

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT GOVERNING BOARD OF TRUSTEES

REGULAR MEETING WEDNESDAY, JANUARY 24, 2018

NEW BUSINESS

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agenda Item No. A

Budgetary Implications: None.

Administrative Services
College Area

Proposal:

That the Governing Board receive the District's Financial Audit Report for the fiscal year ended June 30, 2017.

Background:

Education Code Section 84040 requires California Community College Districts to arrange for a yearly audit of all funds, books and accounts under the jurisdiction of the local governing board. The firm of Vavrinek, Trine, Day & Co., Certified Public Accountants was retained to perform such an audit for the 2016-2017 fiscal year. The results of this audit, its findings and recommendations are presented for the Board's review and acceptance.

The auditor has filed copies of the audit report with the required agencies. Copies of the audit report are also available in the Office of the Vice President for Administrative Services. A representative from Vavrinek, Trine, Day & Co. will present the report and conduct a question and answer session. District personnel will provide discussion on the District's responses to auditor findings.

RESOLUTION: BE IT RESOLVED, that the Governing Board receive the District's annual Financial Audit Report for the fiscal year ended June 30, 2017

Recommended By:

David J. Martin, Vice President of Administrative Services

Prepared By:

Agenda Approval:

Dr. Walter Tribley, Superintendent/President

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

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FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Board of Trustees Monterey Peninsula Community College District Monterey, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Monterey Peninsula Community College District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 2016-2017 *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and 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 Notes 2 and 16 to the financial statements, in 2017, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 5 through 14 and other required supplementary schedules on pages 61 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Rancho Cucamonga, California

Variner, Tune, Day of Co. U.P.

December 22, 2017



USING THIS ANNUAL REPORT

The Monterey Peninsula Community College District (the District) presents the following discussion and analysis to assist the reader by focusing on significant financial issues, providing an overview of the District's financial activities and condition, to explain changes in the District's financial condition, and to identify challenges of subsequent fiscal years. The report consists of three basic financial statements: the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows and provides information about the District as a whole. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL HIGHLIGHTS

The District's assets are primarily cash, land, and facilities. Liabilities are primarily long-term bonds and pension liability. The District's total assets decreased by \$2,777,942, or 1.4 percent, to \$198,764,643, and total liabilities decreased by \$160,968, or 0.1 percent, to \$191,937,929. This results in net position being increased by \$248,432, or 1.3 percent, to \$19,087,650.

In November 2002, a Proposition 39 facility bond was approved by the local voters giving the District \$145.0 million to assist in modernization of the existing campus and construct a satellite campus and public safety training facilities on the former Fort Ord properties. The repayment of the bonds will be through a special tax assessment on local property owners. In June 2003, the first series of bonds was sold and proceeds (\$40.0 million) were deposited with the County Treasurer. The first series was refinanced in 2006 which generated an additional \$4.2 million for projects. The second and third series of bonds were issued in January 2008: \$9,004,530 taxable and \$95,994,770 tax exempt. Numerous projects are in various stages of completion and a balance of \$9.9 million remains outstanding.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

STATEMENT OF NET POSITION

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The biggest change in this statement is that our fixed assets (land, building, and equipment) are capitalized and depreciated. As a result, they are now reflected as an asset on this statement. Net position, the difference between assets and liabilities, are one way to measure the financial health of the District.

STATEMENT OF NET POSITION

	2017	2016
ASSETS		
Current Assets		
Cash and investments	\$ 36,615,692	\$ 36,363,939
Accounts receivable	3,489,984	2,358,659
Other current assets	40,162	147,947
Total Current Assets	40,145,838	38,870,545
Noncurrent Assets		
Capital assets (net)	158,618,805	162,672,040
Total Assets	198,764,643	201,542,585
DEFERRED OUTFLOWS OF RESOURCES	\ /	
Deferred charge on refunding	8,901,437	10,466,326
Deferred outflows of resources related to pensions	7,530,734	6,618,694
Total Deferred Outflows of Resources	16,432,171	17,085,020
LIABILITIES).	
Current Liabilities		
Accounts payable and accrued liabilities	\$ 6,828,358	\$ 5,059,619
Unearned revenue	4,022,649	4,451,094
Current portion of long-term obligations	6,160,000	6,036,439
Total Current Liabilities	17,011,007	15,547,152
Noncurrent portion of long-term obligations	174,926,922	176,551,745
Total Liabilities	191,937,929	192,098,897
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	4,171,235	7,689,490
NET POSITION		
Net investment in capital assets	35,448,533	33,733,661
Restricted	8,408,179	8,387,054
Unrestricted	_(24,769,062)	(23,281,497)
Total Net Position	\$ 19,087,650	\$ 18,839,218

Cash and investments consist primarily of funds held in the Monterey County Treasury. The changes in our cash position are explained in the Statement of Cash Flows on pages 17 and 18.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of the District, as well as the nonoperating revenue and expenses. The State general apportionment and property taxes, while budgeted for operations, are considered nonoperating revenues according to Governmental Accounting Standards Board (GASB). As a result, this statement will show a significant operating loss.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2017	2016
Operating Revenues	:	
Tuition and fees, net	\$ 4,462,033	\$ 4,620,140
Operating Expenses		
Salaries and benefits	33,128,142	32,239,668
Supplies, maintenance, equipment, and other expenses	31,288,665	26,594,268
Depreciation	4,812,900	4,579,391
Total Operating Expenses	69,229,707	63,413,327
Operating Loss	(64,767,674)	(58,793,187)
Nonoperating Revenues		
State apportionments	16,463,080	13,732,346
Grants and contracts	18,764,010	20,171,247
Property taxes	27,511,110	25,980,848
Other state revenues	1,951,464	1,360,909
Net interest expense	(2,789,590)	(6,116,870)
Other nonoperating revenues	2,414,767	1,759,588
Total Nonoperating Revenue	64,314,841	56,888,068
Other Revenues		
State and local capital income	701,265	418,622
Change in Net Position	\$ 248,432	\$ (1,486,497)

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

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

			Supplies,					
		M	laterial, and					
	Salaries &	Otl	ner Expenses		Student			
	Benefits	aı	nd Services	Fi	nancial Aid	D	epreciation	 Total
Instructional activities	\$ 16,219,863	\$	8,843,630	\$		\$		\$ 25,063,493
Academic support	731,490		48,731		9.00		(e:	780,221
Student services	5,653,296		7,855,250		: #1		3 # 3	13,508,546
Plant operations and								
maintenance	1,268,472		2,972,922		-		200	4,241,394
Instructional support services	7,914,673		2,098,851		-		-	10,013,524
Ancillary services & auxiliary								
operations	1,340,348		1,465,453		-		-	2,805,801
Student aid					8,003,828		3.5	8,003,828
Depreciation	 *						4,812,900	 4,812,900
Total	\$ 33,128,142	\$	23,284,837	\$	8,003,828	\$	4,812,900	\$ 69,229,707

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and the District's need for external funding.

STATEMENT OF CASH FLOWS

	2017	2016
Cash Provided by (Used in)		
Operating activities	\$ (58,237,529)	\$ (56,334,860)
Noncapital financing activities	58,590,918	55,159,360
Capital financing activities	(424,074)	1,709,197
Investing activities	322,438	221,662_
Net Change in Cash	251,753	755,359
Cash, Beginning of Year	36,363,939_	35,608,580_
Cash, End of Year	\$ 36,615,692	\$ 36,363,939

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, the District had \$207,641,114 in a broad range of capital assets including land, buildings, and furniture and equipment. At June 30, 2017, our net capital assets were \$158,618,805.

CAPITAL ASSETS

	Balance			Balance
	July 1, 2016	Additions	Deductions	June 30, 2017
Land and construction in progress	\$ 10,024,310	\$ 539,916	\$ -	\$ 10,564,226
Buildings and improvements	188,857,701	 (1	-	188,857,701
Furniture and equipment	7,999,438	219,749		8,219,187
Subtotal	206,881,449	759,665		207,641,114
Accumulated depreciation	44,209,409	4,812,900		49,022,309
	\$ 162,672,040	\$ (4,053,235)	\$ -	\$ 158,618,805

We present more detailed information regarding our capital assets in Note 6 of the financial statements.

Obligations

At June 30, 2017, the District had \$142,933,921 in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Monterey Peninsula Community College District boundaries. Other obligations for the District include the lease revenue bonds, compensated absences, early retirement, net OPEB obligation, and the aggregate net pension obligation.

LONG-TERM OBLIGATIONS

Balance			Balance
July 1, 2016	Additions	Deductions =	June 30, 2017
\$ 149,270,648	\$ 1,359,631	\$ 7,696,358	\$ 142,933,921
60,000	20	20,000	40,000
947,688	-	43,651	904,037
11,439	-	11,439	<u>.</u>
205,072	988,401	582,995	610,478
32,093,337	4,505,149		36,598,486
\$ 182,588,184	\$ 6,853,181	\$ 8,354,443	\$ 181,086,922
	July 1, 2016 \$ 149,270,648 60,000 947,688 11,439 205,072 32,093,337	July 1, 2016 Additions \$ 149,270,648 \$ 1,359,631 60,000 - 947,688 - 11,439 - 205,072 988,401 32,093,337 4,505,149	July 1, 2016 Additions Deductions \$ 149,270,648 \$ 1,359,631 \$ 7,696,358 60,000 - 20,000 947,688 - 43,651 11,439 - 11,439 205,072 988,401 582,995 32,093,337 4,505,149 -

We present more detailed information regarding our long-term obligations in Note 10 of the financial statements.

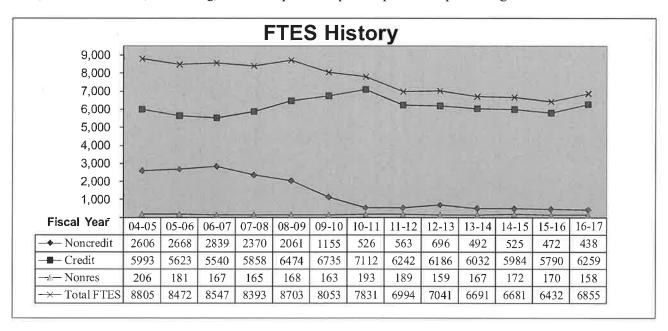
MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

Financial information is maintained by the District in eleven (11) governmental funds. All funds show positive ending balances, and the District's designated Unrestricted General Fund reserve is ten percent (10%) of the Unrestricted General Fund budget.

The primary source of income for day-to-day operations is derived from enrollments. Enrollment income is received based on actual in-state credit, enhanced non-credit, and non-credit full-time equivalent students (FTES). Actual funds are paid through local taxes, student registration fees, and the State. The State sets the amount the District will receive per in-state FTES with non-credit FTES being paid 40 percent (40%) less than credit FTES. The total amount paid for in-state FTES is limited based on an apportionment cap calculated by the State. The District offers a mixture of credit, enhanced non-credit, and non-credit courses to generate FTES toward the apportionment cap.

A number of trends have become more prominent in the District's FTES production over the past few years. In 2008-2009, total FTES was 8,703 including non-resident students. At about the same time, the Chancellor's Office began to encourage community colleges to focus course offerings in three credit areas namely transfer courses, basic skills, and career technical education. From 2008-2009 to 2012-2013, Monterey Peninsula Community College (MPC) reduced non-credit FTES production 66 percent. From 2008-2009 to 2011-2012, credit FTES production increased 9 percent to offset revenue loss in the non-credit area. However, credit FTES has declined from 2010-2011 because of a variety of reasons including increased student fees, State workload reduction, the economy, and declining classroom efficiency. Declining enrollments have resulted in declines in revenue. The District's strategy for increasing FTES production to restore above 6,500, include increasing efficiency, offering additional course sections in growth areas, improve and enhance enrollment and retention rates, increase outreach, advertising, and create partnerships with public and private organizations.

