



Mission Valley ROP
Thursday, January 19, 2017
4 p.m. Governing Council Meeting
MVROP Board Room
(510) 657-1865 Ext. 15141



Agenda

Regular Meeting of the Governing Council
Mission Valley Regional Occupational Center/ Program
ROP Board Room
Thursday, January 19, 2017
Regular Meeting (Open Session): 4 p.m.

Call to order _____p.m.

Pledge of Allegiance

Roll Call: _____ Sharan Kaur, President
_____ Larry Sweeney, Vice President
_____ Nancy Thomas, Clerk
_____ Other

Board of Education Item #1

Election of Officers:

President _____

M _____ S _____ V _____

Vice President _____

M _____ S _____ V _____

Clerk _____

M _____ S _____ V _____

Approval of Agenda:

Motion: _____

Second: _____

Vote: _____

Communication:

- a. Items from the Staff
- b. Oral Communication
 - *MVROP Animation and Game Design Program Presentation by MVROP Instructor Clint DiClementi*
- c. Written Communication
 - “Planting the Seeds of Student Connection”, MVROP CTE Trending Newsletter, January 6, 2017*
- d. Items from the Board
- e. Public Comment
 - Blue Speaker Card – Items on the agenda
 - Green Speaker Card – Items not on the agenda

Consent Calendar:

- a. **Minutes:**

Approve minutes from the Governing Council meeting on December 14, 2016.

b. Business and Finance:

B&F#1 Approve Purchase Orders over \$5,000

B&F#2 Approve Warrants \$5,000 and above

B&F#3 Adopt Resolution Number #02-1617

Accept Donations to Mission Valley ROP

B&F#4 Annual Organizational Meeting and Authorized Signatures

Adopt Resolution #03-1617 Signature Card- Board Members

Adopt Resolution #04-1617 Signature Card- Authorized Agents

Payroll Warrants & Disbursements

B&F#5 Approval of JPA Coalition Efforts and Funding for School Services of California, Inc. Agreement

c. Employment and Personnel:

E&P#1 Approve Report of Classified Personnel Actions

End of Consent Calendar:

Motion: _____

Second: _____

Vote: _____

Board comments on Consent Calendar:

Business and Finance #1

Information

Review MVROP Fiscal Update

Business and Finance #2

Information

Review CTEIG Financial Update

Business and Finance #3

Information/Presentation/Action

Review and Accept Audit Report from Vavrinek, Trine, Day & Co.
for the Fiscal Year 2015/2016

Motion: _____

Second: _____

Vote: _____

Board Requests

Meeting adjourned: _____pm



Communication

MISSION VALLEY ROP

Providing relevant Career Technical Education by preparing students for employment and college through industry standard tools, training, and experience.



What's Trending in CTE

↑ January 2017

"Chef Skrocke is doing a fantastic job working his magic with students to bring out their creativity and design for food and pastry in his classes." –Grace Huerta, NMHS Principal



To see what's #trending
in MVROP CTE go to:
www.mvrop.org
or follow us on
Instagram | Facebook

Planting the Seeds of Student Connection

The love of food is a powerful and connecting force that is prevalent on the NMHS campus. While each of the MVROP Culinary Arts programs have become, in special ways, significant components of the comprehensive programming at the high schools, the NMHS program has proven it is no exception with its continued popularity with students and staff. The program, guided by MVROP Instructor, Chef Skrocke, equips 100% of completing students with their California Food Handlers' Card which continues to strengthen the program's growing employment rate of 24%. While these are exemplary achievements for a high school program, Chef Skrocke had greater aspirations for his students. Chef's vision to incorporate farm to table ingredients for students to prepare in a modern kitchen classroom environment literally and figuratively planted the seeds for a student bonded community on the NMHS campus. With the support of local businesses, the MVROP Construction program, a student-managed garden has been planted on the NMHS campus. What started as a few planters of vegetables, has grown into a unifying campus environment for students from multiple programs to take ownership and invest in the well-being of this beloved garden. To date, Chef Skrocke estimates over 500 students from his program have: weeded, built beds, turned soil, seeded, pruned and harvested; over 300 Biology students have: soil and seed tested, labeled and identified, and supported beneficial co-planting; over 200 Arts students have contributed ceramic decorative art; over 100 MCA students have painted murals; and highly exceptional special needs students participated in the garden's success. The garden even spouted its own social media account providing comical updates about its progress.

The latest round of classroom renovations for the Culinary Arts classroom as of the 2016-2017 school year, has students preparing their garden vegetables in a professional environment which is ADA compliant, stocked with NSF Certified Equipment, and organized with individual preparation and cooking stations complete with rolling desks in orderly rows where students sit during instruction. These changes have been received with enthusiastic smiles from students eager to utilize their new classroom environment. This valuable MVROP CTE program continues to fill the NMHS hallways with the enticing smell of success.



Consent Calendar



Minutes

**Regular Meeting of the Governing Council
Mission Valley Regional Occupational Center/ Program
Wednesday, December 14, 2016**

Member Dino called the meeting to order at 3:30 pm.

Present:

Sharan Kaur, President
Larry Sweeney, Vice President
Nancy Thomas, Clerk (NUSD)

Member Kaur requested for Member Sweeney to run the meeting. Member Sweeney agreed and conducted the meeting.

Approval of Agenda:

Member Thomas made a motion to approve all items on the December agenda. Member Kaur made a second to approve the motion. Members voted 3-0 to approve all items on the December agenda.

Communication:

a. Items from Staff:

- Superintendent Hanson shared:
 - Superintendent Hanson and Director of Educational Services, Cliff Adams-Hart attended a CAROCP conference following the November 16 Governing Council Meeting in Southern California.
 - Superintendent Hanson attended a separate Directors CAROCP meeting which includes other JPA ROCP's from throughout the state. The focus is to continue collaborating on issues which affect CTE in JPA Districts. The main topic was the CTEIG grant and how all JPA ROCP's are utilizing the funding. MVROP appears to be amongst the strongest in the group and moving in a positive direction.
 - MVROP is coordinating with the Tri-Cities One Stop to implement a trip to the Newark Ohlone College Campus for students in the Business and Professional Development courses on the BHS, RHS, and CCHS campuses. The trip will have students pre-enroll for classes and explore future opportunities at Ohlone College.
 - MVROP has scheduled program presentations at two out of the three JPA Districts. NUSD is in the process of narrowing down a date. The focus of the presentations will be the level of support students are given in CTE, in addition to, how MVROP supports the JPA Districts through CTE to satisfy college and career indicator requirements.

b. Oral Communication:

- MVROP Instructor Chef Skrocke gave a presentation focusing on the Culinary Arts program, and its recent facilities upgrades, on the Newark Memorial High School campus.

Member Thomas requested a copy of the Oral Communications presentation. MVROP PR Administrator, Allison Aldinger, will send the item to the Governing Council.

c. Items from the Board:

Member Kaur expressed her enthusiasm to represent NHUSD on the MVROP Governing Council. She shared there are three new Board Members on the Board of Education at NHUSD and she looks forward to sharing information about MVROP programs to them in the future.

d. Public Comment:

None

Consent Calendar:

Member Thomas made a motion to approve all items on the Consent Calendar. Member Kaur made a second to approve the motion. Members voted 3-0 to approve all items on the Consent Calendar.

Business and Finance #1

Review MVROP Fiscal Update

MVROP Director of Business Services, Joyce Veasley, reviewed Business and Finance Item #1 and answered subsequent Board inquiries regarding the item.

This item is information only.

Business and Finance #2

Review CTEIG Financial Update

MVROP Director of Business Services, Joyce Veasley, reviewed Business and Finance Item #2 and answered subsequent Board inquiries regarding the item.

This item is information only.

Member Sweeney departed the Governing Council meeting to attend the FUSD Board of Education meeting at 4 p.m. Member Thomas conducted the remainder of the MVROP Governing Council meeting upon Member Sweeney's departure.

Business and Finance #3

Review and Approve Certification of First Interim Financial Report

MVROP Director of Business Services, Joyce Veasley, reviewed Business and Finance Item #3 and answered subsequent Board inquiries regarding the item.

Member Thomas made a motion to approve Business and Finance #3, Review and Approve Certification of First Interim Financial Report. Member Kaur made a second to approve the motion. Members voted 2-0 to approve Business and Finance #3, Review and Approve Certification of First Interim Financial Report.

Board of Education #1

**Review and Approve Spring 2017
MVROP Governing Council Meeting
Dates**

The MVROP Governing Council reviewed Board of Education #1, Review and Approve Spring 2017 MVROP Governing Council Meeting Dates.

Member Thomas noted that should she be assigned to be the NUSD representative on the MVROP Governing Council, she would be unable to attend one of the meetings, and the NUSD alternate would be notified. Both NUSD and NHUSD Boards of Education will finalize their organizational meetings prior to the next MVROP Governing Council meeting.

Member Thomas made a motion to approve Board of Education #1, Review and Approve Spring 2017 MVROP Governing Council Meeting Dates. Member Kaur made a second to approve the motion. Members voted 2-0 to approve Board of Education #1, Review and Approve Spring 2017 MVROP Governing Council Meeting Dates.

Board Requests:

None

The meeting was adjourned at 4:30 p.m.

Sharan Kaur, President

Larry Sweeney, Vice President

Nancy Thomas, Clerk



Business and Finance

ReqPay11j

Board Report with Account Number by PO

Includes Purchase Orders dated 12/03/2016 - 01/10/2017 ***

Board Meeting Date January 19, 2017

PO Number	Vendor Name	Description	Location	Account Number	Account Amount
PO Type PO					
PO17-04121	WILLIAMS COLLISION EQPT INC	Hybrid Pulse Mig Welder	ROP Center	96-6387-0-6000-1000-6400-860-800-6701	8,238.75
PO17-04182	TROXELL COMMUNICATIONS	For Vivien Buhain, Washington High room 28		96-6387-0-6000-1000-4310-854-800-6621	2,392.85
				96-6387-0-6000-1000-4410-854-800-6621	3,725.19
				96-6387-0-6000-1000-5801-854-800-6621	2,150.00
PO17-04183		For Jonathan Sabangan, NMHS, Room 301		96-6387-0-6000-1000-5801-864-800-6202	1,950.00
				96-6387-0-6000-1000-4310-864-800-6202	2,310.72
				96-6387-0-6000-1000-4410-864-800-6202	1,894.35
PO17-04307	INGERSOLL RAND COMPANY	Compressor		96-6387-0-6000-1000-5801-854-800-6703	1,850.00
				96-6387-0-6000-1000-6400-854-800-6703	19,018.64
				96-6387-0-6000-1000-4400-854-800-6703	602.25
PO17-04422	DELL MARKETING L P	Computers		96-6387-0-6000-1000-4410-860-800-6106	47,647.00
				96-6387-0-6000-1000-4310-860-800-6106	15,275.25
PO17-04423	COOKSHACK INC	Smokers for Culinary classes		96-6387-0-6000-1000-4400-852-800-6621	1,494.84
				96-6387-0-6000-1000-4400-854-800-6621	1,494.84
				96-6387-0-6000-1000-4400-856-800-6621	1,494.84
				96-6387-0-6000-1000-4400-864-800-6621	1,494.84
PO17-04429	HARRIS SPECIALIZED STUDENT SOL	Classmate Travel & Training		96-0000-0-6000-2700-5801-860-800-6013	12,591.41
				96-0000-0-6000-2700-5816-860-800-6013	3,500.00
PO17-04436	B & H PHOTO-VIDEO	Instructional Supplies		96-6387-0-6000-1000-4300-853-800-6110	11,288.00
				96-6387-0-6000-1000-4400-853-800-6110	17,305.60
Total Number of POs				8	
Total for PO Type PO					160,709.06

Information is further limited to: (Minimum Amount = 5,000.00, Department = MVROP)

The preceding Purchase Orders have been issued in accordance with the District's Purchasing Policy and authorization of the Board of Trustees. It is recommended that the preceding Purchase Orders be approved and that payment be authorized upon delivery and acceptance of the items ordered.

