured tax levies for fiscal year 2017-18	19,402,142	(1)
Secured tax delinquencies for fiscal year 2017-18	977,754	(1)
Secured tax collections for fiscal year 2017-18	18,424,388	(1)

	Property Owner	Land Use	2017-2018 Assessed Valuation (2)	% of Total (3)
1.	Plaza West Covina LLC	Shopping Center	$ 270,511,910	0.32%
2.	Industry East Land LLC - Lessee	Industrial	225,894,547	0.27%
3.	Fairway Sub A-E LLC	Industrial	177,591,239	0.21%
4.	BRE DDR BR Eastland CA LLC	Shopping Center	168,708,946	0.20%
5.	1301 East Gladstone Street	Shopping Center	132,758,145	0.16%
6.	JCC California Properties LLC	Commercial	116,864,828	0.14%
7.	Tropicana Manufacturing Company	Industrial	111,061,815	0.13%
8.	Crow Family Holdings Industrial LP	Industrial	108,016,546	0.13%
9.	Newage PHM LLC	Shopping Center	104,642,828	0.12%
10.	301 South Glendora Avenue	Commercial	102,504,008	0.12%
11.	Rowland Ranch Properties LLC	Commercial	96,710,398	0.12%
12.	LBA Realty Fund	Industrial	96,450,664	0.12%
13.	Wal Mart Real Estate Business Trust	Shopping Center	95,358,281	0.11%
14.	Quemtco West LLC	Industrial	84,525,216	0.10%
15.	Hacienda Heights CA LLC	Apartments	83,050,448	0.10%
16.	Adcor Realty Corp.	Industrial	79,265,761	0.09%
17.	San Gabriel Valley Water Co.	Water Company	77,578,188	0.09%
18.	Target Corporation	Commercial	71,574,344	0.09%
19.	Vulcan Materials	Industrial	68,026,110	0.08%
20.	New Age Kaleidoscope LLC	Shopping Center	67,873,744	0.08%
			$ 2,338,967,966	2.79%

(1) Source: Los Angeles County Auditor-Controller's Office
(2) Source: California Municipal Statistics, Inc.
(3) Percentage of total assessed valuation for the fiscal year 2017-2018 of $83,764,891,359

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Mt. San Antonio Community College District (the "District") in connection with the issuance of $310,700,000 of the District's Election of 2018 General Obligation Bonds, Series 2019A (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the Board of Trustees of the District adopted on January 9, 2019. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially the U.S. Bank National Association, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Municipal Rulemaking Board consistent with the Rule.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"Official Statement" shall mean the Official Statement relating to the sale of the Bonds, dated as of March 13, 2019.

"Participating Underwriter" shall mean RBC Capital Markets, LLC, as representatives of the Underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean, the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 270 days following the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2018-19 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(i) State funding received by the District for the last completed fiscal year;

(ii) FTES of the District for the last completed fiscal year;

(iii) Outstanding District indebtedness;

(iv) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting the adopted budget for the current fiscal year;

(v) Total assessed valuation of taxable property within the District, for the then-current fiscal year; and

(vi) Top 20 largest local secured taxpayers within the District.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties; and

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(10), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Holders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

7. Appointment of a successor or paying agent with respect to the Bonds or the change of name of such or paying agent.

8. incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

To the District:	Mt. San Antonio Community College District 1100 N. Grand Avenue, Walnut, California 91789
To the Dissemination Agent:	U.S. Bank National Association 633 West Fifth Street, 24th Floor Los Angeles, California 90071

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Signature. This Disclosure Certificate has been executed by the undersigned on the date hereof, and such signature binds the District to the undertaking herein provided.