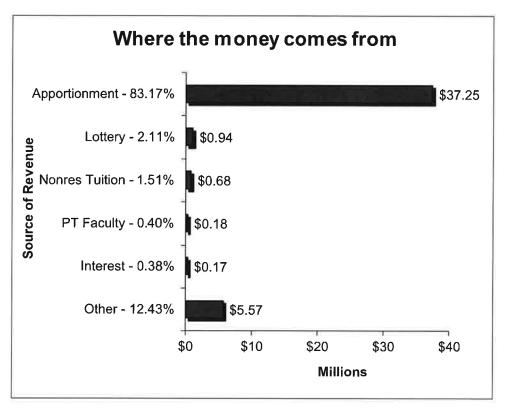


MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

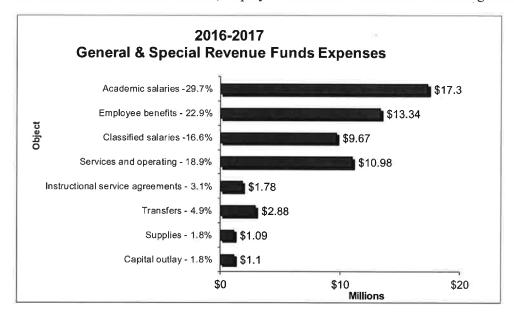
The national and State economies continue to grow moderately. Relatively low unemployment, personal income has been strong in the first half of the forecast period, growth in home pricing slowing, and State salaries and wages seeing relatively low growth. The major uncertainty is how long the current economic expansion will last. The State of California's three largest revenue sources (personal income tax, sales tax, and corporate tax) have increased modestly during this period. Revenues are projected to exceed expenses under current policies, resulting in further improvement in the State's fiscal situation. Given the estimates of State revenue, expenditures, and reserves, the State is better prepared for an economic downturn than it has been in decades.

In looking at MPC's general and special funds revenues, apportionment revenues (State, student fees, and local property taxes) make up the majority share of revenues. Approximately \$3.3 million of State funding was cut in 2009-2010 and another \$2.9 million was cut in 2011-2012. Over the same period, student fees have been increased from \$26 to \$46 per unit, but not enough to offset the overall reduction in revenue. State cuts have primarily taken the form of "workload reductions" resulting in lower apportionment and FTES caps. The new regulations implemented set limits on class repetitions and limited classes for life-long learners. Apportionment revenues continue to represent 90 percent of the General Fund revenue sources. Going into budget year 2017-2018, the State made the following apportionment adjustments to Proposition 98 General Fund: Increase the budget by \$183.6 million to support the community college operating expenses in areas such as employee benefits, facilities, professional development, converting faculty from part-time to full-time, and other general expenses, increase the budget by \$76 million to reflect amounts earned back by districts that declined in enrollment during the previous three years, increase the budget by \$97.6 million for 1.56 percent cost-of-living adjustment and increase the budget by \$57.8 million for enrollment growth of one percent. The State also decreased the budget by \$33 million to reflect unused growth provided in 2015-2016. The State budget also provided \$150 million one-time funding for community colleges to develop and implement "guided pathway" programs and \$247.6 million for grant programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017



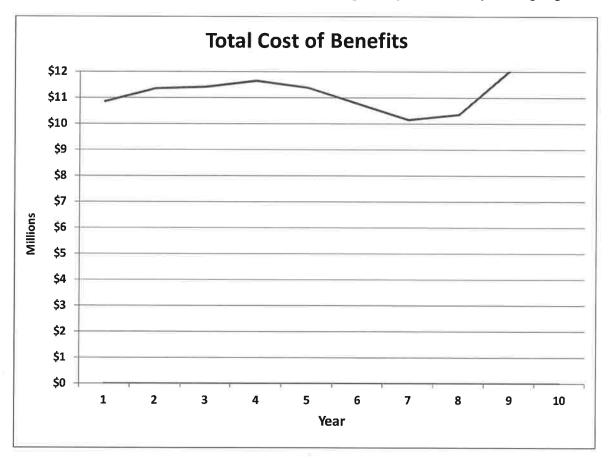
Costs for employees represent 73 percent of total expenses in the General and Special Revenue Funds. These expenses include academic and classified salaries, employee benefits and instructional service agreements.



There was a one percent negotiated salary increase on the salary schedule in 2016-2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

Employee benefit costs represent the second largest expense category for the District and have increased in the past 10 years. The largest portion of benefit costs is for health and welfare, for which the District is self-insured. Stop loss insurance is carried to cover large claims typically associated with catastrophic illnesses; however, increased costs for medical expenses paid by the District have outpaced inflation. The industry trend for annual medical expense increase has been running in the 12 percent + range. In response to this trend, the District has implemented a number of cost containment measures including the adoption of a three phase plan with increased deductible, co-insurance, and Out-of-Pocket Maximum provisions. The District HWCCC is currently exploring other options to further reduce expenditures. Medical claims and utilization are cyclical; therefore, the District should anticipate a minimum annual increase of 10 percent to 12 percent just for industry trends going forward.



The District provides medical benefits to retirees and currently has an unfunded actuarial accrued liability of \$9.2 million. The current fund balance in the District's Self-Insurance Fund is \$2.5 million. The Other Postemployment Benefits (OPEB) Fund ended with a current fund balance of \$532 thousand and Workers' Compensation Fund, ended with a current fund balance of \$118 thousand. The District established a GASB 43 trust for future OPEB benefits in 2015-2016 in the amount of \$3 million. This complies with GASB rules for funding the liability and provides greater interest income to pay down the liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

In conclusion, the District continues to have a solid financial base. Reserves are believed to be adequate. The 2017-2018 final budget is balanced, with no funds being transferred from other funds. The balance budget has been achieved by a reduction to operating budgets, efficiency through scheduling, vacancies, and reduced workers compensation rate and additional funds projected to the base apportionment revenue.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Monterey Peninsula Community College District at 980 Fremont Street, Monterey, California 93940-4799.

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT JUNE 30, 2017

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 166,834
Investments	17,901,965
Investments - restricted	18,546,893
Accounts receivable	3,376,534
Student loans receivable	113,450
Due from fiduciary funds	40,162
Total Current Assets	40,145,838
NONCURRENT ASSETS	
Nondepreciable capital assets	10,564,226
Depreciable capital assets, net of depreciation	148,054,579
Total Noncurrent Assets	158,618,805
TOTAL ASSETS	198,764,643
DEFERRED OUTFLOWS OF RESOURCES	,
Deferred charge on refunding	8,901,437
Deferred outflows of resources related to pensions	7,530,734
TOTAL DEFERRED OUTFLOWS	***************************************
OF RESOURCES	16,432,171
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	5,353,225
Accrued interest payable	795,207
Unearned revenue	4,022,649
Claims payable	679,926
Current portion of long-term obligations	6,160,000
Total Current Liabilities	17,011,007
NONCURRENT LIABILITIES	
Aggregate net pension obligation	36,598,486
Noncurrent portion of long-term obligations	138,328,436
Total Noncurrent Liabilities	174,926,922
TOTAL LIABILITIES	191,937,929
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	4,171,235
NET POSITION	
Net investment in capital assets	35,448,533
Restricted for:	
Debt service	7,083,544
Capital projects	75,840
Other activities	1,248,795
Unrestricted	(24,769,062)
TOTAL NET POSITION	\$ 19,087,650

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT FOR THE YEAR ENDED JUNE 30, 2017

OPERATING REVENUES	
Student Tuition and Fees	\$ 7,480,392
Less: Scholarship discounts and allowances	(3,018,359)
TOTAL OPERATING REVENUES	4,462,033
OPERATING EXPENSES	4,402,033
Salaries	26,964,443
Employee benefits	6,163,699
Supplies, materials, and other operating expenses and services	22,471,394
Student financial aid	8,003,828
Equipment, maintenance, and repairs	813,443
Depreciation	4,812,900
TOTAL OPERATING EXPENSES	69,229,707
OPERATING LOSS	(64,767,674)
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	16,463,080
Grants and contracts, noncapital:	
Federal	9,582,908
State	9,181,102
Local property taxes, levied for general purposes	19,957,443
Taxes levied for other specific purposes	7,553,667
State taxes and other revenues	1,951,464
Investment income	337,913
Interest expense on capital related debt	(3,153,935)
Investment income on capital asset-related debt	26,432
Transfer to fiduciary fund	(112,014)
Other nonoperating revenue	2,526,781
TOTAL NONOPERATING REVENUES (EXPENSES)	64,314,841
LOSS BEFORE OTHER REVENUES	(452,833)
OTHER REVENUES	
State revenues, capital	669,824
Local revenues, capital	31,441
TOTAL OTHER REVENUES	701,265
CHANGE IN NET POSITION	248,432
NET POSITION, BEGINNING OF YEAR	18,839,218
NET POSITION, END OF YEAR	\$ 19,087,650

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT FOR THE YEAR ENDED JUNE 30, 2017

CACH ELONG EDOM OBED A ENVIC A CENTIMETE	
CASH FLOWS FROM OPERATING ACTIVITIES	ф <i>4.572.6</i> 00
Tuition and fees	\$ 4,573,688
Payments to scholarships and grants	(8,003,828)
Payments to vendors for supplies and services	(22,472,501)
Payments to or on behalf of employees	(32,334,888)
Net Cash Flows From Operating Activities	(58,237,529)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State apportionments	16,358,133
Grants and contracts	18,764,010
Property taxes - nondebt related	19,957,443
State taxes and other apportionments	1,473,014
Other nonoperating	2,038,318
Net Cash Flows From Noncapital Financing Activities	58,590,918
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(759,665)
Proceeds from capital debt	1,359,631
State revenue, capital projects	669,824
Local revenue, capital projects	31,441
Property taxes - related to capital debt	7,553,667
Principal paid on capital debt	(7,716,358)
Interest paid on capital debt	(3,153,935)
Interest received on capital asset-related debt	26,432
Deferred charges on refunding	1,564,889
Net Cash Flows From Capital Financing Activities	(424,074)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	322,438
interest received from investments	322,430
NET CHANGE IN CASH AND CASH EQUIVALENTS	251,753
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	36,363,939
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 36,615,692

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, CONTINUED FOR THE YEAR ENDED JUNE 30, 2017

RECONCILIATION OF NET OPERATING LOSS TO NET	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	\$ (64,767,674)
Adjustments to Reconcile Operating Loss to Net Cash Flows	
From Operating Activities:	
Depreciation expense	4,812,900
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:	
Receivables	108,207
Accounts payable	1,378,788
Accrued interest payable	233,525
Unearned revenue	(428,445)
Compensated absences	(43,651)
Early retirement plan	(11,439)
Net other postemployment benefits (OPEB) obligation	405,406
Aggregate net pension obligation	4,505,149
Deferred outflows of resources related to pensions	(912,040)
Deferred inflows of resources related to pensions	(3,518,255)
Total Adjustments	6,530,145
Net Cash Flows From Operating Activities	\$ (58,237,529)
CASH AND CASH EQUIVALENTS CONSIST OF	
THE FOLLOWING:	
Cash in banks	\$ 166,834
Cash in county treasury	36,448,858
Total Cash and Cash Equivalents	\$ 36,615,692
NON CACH TO ANGACTIONS	
NON CASH TRANSACTIONS On behalf novements for benefits	\$ 1.384.930
On behalf payments for benefits	,,
Board of governors fee waivers	3,018,359
	\$ 4,403,289

STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2017

	Retiree OPEB Trust	Other Trusts	Agency Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 664,044	\$ 621,910
Investments	3,584,706	75,661	986
Accounts receivable		20,448	5,646
Total Assets	3,584,706	760,153	\$ 627,556
LIABILITIES		36	
Accounts payable	=	113,295	\$ 22,093
Due to primary government	=	:=:	40,162
Due to student groups	2	299,836	565,301
Total Liabilities	×	413,131	\$ 627,556
NET POSITION			
Restricted for postemployment benefits			
other than pensions	3,584,706		
Unrestricted	-	347,022	
Total Net Position	\$ 3,584,706	\$ 347,022	

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2017

	Retiree OPEB	Other
ADDITIONS	Trust	Trusts
State revenues	\$	\$ 748,119
Interest and investment income	70,630	100
Net realized and unrealized gain	224,948	
Local revenues		180,140
Total Additions	295,578	928,259
DEDUCTIONS		
Services and operating expenditures	₹.	900,173
Administrative expenses	500_	
Total Deductions	500	900,173
OTHER FINANCING SOURCES		
Transfer from primary government	112,014	
CHANGE IN NET POSITION	407,092	28,086
NET POSITION - BEGINNING OF YEAR, AS RESTATED (See Note 16)	3,177,614	318,936
NET POSITION - END OF YEAR	\$ 3,584,706	\$ 347,022

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 1 - ORGANIZATION

The Monterey Peninsula Community College District (the District) is a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to the local residents of the surrounding area. The District consists of one community college located in Monterey, California, While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14. The District operates under a locally elected five-member Board of Trustees form of government and provides higher education in the County of Monterey. The District currently operates one college campus located in the city of Monterey. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of GASB Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes. The District has considered all potential component units in determining how to define the reporting entity using criteria set forth in accounting principles generally accepted in the United States of America. The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled or has the ability to otherwise access are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The District has identified no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, and No. 39. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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

Operating expenses are costs incurred to provide instructional services including support costs, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

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

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

Cash and Cash Equivalents

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

Investments

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments held at June 30, 2017, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Restricted Assets

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

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. Management has analyzed these accounts and believes all amounts are fully collectable.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 25 to 50 years; equipment, 5 to 10 years; vehicles, 5 to 10 years.