Checks Dated 12/03/2016 through 01/10/2017				Board Meeting Date January 19, 2017	
Check Number	Check Date	Pay to the Order of	Fund-Resource-Object-Location-Cost Center	Expensed Amount	Check Amount
50859239	12/07/2016	CLIFFORD ADAMS HART	96-0000-5210-860-6001	41.88	
50859261	12/07/2016	JOHN F. CIMINO	96-6387-5210-860-6701	1,228.19	
			96-6387-5220-860-6701	39.42	
50859283	12/07/2016	THOMAS H. HANSON	96-0000-5210-860-6001	262.99	
50859317	12/07/2016	PEGGY NUTZ	96-0000-5210-860-6001	172.82	
50859350	12/07/2016	MIMI VAN KIRK	96-6387-5220-862-6507	71.83	
50859351	12/07/2016	JOYCE VEASLEY	96-0000-5210-860-6013	68.04	
			96-0000-5220-860-6013	99.36	
50859359	12/07/2016	AB SUPPLY	96-6387-4300-860-6701	356.72	
50859363	12/07/2016	AIRGAS USA LLC	96-6387-4400-860-6701	3,924.93	
50859368	12/07/2016	ALLIED AUTO STORES	96-0000-4300-860-6013	9.96	
			96-6387-4300-854-6703	475.77	
50859372	12/07/2016	SYNCB/AMAZON #6045787810138129	96-0000-4300-860-6010	16.41	
			96-0000-4300-860-6013	49.91	
			96-6387-4300-860-6703	279.38	
			96-6387-4300-860-6998	49.91	
			96-6387-4300-864-6621	2,257.44	
			96-6387-4300-867-6110	291.22	
			96-6387-4300-867-6608	145.72	
			96-6387-4300-868-6621	65.30	
			96-6387-4310-851-6503	2,086.38	
			96-6387-4310-860-6998	42.78	
50859380	12/07/2016	ARAMARK UNIFORM SERVICES	96-0000-5801-860-6013	151.29	
			96-6387-5801-854-6703	137.22	
50859404	12/07/2016	BJ TRAVEL	96-6387-5210-868-6621	132.96	
50859405	12/07/2016	BOOKS OF DISCOVERY	96-6387-4300-862-6616	695.20	
50859415	12/07/2016	CASBO	96-0000-5210-860-6013	1,000.00	
50859435	12/07/2016	CORONADO SCHOOL OF THE ARTS FOUNDATION	96-6387-5210-862-6115	272.50	
			96-6387-5210-867-6110	272.50	
50859439	12/07/2016	DALE HARDWARE (DCIS)	96-6387-4300-854-6703	59.12	
50859472	12/07/2016	SAVE MART SUPERMARKET FILE# 33486-01	96-0000-4300-860-6010	41.15	
			96-0000-4300-860-6013	77.56	
			96-6387-4300-856-6621	88.84	
			96-6387-4300-864-6621	68.98	
			96-6387-4300-867-6621	136.75	
50859475	12/07/2016	FREMONT RUBBER STAMP CO INC	96-6387-4300-860-6602	84.39	
			96-6387-4300-860-6603	88.07	
50859491	12/07/2016	HANDLERY HOTEL	96-6387-5210-862-6115	290.78	
			96-6387-5210-867-6110	290.77	
50859493	12/07/2016	HARBOR FREIGHT TOOLS	96-6387-4300-854-6703	339.09	
50859502	12/07/2016	ICE SAFETY SOLUTIONS	96-6387-4300-867-6608	520.00	
50859506	12/07/2016	IN A NUTSHELL	96-6387-4300-864-6621	673.67	
50859507	12/07/2016	INN OFF CAPITOL PARK HOTEL	96-6387-5210-867-6621	377.20	
50859518	12/07/2016	KEEP IT SIMPLE COMPUTER CTR	96-0000-5801-860-6005	4,671.25	

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

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Checks Dated 12/03/2016 through 01/10/2017

Board Meeting Date January 19, 2017

Check Number	Check Date	Pay to the Order of	Fund-Resource-Object-Location-Cost Center	Expensed Amount	Check Amount
50859530	12/07/2016	MACHO PRODUCTS INC	96-6387-4300-860-6601	332.77	
50859540	12/07/2016	ENGRADE LLC	96-6387-5816-860-6106	227.50	
50859547	12/07/2016	MOORE MEDICAL LLC	96-6387-4300-860-6609	295.38	
50859557	12/07/2016	OFFICE DEPOT BUSINESS DIV-2	96-0000-4300-860-6013	32.80	
			96-6387-4300-860-6998	8.53	
50859577	12/07/2016	RAY WEAVER GENERAL CONTRACTING	96-0000-5640-860-6013	850.00	
50859580	12/07/2016	REGISTRATIONS FOR YOU	96-0000-5210-860-6001	650.00	
			96-0000-5210-860-6013	325.00	
			96-6387-5210-860-6606	325.00	
			96-6387-5210-867-6608	325.00	
			96-6387-5210-867-6621	325.00	
50859591	12/07/2016	SAFEWAY INC	96-6387-4300-851-6621	167.09	
50859593	12/07/2016	SCBA SAFETY CHECK INC.	96-6387-4300-860-6603	328.50	
50859603	12/07/2016	SIGN-A-RAMA TIM GUTIERREZ	96-6387-4300-860-6602	109.50	
50859604	12/07/2016	SMART & FINAL	96-6387-4300-854-6621	972.20	
			96-6387-4300-856-6621	230.29	
			96-6387-4300-864-6621	535.88	
			96-6387-4300-867-6621	296.26	
			96-6387-4300-868-6621	123.45	
50859607	12/07/2016	SNAP ON INDUSTRIAL DIVISION OF IDSC HOLDINGS LLC	96-6387-4300-860-6703	1,079.11	
50859608	12/07/2016	SONITROL	96-0000-5640-860-6013	134.00	
50859623	12/07/2016	SUPPLY WORKS	96-0000-4300-860-6013	194.91	
50859636	12/07/2016	TRIMARK ECONOMY RESTAURANT FIX	96-6387-4300-864-6621	280.63	
50859641	12/07/2016	US BANK CORPORATE PAYMENT SYS	96-0000-4300-860-6013	1,059.76	
			96-0000-5210-860-6013	491.68	
50860450	12/14/2016	DOUGLAS C. NAHALE	96-6387-5210-854-6703	536.51	
50860453	12/14/2016	PEGGY NUTZ	96-0000-5220-860-6001	20.36	
50860469	12/14/2016	JONATHAN J. SABANGAN	96-6387-5220-864-6202	29.38	
50860474	12/14/2016	JANAY SHEPHERD	96-6387-5220-860-6606	102.06	
50860476	12/14/2016	JACKLYNN R. SPRAGUE	96-0000-5220-860-6001	63.40	
50860483	12/14/2016	MICHAEL TRAN	96-0000-5220-860-6005	7.29	
			96-0000-5921-860-6013	20.00	
50860498	12/14/2016	AB SUPPLY	96-6387-4300-860-6701	60.39	
50860509	12/14/2016	ALLIED AUTO STORES	96-6387-4300-860-6703	40.27	
50860516	12/14/2016	AMERICAN EXPRESS LOAD# 028230 FOR VENDOR APPLE # 000491	96-6387-4300-860-6101	3.67	
			96-6387-4300-864-6101	3.68	
			96-6387-4410-860-6101	40.10	
			96-6387-4410-864-6101	40.10	
50860517	12/14/2016	ARAMARK UNIFORM SERVICES	96-6387-5801-860-6701	22.55	
50860525	12/14/2016	AUTOBODY TOOLMART	96-6387-4400-860-6701	474.96	
50860526	12/14/2016	B&H PHOTO VIDEO REMITTANCE PROCESSING CTR	96-6387-4300-864-6101	1,043.15	

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Checks Dated 12/03/2016 through 01/10/2017				Board Meeting Date January 19, 2017	
Check Number	Check Date	Pay to the Order of	Fund-Resource-Object-Location-Cost Center	Expensed Amount	Check Amount
50860533	12/14/2016	BIO CORPORATION	96-6387-4300-860-6506	342.99	
50860558	12/14/2016	DELTA DENTAL INS. COMPANY	96- -9564- -	347.13	
		ACCOUNTS RECEIVABLE			
50860559	12/14/2016	DELTA DENTAL CLIENT SERVICES	96- -9560- -	3,964.26	
			96- -9561- -	75.47	
			96- -9562- -	1,141.96	
50860560	12/14/2016	DICK BLICK ART MATERIALS	96-6387-4300-862-6507	50.15	
50860580	12/14/2016	FREMONT RUBBER STAMP CO INC	96-0000-4300-860-6013	90.62	
50860586	12/14/2016	GRAYBAR ELECTRIC	96-6387-4300-851-6503	89.77	
50860589	12/14/2016	HARBOR FREIGHT TOOLS	96-6387-4300-867-6703	523.64	
50860594	12/14/2016	HOME DEPOT CREDIT SERVICES	96-6387-4300-860-6703	402.34	
		DEPT 32-2500091081			
			96-6387-4300-860-6706	1,741.89	
50860596	12/14/2016	HULBERT LUMBER AND SUPPLY	96-6387-4300-860-6706	1,409.27	
		COMPANY			
50860597	12/14/2016	ICE SAFETY SOLUTIONS	96-6387-5801-862-6616	175.00	
			96-6387-5801-867-6608	175.00	
50860598	12/14/2016	IQ INNOVATIONS LLC	96-6387-5816-860-6613	440.00	
50860599	12/14/2016	ISING'S CULLIGAN-LIVERMORE	96-6387-5630-860-6998	38.30	
50860606	12/14/2016	KIMS KUSTOM EMBROIDERY	96-6387-4300-864-6621	469.04	
50860623	12/14/2016	MRC SMART TECHNOLOGY	96-0000-5910-860-6013	7.98	
		SOLUTIONS			
50860631	12/14/2016	OFFICE DEPOT BUSINESS DIV-2	96-0000-4300-860-6013	63.95	
50860634	12/14/2016	PACIFIC GAS & ELECTRIC CO	96-0000-5510-860-6013	13,029.07	
50860636	12/14/2016	PALACE OFFICE INTERIORS	96-6387-4400-854-6621	1,248.01	
50860642	12/14/2016	PROJECT LEAD THE WAY INC	96-6387-4300-860-6506	395.29	
50860647	12/14/2016	RAY WEAVER GENERAL	96-0000-5640-860-6013	550.00	
		CONTRACTING			
50860650	12/14/2016	AMERICAN EXPRESS LOAD# 028230	96-0000-5550-860-6013	45.02	
		FOR V REPUBLIC SVCS			
			96-0000-5560-860-6013	1,217.89	
50860656	12/14/2016	SAFEWAY INC	96-6387-4300-868-6621	149.44	
50860666	12/14/2016	SHARP ELECTRONICS CORP	96-0000-5670-860-6013	429.93	
		SHARP BUSINESS SYSTEMS			
50860671	12/14/2016	SMART & FINAL	96-6387-4300-856-6621	71.54	
			96-6387-4300-867-6621	472.54	
			96-6387-4300-868-6621	173.94	
50860673	12/14/2016	SONITROL	96-0000-5640-860-6013	134.00	
50860679	12/14/2016	STATE OF CALIFORNIA JUSTICE	96-0000-5813-860-6013	96.00	
		ACCOUNTING SVCS			
50860681	12/14/2016	BOARD OF EQUALIZATION SPECIAL	96-0000-9507- -	598.10	
		TAXES AND FEES			
50860699	12/14/2016	US BANK EQUIPMENT FINANCE	96-0000-5670-860-6013	684.75	
50861637	12/16/2016	CLIFFORD ADAMS HART	96-6387-5210-860-6001	238.37	
50861663	12/16/2016	PEGGY NUTZ	96-0000-5210-860-6001	192.39	
50861667	12/16/2016	JOE S. SIMAS	96-0000-5921-860-6013	20.00	
50861668	12/16/2016	JACKLYNN R. SPRAGUE	96-6387-5210-860-6001	465.15	
50861675	12/16/2016	AB SUPPLY	96-6387-4300-860-6701	235.55	

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

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Checks Dated 12/03/2016 through 01/10/2017				Board Meeting Date January 19, 2017	
Check Number	Check Date	Pay to the Order of	Fund-Resource-Object-Location-Cost Center	Expensed Amount	Check Amount
50861678	12/16/2016	ADORAMA INC.	96-6387-4300-867-6110	8,319.97	
50861683	12/16/2016	ALLDATA CORPORATION	96-6387-5816-867-6703	975.00	
50861685	12/16/2016	ALLIED AUTO STORES	96-6387-4300-860-6703	10.99	
50861690	12/16/2016	AMERICAN EXPRESS LOAD# 028230 FOR VENDOR APPLE # 000491	96-6387-4300-860-6101	40.08	
			96-6387-4300-864-6101	40.10	
			96-6387-4410-860-6101	437.41	
			96-6387-4410-864-6101	437.42	
50861692	12/16/2016	ARAMARK UNIFORM SERVICES	96-0000-5801-860-6013	151.29	
			96-6387-5801-860-6701	22.55	
50861703	12/16/2016	BJ TRAVEL	96-6387-5210-862-6507	152.96	
50861706	12/16/2016	CALIFORNIA COLOR SOURCE	96-6387-4400-860-6701	4,818.00	
50861707	12/16/2016	CALIFORNIA LANDSCAPES	96-0000-5640-860-6013	795.00	
50861716	12/16/2016	COMCAST	96-0000-5940-860-6005	166.27	
50861717	12/16/2016	COMPUTER PRO	96-0000-4310-860-6005	328.49	
50861722	12/16/2016	AMERICAN EXPRESS LOAD# 028230 FOR DELL MARKETING LP V003504	96-0000-4300-860-6013	803.68	
			96-0000-4310-860-6013	2,311.72	
			96-0000-4410-860-6013	2,978.60	
50861732	12/16/2016	SAVE MART SUPERMARKET FILE# 33486-01	96-0000-4300-860-6010	27.46	
			96-6387-4300-856-6621	42.03	
			96-6387-4300-864-6621	60.40	
			96-6387-4300-867-6621	121.47	
50861743	12/16/2016	HART, BARBARA C	96-0000-5220-860-6007	45.36	
50861758	12/16/2016	KEEP IT SIMPLE COMPUTER CTR	96-0000-5801-860-6005	323.75	
50861768	12/16/2016	MINUTEMAN PRESS	96-0000-5802-860-6010	40.93	
50861770	12/16/2016	MISSION VALLEY ROP REVOLVING CASH	96-0000-4300-860-6013	1,031.85	
			96-0000-5813-860-6013	19.00	
			96-6387-4300-860-6606	66.95	
			96-6387-4300-860-6701	33.83	
			96-6387-4300-862-6616	13.25	
			96-6387-4300-864-6621	171.00	
50861772	12/16/2016	MOORE MEDICAL LLC	96-6387-4300-860-6609	578.51	
50861775	12/16/2016	NAPA AUTO PARTS	96-6387-4300-854-6703	176.22	
50861780	12/16/2016	NEWARK UNIFIED SCHOOL DISTRICT	96-0000-5801-864-6008	38,219.38	
50861784	12/16/2016	OFFICE DEPOT BUSINESS DIV-2	96-0000-4300-860-6013	549.00	
			96-6387-4300-860-6998	545.25	
50861787	12/16/2016	PACIFIC GAS & ELECTRIC CO	96-0000-5510-860-6013	150.50	
50861801	12/16/2016	SAFEWAY INC	96-6387-4300-852-6621	51.96	
50861814	12/16/2016	SMART & FINAL	96-6387-4300-852-6621	1,048.53	
			96-6387-4300-864-6621	486.48	
			96-6387-4300-867-6621	5.59	
50861819	12/16/2016	SPURR	96-0000-5520-860-6013	1,766.42	
50861821	12/16/2016	CalPERS	96-0000-3701-860-6019	6,916.46	