Date: April 4, 2019

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

By: ____
Vice President, Administrative Services

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2018 General Obligation Bonds, Series 2019A

Date of Issuance: April 4, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

By ____[form only; no signature required]_____

APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITIES OF DIAMOND BAR, POMONA AND WEST COVINA AND LOS ANGELES COUNTY

The following information regarding the Cities of Diamond Bar ("Diamond Bar"), Pomona ("Pomona") and West Covina ("West Covina, and together with Diamond Bar and Pomona, the "Cities"), and Los Angeles County (the "County") is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the Cities or of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel.

General

City of Diamond Bar. Located east of downtown Los Angeles, in Brea Canyon, the City of Diamond Bar is the hub of the Los Angeles basin transportation network, where two freeways – SR-57 and SR-60 – intersect. It is a general law city and was incorporated in 1989. The city has a Council-Manager form of municipal government. The City Council consists of five members elected on a non-partisan basis, who serve four-year staggered terms. Each December the City Council selects a Mayor and Mayor Pro Tem from its membership. The City Council also hires the City Manager, who is responsible for the day-to-day administration of city business. As a contract city, Diamond Bar contracts for several municipal services including police, water and road maintenance.

City of Pomona. Located on the southeast end of the County, Pomona borders San Bernardino County's western boundary, and is five miles north of Orange County. Comprised of approximately 23 square miles, it is the seventh most populated city in the County. Pomona became a charter city in 1911. It has a Council-Manager form of municipal government. The City Council is composed of six council members elected biennially by district to four-year alternating terms, and the Mayor, who is elected from the city at large, also to a term of four years. Historically agricultural, the economy of Pomona is now based primarily on government, healthcare, and other service-oriented industries.

City of West Covina. Located within the San Gabriel Valley, and located 20 miles east of downtown Los Angeles, West Covina is a general law city and was incorporated in 1923. Originally agriculturally proficient, its 16 square miles were rapidly transformed when it saw its population increase from less than 5,000 in 1950 to more than 50,000 by 1960. With access to major commuter freeways, the city is considered a high quality residential base and living environment. West Covina has a Council-Manager form of municipal government; its City Council is composed of five council members elected biennially at large to four-year staggered terms. The City Council selects a Mayor from one of its members each November, and is also responsible for hiring the City Manager, who is responsible for the administration of city business.

Los Angeles County. Established by an act of the State Legislature on February 18, 1850, Los Angeles is one of the original 27 counties of California. With 4,061 square miles, the County borders 70 miles of coast on the Pacific Ocean. Home to 88 incorporated cities and many unincorporated areas, its 2017 Gross Domestic Product of $670 billion made the County's economy larger than that of 44 states and all but 21 countries. In between the large desert portions of the county — which make up around 40% of its land area — and the heavily urbanized central and southern portions, sit the San Gabriel Mountains, containing the Angeles National Forest. The County is a charter county governed by a five-member elected Board of Supervisors who each serve alternating four-year terms.

Population

The following table shows historical population figures for the Cities, the County and the State of California for the past ten years.

POPULATION ESTIMATES
2009 through 2018
Cities of Diamond Bar, Pomona and West Covina, Los Angeles County and the State of California

Year[1]	City of Diamond Bar	City of Pomona	City of West Covina	Los Angeles County	State of California
2009	55,379	149,935	106,231	9,801,096	36,966,713
2010[2]	55,544	149,058	106,098	9,818,605	37,253,956
2011	55,748	151,015	106,188	9,874,887	37,536,835
2012	56,095	152,143	107,062	9,956,722	37,881,357
2013	56,328	153,462	107,454	10,021,318	38,238,492
2014	56,510	154,370	107,753	10,089,847	38,572,211
2015	56,653	154,759	108,083	10,150,617	38,915,880
2016	57,069	154,717	108,250	10,182,961	39,189,035
2017	57,245	154,718	108,289	10,231,271	39,500,973
2018	57,460	155,687	108,245	10,283,729	39,809,693

(1) Except as otherwise noted, as of January 1.
(2) As of April 1.
Source: 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.
2009, 2011-18 (2000 and 2010 Demographic Research Unit Benchmark): California Department of Finance for January 1.