Accrued Liabilities and Long-Term Obligations

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

Debt Issuance Costs, Premiums, and Discounts

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

Deferred Charge on Refunding

Deferred charge on refunding is amortized using the straight-line method over the remaining life of the new debt.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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 deferred charges on refunding of debt and 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 (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The liability for this benefit is reported on the entity-wide financial statements.

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year, and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds and notes payable, compensated absences, early retirement plan, net OPEB obligation, and the aggregate net pension obligation with maturities greater than one year.

Net Position

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

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

Restricted: Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The entity-wide financial statements report \$8,408,179 of restricted net position.

State Apportionments

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Property Taxes

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

The voters of the District passed a General Obligation Bond in 2002 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarships, Discounts, and Allowances

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

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

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

Interfund Activity

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Change in Accounting Principles

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 GASB 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 GASB Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, No. 43, and No. 50, Pension Disclosures.

The District has implemented the provisions of this Statement as of June 30, 2017.

As a result of implementing GASB Statement No. 74, the District has restated the beginning net position in the fiduciary funds Statement of Net Position, effectively increasing the District's fiduciary Net Position as of July 1, 2016 by \$3,177,614. This increase results from accounting for the District's OPEB Trust account within the District's fiduciary funds.

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 District has implemented the provisions of this Statement as of June 30, 2017.

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 GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27. 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 GASB 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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

This Statement amends the scope and applicability of GASB 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 District has implemented the provisions of this Statement as of June 30, 2017.

In January 2016, the GASB issued Statement No. 80, Blending Requirements for Certain Component Units—an amendment to 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 GASB Statement No. 14, The Financial Reporting Entity. 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 GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units—an amendment to GASB Statement No. 14.

The District has implemented the provisions of this Statement as of June 30, 2017.

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 GASB Statement No. 67, Financial Reporting for Pension Plans—an amendment to GASB Statement No. 25, GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27, and 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 Statements 67 and 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 District has implemented the provisions of this Statement as of June 30, 2017, 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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

New Accounting Pronouncements

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 GASB 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. GASB 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 30, 2017. 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.

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

 Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Early implementation is encouraged.

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

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Early implementation is encouraged.

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

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS

Policies and Practices

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

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section (ECS) 41001). The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy.

General Authorizations

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

	Maximum	Maximum	Maximum
Authorized	Remaining	Percentage	Investment
Investment Type	Maturity	of Portfolio	in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Authorized Under Debt Agreements

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2017, consist of the following:

Primary government Fiduciary funds Total Deposits and Investments	\$ 36,615,692 4,946,321 \$ 41,562,013
Cash on hand and in banks Cash in revolving	1,427,788 25,000
Investments Total Deposits and Investments	40,109,225 \$ 41,562,013

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by primarily investing in the Monterey County Investment Pool, Mutual Funds, and the Master Trust.

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

			Weighted
	Book	Fair	Average Days
Investment Type	Value	Value	to Maturity
Monterey County Investment Pool	\$ 36,448,858	\$ 36,394,589	398
Mutual Funds	75,661	75,661	N/A
Master Trust	3,584,706	3,584,706	N/A
Total	\$ 40,109,225	\$ 40,054,956	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Monterey County Investment Pool, Mutual Funds, and the Master Trust are not required to be rated, nor have been rated as of June 30, 2017.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2017, the District's bank balance of \$1,273,649 was exposed to custodial credit risk because it was uninsured but collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 4 - FAIR VALUE MEASUREMENTS

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

The District's fair value measurements are as follows at June 30, 2017:

				Level 1		Level 3		
Investment Type	Fair Value		Inputs		Inputs		Uncategorized	
Monterey County Investment Pool	\$	36,394,589	\$		\$	-	\$	36,394,589
Mutual Funds		75,661		75,661		(= 0)		0)=0
Master Trust	3,584,		-			3,584,706))
Total	\$	40,054,956	\$	75,661	\$	3,584,706	\$	36,394,589

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

The following table summarizes the District's Level 3 reconciliation as of June 30, 2017:

	Level 3 Inputs			
Investments at Fair Value				
Balance at July 1, 2016		\$	3,177,614	
Interest and investment income			70,630	
Net realized and unrealized gain			224,948	
Contributions from District			112,014	
Administrative fees			(500)	
Balance at June 30, 2017		\$	3,584,706	

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

		20		Primary
	E		G	overnment
Federal Government				
Categorical aid			\$	281,538
State Government				
Apportionment				277,724
Categorical aid				160,849
Lottery				966,822
Other State sources				134,041
Local Sources				
Interest				81,636
Other local sources				1,473,924
Total			\$	3,376,534
				<u>-</u> _
Student receivables			\$	113,450
			Fidu	uciary Funds
Other local sources			\$	26,094

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

		Balance						Balance
	Jı	ıly 1, 2016	Additions		Dec	luctions	J	une 30, 2017
Capital Assets Not Being Depreciated					10		30	
Land	\$	9,900,000	\$	<u> </u>	\$	-	\$	9,900,000
Construction in progress		124,310		539,916		=		664,226
Total Capital Assets Not Being Depreciated	-	10,024,310	-	539,916		ů.	_	10,564,226
Capital Assets Being Depreciated								
Land improvements		29,021,320				UE:		29,021,320
Buildings and improvements	159,836,381		2		04			159,836,381
Furniture and equipment		7,999,438		219,749		\ -		8,219,187
Total Capital Assets Being Depreciated		196,857,139		219,749		28.		197,076,888
Total Capital Assets		206,881,449	_	759,665	-	-	-	207,641,114
Less Accumulated Depreciation								
Land improvements		12,111,311		1,328,752		0.00		13,440,063
Buildings and improvements		25,323,388		3,130,446		72		28,453,834
Furniture and equipment		6,774,710		353,702				7,128,412
Total Accumulated Depreciation	_	44,209,409		4,812,900		16	_	49,022,309
Net Capital Assets	\$ 1	162,672,040	\$	(4,053,235)	\$		\$	158,618,805

Depreciation expense for the year was \$4,812,900.

Interest expense on capital related debt for the year ended June 30, 2017, was \$3,153,935.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2017, consisted of the following:

	Primary			
7	G	overnment_		
Accrued payroll and benefits	\$	955,927		
Apportionment		2,214,049		
Student financial aid grants		42,063		
Construction		113,645		
Community Hospital of Monterey Peninsula		462,390		
Self-Insurance payables		398,336		
Other vendor payables		1,166,815		
Total	\$	5,353,225		
	J			
	Fid	uciary Funds		
Student financial aid grants	\$	30,601		
Other vendor payables		104,787		
Total	\$	135,388		

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2017, consisted of the following:

	Primary
	 Government
Federal categorical	\$ 69,117
State categorical	1,538,425
Other State	634,318
Student fees	650,932
Other local	 1,129,857
Total	\$ 4,022,649

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2017, the amounts owed to the primary government from the fiduciary funds was \$40,162.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2017 fiscal year, there were transfers between the primary government and the fiduciary funds in the amount of \$112,014.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2017 fiscal year consisted of the following:

	Balance			Balance	Due in		
	July 1, 2016	Additions	Additions Deductions		Additions Deductions June 3		One Year
Bonds and Notes Payable							
2002 General obligation bonds, Series B	\$ 200,000	\$	\$	\$ 200,000	\$ -		
Unamortized premium	87,161		14,527	72,634	#		
2002 General obligation bonds, Series C	5,575,000	<u>,</u> €//	2,575,000	3,000,000	3,000,000		
Unamortized premium	2,466,740	329	1,233,370	1,233,370	×		
2013 General obligation refunding bonds, Series A	18,760,000	æ	400,000	18,360,000	420,000		
Unamortized premium	1,956,410	90	378,660	1,577,750	V2		
2013 General obligation refunding bonds, Series B	13,705,000	,= 0	2,670,000	11,035,000	2,690,000		
2016 General obligation refunding bonds	105,348,522	1,359,631	360,000	106,348,153	30,000		
Unamortized premium	1,171,815	·	64,801	1,107,014	:(•		
Lease revenue bonds	60,000	5.	20,000	40,000	20,000		
Total Bonds and Notes Payable	149,330,648	1,359,631	7,716,358	142,973,921	6,160,000		
Other Liabilities							
Compensated absences	947,688	2	43,651	904,037	(2)		
Early retirement plan	11,439	-	11,439	5 4 0	0=		
Net OPEB obligation	205,072	988,401	582,995	610,478	5.7		
Aggregate net pension obligation	32,093,337	4,505,149		36,598,486	V#s		
Total Other Liabilities	33,257,536	5,493,550	638,085	38,113,001			
Total Long-Term Obligations	\$ 182,588,184	\$ 6,853,181	\$ 8,354,443	\$ 181,086,922	\$ 6,160,000		

Description of Debt

Payments on the general obligation bonds are to be made by the Bond Interest and Redemption Fund with local property tax collections. The compensated absences and aggregate net pension obligation will be paid by the fund for which the employee worked. The net OPEB obligation and the early retirement plan will be paid by the General Unrestricted Fund. Payments on the lease revenue bonds are made by the Student Center Fund.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

General Obligation Bonds

2002 General Obligation Bonds, Series B and C

During January 2008, the District issued the 2008 General Obligation Bonds, Series B and Series C, of \$104,999,300. The bonds issued included \$52,870,000 of Current Interest bonds and \$52,129,300 of Capital Appreciation bonds. The Capital Appreciation bonds have a maturing principal balance of \$140,680,000. The Current Interest bonds mature beginning on August 1, 2008 through August 1, 2021, with interest rates ranging from 3.50 percent to 5.35 percent. The Capital Appreciation bonds mature beginning on August 1, 2015 through August 1, 2017, with yield rates ranging from 4.76 percent to 5.17 percent. At June 30, 2017, the principal balance outstanding was \$3,200,000. Unamortized premium received on issuance of the bonds amounted to \$1,306,004 as of June 30, 2017.

2013 General Obligation Refunding Bonds, Series A and B

In April 2013, the District issued the \$33,820,000 2013 General Obligation Refunding Bonds, Series A and B. The bonds have a final maturity to occur on August 1, 2021, with interest rates from .335 to 4.00 percent. The net proceeds of \$36,975,456 (representing the principal amount of \$33,820,000 plus premium on issuance of \$3,155,456) from the issuance were used to advance refund a portion of the District's outstanding 2002 General Obligation Bonds, Series C and to pay the cost of issuance associated with the refunding bonds. In addition, the net proceeds were used to advance refund a portion of the District's outstanding 2005 General Obligation Refunding Bonds and to pay the cost of the issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. The refunding resulted in an economic gain of \$1,310,546 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 1.367 percent. At June 30, 2017, the principal balance outstanding was \$29,395,000. Unamortized premium received on issuance of the bonds and deferred charges on refunding amounted to \$1,577,750 and \$724,146, respectively, as of June 30, 2017.