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

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Checks Dated 12/03/2016 through 01/10/2017				Board Meeting Date January 19, 2017	
Check Number	Check Date	Pay to the Order of	Fund-Resource-Object-Location-Cost Center	Expensed Amount	Check Amount
50861821	12/16/2016	CalPERS	96-0000-5801-860-6013	70.87	
50861827	12/16/2016	TRIMARK ECONOMY RESTAURANT FIX	96-6387-4300-864-6621	12,126.90	
50861836	12/16/2016	XEROX CORPORATION	96-0000-5670-860-6013	2,518.50	
Total Number of Checks			110	156,706.88	

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

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<u> </u>	Information
<u> X </u>	Action
<u> </u>	Presentation

**MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM
BOARD OF EDUCATION**

**A G E N D A I T E M
B&F #3**

DATE OF BOARD MEETING: January 19, 2017

TITLE: Adopt Resolution No. 2-1617
 Accept Donations to Mission Valley ROP

Background:

Education Code 635160 authorizes governing boards of any school district to initiate and carry on any program, activity or to act otherwise in any manner that is not in conflict with or inconsistent with or preempted by any law and that is not in conflict with the purpose for which school districts are established. Acceptance of gifts to the school district is within the permissive authority granted Boards of Education in the permissive code embodied in Education Code 35160.

Current Status:

<u>Donated to</u>	<u>Donated by</u>	<u>Item(s)</u>	<u>Value</u>
Fall Advisory	Sweet tomatoes	2 guest passes	\$ 24
Fall Advisory	Blaze Pizza	5 free pizza passes	\$ 50
Fall Advisory	Raleys	\$25 gift card	\$ 25
Fall Advisory	Boudin	2 ea \$25 gift card	\$ 50
Fall Advisory	Safeway, Hub	\$25 gift card	\$ 25
Fall Advisory	Safeway, Washington	\$25 gift card	\$ 25
Fall Advisory	Sizzler	2 guest passes	\$ 24
Fall Advisory	Bronco Billy	School discount	\$ 64
Fall Advisory	The Counter	2 ea \$20 gift card	\$ 40
Fall Advisory	Pieology	5 free pizza passes	\$ 50
Fall Advisory	Buffalo Wild Wings	2 gift baskets	\$ 100

Recommendation:

Staff recommends acceptance of the aforementioned donations to Mission Valley Regional Occupational Program.

<u>Joyce Veasley, 657-1865</u>	<u>ROP Center</u>	<u>Bus. Svcs. Thomas Hanson</u>
Staff Contact Person	Department	Division Superintendent

X Information
 X Action
 Presentation

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

AGENDA ITEM

B&F # 4

Date of Board Meeting: **January 19, 2017**

TITLE: **Annual Organizational Meeting and Authorized Signatures**
 Resolutions #03-1617 Signature Card – Board Members
 Resolutions #04-1617 Signature Card – Authorized Agents
 Payroll Warrants & Disbursements

Background:

An Annual organizational meeting of the Governing Council is required per Education Code 35143 and 35149. Ed Code 42632 requires that signatures of all governing board members and signatures of persons authorized by the governing board to sign orders must be filed with the County Superintendent of Schools. Government Code Sections 53050 and 53051 require a statement to be filed whenever there is a change in the officers or members of your governing board.

Current Status:

The following forms required by Alameda County of Education must be completed as part of the Annual Organizational meeting.

1. Notification to County Superintendent of Schools of Annual Organization Meeting Date and Time
2. Board Members' Signature Card, Authorized Signatures
3. Authorized Agents' Signatures Card for Payroll Warrants and Disbursements

Recommendation:

Staff recommends approval of Resolution #03-1617 Signature Card for Board Members, Resolutions #04-1617 Authorized Agents' Signatures for Payroll Warrants and Disbursements, and required forms for the Annual Organizational meeting.

Joyce Veasley (510) 657-1865 Ext#15145	ROP Center	Business Services	Thomas Hanson
Staff/Contact Person	Location	Division	Superintendent

**Notification to County Superintendent of Schools of
Annual Organizational Meeting Date and Time**

To: County Superintendent of Schools

**You are hereby notified, in accordance with Education Code 35143, that the Annual
Organization Meeting of the:**

Mission Valley ROP School District of Alameda County

Will be held on:

Month/Day/Year _____ **1/19/17** **at** _____ **a.m.** **4:00** **p.m.**

1/19/17
Date

Clerk/Secretary of the Governing Board

MISSION VALLEY ROP SCHOOL DISTRICT

SIGNATURE CARD - BOARD MEMBERS

RESOLUTION NO. #03-1617 , For Fiscal Year: 2016-17

TO THE ALAMEDA COUNTY SUPERINTENDENT OF SCHOOLS:

WHEREAS, pursuant to Education Code Section 42632 for K-12 Education and Section 85232 for Community Colleges, each order drawn on the funds of a school district shall be signed by at least a majority of the members of the Governing Board of the district, or by a person or persons authorized by the Governing Board to sign orders in its name; and

WHEREAS, the Governing Board of each school district shall be responsible for filing such signatures with the County Office of Education per Education Code Section 42633; and

WHEREAS, this resolution supersedes all previous resolutions representing signatures of the Governing Board, and declares said prior resolutions null and void;

NOW, THEREFORE BE IT RESOLVED that the following signatures are those of each member presently serving on the Governing Board:

1. _____
Signature

Nancy Thomas

Type Name

2. _____
Signature

Sharan Kaur

Type Name

3. _____
Signature

Larry Sweeney

Type Name

PASSED AND ADOPTED by the Governing Board of the Mission Valley ROP
School District on this 19th day of January 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By approval of this resolution, I hereby certify that the signatures appearing above are true and were affixed in my presence.

Date

Signature, President of the Governing Board

☐

All Board signers or authorized agents remain unchanged from the prior fiscal year. Please consider the resolution from FY _____ as our current list of signers. (no need to go before board for a new resolution)

Date

Signature, President of the Governing Board

**SIGNATURE CARD - AUTHORIZED AGENTS
PAYROLL WARRANTS & DISBURSEMENTS**

RESOLUTION NO. #04-1617 , **For Fiscal Year:** 2016-17

TO THE ALAMEDA COUNTY SUPERINTENDENT OF SCHOOLS:

WHEREAS, pursuant to Education Code Section 42632 for K-12 Education and Section 85232 for Community Colleges, each order drawn on the funds of a school district shall be signed by at least a majority of the members of the Governing Board of the district, or by a person or persons authorized by the Governing Board to sign orders in its name; and

WHEREAS, the Governing Board of each school district shall be responsible for filing such signatures with the County Office of Education per Education Code Section 42633; and

WHEREAS, this resolution supersedes all previous resolutions authorizing such signature(s) on behalf of the Governing Board, and declares said prior resolutions null and void;

NOW, THEREFORE BE IT RESOLVED that the Governing Board of the _____ School District authorizes and empowers the following person(s) to sign orders in its name effective as of the date of this resolution:

1. 
Signature

Thomas Hanson

Type Name

Superintendent

Title

2. 
Signature

Joyce Veasley

Type Name

Director Business Services

Title

PASSED AND ADOPTED by the Governing Board of the Mission Valley ROP

School District on this 19th day of January 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By approval of this resolution, I hereby certify that the signature(s) appearing above are true and were affixed in my presence.

Date

Signature, President of Governing Board



All board signers or authorized agents remain unchanged from the prior fiscal year. Please consider the resolution from FY _____ as our current list of signers. (no need to go before the board for a new resolution)

Date

Signature, President of Governing Board

<u>X</u>	Information
<u>X</u>	Action

**MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM
BOARD OF EDUCATION**

AGENDA ITEM

B&F #5

Date of Board Meeting: **January 19, 2017**

TITLE: Approval of JPA Coalition Efforts and Funding for School
Services of California, Inc. Agreement

Background:

JPA Superintendents have met several times in the past two years to discuss JPA-specific issues, some of which revolve around the effects of LCFF on CTE programming statewide.

Last November it was decided as a group of 15 JPA's to investigate a proposal that we would solicit from School Services of California (SSC) to contract for legislative advocacy as a "JPA Coalition" with the goal of eventually securing direct (category) funding once again from the state.

The proposal from SSC is written to one of the consortium districts and includes the advocacy activities and pricing of a contract. At this point, 13 JPA Superintendents, including MVROP have agreed to take the concept of the Coalition commitment to their respective boards.

Current Status:

The cost for the year of School Services advocacy is \$5,000 per month total, and with more than a dozen JPA's committing to participate so far each JPA is not expecting to pay more than \$5,000 total.

The benefit of joining this coalition is to be instrumental in shaping any legislation that will appear on the horizon in Sacramento to directly fund ROPs as the current governor's term expires. We have been informed by Capital Advisors many times that there is simply a groundswell of legislative support in Sacramento for correcting the most awkward pieces of LCFF, and Adult School and ROP funding are two of the higher priorities. Our efforts in framing the needs of ROPs, and all CTE programs, in the next year will certainly help put us in the best position in a post-Brown legislative session.

Recommendation:

Staff recommends approval of approval of the activity and effort along with the consent to fund the effort.

Joyce Veasley 657-1865 x15145
Staff Contact

Business Services
Division

Thomas Hanson
Superintendent

Career Technical Education Funding Initiative

Proposal for Legislative Services

Date of submission: December 13, 2016

Prepared by:

School Services of California, Inc.
1121 L Street, Suite 1060
Sacramento, CA 95814
916-446-7517

Nancy M. LaCasse, Associate Vice President
nancyl@sscal.com
916-446-7517 ext. 1130



Public Education's Point of Reference for Making Educated Decisions





December 13, 2016

121 L Street
•
Suite 1060
•
Sacramento
•
California 95814
•
TEL: 916 . 446 . 7517
•
FAX: 916 . 446 . 2011
•
www.sscal.com

Ms. Alyssa Lynch
Superintendent
Metropolitan Education District
760 Hillsdale Avenue
San Jose, CA 95136

Dear Ms. Lynch:

Thank you very much for the opportunity to provide a proposal for legislative advocacy services on behalf of the Joint Power Agencies that operate Career Technical Education programs and to advocate for legislation that will provide permanent and direct funding. We would be honored to represent this new Coalition and assist them in working on sponsored legislation.

We believe our company's combined long-standing relationships with California's key state and federal policymakers and decades of legislative expertise would be a great benefit to the Coalition. Toward that end, we are pleased to provide a proposal that outlines the services we can offer.

We understand this proposal would be funded through contributions of your organization along with other Joint Power Agencies seeking permanent and direct Career Technical Education funding. Please find attached a proposal that highlights our services and the staff who would be assigned to work with you on this important project. Please contact us if you have any questions.

Sincerely,

Nancy M. LaCasse
Associate Vice President

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Executive Summary

For 40 years, School Services of California, Inc., (SSC) has served virtually every California school district and county office of education (COE) in meeting their management, governance, advocacy, or fiscal responsibilities. Supporting the effective administration of California's public schools has always been the firm's primary mission and field of expertise. As a result, we have played an integral role in the development and implementation of almost every major education policy and fiscal issue at the state, federal, and local level.

Our team of respected professionals is well versed on school policy and fiscal issues, which places us in the important role of serving as one of only a handful of Sacramento firms that function as a trusted key resource to members of the State Legislature and the Administration on the practical impacts of proposed legislation and State Budget proposals on public education. We also have a unique combination of professional staff that includes the state's foremost governmental relations team, as well as the state's acknowledged experts in the area of public education policy, finance, business affairs, and collective bargaining. The SSC team allows us to provide a combination of services that is unmatched by any other firm.