Income

The following table summarizes per capita personal income for the County, the State of California and the United States from 2008 through 2017.

PER CAPITA PERSONAL INCOME
2008 through 2017
Los Angeles County, State of California, and United States

Year	Los Angeles County	State of California	United States
2008	$43,431	$43,895	$40,904
2009	41,869	42,050	39,284
2010	43,569	43,609	40,545
2011	46,439	46,145	42,727
2012	49,459	48,751	44,582
2013	49,010	49,173	44,826
2014	52,130	52,237	47,025
2015	55,366	55,679	48,940
2016	56,851	57,497	49,831
2017	58,419	59,796	51,640

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Principal Employers

The following tables list the principal employers located in the Pomona and West Covina, and the largest private sector employees in the County. Information regarding the largest employers for Diamond Bar is not currently available.

PRINCIPAL EMPLOYERS
2017
City of Pomona

Employer	Employees
Pomona Valley Hospital	3,424
Pomona Unified School District	3,034
California State Polytechnic University	2,187
Fairplex	954
Casa Colina Rehabilitation Center	938
City of Pomona	679
Verizon	596
County of Los Angeles Department of Social Services	400
First Transit	348
HD Supply Facilities	342

Source: City of Pomona Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2017.

PRINCIPAL EMPLOYERS
2017
City of West Covina

Employer	Employees
Citrus Valley Medical Center-Queen of the Valley Campus	1,649
West Covina Unified School District	1,526
City of West Covina	487
Macy's	284
Target Store #T1028	241
Interspace/Concorde Battery Corp	234
Walmart Store #5954	221
B.J.'s Restaurant & Brewery	181
Target Store #T-2147	174
JC Penny Corp Inc. #1505-7	162

Source: City of West Covina Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2017.

LARGEST EMPLOYERS (NON-GOVERNMENTAL)
2018
County of Los Angeles

Employer	Employees
Kaiser Permanente	37,468
University of Southern California	21,055
Northrop Grumman Corp.	16,600
Providence Health & Services Southern California	15,952
Target Corp.	15,000
Ralphs/Food 4 Less (Kroger Co. Division)	14,970
Cedars-Sinai Medical Center	14,903
Walt Disney Co.	13,000
Allied Universal	12,879
NBC Universal	12,000

Note: This table was completed based on information from various sources and is intended for use as a general guide only.
Source: County of Los Angeles Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2018.

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2013 through 2017 for the Cities, the County and the State of California.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES
2013 through 2017
Cities of Diamond Bar, Pomona and West Covina, Los Angeles County and the State of California

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate
2013	City of Diamond Bar	28,900	27,100	1,800	6.3%
	City of Pomona	66,800	59,500	7,300	10.9
	City of West Covina	53,400	47,000	6,300	11.9
	Los Angeles County	4,979,000	4,482,100	485,000	9.8
	State of California	18,624,300	16,958,700	1,665,600	8.9
2014	City of Diamond Bar	29,300	27,700	1,500	5.3
	City of Pomona	67,200	61,000	6,200	9.2
	City of West Covina	53,600	48,200	5,400	10.1
	Los Angeles County	5,006,800	4,593,900	412,900	8.2
	State of California	18,755,000	17,348,600	1,406,400	7.5
2015	City of Diamond Bar	29,400	28,200	1,200	4.2
	City of Pomona	67,000	62,000	5,000	7.4
	City of West Covina	53,300	49,000	4,300	8.1
	Los Angeles County	5,000,600	4,668,200	332,400	6.6
	State of California	18,893,200	17,723,300	1,169,900	6.2
2016	City of Diamond Bar	29,800	28,800	1,000	3.3
	City of Pomona	67,400	63,500	4,000	5.9
	City of West Covina	53,600	50,200	3,500	6.4
	Los Angeles County	5,043,300	4,778,800	264,500	5.2
	State of California	19,102,700	18,065,000	1,037,700	5.4
2017	City of Diamond Bar	28,700	27,700	1,100	3.8
	City of Pomona	70,000	65,900	4,100	5.9
	City of West Covina	54,200	51,400	2,800	5.2
	Los Angeles County	5,123,900	4,883,600	240,300	4.7
	State of California	19,312,000	18,393,100	918,900	4.8

Note: Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2017.