2016 General Obligation Refunding Bonds

In May 2016, the District issued the \$105,348,522 2016 General Obligation Refunding Bonds. The bonds have a final maturity to occur on August 1, 2034, with interest rates from 1.65 to 4.00 percent. The net proceeds of \$106,531,137 (representing the principal amount of \$105,348,522 plus premium on issuance of \$1,182,615) from the issuance were used to advance refund a portion of the District's outstanding 2002 General Obligation Bonds, Series C and to pay the cost of issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent in excess of outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. The refunding resulted in an economic gain of \$20,455,151 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.76 percent. At June 30, 2017, the principal balance outstanding was \$106,348,153. Unamortized premium received on issuance of the bonds and deferred charges on refunding amounted to \$1,107,014 and \$8,177,291, respectively, as of June 30, 2017.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

The outstanding general obligation bonded debt is as follows:

					Bonds		Accreted				Bonds
Issue	Maturity	Interest	Original	(Outstanding		Interest				Outstanding
Date	Date	Rate	Issue]	July 1, 2016		Additions	1	Redeemed	J	une 30, 2017
2008	08/01/2021	3.80%-5.35%	\$ 9,004,530	\$	200,000.00	\$	(a)	\$	27	\$	200,000
2008	08/01/2017	3.50%-5.00%	95,994,770		5,575,000		100		2,575,000		3,000,000
2013	08/01/2021	1.50%-4.00%	19,235,000		18,760,000		825		400,000		18,360,000
2013	08/01/2020	0.335%-2.289%	14,585,000		13,705,000		8 🕏		2,670,000		11,035,000
2016	08/01/2034	1.65%-4.00%	105,348,522		105,348,522		1,359,631		360,000		106,348,153
				\$	143,588,522	\$	1,359,631	\$	6,005,000	\$	138,943,153
				_				_			

The 2002 General Obligation Bonds, Series B mature through 2022 as follows:

	Current					
Principa	Principal Maturity					
\$	- \$	10,700	\$	10,700		
	2	10,700		10,700		
	5	10,700		10,700		
	2	10,700		10,700		
200,	,000	5,350		205,350		
\$ 200,	,000 \$	48,150	\$	248,150		
	\$ 200,	\$ - \$	Principal Interest to Maturity \$ - \$ 10,700 - 10,700 - 10,700 - 10,700 - 10,700 200,000 5,350	Principal Maturity \$ - \$ 10,700 \$ - 10,700 - 10,700 - 10,700 200,000 5,350		

The 2002 General Obligation Bonds, Series C mature through 2018 as follows:

	Current				
Year Ending		Interest to			
June 30,	Principal	Maturity	Total		
2018	\$ 3,000,000	\$ 60,000	\$ 3,060,000		

The 2013 General Obligation Refunding Bonds, Series A mature through 2022 as follows:

Year Ending		Current Interest to	
June 30,	Principal	Maturity	Total
2018	\$ 420,000	\$ 685,175	\$ 1,105,175
2019	425,000	675,688	1,100,688
2020	4,405,000	598,450	5,003,450
2021	4,920,000	426,000	5,346,000
2022	8,190,000	163,800	8,353,800
Total	\$ 18,360,000	\$ 2,549,113	\$ 20,909,113

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

The 2013 General Obligation Refunding Bonds, Series B mature through 2021 as follows:

			(Current	
Year Ending			It	nterest to	
June 30,	Principal		1	Maturity	Total
2018	\$ 2,690,0	00	\$	186,421	\$ 2,876,421
2019	2,735,0	00		144,587	2,879,587
2020	2,780,0	00		93,120	2,873,120
2021	2,830,0	00_		32,389	 2,862,389
Total	\$ 11,035,0	00	\$	456,517	\$ 11,491,517

The 2016 General Obligation Refunding Bond, Series B mature through 2035 as follows:

		Principal				Current		
Year Ending	(Incl	uding accreted	I	Accreted]	nterest to		
June 30,	int	erest to date)		Interest		Maturity		Total
2018	\$	30,000	\$	±.	\$	880,350	\$	910,350
2019		3,480,000		30		810,450		4,290,450
2020		æ:		-		740,850		740,850
2021		=		<u>=</u> 1		740,850		740,850
2022		25 32		: ?:		740,850		740,850
2023-2027		34,670,777		5,819,223		3,704,250		44,194,250
2028-2032		36,235,920		16,134,080		3,704,250		56,074,250
2033-2035		31,931,456		6,583,544		1,521,525		40,036,525
Total	\$	106,348,153	\$	28,536,847	\$	12,843,375	\$ 1	47,728,375
							_	

Lease Revenue Bonds

Lease revenue bonds for \$500,000 were issued in 1968 to finance improvements to the student center. The bonds are collateralized by revenue from the bookstore and student center building fees collected at registration. Bond principal matures in the fiscal year 2019; interest rates are variable, with a maximum rate of 7.0 percent per annum. The annual debt service for these bonds is provided by transfers from the Student Center Fund to the Debt Service Fund. The principal balance at June 30, 2017, was \$40,000.

Revenue bonds mature as follows:

Year Ending			Int	erest to		
June 30,	P	rincipal	M	aturity	v	Total
2018	\$	20,000	\$	900	\$	20,900
2019	(20,000		300		20,300
Total	\$	40,000	\$	1,200	\$	41,200

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Compensated Absences

At June 30, 2017, the liability for compensated absences was \$904,037.

Early Retirement Plan

The District has entered into an agreement to provide certain benefits to employees participating in the early retirement incentive program. As of June 30, 2017, this obligation was paid in full.

Other Postemployment Benefits (OPEB) Obligation

The District's annual required contribution for the year ended June 30, 2017, was \$1,285,400, and contributions made by the District during the year were \$582,995. Interest on the net OPEB obligation, adjustments to the annual required contribution, and the change in value in the District's irrevocable trust were \$9,228, \$(11,149), and \$(295,078), respectively, which resulted in an increase to the net OPEB obligation of \$405,406. As of June 30, 2017, the net OPEB obligation was \$610,478. See Note 11 for additional information regarding the OPEB obligation and the postemployment benefits plan.

Aggregate Net Pension Obligation

At June 30, 2017, the liability for the aggregate net pension obligation amounted to \$36,598,486. See Note 12 for additional information.

NOTE 11 - POSTEMPLOYMENT HEALTHCARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

Monterey Peninsula Community College District Retiree Health Benefit Program Trust

The Monterey Peninsula Community College District Retiree Health Benefit Program Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Monterey Peninsula Community College District Retiree Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Plan Description

Plan administration. The Monterey Peninsula Community College District Board of Trustees administers the Postemployment Benefits Plan (the Plan), a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for the District.

Management of the Plan assets is vested with the Monterey Peninsula Community College District Retiree Board of Authority, which consists of locally appointed Plan members.

Plan membership. At June 30, 2017, Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefit payments	
Active Plan members	215
	329

Benefits provided. The Plan provides medical insurance benefits to eligible retirees and their spouses. Benefits are provided through the District's self-insured medical plan via a third party administrator, and the full cost of benefits is covered by the Plan to age 65. The Governing Board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contribution Information

Contributions. The contribution requirements of Plan members and the District are established and may be amended by the District and the Teachers Association (CTA), the local California School Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by Monterey Peninsula Community College District Governing Board. For fiscal year 2016-2017, the District contributed \$582,995 to the Plan, of which \$112,014 was a contribution into the District's irrevocable OPEB trust and \$470,981 was used for current premiums. Plan members are not required to contribute to the Plan. In addition, the District contributes \$125.55 per month beyond the age of 65 for grandfathered participants.

Investments

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Monterey Peninsula Community College District Retirement Board of Authority by a majority vote of its members. It is the policy of the Retirement Board of Authority to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2017:

Asset Class	Target Allocation
Domestic equity	50%
Fixed income	50%
Total	100%

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Rate of return. For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 9.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Total Net OPEB Liability of the District

The component of the net OPEB liability of the District as of June 30, 2017, was as follows:

Total actuarial accrued OPEB liability	\$	11,375,770
Plan fiduciary net position		3,584,706
District's net OPEB liability		7,791,064
Plan fiduciary net position as a percentage of the total OPEB liability	0====	32%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent
Investment rate of return	4.50 percent
Healthcare cost trend rates	4.00 percent

Mortality rates were based on the 2009 CalSTRS Mortality tables for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees tables for classified employees.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period of July 1, 2016.

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017, are summarized in the following table:

	Expected Real
Asset Class	Rate of Return
Domestic equity	4.3%
Fixed income	2.0%

Long-Term

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Discount rate. The discount rate used to measure the total OPEB liability was 4.5 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount and healthcare cost trend rates. The OPEB liability is based on the actuarial report that relies on estimates and assumptions that affect the amounts reported. Particularly, changes in the discount and healthcare cost trend rates used can have a significant impact on the resulting actuarially determined OPEB liability. Actual results may differ from these estimates and assumptions.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

For the fiscal year ended June 30, 2017, the District reported the net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources for each of the above plans as follows:

			(Collective	(Collective		
	Co	ollective Net	Defe	rred Outflows	Defe	erred Inflows	(Collective
Pension Plan	Pen	sion Liability	of	Resources	of	Resources	Pen	sion Expense
CalSTRS	\$	23,455,119	\$	3,803,448	\$	2,436,561	\$	2,020,124
CalPERS		13,143,367	-	3,727,286		1,734,674		1,116,075
Total	\$	36,598,486	\$	7,530,734	\$	4,171,235	\$	3,136,199

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2015, 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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The District contributes 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, 2017, are summarized as follows:

	STRP Defined Benefit Program				
	On or before On or after				
Hire date	December 31, 2012	January 1, 2013			
Benefit formula	2% at 60	2% at 62			
Benefit vesting schedule	5 years of service	5 years of service			
Benefit payments	Monthly for life	Monthly for life			
Retirement age	60	62			
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%			
Required employee contribution rate	10.25%	9.205%			
Required employer contribution rate	12.58%	12.58%			
Required State contribution rate	8.828%	8.828%			

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2017, are presented above, and the District's total contributions were \$1,938,777.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 23,455,119
State's proportionate share of net pension liability associated with the District	 13,352,581
Total	\$ 36,807,700

The net pension liability was measured as of June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2016 and June 30, 2015, was 0.0290 percent and 0.0317 percent, respectively, resulting in a net decrease in the proportionate share of 0.0027 percent.

For the year ended June 30, 2017, the District recognized pension expense of \$2,020,124. In addition, the District recognized pension expense and revenue of \$1,290,667 for support provided by the State. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Resources	Resources
Pension contributions subsequent to measurement date	\$ 1,938,777	\$ ä ≠ .
Net change in proportionate share of net pension liability		1,864,400
Differences between projected and actual earnings on the pension plan investments	1,864,671	₹ <u>₩</u>
Differences between expected and actual experience in the		
measurement of the total pension liability	(90)	572,161
Total	\$ 3,803,448	\$ 2,436,561
		*

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

The deferred outflows 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:

		Deferred
Year Ended		Outflows
June 30,		of Resources
2018		40,680
2019		40,681
2020		1,083,940
2021	_	699,370
Total		1,864,671

The deferred 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 measurement period is seven years and will be recognized in pension expense as follows:

		Deferred
Year Ended		Inflows
June 30,	-1-	of Resources
2018	\$	(419,512)
2019		(419,512)
2020		(419,512)
2021		(419,512)
2022		(419,514)
Thereafter		(338,999)
Total	\$	(2,436,561)

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, 2015, and rolling forward the total pension liability to June 30, 2016. The financial reporting actuarial valuation as of June 30, 2015, used the following methods and assumptions, applied to all prior periods included in the measurement:

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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 the 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:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.60 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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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

			Net Pension
13	Discount Rate		Liability
	1% decrease (6.60%)		\$ 33,757,206
	Current discount rate (7.60%)		23,455,119
	1% increase (8.60%)	m	14,898,804

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California Public Employees' Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2015, annual actuarial valuation report, Schools Pool Actuarial Valuation. 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 age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

The CalPERS provisions and benefits in effect at June 30, 2017, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	6.00%
Required employer contribution rate	13.888%	13.888%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2017, are presented above, and the total District contributions were \$1,122,568.