If selected, we will develop a campaign for sustained career technical education funding and direct funding for Joint Power Agencies that provide Career Technical Education. This entails developing position papers, factsheets, drafting legislation, state advocacy through communicating with legislators, the Governor's office, and other key policymakers. We will also work closely with member Career Technical Education Joint Power Agencies to communicate our activities and accomplishments through conference calls, meetings, and email updates.

We would propose a monthly retainer fee of \$5,000, plus actual pre-approved expenses for the period of January 1, 2017 to December 31, 2017, with a 60 day cancellation clause.

Firm's Personnel Experience

SSC was founded in 1975 by Ken Hall, former Deputy Director of the Department of Finance (DOF) during the Reagan administration. Since 1999, our company has been led by its current Chief Executive Officer, Ron Bennett and President John Gray. During its evolution from a small sole proprietorship to a full-service diversified company of 30 dedicated professionals, SSC has also become employee owned. Much of the strength of the company is found in the active participation of every staff member in providing the highest quality, value, and service to each and every client. Our leadership team and staff members come from the ranks of California state government and school business officials. They are seasoned executives with the skills, talents, and abilities to solve problems effectively because they have walked in the shoes of the client.

SSC's advocates have broad experience in working directly with the Legislature, and our strengths include being able to mobilize divergent groups around complex and sometimes divisive issues. Our legislative staff understands the intricacies of the legislative process, and more importantly, the politics of the State Capitol. Finally, we have exceptional working relationships with the statewide educational organizations and have the ability to bring the appropriate parties to the table.

In order to fully support the needs of the Coalition, we propose an SSC team that includes two members of our governmental relations division—Nancy M. LaCasse and Michelle McKay Underwood.

As Associate Vice President of SSC, Nancy M. LaCasse has provided legislative consulting and advocacy services on behalf of school districts and COEs throughout California for nearly three decades. In that time, she has been at the forefront of several major K-12 education reform efforts, including career technical education, school facilities, education technology and school safety. Her experience in public education policy and finance, coupled with her longstanding relationships with legislators, legislative staff, and other Capitol insiders is unparalleled. She often serves as a resource for legislators, legislative staff, and state agencies, and is called upon by other state educational organizations for her expertise on state and federal education funding issues.

As you know, Nancy also represents the Metropolitan Education District and has worked on legislation impacting career technical education for many years. In this capacity, she successfully advocated to ensure the District was eligible to receive deferred maintenance and school facility modernization funding. She developed legislation to redesign career technical education and brought together a diverse stakeholder group to advocate for permanent dedicated funding for career technical education programs.

Michelle McKay Underwood, Director, Governmental and External Relations, has been with SSC since 2006 and provides legislative advocacy services on behalf of SSC legislative clients by representing their interests in front of the Legislature, Administration, and various state

departments in Sacramento. She actively advocates on behalf of school districts and associations, including serving as the lead advocate for Association of California Community College Administrators (ACCCA) and Schools for Sound Finance [(SF)2], as well as representing Oakland Unified School District (USD) and Fresno USD. Prior to joining SSC, Michelle served as Membership Director for the California Coalition for Youth, an advocacy association of nonprofit organizations.

Proposed Method to Accomplish Work

As legislative advocates, the first step will entail working with member Career Technical Education Joint Power Agencies (JPAs) to design legislation and to develop a detailed legislative plan of action.

Creation of Advocacy Plan of Action: Winter 2017

As soon as possible, we will draft the position paper, talking points, factsheets, and establish a calendar of activities. We will suggest a timeline and activities that we believe will be critical to our efforts. These documents will be the cornerstone of our representation services.

A Presence in Sacramento—Winter 2017/Spring 2017

With a strong legislative position paper in hand, we will arrange Capitol visits and meetings with legislators, members of the Administration, and leaders in state government. We will include Coalition members in those meetings. We will schedule and meet with newly elected legislators with the goal of developing a cadre of elected officials who will work with us in support of our Career Technical Education sustained funding legislation.

Legislation—2017/2018

Once we have identified our key legislative supporters, we will seek a legislative informational hearing regarding the state of Career Technical Education in California. We will sponsor legislation that provides sustained funding for Career Technical Education and direct funding to JPAs. We will work to secure an author of the bill, build support from stakeholder groups and the Brown Administration, and advocate as the bill moves through the legislative process.

Advocacy includes, but is not limited to, meeting with legislators of the various legislative committees where the bill will be heard, arranging for testimony at the committee hearings, working with committee staff on the analysis, securing support letters from stakeholders, testifying at committee hearings, and communicating with Coalition members.

We will develop an appropriate schedule of in-person or conference call meetings with Coalition members.

Communication—Throughout

Real-time, often daily, access to our team and corresponding access by our team to the Coalition's point person is fundamental to our services. We will provide our personal cell phone numbers and use email, phone calls, personal visits, and meetings to keep you informed.

We will keep you up to date on the broader range of issues that are working their way through the Capitol. This will help you to see the state's competing priorities and how our bill might compare in a broader sense. We will also coordinate messaging with the public relations effort.

Fair Political Practices Expertise and Reporting—Quarterly

Fair Political Practices Commission (FPPC) reporting is legally required. To avoid mistakes and the imposition of an administrative burden on the Coalition, we will gather the information and perform the FPPC reporting services.

Statement of Impartiality/Conflict

We take great pride in ensuring our clients have common interests to avoid conflict of interest. At least four of our lobbyists are in the state Capitol on any given day and we maintain a strong presence in Committee hearings. We are very selective regarding who we represent in order to avoid a conflict of interest.

We have not had any legislative conflicts in the past and do not believe the interests of our current clients would conflict with those of this Coalition. In the spirit of full disclosure, we are providing our list of legislative clients. SSC provides legislative advocacy or legislative consulting services to the following clients:

- Alhambra Unified School District
- Association of California Community College Administrators (ACCCA)
- Beaumont Unified School District
- California Interscholastic Federation (CIF)
- California School Funding Coalition (CSFC)
- CalSTRS Funding Coalition
- Clovis Unified School District
- Coalition for Adequate Funding for Special Education (CAFSE)
- Corona-Norco Unified School District
- Early Edge California
- Education Mandated Cost Network (EMCN)
- Fresno Unified School District
- Imperial County Office of Education
- Kern County Superintendent of Schools
- Metropolitan Education District
- Monterey County Office of Education
- Oakland Unified School District
- Orange County Department of Education
- Public Agency Retirement Services (PARS)
- Poway Unified School District
- Riverside County Superintendent of Schools
- Sacramento City Unified School District
- San Bernardino County Office of Education
- San Diego County Office of Education
- Santa Clara County Office of Education
- Santa Rosa City School District
- Schools Excess Liability Fund (SELF)
- Schools for Sound Finance [(SF)²]
- Torrance Unified School District

Cost Estimate

Throughout this proposal, we have detailed a level of service that we think is appropriate. This is the level of service we would want to have if our positions were reversed.

No matter the hours, SSC is committed to accomplishing a goal. Our team works until the job is done. We propose a contract for January 1, 2017, through December 31, 2017. We propose a monthly retainer of \$5,000, plus actual expenses that are pre-approved by the Coalition point person. If this meets with your approval, please have the appropriate person(s) sign the Agreement and return to our office. Again, thank you for your consideration.

Client # _____/S70

P.O.# _____

AGREEMENT FOR SPECIAL SERVICES

Legislative Consulting and Advocacy

This is an Agreement between the **METROPOLITAN EDUCATION DISTRICT**, hereinafter referred to as "Client," and **SCHOOL SERVICES OF CALIFORNIA, INC.**, hereinafter referred to as "Consultant," entered into as of January 1, 2017.

RECITALS

WHEREAS, the Client needs assistance regarding advocacy on its behalf; and,

WHEREAS, Consultant, is professionally and specially trained and competent to provide these services; and,

WHEREAS, the authority for entering into this Agreement is contained in Section 53060 of the Government Code and such other provisions of California law as may be applicable.

NOW, THEREFORE, the parties to this Agreement do hereby mutually agree as follows:

1. Consultant agrees to perform the following services on behalf of the Client:
 - a. Draft position paper, talking points, factsheets, and establish a calendar of activities regarding establishing a permanent funding source for Career Technical Education and direct funding for Joint Power Agencies that offer Career Technical Education programs. Establish a timeline of activities that are critical to our efforts.
 - b. Represent and advocate on behalf of Client, including drafting legislation to establish permanent funding for Career Technical Education and direct funding for Joint Power Agencies that offer Career Technical Education programs. The Consultant shall represent the Client before state policymakers and agencies, including, but not limited to, the State Legislature, State Legislative Budget and Budget Subcommittees, the Governor's Office, the California Department of Finance, and other state departments, as appropriate.
 - c. Communicate through email and telephone with Coalition members regarding Consultant efforts in a timely manner. Attend and participate in meetings with Coalition members as requested.
2. Nancy M. LaCasse, Associate Vice President, shall be the primary consultant assigned to the contract. Michelle McKay Underwood, Director of Governmental Relations and External Relations shall serve as secondary contact for the duration of this contract. The Client agrees to pay Consultant for services rendered under this Agreement the sum of \$5,000 monthly for

the term of the contract, plus pre-approved expenses, not to exceed \$1,000 annually. "Expenses" are defined as actual out-of-pocket expenses such as travel, meals, shipping, and duplication of materials.

3. This Agreement shall be for the period of one year, beginning January 1, 2017, and terminating December 31, 2017. It may be terminated by either party prior to December 31, 2017, with thirty (30) days' written notice. In case of cancellation, the Client shall be liable for any costs accrued to date of cancellation under Item 2 above.
4. It is recognized by both parties that Consultant will be serving as a legislative advocate on behalf of the Client and that it will be necessary for both parties to file such appropriate forms with the Fair Political Practices Commission as may be required by state law.
5. It is expressly understood and agreed to by both parties that Consultant, while carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and is not an employee of the Client.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as indicated below:

BY:

ALYSSA LYNCH
Superintendent
Metropolitan Education District

DATE: _____

BY:

NANCY M. LACASSE
Associate Vice President
School Services of California, Inc.

DATE: _____

ROBERT D. MIYASHIRO
Vice President
School Services of California, Inc.

DATE: _____



Employment & Personnel

**MISSION VALLEY REGIONAL OCCUPATIONAL CENTER/PROGRAM
GOVERNING COUNCIL**

AGENDA ITEM

_____ Information

Date: January 19, 2017

_____ **X** _____ Action

Title: REPORT OF CLASSIFIED PERSONNEL ACTIONS

Background:

The Governing Council has delegated authority to the ROP staff to take certain actions on its behalf related to Classified Personnel activities such as appointments, changes of status, resignations, requests for leaves, and retirements.

ROP staff are authorized to take personnel actions in the interest of operational necessity. Following those actions, staff reports to the Governing Council and recommends they approve prior actions.

Current Status:

A report of Classified Personnel actions is submitted, recommending approval of prior actions taken by ROP staff.

Recommendation:

Approve Classified Personnel recommendations for: *Employment.*

**Joyce Veasley
Staff Contact**

**ROP Center
Location**

**Administration
Division**

**Thomas Hanson
Superintendent**

CONSENT ITEMS
MISSION VALLEY ROP

Classified Personnel

New Hires

NAME	POSITION	HOURS	SUPERVISOR	EFFECTIVE DATE	OTHER
Manuel Higaes	Custodian I (Night)	4 hrs/day	Joyce Veasley	12/14/16	

(con7Jan16.17)



End of Consent



Business and Finance



Business and Finance #1

X Information
 Action
 Presentation

**MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM
BOARD OF EDUCATION**

**AGENDA ITEM
Business & Finance #1**

DATE OF BOARD MEETING: **January 19, 2017**

TITLE: **Review MVROP Fiscal Update**

Background:

The Governor's revised State Budget for 2017-18 was released on January 10, 2017. For a more detailed view of the budget content, the MVROP Director of Business Services will attend budget workshops offered by School Services of California and/or ACOE in January 2017.

Highlights from the budget include:

- **Local Control Funding Formula:** \$744 million, bringing total formula implementation to 96%.
- **One-Time Discretionary Funding:** \$287 million in one-time discretionary block grants allocated on a per-pupil basis, and funding will offset any outstanding mandate reimbursement claims.
- **Career Technical Education:** \$200 million for the CTE Incentive Grant Program, the final installment of funding for this three-year program initiated in the 2015 Budget Act.

Current Status:

The revised State Budget provided no significant changes affecting Mission Valley ROP. Although the 2013-14 maintenance of effort (MOE) is no longer mandated, JPA member districts will continue to fund MVROP at current levels based on their current budgets. All districts have formally voted to extend funding for the next three years, in line with the CTEIG (Career Technical Education Grant) funding: 2016-17, 2017-18, and 2018-19.

Mission Valley ROP received two installments of grant funds, one for 2015-16 and one for 2016-17. In anticipation of the award, MVROP incurred expenses for the 2015-16 school year and projected expenses in the 2016-17 and subsequent two school years as presented in the Adopted Budget and Multi-year projections.