Industry

The County is included in the Los Angeles-Long Beach-Glendale Metropolitan Division. The distribution of employment in the Metropolitan Division is presented in the following table for the last five years. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2013 through 2017
Los Angeles-Long Beach-Glendale Metropolitan Division

	2013	2014	2015	2016	2017
Total Farm	5,500	5,200	5,000	5,300	5,800
Mining & Logging	4,500	4,300	3,900	2,500	2,200
Construction	114,600	118,500	126,200	133,900	137,700
Manufacturing	374,400	370,000	366,800	360,300	350,100
Wholesale Trade	218,700	222,500	225,700	225,200	224,500
Retail Trade	405,600	413,000	419,200	421,500	422,500
Transportation & Warehousing	145,300	151,300	159,400	170,400	180,300
Utilities	12,200	12,100	12,100	11,900	11,600
Information	197,000	198,800	207,500	229,200	214,500
Financial Activities	213,000	211,200	215,500	219,800	221,100
Professional, Scientific & Technical Svcs.	271,800	271,800	271,800	277,900	284,300
Management of Companies and Ent.	58,200	58,600	57,900	57,000	57,400
Administrative & Support & Waste Svcs	256,900	262,900	265,800	268,400	271,700
Educational Services	117,400	118,600	119,500	121,900	125,300
Health Care & Social Assistance	584,700	602,100	621,600	645,700	669,000
Leisure and Hospitality	440,500	466,600	489,100	510,000	523,900
Other Services	145,700	150,500	151,000	153,300	154,100
Government	551,200	556,200	568,500	576,700	585,500
Total All Industries	4,117,200	4,193,900	4,286,500	4,390,800	4,441,400

Note: Items may not add to total due to independent rounding.
Source: California Employment Development Department, Labor Market Information Division. March 2017 Benchmark.

Commercial Activity

Summaries of annual taxable sales for the Cities and the County from 2012 through 2016 are shown in the following tables.

ANNUAL TAXABLE SALES
2012 through 2016
City of Diamond Bar
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2012	751	$265,770	1,225	$311,446
2013	790	266,403	1,264	315,454
2014	802	265,203	1,279	328,562
2015	866	253,515	1,521	407,757
2016	840	247,982	1,522	433,616

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

ANNUAL TAXABLE SALES
2012 through 2016
City of Pomona
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2012	3,343	$767,593	4,658	$1,191,591
2013	3,326	781,599	4,635	1,239,009
2014	3,409	817,869	4,747	1,331,872
2015	3,706	833,851	5,397	1,353,565
2016	3,700	864,842	5,434	1,394,572

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

ANNUAL TAXABLE SALES
2012 through 2016
City of West Covina
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2012	1,353	$1,142,431	1,755	$1,260,366
2013	1,315	1,220,415	1,705	1,334,588
2014	1,374	1,322,086	1,783	1,441,450
2015	1,531	1,409,173	2,100	1,522,813
2016	1,497	1,433,518	2,082	1,548,766

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

ANNUAL TAXABLE SALES
2012 through 2016
Los Angeles County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2012	180,359	$95,318,603	266,414	$135,295,582
2013	179,370	99,641,174	263,792	140,079,708
2014	187,408	104,189,819	272,733	147,446,927
2015	196,830	108,147,021	310,063	151,033,781
2016	196,929	109,997,043	311,295	154,208,333

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued from 2013 through 2017 for the Cities and the County are shown in the following tables. Annualized data for years beyond 2016 is not currently available.