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

As of June 30, 2017, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$13,143,367. The net pension liability was measured as of June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2016 and June 30, 2015, was 0.0665 percent and 0.0728 percent, respectively, resulting in a net decrease in the proportionate share of 0.0063 percent.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

For the year ended June 30, 2017, the District recognized pension expense of \$1,116,075. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		rred Outflows Resources		erred Inflows Resources
	- 01	Resources	01	Resources
Pension contributions subsequent to measurement date	\$	1,122,568	\$	
Net change in proportionate share of net pension liability		9		1,339,794
Differences between projected and actual earnings on the				
pension plan investments		2,039,427		-
Differences between expected and actual experience in the				
measurement of the total pension liability		565,291		=
Changes of assumptions		2		394,880
Total	\$	3,727,286	\$	1,734,674

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows 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:

		Deferred
Year Ended		Outflows
June 30,	<u> </u>	of Resources
2018	\$	286,057
2019		286,057
2020		935,041
2021		532,272
Total	\$	2,039,427

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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

	Deferred
Year Ended	Outflows/(Inflows)
June 30,	of Resources
2018	\$ (522,648)
2019	(488,017)
2020	(158,718)
Total	\$ (1,169,383)

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, 2015, and rolling forward the total pension liability to June 30, 2016. The financial reporting actuarial valuation as of June 30, 2015, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2015
Measurement date	June 30, 2016
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 services

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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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:

		Long-Term
	Assumed Asset	Expected Real
Asset Class	Allocation	Rate of Return
Global equity	51%	5.71%
Global debt securities	20%	2.43%
Inflation assets	6%	3.36%
Private equity	10%	6.95%
Real estate	10%	5.13%
Infrastructure and Forestland	2%	5.09%
Liquidity	1%	-1.05%

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

		Net	Pension
Discount Rate	_	Li	iability
1% decrease (6.65%)	\$	S	19,609,976
Current discount rate (7.65%)			13,143,367
1% increase (8.65%)			7,758,642

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2017, which amounted to \$1,384,930 (8.828 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2017. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

Deferred Compensation

The District offers its employees a CalPERS administered 457 Deferred Compensation Program (the Program). The plan, available to all permanent employees, permits them to defer a portion of pre-tax salary into investment of an individual's own choosing until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The Board for the exclusive benefit of participating employees, which adds security, holds the assets in trust.

NOTE 13 - RISK MANAGEMENT

Claims Liability

The District records an estimated liability for healthcare claims against the District. Claims liability is based on the ultimate cost of the reported claims including future claim adjustment expense and an estimate for claims incurred, but not reported, based on historical experience. The projected liability for unpaid losses reported in the Statement of Net Position is \$679,926 and was calculated using claim lag reports and completion factor methodology.

	Health Care
Liability Balance, June 30, 2016	\$
Claims and changes in estimates	7,627,721
Claims payments	(6,947,795)
Liability Balance, June 30, 2017	\$ 679,926
Assets available to pay claims at June 30, 2017	\$ 2,784,296

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. The District purchases coverage through their participation in the Bay Area Community College District Joint Powers Authority (BACCD JPA). The coverage provides liability coverage up to \$50 million per occurrence. In addition, through participation in the BACCD JPA, the District also has coverage for damage to or loss of property up to \$250 million per occurrence. The District liability and property coverage is subject to a \$10,000 per occurrence deductible. The District also provides health insurance benefits to District employees, their families, and retirees of the District.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2017, the District contracted with the Bay Area Community College District Joint Powers Authority for property and liability insurance coverage. During the past three years the District had no claims that exceeded the limit of liability provided by the BACCD JPA. Additionally, there has been no reduction in the coverage provided by the BSCCD JPA.

Workers' Compensation

For fiscal year 2016-2017, the District participated in the Northern California Community College Pool, an insurance purchasing pool. The intent of the Pool is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Pool. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the Pool. Each participant pays its workers' compensation premium based on its individual rate. Participation in the Pool is limited to community college districts that can meet the Pool's selection criteria.

Insurance Program / Company Name	Type of Coverage	Limits		
Protected Insurance Programs for Schools	Workers' Compensation	\$	1,000,000	
Bay Area Community College District JPA	Property		250,000,000	
Bay Area Community College District JPA	General Liability		50,000,000	

NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Bay Area Community College District (BACCD), the Northern California Community College Pool (NCCCP), and the Alameda County Schools Insurance Group (ACSIG) Joint Powers Authority. The District pays annual premiums for its property and liability, health, workers' compensation, dental, and vision coverage. The relationship between the District and the JPAs are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2017, the District made payments of \$243,857, \$472,305, and \$22,956, to BACCD, NCCCP, and ACSIG, respectively.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2017.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2017.

NOTE 16 - RESTATEMENT OF PRIOR YEAR FIDUCIARY NET POSITION

The District's beginning fiduciary net position has been restated as of July 1, 2016.

The District adopted GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, in the current year. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the fiduciary funds by \$3,177,614.

Fiduciary Funds	
Fiduciary Net Position - Beginning	\$ 318,936
Restatement of Retiree OPEB Trust for implementation of GASB Statement No. 74	3,177,614
Fiduciary Net Position - Beginning, as Restated	\$ 3,496,550

NOTE 17 - SUBSEQUENT EVENT

The Board of Trustees authorized the District to offer a Supplemental Employee Retirement Plan (SERP) to eligible employees with an effective date of July 1, 2017. A total of 16 employees accepted the SERP at a total cost to the District of \$820,700, payable over a five year period.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2017

	 2017
Total OPEB Liability*	
Annual required contribution	\$ 1,285,400
Interest on net OPEB obligation	9,228
Adjustment to annual required contribution	(11,149)
Pay as you go contributions	(470,981)
Contributions made to Irrevocable Trust	(112,014)
Change in value of Irrevocable Trust	 (295,078)
Net Changes in Total OPEB Liability	405,406
Total OPEB Liability - Beginning	205,072
Total OPEB Liability - Ending	\$ 610,478
Plan Fiduciary Net Position**	
Contributions - employer	\$ 112,014
Net investment income	295,578
Administrative expenses	 (500)
Net Change in Plan Fiduciary Net Position	407,092
Plan Fiduciary Net Position - Beginning	 3,177,614
Plan Fiduciary Net Position - Ending	\$ 3,584,706

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

See accompanying note to required supplementary information.

^{*} The Total Net OPEB Liability was measured in accordance with GASB Statement No. 45.

^{**} The Plan Fiduciary Net Position was measured in accordance with GASB Statement No. 74.

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR OPEB FOR THE YEAR ENDED JUNE 30, 2017

	 2017
Actuarially determined contribution	\$ 1,285,400
Contributions in relations to the actuarially determined contribution	 582,995
Contribution deficiency (excess)	\$ 702,405
Covered-employee payroll	\$ 26,964,443
Contribution as a percentage of covered-employee payroll	2.16%

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

SCHEDULE OF OPEB INVESTMENT RETURNS FOR THE YEAR ENDED JUNE 30, 2017

	2017
Annual money-weighted rate of return, net of investment expense	9.20%

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

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS

FOR THE YEAR ENDED JUNE 30, 2017

		Actuarial Accrued Liability	Unfunded			UAAL as a
Actuarial		(AAL) -	AAL			Percentage of
Valuation	Actuarial Value	Entry Age	(UAAL)	Funded Ratio	Covered	Covered Payroll
Date	of Assets (a)	Normal (b)	(b - a)	(a / b)	Payroll (c)	([b - a] / c)
December 1, 2011	\$ -	\$ 11,281,610	\$ 11,281,610	0%	N/A	N/A
December 1, 2013	-	11,216,214	11,216,214	0%	N/A	N/A
July 1, 2016	¥	11,375,770	11,375,770	0%	N/A	N/A

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016	2015
CalSTRS			
District's proportion of the net pension liability	0.0290%	0.0317%	0.0320%
District's proportionate share of the net pension liability State's proportionate share of the net pension liability	\$ 23,455,119	\$ 21,365,382	\$ 18,691,915
associated with the District Total	13,352,581 \$ 36,807,700	11,299,932 \$ 32,665,314	11,286,985 \$ 29,978,900
District's covered-employee payroll	\$ 15,041,901	\$ 14,507,218	\$ 14,503,338
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	155.93%	147.27%	128.88%
Plan fiduciary net position as a percentage of the total pension liability	70%	74%	77%_
CalPERS			
District's proportion of the net pension liability	0.0665%	0.0728%	0.0813%
District's proportionate share of the net pension liability	\$ 13,143,367	\$ 10,727,955	\$ 9,225,415
District's covered-employee payroll	\$ 7,987,128	\$ 8,057,608	\$ 8,531,836
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	164.56%	133.14%	108.13%
Plan fiduciary net position as a percentage of the total pension liability	74%_	79%	83%

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

See accompanying note to required supplementary information.

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS FOR THE YEAR ENDED JUNE 30, 2017

CalSTRS	-	2017	-	2016	_	2015
Contractually required contribution Contributions in relation to the contractually required	\$	1,938,777	\$	1,613,996	\$	1,288,241
contribution		1,938,777		1,613,996		1,288,241
Contribution deficiency (excess)	\$		\$		<u>\$</u>	
District's covered-employee payroll	\$	15,411,582	_\$_	15,041,901	_\$_	14,507,218
Contributions as a percentage of covered-employee payroll		12.58%	77	10.73%	_	8.88%
CalPERS						
Contractually required contribution Contributions in relation to the contractually required	\$	1,122,568	\$	946,235	\$	948,461
contribution		1,122,568		946,235		948,461
Contribution deficiency (excess)	\$		<u>\$</u>		\$	
District's covered-employee payroll	_\$_	8,083,007		7,987,128	_\$_	8,057,608
Contributions as a percentage of covered-employee payroll	,	13.888%		11.847%	_	11.771%

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

See accompanying note to required supplementary information.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2017

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the net OPEB liability. In the future, as data becomes available, ten years of information will be presented. There were no changes in benefit terms or assumptions in the current year.

Schedule of District Contributions for OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Valuation Date: Actuarially determined contribution rates are calculated as of July 1, 2016, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Amortization period	Initial UAAL – closed 30 years
	Residual UAAL – open 23 years
Asset Valuation method	N/A
Inflation	2.75 percent
Healthcare cost trend rates	4.00 percent
Salary increases	2.75 percent
Investment rate of return	4.50 percent
Retirement age	Certificated: 2009 CalSTRS Retirement Rates
	Classified, hired before January 1, 2013: 2009 CalPERS Retirement
	Rates for School Employees
	Classified, hired after December 31, 2012: 2009 CalPERS two percent
	at 60 Retirement Rates for Miscellaneous Employees adjusted to reflect
	minimum retirement age of 52
Mortality	Certificated: 2009 CalSTRS Mortality
	Certificated Management: 2014 CalPERS Mortality for Miscellaneous
	Employees
	Classified: 2014 CalPERS Mortality for Miscellaneous Employees

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2017

Schedule of OPEB Investment Returns

This schedule presents information on the annual money weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of 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 positions and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Changes in Assumptions – There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions for Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

SUPPLEMENTARY INFORMATION

DISTRICT ORGANIZATION JUNE 30, 2017

The Monterey Peninsula Community College District was established in 1961. The District provides higher education to communities within Monterey County. The District currently operates one campus located in Monterey and one education center. There were no changes to the District's boundaries during the year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

BOARD OF TRUSTEES

MEMBER	<u>OFFICE</u>	TERM EXPIRES
Ms. Marilynn Dunn Gustafson	Chair	2019
Mr. Charles Brown	Vice Chair	2019
Dr. Margaret-Anne Coppernoll	Trustee	2017
Mr. Rick Johnson	Trustee	2017
Dr. Loren Steck	Trustee	2019
Ms. Golnoush Pak	Student Trustee	2017

ADMINISTRATION

Dr. Walter Tribley	Superintendent/President
Dr. Steven Crow	Vice President, Administrative Services
Ms. Kiran Kamath	Vice President, Academic Affairs
Dr. Kim McGinnis	Vice President, Student Services