Recommendation:

None

Joyce Veasley	Business Services	Thomas Hanson
Staff Contact	Division	Superintendent, Mission Valley ROP



Business and Finance #2

X Information
 Action
 Presentation

**MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM
BOARD OF EDUCATION**

**AGENDA ITEM
Business & Finance #2**

DATE OF BOARD MEETING: January 19, 2017

TITLE: Review CTEIG Financial Update

Background:

The California Career Technical Education Incentive Grant (CTEIG) program was established as a state education, economic, and workforce development initiative with the goal of providing pupils in kindergarten through grade twelve, inclusive, with the knowledge and skills necessary to transition to employment and postsecondary education. The purpose of this program is to encourage the development of new career technical education (CTE) programs and enhance and maintain current CTE programs during implementation of the school district and charter school local control funding formula (LCFF) pursuant to California Education Code (EC) Section 42238.02. As the fiscal agent of the JPA representing the Fremont, New Haven, and Newark, Unified School Districts, MVROP received an initial grant award of \$3.5 Million to be expended over a three-year period, ending in 2018-19. Matching funds required by the grant will be provided by JPA pass through funds, currently at maintenance of effort levels through 2018-19.

Current status:

In addition to the original CTEIG allocation, MVROP recently received notification of an additional \$851,630 due to the reallocation of total grant funds that were not disbursed. The deadline for spending all CTEIG was extended through a fourth year. The total amount of the grant for MVROP has increased to \$4,248,866. The following is a summary of revenue and expenditures through 12/31/2016:

2015-16 Expenditures	\$ 856,000
2016-16 Expenditures to date (12/31/2016)	1,092,457
Revenue from CTEIG	\$ 4,248,866
less 2015-16 and 2016-17 expenditures	<u>1,948,457</u>
Balance:	\$2,300,409

Recommendation:

None

Joyce Veasley

Business Services

Thomas Hanson

Staff Contact

Division

Superintendent, MVROP



Business and Finance #3

X Information
X Action
X Presentation

**MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM
BOARD OF EDUCATION**

**AGENDA ITEM
Business & Finance # 3**

Date of Board Meeting: **January 19, 2017**

TITLE: **Review and Accept Audit Report from Vavrinek, Trine, Day,
& Company, LLP for Fiscal Year 2015-2016**

Background:

Each year the District is required to have an independent audit by an outside auditor.

Current Status:

A copy of the fiscal year ended June 30, 2016 audit report by Vavrinek, Trine, Day & Company, LLP is enclosed for review. There were no findings for 2015/2016 to implement.

Recommendation:

Staff recommends approval of the 2015/2016 fiscal year ended June 30, 2016 audit report for Mission Valley Regional Occupational Program.

Joyce Veasley	ROP Center	Business Services	Thomas Hanson
Staff/Contact Person	Location	Department	Superintendent



To the Governing Board of
Mission Valley Regional Occupational Program

We have audited the financial statements of the governmental activities and each major fund of Mission Valley Regional Occupational Program for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information previously in our letter to you dated February 7, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Mission Valley Regional Occupational Program are described in Note 1 to the financial statements. The ROP adopted GASB 68 and 71, Accounting and Financial Reporting for Pensions during the year ended June 30, 2016. We noted no transactions entered into by Mission Valley Regional Occupational Program during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the calculation of Other Post Employment Benefits (OPEB) and pension liabilities.

Management's estimate of the pension and OPEB liabilities are based on actuary studies performed for the ROP. We evaluated the key factors and assumptions used to develop the pension and OPEB liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There was no sensitive disclosure affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 15, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Mission Valley Regional Occupational Program's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Mission Valley Regional Occupational Program's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of Governing Board, the California Department of Education, the State Controller's Office, and management of Mission Valley Regional Occupational Program and is not intended to be, and should not be, used by anyone other than these specified parties.

Vaurine K. Tine, Day & Co LLP

Pleasanton, California
December 15, 2016

**MISSION VALLEY REGIONAL
OCCUPATIONAL PROGRAM**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2016**

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Governing Board
Mission Valley Regional Occupational Program
Fremont, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mission Valley Regional Occupational Program (the ROP) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the ROP'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 misstatement, 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 *2015-2016 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. 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 ROP'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 ROP'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mission Valley Regional Occupational Program, as of June 30, 2016, 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 1 to the financial statements, in 2016, the ROP adopted new accounting guidance, GASB Statement No. 72 *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statement 67 and 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. 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 that the management's discussion and analysis, budgetary comparison schedule, schedule of other postemployment benefits funding progress, schedule of the ROP's proportionate share of net pension liability, and the schedule of ROP contributions as listed in the table of contents, 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 Mission Valley Regional Occupational Program's basic financial statements. The accompanying supplementary information, 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* and the other supplementary information as listed on the table of contents 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2016, on our consideration of the Mission Valley Regional Occupational Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Mission Valley Regional Occupational Program's internal control over financial reporting and compliance.

VaurineK, Tine, Day & Co LLP

Pleasanton, California
December 15, 2016



Mission Valley ROP

CAREER TECHNICAL TRAINING CENTER

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2016

This section of Mission Valley Regional Occupational Program's (ROP) annual financial report presents our discussion and analysis of the ROP's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the ROP's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Mission Valley Regional Occupational Program (the ROP) using the integrated approach as prescribed by GASB Statement Number 34.

The Government-Wide Financial Statements present the financial picture of the ROP from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the ROP (including capital assets) as well as all liabilities (including long-term debt).

The Fund Financial Statements include statements for each of the two categories of activities: governmental and fiduciary.

The Governmental Activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The Fiduciary Activities are agency funds, which only report a balance sheet and do not have a measurement focus.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

FINANCIAL HIGHLIGHTS OF 2015-16

Total revenue and income received for the General fund in 2015-16 was \$7,264,126, excluding on-behalf payment of \$180,221. Mission Valley ROP received 92% of its revenue from pass through of Local Control Funding Formula from member districts. The remaining 8% came from Lottery, Fees, Grants, Donations, Staff Development, Direct Support Professional Training (DSPT) Program, and Interest Income.

Mission Valley Regional Occupational Program reported a final ADA of 1,336 which was 93 more than the prior year. Total ADA represents 99% high school ADA and 1% adult ADA.

Mission Valley Regional Occupational Program employees received a 2% cost of living increase to salaries.

REPORTING THE ROP AS A WHOLE

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the ROP as a whole and about its activities. These statements include all assets and liabilities of the ROP using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the ROP's net position and changes in it. Net position is the difference between assets and liabilities, one way to measure the ROP's financial health, or financial position. Over time, increases or decreases in the ROP's net position is one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the ROP's base revenue limit (the amount paid by the state for each unit of attendance) and ADA (average daily attendance).

The difference between revenues and expenses is the ROP's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the ROP. The quality of the education and the safety of our schools are also important components in this evaluation.

In the Statement of Net Position and the Statement of Activities, all of the ROP activities are reported as governmental activities:

Governmental activities – All of the ROP's services are reported in this category. This includes the education of high school juniors and seniors (or students who have reached the age of 16, with certain exceptions), and adult students, and the ongoing effort to improve and maintain buildings and sites. The ROP leases the new center at the Stevenson site but owns seven modular buildings adjacent to the building. Revenue Limit income, fees for adults, interest income, federal, state and local grants finance these activities.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the General and County School Facilities funds.

Governmental fund - All of the ROP's basic services are reported in the general fund. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the ROP's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the ROP's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

THE ROP AS TRUSTEE

Reporting the ROP's Fiduciary Responsibilities

The ROP is the trustee, or fiduciary, for funds held on behalf of others, like funds for associated student body activities. The ROP's fiduciary activities are reported in separate Statements of Fiduciary Net Position. We exclude these activities from the ROP's other financial statements because the ROP cannot use these assets to finance its operations. The ROP is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

THE ROP AS A WHOLE

Net Position

The ROP's net position was \$7,788,616 and \$7,171,631 for the fiscal years ended June 30, 2016 and 2015, respectively. Of these amounts, \$1,796,789 and \$1,863,518 were unrestricted for each respective year. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. The analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the ROP's governmental activities.

Table 1

	Governmental Activities	
	2016	2015
Current and other assets	\$ 8,871,721	\$ 8,203,745
Capital assets	4,763,406	4,947,260
Total Assets	13,635,127	13,151,005
Deferred Outflows of Resources	936,325	320,605
Current liabilities	193,343	183,886
Long-term debt	5,120,319	4,890,303
Total Liabilities	5,313,662	5,074,189
Deferred Inflows of Resources	1,469,174	1,225,790
Net position		
Net investment in capital assets	4,763,406	4,943,898
Restricted	1,228,421	364,215
Unrestricted	1,796,789	1,863,518
Total Net Position	\$ 7,788,616	\$ 7,171,631

The \$1,796,789 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

Changes in Net Position

The results of this year's operations for the ROP as a whole are reported in the Statement of Activities. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2016	2015
Revenues		
Program revenues		
Operating and capital grants and contributions	\$ 808,040	\$ 147,287
General revenues:		
Other general revenues	7,011,556	7,671,429
Total Revenues	7,819,596	7,818,716
Expenses		
Instruction	4,326,564	4,475,309
Instruction related activities	865,063	939,110
Pupil services	250,115	219,664
General administration	919,426	904,467
Plant services and other	841,443	1,122,225
Total Expenses	7,202,611	7,660,775
Change in Net Position	\$ 616,985	\$ 157,941

Governmental Activities

As reported in the Statement of Activities, the cost of all of our governmental activities for 2016 was \$7,202,611 and \$7,660,775 for 2015. However, the amount that the taxpayers ultimately financed for these activities was \$7,011,556 for 2016 and \$7,671,429 for 2015 because the cost was covered by other governments and organizations who subsidized certain programs with grants and contributions (\$808,040 and \$147,287 for 2016 and 2015). We paid for the remaining "public benefit" portion of our governmental activities with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost of each of the ROP's five largest functions – instruction, instruction related activities, pupil services, general administration, and plant services. Net cost shows the financial burden that was placed on the ROP's taxpayers after operating grants and contributions as well as charges for services by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2016

Table 3

	Net (Cost) Surplus of Services	
	2016	2015
Instruction	\$ 4,097,707	\$ 4,339,240
Instruction related activities	800,558	927,892
Pupil Services	250,115	219,664
General administration	792,567	904,467
Plant Services and other	453,624	1,122,225
Total	\$ 6,394,571	\$ 7,513,488

THE ROP'S FUNDS

As the ROP completed this year, our governmental funds reported a combined fund balance of \$8,678,378 which is an increase of \$658,519 over last year. The primary reason for the increase is the allocation of excess property tax/local income.

General Fund Budgetary Highlights

Over the course of the year, the ROP revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the 2015-16 budget was adopted in September 2016. (A schedule showing the ROP's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 53.)

- Significant revenue revisions made to the 2015-16 budget were due to grants, donations and local income.
- Actual revenues were \$52,083 under the final budget due mostly to changes in timing of grant revenue.
- Actual expenses were \$1,009,042 under the final budget also due mostly to changes in timing of grant activities.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the ROP had \$4,763,406 in a broad range of capital assets, including building and improvements, furniture and equipment, vehicles, net of accumulated depreciation. This amount represents a net decrease (including additions, deductions and depreciation) of \$183,854 over last year.

Table 5

	Governmental Activities	
	2016	2015
Construction in Progress	\$ 104,967	\$ 81,480
Buildings and Improvements	5,428,154	5,428,154
Furniture and Equipment	609,798	582,229
Total Assets	6,142,919	6,091,863
Less Total Accumulated Depreciation	1,379,513	1,144,603
Total Assets after Depreciation	\$ 4,763,406	\$ 4,947,260

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

Long-Term Obligation

At the end of this year, the ROP had \$5,120,319 in current year long term obligations, a decrease of \$230,016 over last year. We present more detailed information regarding our long-term liabilities in Note 7 of the financial statements.

Table 6

	Governmental Activities	
	2016	2015
Capital leases	\$ -	\$ 3,362
Accumulated Vacation - net	72,626	92,148
Net pension liability	4,760,074	4,546,946
Net OPEB Obligation	287,619	247,847
Totals	\$ 5,120,319	\$ 4,890,303

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2015-16 ARE NOTED BELOW:

Mission Valley Regional Occupational Program's 2015-16 budget supported various programs in career technical education and training. Total general fund expenditures for the year were \$7,010,047, including on-behalf payment of \$151,030. Mission Valley Regional Occupational Program spent 71% of its budget on instructional programs and instruction related services. Salaries and benefits represent 65% of total expenditures which include payroll reimbursements to Fremont, Newark and New Haven Unified School Districts.

2015-16 HIGHLIGHTS

MVROP highlights of the 2015-16 School Year include:

- Staff Development for all Certificated, Classified and Management staff
- Fall Open House
- Participation in Alameda County Teacher of the Year Program
- Spring Car Show at Washington High School highlighting work from the Auto Technology and Auto Body Painting/Refinishing programs
- Career Fairs and ROP Presentations at High Schools
- Law Enforcement and Fire Science Training Simulation Event
- Kennedy Sophomore Tours
- Educators' Brunch
- Student of the Year event at Marriott
- Mission College Articulation Day and Tri-Cities College Night at Ohlone College
- Student Certifications and Graduation in CNA Program

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the ROP Budget for the 2016-2017 fiscal year, the Governing Board and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Calculated based on the governor's budget of hold harmless for two years as ROP was folded into the LCFF.
2. State income will remain stable.
3. CTEIG Grant award paid through 2018-19 (\$ 4.2M for 16-17).