BUILDING PERMIT VALUATIONS
2013 through 2017
City of Diamond Bar
(Dollars in Thousands)

	2013	2014	2015	2016	2017
Valuation					
Residential	$12,259	$19,413	$39,606	$12,795	$31,642
Non-Residential	7,889	6,267	4,730	9,173	2,247
Total	$20,148	$25,680	$44,336	$21,968	$33,889
Units					
Single Family	7	47	115	13	72
Multi Family	0	0	12	0	0
Total	7	47	127	13	72

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
2013 through 2017
City of Pomona
(Dollars in Thousands)

	2013	2014	2015	2016	2017
Valuation					
Residential	$21,954	$9,192	$20,600	$41,026	$35,438
Non-Residential	70,993	40,271	14,957	52,606	6,604
Total	$92,947	$49,463	$35,557	$93,632	$42,042
Units					
Single Family	4	35	0	75	181
Multi Family	251	4	159	139	0
Total	255	39	159	214	181

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
2013 through 2017
City of West Covina
(Dollars in Thousands)

	2013	2014	2015	2016	2017
Valuation					
Residential	$13,796	$103,184	$70,073	$36,284	$17,286
Non-Residential	25,134	28,298	14,843	23,498	18,915
Total	$38,930	$131,482	$84,916	$59,782	$36,201
Units					
Single Family	13	31	97	37	2
Multi Family	0	450	8	5	0
Total	13	481	105	42	2

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2013 through 2017
Los Angeles County
(Dollars in Thousands)

	2013	2014	2015	2016	2017
Valuation					
Residential	$4,743,955	$5,509,418	$6,383,036	$6,575,607	$7,368,352
Non-Residential	4,326,366	6,657,571	5,645,372	5,287,623	6,037,503
Total	$9,070,321	$12,166,989	$12,028,408	$11,863,230	$13,405,855
Units					
Single Family	3,607	4,358	4,487	4,780	5,456
Multiple Family	13,243	14,349	18,405	15,589	17,023
Total	16,850	18,707	22,892	20,369	22,479

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

APPENDIX E

LOS ANGELES COUNTY TREASURY POOL

The following information concerning the Los Angeles County Treasury Pool (the "Treasury Pool") has been provided by the Treasurer, and has not been confirmed or verified by the District or the Underwriters. The District and the Underwriters have not made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasury Pool may be obtained from the Treasurer at www.ttc.lacounty.gov; however, the information presented on such website is not incorporated herein by any reference.

[REMAINDER OF PAGE LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS

The Treasurer and Tax Collector (the Treasurer) of Los Angeles County has the delegated authority to invest funds on deposit in the County Treasury (the Treasury Pool). As of January 31, 2019, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in billions)
County of Los Angeles and Special Districts	$13.374
Schools and Community Colleges	15.259
Discretionary Participants	2.741
Total	$31.374

The Treasury Pool participation composition is as follows:

Non-discretionary Participants	91.26%
Discretionary Participants:	
Independent Public Agencies	8.32%
County Bond Proceeds and Repayment Funds	0.42%
Total	100.00%

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 20, 2018, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the Investment Report) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated February 28, 2019, the January 31, 2019 book value of the Treasury Pool was approximately $31.374 billion and the corresponding market value was approximately $31.133 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer's Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor's staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County's outside independent auditor (External Auditor) reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of January 31, 2019:

Type of Investment	**% of Pool**
Certificates of Deposit	6.69
U.S. Government and Agency Obligations	65.70
Bankers Acceptances	0.00
Commercial Paper	27.23
Municipal Obligations	0.08
Corporate Notes & Deposit Notes	0.30
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
	100.00

The Treasury Pool is highly liquid. As of January 31, 2019, approximately 38.84% of the investments mature within 60 days, with an average of 548 days to maturity for the entire portfolio.