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed Through to Subrecipients
U.S. DEPARTMENT OF EDUCATION				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		\$ 161,025	\$
Federal Work-Study Program	84.033		155,861	(m)
Federal Pell Grant Program	84.063		5,742,629	
Federal Direct Student Loans	84.268		941,118	
Total Student Financial Assistance Cluster			7,000,633	
TRIO Cluster				
Student Support Services Program	84.042A		269,020	::#:S
Upward Bound Program	84.047A		435,298	395
Upward Bound - Math and Science	84.047M		432,206	
Total TRIO Cluster			1,136,524	
Passed through California Community Colleges Chancellor's Office:				
Career and Technical Education, Title I-C	84.048	16-C01-033	129,963	360
Career and Technical Transitions	84.048A	16-C01-033	43,118	
Total U.S. Department of Education			8,310,238	3#0
U.S. DEPARTMENT OF AGRICULTURE				
Forest Reserve	10.665		2,584	:#Y
Passed through California Department of Education (CDE):				
Child and Adult Care Food Program	10.558	13666	34,973	(#)
Total U.S. Department of Agriculture			37,557	:=/;
Research and Development Cluster NATIONAL SCIENCE FOUNDATION Maria Talandary Martain and Internal in Page 1989.				
Marine Technology Mentoring and Internship Program on	47.076		74.201	
Oceanographic Research Vessels	47.076		74,381	
Marine Advanced Technology Education Resource Center (MATE)	47.076		229 (09	
MATE ROV Competitions: Providing Pathways	47.076		238,608	·#?
to the Ocean STEM Workforce	47.076		400 215	25.044
Marine Advanced Technology Education Support Center	47.076		408,215	35,944
Passed through San Mateo Community College District	47.076		414,467	3.
Creating Alternative Learning Strategies for				
Transfer Engineering Programs	47.076	1430789	39,978	
Total National Science Foundation	47.070	1430769	1,175,649	35,944
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,173,049	33,944
Passed through Regents of the University of California Baccalaureate Bridge to the Biomedical Sciences Program	93.859	20194269	7 670	
Total Research and Development Cluster	73.037	S0184268	7,678	25.044
Total Research and Development Cluster			1,183,327	35,944
U.S. DEPARTMENT OF VETERANS AFFAIRS				
Veterans Education	64.116		1,524	

^[1] Pass-Through Entity Identifying Number not available.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	E:	Federal	Th	Amount Passed rough to recipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed through California Community Colleges Chancellor's Office:						
Temporary Assistance for Needy Families (TANF)	93.558	[1]	\$	41,056	\$	5 - 5
Passed through Yosemite Community College District						
Child Development Training Consortium	93.575	16-17-3969		7,874		120
Total U.S. Department of Health and Human Services				48,930		500
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$	9,581,576	\$	35,944
			_			

^[1] Pass-Through Entity Identifying Number not available.

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2017

	Program Revenues									
		Cash	Α	ccounts	Une	earned		Total		Program
PROGRAM	1	Received Receivable		Re	venue	F	Revenue	E	ependitures	
Assessment, Remediation, and Retention for Associate	- 2-				-					
Degree Nursing	\$	57,000	\$		\$		\$	57,000	\$	57,000
Adult Education Block Grant		2,984,546				36,500		2,948,046		2,948,046
Adult Education Block Grant Data and Accountability		123,711		-		29,000		94,711		94,711
BACCC Bay Area Workforce		570,316		(%)		415,468		154,848		154,848
Basic Skills		141,455		i i		103,561		37,894		37,894
Block Grant - 1515/58		8,945		8		4,615		4,330		4,330
Block Grant - Student Services		141,004		720		67		140,937		140,937
Board Financial Assistance Program (BFAP) (SFAA)		247,771		-		-		247,771		247,771
California Career Pathways Trust Stem Core Program		100,216		39,030		3,548		135,698		135,698
California State Preschool Program		216,244		18,489		560		234,733		234,733
CalWORKS		205,495		(€)		:#5		205,495		205,495
CARE		150,549		:00		5,294		145,255		145,255
CTE Date Unlocked		50,000				49,872		128		128
CTE Enhancement Fund		22,911				6,000		16,911		16,911
CTE Pathways		7,237		18,034		500		25,271		25,271
Disabled Student Programs and Service (DSPS)		669,929				: = 5:		669,929		669,929
Enrollment Growth for Associate Degree Nursing Program		126,632		15,794		387		142,426		142,426
Extended Opportunity Programs and Service (EOPS)		950,947		·		8,591		942,356		942,356
First 5 Workforce Development Incentive Project		56,628		54,502		(.)		111,130		111,130
Full Time Student Success Grant		226,106		٠		49,406		176,700		176,700
Instructional Equipment		442,524				101,367		341,157		341,157
Instructional Materials - One-Time Fund		2,356						2,356		2,356
Library Instructional Materials Block Grant		79,927				823		79,104		79,104
Song-Brown Nursing Education		45,000		15,000		÷,		60,000		60,000
Staff Diversity		60,000				27,583		32,417		32,417
Student Support and Success Program - Credit		2,263,127		•		557,145		1,705,982		1,705,982
Student Support and Success Program - Equity		1,034,739		-		89,837		944,902		944,902
Student Support and Success Program - Noncredit		125,280		(2)		49,748		75,532	_	75,532
	\$	11,110,595	\$	160,849	\$ 1,:	538,425	\$	9,733,019	\$	9,733,019

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2017

CATEGORIES	**Revised Reported Data	Audit Adjustments	Audited
 A. Summer Intersession (Summer 2016 only) 1. Noncredit* 2. Credit 	48.36 571.59	2# 3@	48.36 571.59
B. Summer Intersession (Summer 2017 - Prior to July 1, 2017) 1. Noncredit* 2. Credit	360.65	* *	360.65
C. Primary Terms (Exclusive of Summer Intersession) 1. Census Procedure Courses (a) Weekly Census Contact Hours (b) Daily Census Contact Hours	3,447.92 330.91		3,447.92 330.91
2. Actual Hours of Attendance Procedure Courses(a) Noncredit*(b) Credit	390.12 823.61	•	390.12 823.61
 3. Independent Study/Work Experience (a) Weekly Census Contact Hours (b) Daily Census Contact Hours (c) Noncredit Independent Study/Distance Education Courses 	587.37 136.52	* *	587.37 136.52
D. Total FTES	6,697.05		6,697.05
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	252.21	(=)	252.21
H. Basic Skills Courses and Immigrant Education1. Noncredit*2. Credit	178.72 235.33	=	178.72 235.33
CCFS-320 Addendum CDCP Noncredit FTES Centers FTES	82.58	·	82.58
1. Noncredit* 2. Credit	48.20 495.09	:: =:	48.20 495.09

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

^{**} Annual report revised as of November 2, 2017.

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION FOR THE YEAR ENDED JUNE 30, 2017

		ECS 84362 A Instructional Salary Cost			Γ	ECS 84362 B Total CEE			
			0 - 5900 and A			AC 0100 - 6799			
	Object/TOP	Reported	Audit	Audited		Reported	Audit	Audited	
	Codes	Data	Adjustments	Data	L	Data	Adjustments	Data	
Academic Salaries									
Instructional Salaries									
Contract or Regular	1100	\$ 6,786,629	- \$	\$ 6,786,629		\$ 6,786,629	\$ -	\$ 6,786,629	
Other	1300	5,102,993	-	5,102,993	L	5,159,136		5,159,136	
Total Instructional Salaries		11,889,622		11,889,622		11,945,765	j.	11,945,765	
Noninstructional Salaries					Г				
Contract or Regular	1200	-	=	<u> </u>		2,670,684	=	2,670,684	
Other	1400				L	228,489		228,489	
Total Noninstructional Salaries		-	_	-		2,899,173	+	2,899,173	
Total Academic Salaries		11,889,622	3	11,889,622		14,844,938	\$1 0 24	14,844,938	
Classified Salaries									
Noninstructional Salaries									
Regular Status	2100	=	-	~1		5,228,398	-	5,228,398	
Other	2300	-	-	-	L	438,567		438,567	
Total Noninstructional Salaries		ä	Ĭ	31	L	5,666,965	<u> </u>	5,666,965	
Instructional Aides									
Regular Status	2200	¥	=			740,098	3	740,098	
Other	2400	498,126		498,126	L	526,282	-	526,282	
Total Instructional Aides		498,126	-	498,126		1,266,380	-	1,266,380	
Total Classified Salaries		498,126	=	498,126		6,933,345	2	6,933,345	
Employee Benefits	3000	2,863,926	-	2,863,926		5,644,270	2	5,644,270	
Supplies and Material	4000	2	-	2.		559,838	~	559,838	
Other Operating Expenses	5000	3,008,083	-	3,008,083		3,492,439	=7	3,492,439	
Equipment Replacement	6420	2	=	일 :	L	47,436	2	47,436	
Total Expenditures									
Prior to Exclusions		18,259,757	-	18,259,757	L	31,522,266	3 41	31,522,266	

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, CONTINUED FOR THE YEAR ENDED JUNE 30, 2017

			ECS 84362 A				
		Instructional Salary Cost				Total CEE	
		AC 0100	0 - 5900 and A	C 6110	A	AC 0100 - 6799	
	Object/TOP	Reported	Audit	Audited	Reported	Audit	Audited
	Codes	Data	Adjustments	Data	Data	Adjustments	Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and							
Retirement Incentives	5900	\$ =	\$ -	\$ =	\$ -	\$ -	\$ =
Student Health Services Above Amount							
Collected	6441	<u>\$</u>	41	120	2	-	=
Student Transportation	6491	a a	-			=:	
Noninstructional Staff - Retirees' Benefits							
and Retirement Incentives	6740	-	-	.m.)	-		=
Objects to Exclude							
Rents and Leases	5060	-	=	120	653,503	-	653,503
Lottery Expenditures							
Academic Salaries	1000	944,538		944,538	-	*	-
Classified Salaries	2000	90	£:	·	8		•
Employee Benefits	3000	*)		œs.		190	: - :
Supplies and Materials	4000	¥1	S (32	8		*
Software	4100	*	*:		-	*	:=:
Books, Magazines, and Periodicals	4200	9	90	3	80		E
Instructional Supplies and Materials	4300	**	-:	:=:	-	*	=
Noninstructional Supplies and Materials	4400	¥1	<u>~</u> 0	91	200	3	-
Total Supplies and Materials		-	, e x	. 	-		(=)

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, CONTINUED FOR THE YEAR ENDED JUNE 30, 2017

			ECS 84362 A			ECS 84362 B	
		Instru	ctional Salary	Cost	Total CEE		
		AC 0100	0 - 5900 and A	C 6110		AC 0100 - 6799)
	Object/TOP	Reported	Audit	Audited	Reported	Audit	Audited
	Codes	Data	Adjustments	Data	Data	Adjustments	Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	6000						
Library Books	6300	(4)	9				-
Equipment	6400	·*	o s e	::=	:=	2.00	=
Equipment - Additional	6410	-	()	Œ	-	<u>, =</u> ,	=
Equipment - Replacement	6420		Ser.	THE.			=
Total Equipment		7 -	-	76	-		=
Total Capital Outlay		(i	o s	7 	3.5	:(=:	-
Other Outgo	7000	12	7-	74	-		-
Total Exclusions		944,538	1.0	944,538	653,503	(.	653,503
Total for ECS 84362,						T	
50 Percent Law		\$ 17,315,219	\$ -	\$ 17,315,219	\$ 30,868,763	\$ -	\$ 30,868,763
Percent of CEE (Instructional Salary							
Cost/Total CEE)		56.09%		56.09%	100.00%	ó	100.00%
50% of Current Expense of Education					\$ 15,434,382		\$ 15,434,382

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2017.