Expenditures are based on the following forecasts:

1. STRS and CalPERS corresponding increases
2. Salaries and benefits include only step and column increases.

CONTACTING THE ROP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the ROP's finances and to show the ROP's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Director of Business Services, at the Mission Valley Regional Occupational Program 5019 Stevenson Blvd, Fremont, CA 94538, or e-mail at jveasley@mvrop.org.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities
Assets	
Deposits and investments	\$ 6,830,348
Receivables	2,033,845
Prepaid expenses	7,528
Capital assets, not depreciated	104,967
Capital assets, being depreciated	6,037,952
Less: Accumulated depreciation	(1,379,513)
Total Assets	13,635,127
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	936,325
Liabilities	
Accounts payable	193,343
Noncurrent portion of long-term obligations other than pensions	360,245
Aggregate net pension liability	4,760,074
Total Liabilities	5,313,662
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	1,469,174
Net Position	
Investment in capital assets	4,763,406
Restricted for:	
Capital projects	1,190
Educational programs	1,227,231
Unrestricted	1,796,789
Total Net Position	\$ 7,788,616

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Net (Expenses) Revenues and Changes in Net Position	
		Program Operating Grants and Contributions	Governmental Activities
Governmental activities:			
Instruction	\$ 4,326,564	\$ 228,857	\$ (4,097,707)
Instruction related activities:			
Supervision of instruction	405,042	13,054	(391,988)
Instructional library, media and technology	109,787	-	(109,787)
School site administration	350,234	51,451	(298,783)
Pupil services:			
All other pupil services	250,115	-	(250,115)
General administration:			
Data processing	209,266	123,845	(85,421)
All other general administration	710,160	3,014	(707,146)
Plant services	844,805	387,819	(456,986)
Interest on long-term obligation	(3,362)	-	3,362
Total governmental-type activities	\$ 7,202,611	\$ 808,040	(6,394,571)
General revenues and subventions:			
Interest and investment earnings			28,863
Interagency revenues			6,739,007
Miscellaneous			243,686
Subtotal, general revenues			7,011,556
Change in net position			616,985
Net position - beginning			7,171,631
Net position - ending			\$ 7,788,616

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2016

	General Fund	Non-Major Fund County School Facilities Fund	Total Governmental Funds
ASSETS			
Deposits and investments	\$ 6,829,159	\$ 1,189	\$ 6,830,348
Receivables	2,033,844	1	2,033,845
Prepaid expenses	7,528	-	7,528
Total Assets	<u>\$ 8,870,531</u>	<u>\$ 1,190</u>	<u>\$ 8,871,721</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 193,343	\$ -	\$ 193,343
Total Liabilities	<u>193,343</u>	<u>-</u>	<u>193,343</u>
Fund Balances:			
Nonspendable	15,028	-	15,028
Restricted	1,227,231		1,227,231
Assigned	4,709,000	1,190	4,710,190
Unassigned			
Undesignated, reported in:			
General fund	2,725,929	-	2,725,929
Total Fund Balances	<u>8,677,188</u>	<u>1,190</u>	<u>8,678,378</u>
Total Liabilities and Fund Balance	<u>\$ 8,870,531</u>	<u>\$ 1,190</u>	<u>\$ 8,871,721</u>

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2016

Total Fund Balance - Governmental Funds \$ 8,678,378

**Amounts Reported for Governmental Activities in the Statement of
Net Position are Different Because:**

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	\$ 6,142,919	
Accumulated depreciation is	<u>(1,379,513)</u>	
		4,763,406

Long-term obligations are not reported in the governmental funds balance
sheet but are reflected in the statement of net assets.

Expenditures relating to contributions made to pension plans were recognized on the modified accrual basis, but are not recognized on the accrual basis.	936,325
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The difference between projected and actual earnings on pension plan investments are not recognized on the modified accrual basis, but are recognized on the accrual basis as an adjustment to pension expense.	(1,469,174)
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Long-term obligations, including bonds payable, are not due and payable in the
current period and, therefore, are not reported as liabilities in the funds.

Long-term obligations at year end consists of:

Compensated absences (vacations)	72,626	
Net pension liability	4,760,074	
Other postemployment benefits (OPEB)	<u>287,619</u>	
		(5,120,319)

Total Net Position - Governmental Activities	<u><u>\$ 7,788,616</u></u>
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The accompanying notes are an integral part of these financial statements.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Non-Major Fund County School Facilities Fund	Total Governmental Funds
REVENUES			
Other state sources	\$ 1,659,075	\$ -	\$ 1,659,075
Other local sources	6,009,486	5	6,009,491
Total Revenues	<u>7,668,561</u>	<u>5</u>	<u>7,668,566</u>
EXPENDITURES			
Current			
Instruction	4,152,049	-	4,152,049
Instruction related activities:			
Supervision of instruction	392,309	-	392,309
Instructional library, media and technology	106,336	-	106,336
School site administration	339,225	-	339,225
Pupil services:			
All other pupil services	242,253	-	242,253
General administration:			
Data processing	202,688	-	202,688
All other general administration	706,746	-	706,746
Plant services	844,954	-	844,954
Facility acquisition and construction	23,487	-	23,487
Total Expenditures	<u>7,010,047</u>	<u>-</u>	<u>7,010,047</u>
NET CHANGE IN FUND BALANCES	658,514	5	658,519
Fund Balance - Beginning	8,018,674	1,185	8,019,859
Fund Balance - Ending	<u>\$ 8,677,188</u>	<u>\$ 1,190</u>	<u>\$ 8,678,378</u>

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

Total Net Change in Fund Balance - Governmental Fund \$ 658,519
Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

This is the amount by which capital outlays exceeds depreciation in the period.

Depreciation expense	\$ (234,910)	
Capital outlays	<u>51,056</u>	
		(183,854)

In the Statement of Activities, certain operating expenses - compensated absences (vacations) and special termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). At year-end, compensated absences used was more than amounts earned.

19,522

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.

159,208

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

3,362

In the Statement of Activities, unfunded annual required contribution (ARC) is recognized as an expense, but it not recognized in the governmental funds.

(39,772)

Change in Net Position of Governmental Activities

\$ 616,985

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2016

	<u>Agency Funds</u>
ASSETS	
Deposits and investments	\$ 16,320
Total assets	<u><u>\$ 16,320</u></u>
LIABILITIES	
Due to student groups	\$ 16,320
Total liabilities	<u><u>\$ 16,320</u></u>

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Mission Valley Regional Occupational Program (the ROP) was formed in 1968 under the laws of the State of California. The ROP was formed by a joint powers agreement among the following Alameda County School District's: Fremont Unified School District, New Haven Unified School District and the Newark Unified School District. The purpose of the ROP is to provide career preparation and training to youths and adults residing in the district that formed the joint powers entity.

The ROP is funded through annual average daily attendance (ADA) as reported to the State of California (the State) through each participating district. The ROP has the responsibility to develop, oversee and evaluate the course material presented.

The ROP is governed by an appointed board and maintains its own paid operational staff. The board is comprised of one member selected by each participation district's governed board. The ROP is fiscally responsible for its own operation, major financing arrangements and contracts. Its significantly accounting policies, as detailed below, are the same as for any independent California local educational agency.

A reporting entity is comprised of the primary government and other organizations that are included to ensure the financial statements are not misleading. The primary government of the ROP consists of all funds, departments, boards, and agencies that are not legally separate from the ROP. For Mission Valley ROP, this includes the General Fund and student related activities of the ROP.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The ROP's funds are grouped into two broad fund categories: governmental and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the ROP's major governmental fund.

General Fund The General Fund is the chief operating fund for all local educational agencies (LEA). It is used to account for the ordinary operations of a LEA. All transactions except those accounted for in another fund are accounted for in this fund.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Non-Major Governmental Funds

Capital Project Funds The Capital Project funds are used to account for and report financial resources that are restricted, committed, or assigned to the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

County School Facilities Fund The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), or the 2006 State Schools Facilities Fund (Proposition 10) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

Fiduciary Funds Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the ROP's own programs. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The ROP only has one fiduciary fund, which is an agency fund.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The ROP's agency fund accounts for student body activities (ASB).

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental function, and excludes fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The ROP does not allocate indirect expenses to functions in the Statement of Activities, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the ROP. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Fund Financial Statements Fund financial statements report detailed information about the ROP. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The ROP has only one major fund, the General Fund.

Governmental Funds All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Fiduciary Funds Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the ROP.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. 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 ROP, available means expected to be received within 60 days of fiscal year-end. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the ROP receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statement.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Investments

Investments held at June 30, 2016, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair value of investments in county pool is determined by the program sponsor.

Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The ROP has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The ROP has chosen to report the expenditures in the benefiting period.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the ROP as a whole. The ROP maintains a capitalization threshold of \$5,000. The ROP does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds. However, in the government-wide statements they are capitalized and then depreciated to operations over their estimated service lives. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings and improvements, 10 to 25 years; furniture and equipment, 5 years; vehicles, 8 years.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the ROP's financial statements. However, 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. Credit for unused sick leave is applicable to all certificated 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.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term obligations are recognized as liabilities in the governmental fund financial statements when due.

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 pension related items.

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 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 (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.

Fund Balances - Governmental Funds

As of June 30, 2016, fund balances of the governmental funds are classified as follows:

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

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the ROP. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. Currently, the ROP currently does not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the ROP's adopted policy, only the governing board or Superintendent may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the ROP considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the ROP considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The ROP's governing board adopted a minimum fund balance policy in the previous year for the General Fund in order to protect the ROP against revenue shortfalls or unpredicted on-time expenditures. The policy requires funds set aside for economic uncertainties which consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and liabilities. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the ROP or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The ROP first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$1,228,421 of restricted net position restricted by enabling legislation.

Estimates

The preparation of the financial statements in accordance 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.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Budgetary Data

The budgetary process is prescribed by provisions of the California *Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The ROP governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

Changes in Accounting Principles

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District has implemented the provisions of this Statement as of June 30, 2016.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans and pensions that are within their respective scopes.

The provisions in this Statement effective as of June 30, 2016, include the provisions for assets accumulated for purposes of providing pensions through defined benefit plans and the amended provisions of Statements No. 67 and No. 68. The District has implemented these provisions as of June 30, 2016. The provisions in this Statement related to defined benefit pensions that are not within the scope of Statement No. 68 are effective for periods beginning after June 15, 2016.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The District has implemented the provisions of this Statement as of June 30, 2016.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement No. 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The District has implemented the provisions of this Statement as of June 30, 2016.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. 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 Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. 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 requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Early implementation is encouraged.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Early implementation is encouraged.

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In December 2015, the GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement No. 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Early implementation is encouraged.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units - amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Early implementation is encouraged.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Early implementation is encouraged.

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In March 2016, the GASB issued Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Early implementation is encouraged.

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2016, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 6,830,348
Fiduciary funds	16,320
Total Deposits and Investments	<u>\$ 6,846,668</u>

Deposits and investments as of June 30, 2016, consist of the following:

Cash on hand and in banks	\$ 23,949
Cash in revolving	7,500
Investments	6,815,219
Total Deposits and Investments	<u>\$ 6,846,668</u>

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Policies and Practices

The ROP 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 ROP is considered to be an involuntary participant in an external investment pool as the ROP is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the ROP's investment in the pool is reported in the accounting financial statements at amounts based upon the ROP'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

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Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The ROP manages its exposure to interest rate risk by investing in the county pool and/or having the Pool purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	Fair Value	Weighted Average In Years
County Pool	\$ 6,831,425	1.03

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The ROP's investment in the County pool is not required to be rated, nor has it been rated as of June 30, 2016.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

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

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

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

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

The District's fair value measurements are as follows at June 30, 2016:

Investment Type	Fair Value	Fair Value Measurements Using			Uncategorized
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
County Pool	\$ 6,831,425	\$ -	\$ -	\$ -	\$ 6,831,425

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

NOTE 4 - RECEIVABLES

Receivables at June 30, 2016, consisted of intergovernmental grants, entitlements, interest and other state and local sources. All receivables are considered collectible in full.

	General	County School Facilities	Total
State Government			
Apportionment from Districts pass through	\$ 1,219,802	\$ -	\$ 1,219,802
Categorical aid	798,214	-	798,214
Local Government			
Interest	7,151	1	7,152
Other Local Sources	8,677	-	8,677
Total	<u>\$ 2,033,844</u>	<u>\$ 1</u>	<u>\$ 2,033,845</u>

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NOTES TO FINANCIAL STATEMENTS

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NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Governmental Activities				
Capital Assets Not Being Depreciated				
Construction in progress	\$ 81,480	\$ 23,487	\$ -	\$ 104,967
Total Capital Assets Not Being Depreciated	81,480	23,487	-	104,967
Capital Assets Being Depreciated				
Buildings and improvements	5,428,154		-	5,428,154
Furniture and equipment	582,229	27,569	-	609,798
Total Capital Assets Being Depreciated	6,010,383	27,569	-	6,037,952
Less Accumulated Depreciation				
Buildings and improvements	655,563	201,496	-	857,059
Furniture and equipment	489,040	33,414	-	522,454
Total Accumulated Depreciation	1,144,603	234,910	-	1,379,513
Governmental Activities Capital Assets, Net	<u>\$ 4,947,260</u>	<u>\$ (183,854)</u>	<u>\$ -</u>	<u>\$ 4,763,406</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Instruction	\$ 139,605
Supervision of instruction	13,191
Instructional library, media, and technology	3,575
School site administration	11,406
All other pupil services	8,145
Data processing	6,815
All other general administration	23,763
Plant services	28,410
Total Depreciation Expense Governmental Activities	<u>\$ 234,910</u>

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2016, consisted of the following:

	General
Vendor payables	\$ 171,123
Salaries and benefits	22,220
Total	<u>\$ 193,343</u>

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

NOTE 7 – LONG-TERM OBLIGATION

Summary

The change in the ROP's long-term obligation during the year consisted of the following:

	Restated Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due in One Year
Capital leases	\$ 3,362	\$ -	\$ 3,362	\$ -	
Accumulated vacation - net	92,148	-	19,522	72,626	-
OPEB obligation	247,847	65,467	25,695	287,619	-
Net pension liability	4,546,946	213,128	-	4,760,074	-
Total	<u>\$ 4,890,303</u>	<u>\$ 278,595</u>	<u>\$ 48,579</u>	<u>\$ 5,120,319</u>	<u>\$ -</u>

Payments for capital leases are made by the general fund. Accumulated vacation, OPEB obligation, and net pension liabilities will be paid for by the fund for which the employee worked.

Capital Leases

The ROP has entered into various lease agreements. Such agreements are in substance, purchase (capital lease) and are reported as capital lease obligations. The ROP's liability on the lease agreements, with option to purchase, is summarized below:

	Equipment
Balance, July 1, 2015	\$ 3,362
Additions	-
Payments	3,362
Balance, June 30, 2016	<u>\$ -</u>

Leased asset under capital lease in capital assets and accumulated depreciation at June 30, 2016, include the following:

Equipment	\$ 44,816
Less: Accumulated depreciation	(44,816)
Total	<u>\$ -</u>

Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the ROP at June 30, 2016, amounted to \$72,626.

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Other Postemployment Benefits (OPEB) Obligation

The ROP's annual required contribution for the year ended June 30, 2016, was \$70,355, and contributions made by the District during the year were \$25,695. Interest on the net OPEB obligation and adjustments to the annual required contribution were \$11,153 and \$(16,041), respectively, which resulted in an increase to the net OPEB obligation of \$39,772. As of June 30, 2016, the net OPEB obligation was \$287,619. See Note 9 for additional information regarding the OPEB obligation and the postemployment benefits plan.

NOTE 8 – FUND BALANCES

Fund balance is composed of the following elements:

	General	County School Facilities	Total
Nonspendable			
Revolving cash	\$ 7,500	\$ -	\$ 7,500
Prepaid expenditures	7,528	-	7,528
Total Nonspendable	15,028	-	15,028
Restricted			
Educational programs	1,227,231	-	1,227,231
Total Retricted	1,227,231	-	1,227,231
Assigned			
Reitree benefits (OPEB)	160,000	-	160,000
Prop ID contingencies	200,000	-	200,000
Lottery Income Carryover	1,500,000	-	1,500,000
Equipment reserves	703,000	-	703,000
Building repairs and improvement	762,000	-	762,000
General reserve	634,000	-	634,000
Other - Prop 1D carryover	-	1,190	1,190
Lottery Carryover, Unrestricted	750,000	-	750,000
Total Assigned	4,709,000	1,190	4,710,190
Unassigned			
Economic uncertainties	2,725,929	-	2,725,929
Total Unassigned	2,725,929	-	2,725,929
Total	\$ 8,677,188	\$ 1,190	\$ 8,678,378

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NOTE 9 – POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

Plan Description

The Postemployment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the ROP. The Plan provides medical benefits to eligible retirees and their spouses. Membership of the Plan consists of two retirees and beneficiaries currently receiving benefits, one terminated plan member entitled to but not yet receiving benefits and 47 active plan members. Expenditures for post employment benefits are recognized on a pay-as-you-go basis, as retirees' premiums are paid.

Contribution Information

The contribution requirements of plan members and the ROP are established and may be amended by the ROP and the employee groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the ROP and the employee groups. For fiscal year 2015-2016, the ROP contributed \$25,695 to the plan, all of which was used for current premiums (approximately 43 percent of current year's annual required contributions).

Annual OPEB Cost and Net OPEB Obligation

The ROP's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The following table shows the components of the ROP's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the ROP's net OPEB obligation to the Plan:

Annual required contribution	\$ 70,355
Interest on net OPEB obligation	11,153
Adjustment to annual required contribution	(16,041)
Annual OPEB cost (expense)	65,467
Contributions made	25,695
Increase in net OPEB obligation	39,772
Net OPEB obligation, beginning of year	247,847
Net OPEB obligation, end of year	\$ 287,619

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The Trend information for annual OPEB cost, actual contribution, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation is as follows:

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2014	\$ 67,487	\$ 29,328	43%	\$ 209,664
2015	66,621	28,438	43%	247,847
2016	65,467	25,695	39%	287,619

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 1, 2013 actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 4.75 percent investment rate of return (net of administrative expenses) and 2.75 percent general inflation per year. Healthcare cost trend rate was four percent until reaching the ultimate trend. The UAAL is being amortized at a level percentage of payroll assuming a three percent annual increase in payroll. The remaining amortization period at September 1 2013, was 30 years. The actuarial value of assets was not determined in this actuarial valuation. Currently, the ROP is considered to be an unfunded plan since there are no assets and retiree benefits are paid annually on a cash basis.

NOTE 10 - RISK MANAGEMENT

Property and Liability:

The ROP 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. During fiscal year ending June 30, 2016, the ROP participated in the East Bay Schools Insurance Group (EBSIG), for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

Workers' Compensation

For fiscal year 2016, the ROP participated in the Alameda County School Insurance Group (ACSIG), an insurance purchasing pool. The intent of the ACSIG is to achieve the benefit of a reduced premium for the ROP by virtue of its grouping and representation with other participants in the ACSIG. The workers' compensation experience of the participating ROP is calculated as one experience and a common premium rate is applied to all ROPs in the ACSIG. 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 savings percentage of each participated school ROPs. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the ACSIG.

NOTE 11 – 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, 2016, the ROP reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflow of Resources	Collective Deferred Inflow of Resources	Collective Pension Expense
CalSTRS	\$ 3,686,464	\$ 604,503	\$ 927,349	\$ 240,671
CalPERS	1,073,610	331,822	541,825	8,299
Total	<u>\$ 4,760,074</u>	<u>\$ 936,325</u>	<u>\$ 1,469,174</u>	<u>\$ 248,970</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The ROP contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2014, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publically available reports that can be found on the CalSTRS website under Publications at:

<http://www.calstrs.com/member-publications>.

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

The STRP provisions and benefits in effect at June 30, 2016, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
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	9.20%	8.56%
Required employer contribution rate	10.73%	10.73%
Required state contribution rate	7.12589%	7.12589%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2016, are presented above and the ROP's total contributions were \$314,044.

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

At June 30, 2016, the ROP reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the ROP. The amount recognized by the ROP 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 ROP were as follows

Total net pension liability, including State share:

ROP's proportionate share of net pension liability	\$	3,686,464
State's proportionate share of the net pension liability associated with the ROP		2,087,530
Total	\$	<u>5,773,994</u>

The net pension liability was measured as of June 30, 2015. The ROP's proportion of the net pension liability was based on a projection of the ROP's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The ROP's proportionate share for the measurement period June 30, 2015 and June 30, 2014, respectively was 0.0055 percent and 0.0059 percent, resulting in a net increase/decrease in the proportionate share of 0.0004 percent.

For the year ended June 30, 2016, the ROP recognized pension expense of \$240,671. In addition, the ROP recognized pension expense and revenue of \$151,029 for support provided by the State. At June 30, 2016, the ROP 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	\$ 314,044	\$ -
Net change in proportionate share of net pension liability	-	274,782
Difference between projected and actual earnings on pension plan investments	290,459	590,966
Differences between expected and actual experience in the measurement of the total pension liability	-	61,601
Total	<u>\$ 604,503</u>	<u>\$ 927,349</u>

The deferred outflows of resources related to pensions resulting from ROP 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

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The deferred outflow of resources related to pensions resulting from ROP contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The deferred inflow of resources 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
2017	\$ (124,374)
2018	(124,374)
2019	(124,374)
2020	72,615
Total	<u>\$ (300,507)</u>

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability 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 2014-2015 measurement period is 7 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	\$ (56,064)
2018	(56,064)
2019	(56,064)
2020	(56,064)
2021	(56,064)
Thereafter	(56,063)
Total	<u>\$ (336,383)</u>

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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, 2014, and rolling forward the total pension liability to June 30, 2015. The financial reporting actuarial valuation as of June 30, 2014, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Experience study	July 1, 2006 through June 30, 2010
Actuarial cost method	Entry age normal
Discount rate	7.60%
Investment rate of return	7.60%
Consumer price inflation	3.00%
Wage growth	3.75%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

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. Based on the model for CalSTRS consulting actuary's investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation is based on Teachers' Retirement Board of the California State Teachers' Retirement System (board) policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

:

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return
Global equity	47%	4.50%
Private equity	12%	6.20%
Real estate	15%	4.35%
Inflation sensitive	5%	3.20%
Fixed income	20%	0.20%
Cash/liquidity	1%	0.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.60 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 (7.60 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 ROP'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 (6.60%)	\$ 5,566,274
Current discount rate (7.60%)	\$ 3,686,464
1% increase (8.60%)	\$ 2,124,191

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2014 annual actuarial valuation report, Schools Pool Actuarial Valuation, 2014. This report and CalPERS audited financial information are publically 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 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, 2016, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
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	7.000%	6.000%
Required employer contribution rate	11.847%	11.847%

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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 the 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 ROP is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2016, are presented above and the total ROP contributions were \$94,137.

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

As of June 30, 2016, the ROP reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$1,073,610. The net pension liability was measured as of June 30, 2015. The ROP's proportion of the net pension liability was based on a projection of the ROP's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2015 and June 30, 2014, respectively was 0.0073 percent and 0.0096 percent, resulting in a net decrease in the proportionate share of 0.0023 percent.

For the year ended June 30, 2016, the ROP recognized pension expense of \$8,299. At June 30, 2016, the ROP 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	\$ 94,137	\$ -
Net change in proportionate share of net pension liability	-	262,769
Difference between projected and actual earnings on pension plan investments	176,329	213,090
Differences between expected and actual experience in the measurement of the total pension liability	61,356	-
Changes of assumptions	-	65,966
Total	<u>\$ 331,822</u>	<u>\$ 541,825</u>

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

The deferred outflows of resources related to pensions resulting from ROP 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
2017	\$ (26,948)
2018	(26,948)
2019	(26,948)
2020	44,083
Total	<u><u>-\$ 36,761</u></u>

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 2014-2015 measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	\$ (92,199)
2018	(92,199)
2019	(82,981)
Total	<u><u>-\$ 267,379</u></u>

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, 2014, and rolling forward the total pension liability to June 30, 2015. The financial reporting actuarial valuation as of June 30, 2014, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.65%
Investment rate of return	7.65%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

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 (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. 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	51%	5.25%
Global fixed income	19%	0.99%
Private equity	10%	6.83%
Real estate	10%	4.50%
Inflation sensitive	6%	0.45%
Infrastructure and Forestland	2%	4.50%
Liquidity	2%	-0.55%

Discount Rate

The discount rate used to measure the total pension liability was 7.65 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 ROP'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 (6.65%)	\$ 1,747,388
Current discount rate (7.65%)	\$ 1,073,610
1% increase (8.65%)	\$ 513,317

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The ROP has elected to use Social Security as its alternative plan.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the ROP. These payments consist of State General Fund contributions to CalSTRS in the amount of \$151,029 (7.12589 percent of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves, and have not been included in the amounts reported in the General Fund Comparison Budgetary Schedule.

NOTE 12 - RELATED PARTIES

The ROP is operated under a Joint Power Agreement between the Fremont Unified School District, New Haven Unified School District and the Newark Unified School District. Revenues are based on the 2013-14 Adjusted Local Control Funding Formula for Categorical Programs and the MOE requirements for ROP JPAs. Upon receipt of the revenues, the districts make transfers to the ROP. The total revenues transferred for 2016 were \$7,011,556.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Grants

The ROP received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the ROP at June 30, 2016.

Services Provided By Others

The Fremont Unified School District provides general accounting services and computer processing services for transactions, financial reports, maintenance and transportation services on behalf of the ROP.