PROPOSITION 30 EDUCATION PROTECTION ACT (EPA) EXPENDITURE REPORTFOR THE YEAR ENDED JUNE 30, 2017

Activity Classification	Object Code				Unrest	rict	ed
EPA Revenue:	8630		ĺ			\$	5,234,963
Activity Classification	Activity Code	Salaries and Benef (Obj 1000-3	its	Operating Expenses Obj 4000-5000)	Capital Outlay (Obj 6000)		Total
Instructional Activities	1000-5900	\$ 5,234.	963 \$		\$ -	\$	5,234,963
Total Expenditures for EPA Revenues Less Expenditures		\$ 5,234,	,963 \$		\$ ==	\$	5,234,963

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2017

Amounts Reported for Governmental Activities in the Statement			
of Net Position are Different Because:			
Total Fund Balances and Retained Earnings			
General Fund	\$	8,097,608	
Special Revenue Funds	7	1,248,795	
Debt Service Fund		7,878,751	
Capital Projects Fund		9,618,421	
Self Insurance Fund		3,199,264	
Student Financial Aid Fund		47,199	
Total Fund Balances and Retained Earnings			\$ 30,090,038
Capital assets used in governmental activities are not financial resources			, ,
and, therefore, are not reported as assets in governmental funds.		207 (41 114	
The cost of capital assets is:		207,641,114	150 (10 005
Accumulated depreciation is:	_	(49,022,309)	158,618,805
Governmental funds report deferred charges associated with the issuance of debt when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Revenues, Expenses, and Changes in Net position.			
Deferred charge on refunding at year end amounted to:			8,901,437
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred. Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds.			(795,207)
Deferred outflows of resources related to pensions at year-end consist of:			
Pension contributions subsequent to measurement date		3,061,345	
Difference between projected and actual earnings on pension plan		, ,	
investments.		3,904,098	
Differences between expected and actual experience in the measurement			
of the total pension liability.		565,291	
Total Deferred Outflows of Resources Related to Pensions			7,530,734
Deferred inflows of resources related to pensions represent an acquisition of net			
position that applies to a future period and is not reported in the District's funds.			
Deferred inflows of resources related to pensions at year-end consist of:			
Differences between expected and actual experience in the measurement			
of the total pension liability.		(572,161)	
Net change in proportionate share of the net pension liability		(3,204,194)	
Changes in assumptions		(394,880)	
Total Deferred Inflows of Resources Related to Pensions			(4,171,235)

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION, CONTINUED JUNE 30, 2017

Long-term obligations at year-end consist of:		
General obligation and lease revenue bonds	\$ 137,623,522	
Premium on bonds	3,990,768	
Net OPEB obligation	610,478	
Compensated absences (vacations)	904,037	
Aggregate net pension obligation	36,598,486	
In addition, the District issued "capital appreciation" general		
obligation bonds. The accretion of interest on those bonds to		
date is the following:	 1,359,631	\$ (181,086,922)
Total Net Position		\$ 19,087,650

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2017

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

Schedule of Expenditures of State Awards

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

Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance

FTES is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

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

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

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

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

Proposition 30 Education Protection Act (EPA) Expenditure Report

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

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2017

Reconciliation of Governmental Funds to the Statement of Net Position

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

Reconciliation of Expenditures of Grant Activity With the District's Schedule of Expenditures of Federal Awards

The following is a list of the grants and the differences between the District's accounting records and the Schedule of Expenditures of Federal Awards:

	CFDA	
Description	Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenses,		
and Changes in Net Position - Primary Government:		\$ 9,582,908
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	(2,642)
Federal Pell Grant Program	84.063	1,310
Total Schedule of Expenditures of Federal Awards		\$ 9,581,576

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

Board of Trustees Monterey Peninsula Community College District Monterey, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Monterey Peninsula Community College District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2017.

Emphasis of Matter - Change in Accounting Principles

As discussed in Notes 2 and 16 to the financial statements, in 2017, the District adopted new accounting guidance, GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Purpose of This Report

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

Rancho Cucamonga, California

Variner Tune, Day of Co. LLP.

December 22, 2017





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

Board of Trustees Monterey Peninsula Community College District Monterey, California

Report on Compliance for Each Major Federal Program

We have audited Monterey Peninsula Community College District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2017. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rancho Cucamonga, California

Varinex Tune, Day of Co. U.P.

December 22, 2017





INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees Monterey Peninsula Community College District Monterey, California

Report on State Compliance

We have audited Monterey Peninsula Community College District's (the District) compliance with the types of compliance requirements as identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in March 2017 that could have a direct and material effect on each of the District's programs as noted below for the year ended June 30, 2017.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws and regulations, and the terms and conditions identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in March 2017.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in March 2017. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the applicable programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion for Each of the Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2017.

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

Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Instructional Service Agreements/Contracts
Section 424	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment of K-12 Students in Community College Credit Courses
Section 428	Student Equity
Section 429	Student Success and Support Program (SSSP)
Section 430	Schedule Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 439	Proposition 39 Clean Energy
Section 440	Intersession Extension Programs
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged (TBA) Hours
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Proposition 55 Education Protection Account Funds

The District does not offer an Intersession Extension Program; therefore, the compliance tests within this section were not applicable.

The District did not receive any funding for Proposition 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

Rancho Cucamonga, California

Variner Time, Day of Co. U.P.

December 22, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2017

FINANCIAL STATEMENTS		
Type of auditor's report issued:		Unmodified
Internal control over financial reporting	j.	
Material weaknesses identified?		No
Significant deficiencies identified?		None reported
Noncompliance material to financial statements noted?		No
FEDERAL AWARDS		
Internal control over major Federal pro-	grams:	
Material weaknesses identified?		No
Significant deficiencies identified?		None reported
Type of auditor's report issued on compliance for major Federal programs:		Unmodified
Any audit findings disclosed that are re	quired to be reported in accordance	
with Section 200.516(a) of the Uniform	m Guidance?	No
Identification of major Federal program	ns:	
CFDA Numbers	Name of Federal Program or Cluster	
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster	
Dollar threshold used to distinguish bet	ween Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?		Yes
STATE AWARDS		
Type of auditor's report issued on comp	pliance for State programs:	Unmodified

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED JUNE 30, 2017

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2017

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

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agenda Item No. B

Budgetary Implications: None.

Agenda Approval:

Administrative Services
College Area

Proposal:

That the Governing Board receive the District's Measure I General Obligation Bonds Performance Audit and Independent Auditors' reports for the fiscal year ended June 30, 2017.

Background:

Regulations for Proposition 39 bonds require a separate audit to:

- 1) Verify that bond funds are applied in accordance with applicable laws and regulations as well as policies approved by the District's Governing Board.
- 2) Verify compliance with expenditure allowances related to local bond funding in accordance with approved contracts and planning documents and Bond Initiative documents placed on the Local Election Ballot.
- 3) Verify that the local bond proceeds and expenditures of funds are accounted for separately as required.

In addition, the auditor has been asked to provide an opinion on the District's bond financial statements. A representative from Vavrinek, Trine, Day, & Co., Certified Public Accountants will present the reports and conduct a question and answer session.

RESOLUTION: BE IT RESOLVED, That the Governing Board receive the District's Measure I General Obligation Bonds Performance Audit and Independent Auditors' reports for the fiscal year ended June 30, 2017.

Recommended By:

David J. Martin, Vice President of Administrative Services

Prepared By:

Suzanne Ammons, Administrative Services

Dr. Walter Tribley, Superintendent/President

MEASURE I GENERAL OBLIGATION BONDS ELECTION 2002

FINANCIAL AND PERFORMANCE AUDITS

JUNE 30, 2017

MEASURE I GENERAL OBLIGATION BONDS ELECTION 2002

FINANCIAL AUDIT

JUNE 30, 2017

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT MEASURE I GENERAL OBLIGATION BONDS ELECTION 2002

FINANCIAL AUDIT TABLE OF CONTENTS JUNE 30, 2017

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FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Board of Trustees, Management, and Citizens' Oversight Committee Monterey Peninsula Community College District Monterey, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Monterey Peninsula Community College District's (the District), Measure I General Obligation Bond Funds (Measure I), as of and for the year ended June 30, 2017, and the related notes to the 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 an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure I General Obligation Bond Funds (Measure I) of the District at June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure I General Obligation Bond Funds specific to Measure I, and are not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017, on our consideration of the District's Measure I General Obligation Bond Funds (Measure I) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's General Obligation Bond Funds (Measure I) internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Measure I General Obligation Bond Funds (Measure I) internal control over financial reporting and compliance.

Rancho Cucamonga, California

Varinex, Tune, Day of Co. U.P.

December 22, 2017

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT MEASURE I GENERAL OBLIGATION BONDS ELECTION 2002

BALANCE SHEET JUNE 30, 2017

ASSETS	
Investments	\$ 9,625,868
Accounts receivable	30,358
Total Assets	\$ 9,656,226
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 113,645
FUND BALANCE	
Restricted for capital projects	9,542,581
Total Liabilities and Fund Balance	\$ 9,656,226

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2017

REVENUES	
Interest revenues	\$ 96,741
Other local revenues	30,358
Total Revenues	127,099
EXPENDITURES	
Services and operating expenditures	447,808
Capital outlay	62,653
Total Expenditures	510,461
EXCESS OF EXPENDITURES OVER REVENUES	(383,362)
FUND BALANCE, BEGINNING OF YEAR	9,925,943
FUND BALANCE, END OF YEAR	\$ 9,542,581

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies of the Measure I General Obligation Bond Funds (Measure I) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The District's Measure I General Obligation Bond Funds (Measure I) accounts for the financial transactions in accordance with the policies and procedures of the California Community Colleges Budget and Accounting Manual.

Financial Reporting Entity

The audited financial statements include only the Measure I General Obligation Bond Funds (Measure I) of Monterey Peninsula Community College District. This Fund was established to account for the receipt of proceeds of general obligation bond issuances and the expenditures of the proceeds under the General Obligation Bonds Election of November 2008. These financial statements are not intended to present fairly the financial position and changes in financial position of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Measure I General Obligation Bond Funds (Measure I) are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to, and accounted for, in the funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Measure I General Obligation Bond Funds (Measure I) is accounted for using a 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. These fund financial statements do not include the adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Encumbrances

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

Fund Balance

As of June 30, 2017, the fund balance of Measure I General Obligation Bonds was classified as follows:

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

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

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

 Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Early implementation is encouraged.

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

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

NOTE 2 - INVESTMENTS

Policies and Practices

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

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

General Authorizations

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

	Maximum	Maximum	Maximum
Authorized	Remaining	Percentage	Investment
Investment Type	Maturity	of Portfolio	in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Monterey County Investment Pool. The District maintains a Measure I General Obligation Bond Funds (Measure I) investment of \$9,625,868 with the Monterey County Investment Pool, with an average maturity of 398 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Monterey County Investment Pool is not required to be rated, nor has it been rated as of June 30, 2017.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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.

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

The District's fair value measurements are as follows at June 30, 2017:

Investment Type	Fair Value	Uncategorized
Monterey County Investment Pool	\$ 9,611,536	\$ 9,611,536

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

NOTE 4 - ACCOUNTS RECEIVABLE

The accounts receivable at June 30, 2017, consists of the following:

Interest \$ 30,358

All amounts have been determined by management to be fully collectible.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 5 - ACCOUNTS PAYABLE

The accounts payable at June 30, 2017, consists of the following:

Vendor payables

\$ 113,645

NOTE 6 - FUND BALANCE

Fund balance is composed of the following element:

Restricted

Capital projects

\$ 9,542,581

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Measure I General Obligation Bond Funds (Measure I) at June 30, 2017.

INDEPENDENT AUDITOR'S REPORT





INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees, Management, and Citizens' Oversight Committee Monterey Peninsula Community College District Monterey, 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 accompanying financial statements of the Monterey Peninsula Community College District (the District), Measure I General Obligation Bond Funds (Measure I), as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2017.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure I General Obligation Bond Funds specific to Measure I, and are not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's Measure I General Obligation Bond Funds (Measure I) internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's Measure I General Obligation Bond Funds (Measure I) internal control. Accordingly, we do not express an opinion on the effectiveness of the District's Measure I General Obligation Bond Funds (Measure I) 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's Measure I General Obligation Bond Funds (Measure I) 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 the District's Measure I General Obligation Bond Funds (Measure I) of the District's financial statements are free of 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 District's Measure I General Obligation Bond Funds (Measure I) internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Measure I General Obligation Bond Funds (Measure I) internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rancho Cucamonga, California

Varinex The Day of Co. U.P.

December 22, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS JUNE 30, 2017

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS JUNE 30, 2017

There were no audit findings reported in the prior year's Financial Statement Findings.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

MEASURE I GENERAL OBLIGATION BONDS ELECTION 2002

PERFORMANCE AUDIT

JUNE 30, 2017

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VALUE THE difference

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Board of Trustees, Management, and Citizens' Oversight Committee Monterey Peninsula Community College District Monterey, California

We were engaged to conduct a performance audit of Monterey Peninsula Community College District's (the District) General Obligation Bond Funds (Measure I) for the year ended June 30, 2017.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District's General Obligation Bond Funds (Measure I) funds are in compliance with Proposition 39 as outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution.

Rancho Cucamonga, California

Variner, Time, Day of Co. LLP.

December 22, 2017

PERFORMANCE AUDIT JUNE 30, 2017

AUTHORITY FOR ISSUANCE

The Measure I General Obligation Bond Funds were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California *Education Code* and other applicable provisions of law.

The Bonds were authorized to be issued pursuant to a request of the District made by a resolution adopted by the Board of Trustees of the District.