Litigation

The ROP is not currently a party to any legal proceedings.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS, JOINT POWER AUTHORITIES AND OTHER RELATED PARTY TRANSACTIONS

The ROP is a member of the Alameda County School Insurance Group (ACSIG), and the East Bay Schools Insurance Group (EBSIG); public entity risk pools. The ROP pays an annual premium to each entity for its workers' compensation, and property liability coverage. The relationships between the ROP and the public entity risk pools are such that they are not component units of the ROP for financial reporting purposes.

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

The ROP has appointed six board members to the Governing Board of MVROP. During the year ended June 30, 2016, the ROP made payments of \$96,382 and \$63,764 to ACSIG and EBSIG public entity risk pools, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
REVENUES				
Other state sources ¹	\$ 30,000	\$ 863,074	\$ 1,659,075	\$ 796,001
Other local sources	6,799,467	6,857,570	6,009,486	(848,084)
Total Revenues	<u>6,829,467</u>	<u>7,720,644</u>	<u>7,668,561</u>	<u>(52,083)</u>
EXPENDITURES				
Current				
Certificated salaries	3,125,738	3,126,908	2,936,261	190,647
Classified salaries	993,514	1,004,343	948,880	55,463
Employee benefits	757,304	744,581	682,258	62,323
Books and supplies	421,137	1,185,383	904,619	280,764
Services and operating expenditures	1,741,833	1,831,875	1,499,468	332,407
Capital outlay	111,540	125,999	38,561	87,438
Total Expenditures	<u>7,151,066</u>	<u>8,019,089</u>	<u>7,010,047</u>	<u>1,009,042</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(321,599)</u>	<u>(298,445)</u>	<u>658,514</u>	<u>956,959</u>
NET CHANGE IN FUND BALANCES	<u>(321,599)</u>	<u>(298,445)</u>	<u>658,514</u>	<u>956,959</u>
Fund Balance - Beginning	<u>8,018,674</u>	<u>8,018,674</u>	<u>8,018,674</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 7,697,075</u>	<u>\$ 7,720,229</u>	<u>\$ 8,677,188</u>	<u>\$ 956,959</u>

¹ On-behalf-payment of \$151,029 are included in the actual column but not are not included in the budget columns.

See accompanying note to required supplementary information.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Unprojected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
February 5, 2010	\$ -	\$ 483,209	\$ 483,209	0%	\$ 150,000	322%
September 1, 2013	-	554,593	554,593	0%	175,000	317%

See accompanying note to required supplementary information.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

SCHEDULE OF THE ROP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
CalSTRS		
District's proportion of the net pension liability (asset)	0.0055%	0.0059%
District's proportionate share of the net pension liability (asset)	\$ 3,686,464	\$ 3,457,074
State's proportionate share of the net pension liability (asset) associated with the District	1,949,733	2,087,530
Total	<u>\$ 5,636,197</u>	<u>\$ 5,544,604</u>
District's covered - employee payroll	<u>\$ 2,921,063</u>	<u>\$ 2,550,108</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	126.20%	135.57%
Plan fiduciary net position as a percentage of the total pension liability	74%	77%
CalPERS		
District's proportion of the net pension liability (asset)	0.0073%	0.0096%
District's proportionate share of the net pension liability (asset)	\$ 1,073,610	\$ 1,089,872
District's covered - employee payroll	<u>\$ 951,500</u>	<u>\$ 830,666</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	112.83%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	79%	83%

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

See accompanying note to required supplementary information.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

SCHEDULE OF ROP CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
CalSTRS		
Contractually required contribution	\$ 314,044	\$ 217,384
Contributions in relation to the contractually required contribution	(314,044)	(217,384)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	<u>\$ 2,550,108</u>	<u>\$ 2,670,342</u>
Contributions as a percentage of covered - employee payroll	<u>12.31%</u>	<u>8.14%</u>
CalPERS		
Contractually required contribution	\$ 94,137	\$ 115,312
Contributions in relation to the contractually required contribution	(94,137)	(115,312)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	<u>\$ 830,666</u>	<u>\$ 1,019,677</u>
Contributions as a percentage of covered - employee payroll	<u>11.33%</u>	<u>11.31%</u>

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

See accompanying note to required supplementary information.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Other Postemployment Benefits (OPEB) Funding Progress

This schedule is intended to show trends about the funding progress of the District's actuarially determined liability for postemployment benefits other than pensions.

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 position 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.

Schedule of District Contributions

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.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation for either CalSTRS and CalPERS.

Changes in Assumptions

The CalSTRS plan rate of investment return assumption was not changed from the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.50 percent to 7.65 percent since the previous valuation.

See accompanying note to required supplementary information.

SUPPLEMENTARY INFORMATION

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE

JUNE 30, 2016

ORGANIZATION

The Mission Valley Regional Occupational Program (MVROP) was established on June 26, 1989. It operates under a Joint Powers Agreement (JPA) consisting of three member districts: Fremont Unified School District, Newark Unified School District and New Haven Unified School District. The JPA was originally established on June 10, 1969 and was known as Fremont/Newark ROC/P. New Haven joined the JPA on July 1, 1991.

MVROP consists of an area comprising approximately 123 square miles. It operates a facility, completed in June 2007, in the heart of Fremont, serves 7 high schools and 3 continuation high schools. MVROP also serves adults from the Alameda County area. The facility is a 45,000 square foot, two-story building consisting of 19 classrooms, including 4 state-of-the-art biotechnology and health science labs and 6 cutting-edge computer labs, a suite of administrative offices, a Board Room, a Student Services Center, a Student Registration Office, a Staff Lounge and a Student Lounge.

Mission Valley ROP is a provider of career training for high tech, high pay and high demand fields. In existence for more than 40 years, MVROP has been instrumental in preparing students for successful business, medical, and technical careers. Over 5,000 students (adult and high school) participate each year in ROP's exemplary educational programs.

Mission Valley's dedicated staff, superior learning environment, and high tech equipment all contribute to the high success rate of our students. Keeping current with today's standards is critical, and we continually seek input from business and industry representatives who serve on active advisory committees for each of our programs.

At Mission Valley ROP, we believe in one common objective - helping our students develop to their full potential!

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Jonas Dino, Fremont USD	President	2016
Larry Sweeney, Newark USD	Vice President	2016
Nancy Thomas, New Haven USD	Clerk	2016
Yang Shao, Fremont USD	Alternate	2016
Ray Rodriguez, Newark USD	Alternate	2016
Sarabjit Cheema, New Haven USD	Alternate	2016

ADMINISTRATION

<u>NAME</u>	<u>TITLE</u>
Thomas Hanson	Superintendent
Cliff Adams-hart	Director of Educational Services
Joyce Veasley	Director of Business Services

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2016

Due to the implementation of the Local Control Funding Formula (LCFF), the funding for this program is maintained for the same level from fiscal year 2012-13. Prior year funding for this program is based on 2007-08 ADA, and therefore, the ROP is not required to report the ADA in the annual attendance report.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Summarized below are the reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	<u>General Fund</u>
GENERAL FUND	
Total Assets, June 30, 2016, Unaudited Actuals	\$ 9,604,733
Decrease in	
Accounts receivable	(927,545)
Total Assets, June 30, 2016, Audited Financial Statement	<u>\$ 8,677,188</u>
	<u>Form Debt</u>
LONG TERM OBLIGATIONS	
Total Liabilities, June 30, 2016, Unaudited Actuals	\$ 323,082
Adjustment:	
Accumulated vacation	19,522
Capital lease payable	3,362
OPEB obligations	14,279
Aggregate net pension liabilities	4,760,074
Total Liabilities, June 30, 2016, Audited Financial Statement	<u>\$ 5,120,319</u>

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

	(Budget) ¹ 2017	2016	2015	2014
GENERAL FUND				
Revenues	\$ 10,270,467	\$ 7,668,566	\$ 7,818,712	\$ 7,400,664
Expenditures	10,804,222	7,010,047	7,243,011	6,996,290
INCREASE/(DECREASE) IN FUND BALANCE	\$ (533,755)	\$ 658,519	\$ 575,701	\$ 404,374
ENDING FUND BALANCE	\$ 8,144,623	\$ 8,678,378	\$ 8,018,673	\$ 7,442,972
AVAILABLE RESERVES ²	\$ 4,254,251	\$ 2,725,929	\$ 2,228,404	\$ 1,669,889
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	39.4%	38.9%	30.8%	24.3%
LONG-TERM OBLIGATIONS	\$ 5,120,000	\$ 5,120,319	\$ 4,890,303	\$ 326,336
AVERAGE DAILY ATTENDANCE ANNUAL	n/a	n/a	n/a	n/a

The General Fund balance has increased by \$1,235,406 over the past two years. The fiscal year 2016-17 budget projects a deficit of \$533,755. For a ROP this size, the State recommends available reserves of at least 3.0 percent of total general fund expenditures, transfers out, and other uses (total outgo).

The ROP has incurred operating surplus in the past three years and anticipates incurring a deficit during the 2016-17 fiscal year. Total long-term obligations have increased by \$4,793,983 over the past two years, primarily due to the recognition of pension liabilities as of June 30, 2015.

Funded average daily attendance for 2016-17 will be based on 2012-13 annual funded ADA per State legislation.

¹ Budget 2017 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of funds designated for economic uncertainty contained within the General Fund.

³ Average daily attendance consists of the total attendance reported to Fremont Unified, New Haven Unified, and Newark Unified School Districts on their Annual reports of attendance as reported on their Annual Reports of Attendance for 2013-14.

⁴ On-behalf payments of \$136,538 and \$150,503, have been excluded from the calculation of the available reserves percentage for fiscal years ended June 30, 2015, and 2014, respectively.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

NOTE TO SUPPLEMENTARY INFORMATION

JUNE 30, 2016

NOTE 1 - PURPOSE OF SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about the ROP's boundaries, schools operated, members of the governing board, and members of the administration.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the ROP. The average daily attendance reported to each district represents the attendance of the students residing in the respective district. The attendance is reported by each district on their respective attendance reports. Each district receives the ROP apportionments from the State of California and transfers revenue to the ROP.

Reconciliation of Annual Financial and Budget Report With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

This schedule discloses the ROP's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the ROP's ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITOR'S REPORTS



**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***

Governing Board
Mission Valley Regional Occupational Program
Fremont, 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 governmental activities, each major fund, and the aggregate remaining fund information of Mission Valley Regional Occupational Program (the ROP) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Mission Valley Regional Occupational Program's basic financial statements, and have issued our report thereon dated December 15, 2016.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2016, the District adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statement 67 and 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. 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 Mission Valley Regional Occupational Program'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 Mission Valley Regional Occupational Program's internal control. Accordingly, we do not express an opinion on the effectiveness of Mission Valley Regional Occupational Program'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 ROP's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mission Valley Regional Occupational Program 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ROP'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 ROP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 15, 2016



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Mission Valley Regional Occupational Program
Fremont, California

Report on State Compliance

We have audited Mission Valley Regional Occupational Program's compliance with the types of compliance requirements as identified in the *2015-2016 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Mission Valley Regional Occupational Program's State government programs as noted below for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, 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 Mission Valley Regional Occupational Program'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 *2015-2016 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Mission Valley Regional Occupational Program'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 opinions. Our audit does not provide a legal determination of Mission Valley Regional Occupational Program's compliance with those requirements.

Unmodified Opinion on Each of the Programs

In our opinion, Mission Valley Regional Occupational Program complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2016.

In connection with the audit referred to above, we selected and tested transactions and records to determine the Mission Valley Regional Occupational Program's compliance with the State laws and regulations applicable to the following items:

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Not Applicable
Teacher Certification and Misassignments	Not Applicable
Kindergarten Continuance	Not Applicable
Independent Study	Not Applicable
Continuation Education	Not Applicable
Instructional Time	Not Applicable
Instructional Materials	Not Applicable
Ratios of Administrative Employees to Teachers	Not Applicable
Classroom Teacher Salaries	Not Applicable
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Not Applicable
School Accountability Report Card	Not Applicable
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Not Applicable
Transportation Maintenance of Effort	Not Applicable
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
Educator Effectiveness	Not Applicable
California Clean Energy Jobs Act	Not Applicable
After School Education and Safety Program:	
General Requirements	Not Applicable
After School	Not Applicable
Before School	Not Applicable
Proper Expenditure of Education Protection Account Funds	Not Applicable
Unduplicated Local Control Funding Formula Pupil Counts	Not Applicable
Local Control Accountability Plan	Not Applicable
Independent Study - Course Based	Not Applicable
Immunizations	Not Applicable
CHARTER SCHOOLS	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Non Classroom-Based Instruction/Independent Study for Charter Schools	Not Applicable
Determination of Funding for Non Classroom-Based Instruction	Not Applicable
Annual Instruction Minutes Classroom-Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The State Compliance Requirements are not currently applicable for ROP Programs.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 15, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITORS' RESULTS FOR THE YEAR ENDED JUNE 30, 2016

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Internal control over major Federal programs:	
Material weaknesses identified?	<u>Not applicable</u>
Significant deficiencyies identified	<u>Not applicable</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Not applicable</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	<u>No</u>
Identification of major Federal programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Not applicable

Type of auditor's report issued on compliance for State programs:	Not applicable
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MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

There were no audit findings reported in the prior year's schedule of financial statement findings.



End of Board Packet