The District received authorization from an election held on November 5, 2002, to issue bonds of the District in an aggregate principal amount not to exceed \$145,000,000 to finance the construction and modernization of certain District property and facilities, the acquisition of equipment, and to pay the costs of issuance associated with the Bonds. The proposition required approval by at least 55 percent of votes cast by eligible voters within the District (the Authorization).

In December 2005, the District issued the 2005 General Obligation Refunding Bonds in the amount of \$33,304,385. The Bonds were used to advance refund a portion of the outstanding Bonds from the first series of the authorized Bonds, Series A. The second and third series of authorized Bonds issued was in January 2008; the District issued Series B in the amount of \$9,004,530 and Series C in the amount of \$95,994,770, respectively.

In April 2013, the District issued the \$33,820,000 2013 General Obligation Refunding Bonds, Series A and B. The bonds have a final maturity to occur on August 1, 2021, with interest rates from .335 to 4.00 percent. The net proceeds of \$36,975,456 (representing the principal amount of \$33,820,000 plus premium on issuance of \$3,155,456) from the issuance were used to advance refund a portion of the District's outstanding 2002 General Obligation Bonds, Series C and to pay the cost of issuance associated with the refunding bonds. In addition, the net proceeds were used to advance refund a portion of the District's outstanding 2005 General Obligation Refunding Bonds and to pay the cost of the issuance associated with the refunding bonds.

In May 2016, the District issued the \$105,348,522 2016 General Obligation Refunding Bonds. The Bonds have a final maturity to occur on August 1, 2033, with interest rates from 1.65 to 4.00 percent. The net proceeds of \$106,531,137 (representing the principal amount of \$105,348,522 plus premium on issuance of \$1,182,615) from the issuance were used to advance refund a portion of the District's outstanding 2002 General Obligation Bonds, Series C and to pay the cost of issuance associated with the refunding bonds.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds issued under the 2002 Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the financing of the construction, and modernization of certain District property and facilities, the acquisition of equipment and to pay the costs of issuance associated with the Bonds.

PERFORMANCE AUDIT JUNE 30, 2017

AUTHORITY FOR THE AUDIT

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* Sections 15278-15282:

- 1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIIIA, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
- 2. The community college district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction, and information technology needs in developing the project list.
- 3. Requires the community college district to appoint a citizens' oversight committee.
- 4. Requires the community college district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
- 5. Requires the community college district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

OBJECTIVES OF THE AUDIT

- 1. Determine whether expenditures charged to the Measure I General Obligation Bond Funds have been made in accordance with the Bond project list approved by the voters through the approval of Measure I.
- 2. Determine whether salary transactions charged to the Measure I General Obligation Bond Funds were in support of Measure I and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2016 to June 30, 2017. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2017, were not reviewed or included within the scope of our audit or in this report.

PERFORMANCE AUDIT JUNE 30, 2017

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2017, for the Measure I General Obligation Bond Funds (Measure I). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIIIA, Section 1(b)(3)(C) of the California Constitution and the Measure I as to the approved Bond projects list. We performed the following procedures:

- 1. Determine District procedures for disbursement of funds related to the voter approved Measure I General Obligation Bonds were applied in accordance with laws and regulations, as well as policies approved by the Board of trustees. This will be accomplished through the inspection of specified documents evidencing certain types of transactions and detailed attributes thereof; including, but not limited to, the specific documents related to bid procedures for contracts and services, invoices for services rendered, and other appropriate documents deemed necessary to provide a basis for the results of our objective.
- 2. Review the detailed accounting of expenditures to determine if proceeds are being spent on administrative salaries or any other expense that would otherwise be the obligation of the General Fund.
- 3. From a sample of construction expenditures from the detailed accounting of expenditures, review expenditures to determine if proceeds expended are for specific projects as listed in the voter approved bond language. Expenditures from all projects will be included in the sample.

CONCLUSION

We reviewed construction expenditures totaling 55 percent of all expenditures from the detailed accounting of expenditures. Our sample included transactions totaling \$280,904 of the total expenditures of \$510,461. The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures held in the Measure I General Obligation Bond Funds (Measure I) and that such expenditures were made for authorized Bond projects. There were no salaries of administrators charged to the Measure I General Obligation Bond Funds (Measure I) for District general administration or operations. District procedures for disbursement of funds were applied in accordance with laws and regulations, as well as policies approved by the Board of Trustees.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2017

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS JUNE 30, 2017

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agenda Item No.	\mathbf{C}
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Advancement College Area

Proposal:

To review and accept the MPC Foundation 2015 & 2016 Audit and Management Letters.

Background:

The Master Agreement between the Monterey Peninsula Community College District and the Monterey Peninsula College Foundation requires that an independent CPA firm selected by the College is retained annually for financial audit and oversight in accordance with auditing standards generally accepted in the United States of America. Education Code Section 84040.3 requires that community colleges appoint an independent auditor to conduct an annual audit. Vavrinek, Trine, Day & Company, LLP, Certified Public Accountants (VTD) is currently providing auditing services for MPCCD and the MPC Foundation. VTD audited the financial statements of the MPC Foundation for the year ending December 31, 2015 and the year ending December 31, 2016, which were reviewed by the Audit Committee of the MPC Foundation Board and presented to the Board of Directors at the May 18, 2016 Board meeting and May 17, 2017 Board meeting, respectively. The MPC Foundation 2015 and 2016 Audit Statements and Management Letters are presented to the MPC Governing Board for their review and acceptance.

Budgetary Implications:

None.

RESOLUTION: BE IT RESOLVED, that the Governing Board review and accept the MPC Foundation Audit Statements and Management Letters for the years ending December 31, 2015 and December 31, 2016.

Recommended By:

Beccie Michael, Vice President of Advancement

Prepared By:

Beccie Michael, Vice President of Advancement

Agenda Approval:

Dr. Walter Tribley, Superintendent/President



To the Board of Directors and Management Monterey Peninsula College Foundation Monterey, California

We have audited the financial statements of Monterey Peninsula College Foundation (the Foundation) for the year ended December 31, 2015, and have issued our report thereon dated May 13, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 11, 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 the Foundation are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Foundation 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. We have evaluated the key factors and assumptions used to develop the estimates in the financial statements and have determined the reasonableness in relation to the financial statements taken as a whole.

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 misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We proposed no audit adjustments, either individually or in the aggregate, that could have a significant effect 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.

To the Board of Directors and Management Monterey Peninsula College Foundation Page 2

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 13, 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 the Foundation'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 the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Monterey Peninsula College Foundation, and is not intended to be and should not be used by anyone other than these specified parties.

Rancho Cucamonga, California

Vauriner. Time, Day & Co., LLP.

May 13, 2016

MONTEREY PENINSULA COLLEGE FOUNDATION

(A California Nonprofit Corporation)

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2015 AND 2014

DECEMBER 31, 2015 AND 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors Monterey Peninsula College Foundation Monterey, California

Report on the Financial Statements

We have audited the accompanying financial statements of Monterey Peninsula College Foundation (a California nonprofit corporation) (the Foundation) which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 Foundation'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 Foundation'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 13, 2016, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 the Foundation's internal control over financial reporting and compliance.

Rancho Cucamonga, California

Vauriner, Time, Day & Co., Ll.

May 13, 2016

STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 262,242	\$ 224,389
Restricted	349,766	302,166
Restricted - agency	39,077	39,028
Unconditional promises to give	10,000	2,900
Prepaid expenses and other assets	9,306	4,044
Total Current Assets	670,391	572,527
Noncurrent Assets		-
Investments - unrestricted	89,481	145,244
Investments - restricted	3,805,101	3,892,386
Investments - agency	1,082,554	1,131,788
Investment related to split-interest agreement in remainder trust	6,937	10,451
Unconditional promises to give - long-term portion - net	27,139	<u>ê</u>
Capital assets (net of accumulated depreciation)	4,218	4,139
Total Assets	\$ 5,685,821	\$ 5,756,535
LIADHITTIC		
LIABILITIES Accounts according and other compant liabilities	¢	¢ 2.027
Accounts payable and other current liabilities	\$ 5.275	\$ 3,927
Payroll liability Amounts held for others	5,375	8,829
Amounts need for others Total Liabilities	1,121,631	1,170,816
Total Liabilities	1,127,000	1,183,572
NET ASSETS		
Unrestricted		
Undesignated	169,223	28,680
Board designated	190,650	451,731
Total Unrestricted	359,873	480,411
Temporarily restricted	623,900	457,671
Permanently restricted	3,575,042	3,634,881
Total Net Assets	4,558,815	4,572,963
Total Liabilities and Net Assets	\$ 5,685,821	\$ 5,756,535

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

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

				20	15		
			Te	emporarily	Pe	rmanently	
	U	nrestricted	F	Restricted	R	estricted	Total
PUBLIC SUPPORT AND REVENUES						N	
Contributions	\$	401,604	\$	646,765	\$	148,352	\$ 1,196,721
First 5 Grant		97,612		3.7		:: = :	97,612
Monterey Peninsula College		100,000		-			100,000
Other income		99,205		71,488		000	170,693
Assets released from restrictions		711,089		(625,056)		(86,033)	
Total Public Support and Revenues		1,409,510		93,197		62,319	1,565,026
	2						
EXPENSES							
Program expenses		1,027,107		=		70	1,027,107
Operating expenses		251,882		·		5 m	251,882
Fundraising expenses	_	153,206				112	153,206
Total Expenses	_	1,432,195	_		_		1,432,195
OTHER INCOME (EXPENSE)							
Interest and dividends		13,578		1,675		102,481	117,734
Unrealized loss on investments		(29,998)		(3,701)		(227,500)	(261,199)
Change in value of split-interest agreement		#9		(3,514)		(e)	(3,514)
Total Other Income (Expense)		(16,420)		(5,540)		(125,019)	(146,979)
TRANSFERS	_	(81,433)		78,572		2,861	100
CHANGE IN NET ASSETS		(120,538)	-	166,229		(59,839)	(14,148)
NET ASSETS, BEGINNING OF YEAR		480,411		457,671	3	3,634,881	4,572,963
NET ASSETS, END OF YEAR	\$	359,873	\$	623,900	\$.	3,575,042	\$ 4,558,815

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	Temporarily	Permanently	
Unrestricted	Restricted	Restricted	Total
\$ 208,500	\$ 472,615	\$ 1,990,744	\$ 2,671,859
58,502	± = /2	-	58,502
100,000	=	-	100,000
78,429	36,150	-	114,579
383,648	(319,652)	(63,996)	_
829,079	189,113	1,926,748	2,944,940
588,747 198,556 130,511 917,814	** ** **		588,747 198,556 130,511 917,814
17,796	2,200	107,869	127,865
(183)	(302)	(15,763)	(16,248)
	(4,125)		(4,125)
17,613	(2,227)	92,106	107,492
(23,700)	(137,979)	161,679	=
(94,822)	48,907	2,180,533	2,134,618
575,233	408,764	1,454,348	2,438,345
\$ 480,411	\$ 457,671	\$ 3,634,881	4,572,963

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

	-	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in Net Assets	\$	(14,148)	\$ 2,134,618
Adjustments to Reconcile Change in Net Assets			
to Net Cash Flows From Operating Activities			
Depreciation		1,086	998
Unrealized loss on investments		261,199	16,248
Contributions restricted for temporarily			
and permanently restricted purposes		(795,117)	(2,463,359)
Changes in Assets and Liabilities			
Unconditional promises to give		(34,239)	(2,825)
Prepaid expenses and other assets		(5,262)	305
Split-interest agreement in remainder trust		3,514	4,125
Accounts payable and other current liabilities		(7,381)	(7,880)
Amounts held for others		(49,185)	14,908
Net Cash Flows From Operating Activities		(639,533)	(302,862)
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in investments - net		(68,917)	(2,123,091)
Purchase of fixed assets		(1,165)	(2,123,071)
Net Cash Flows From Investing Activities		(70,082)	(2,123,091)
Net Cash Flows From Investing Activities		(70,002)	(2,123,071)
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections of contributions restricted for temporarily			
and permanently restricted purposes		795,117	2,463,359
Change in restricted cash and cash equivalents		(47,649)	(105,867)
Net Cash Flows From Financing Activities	_	747,468	2,357,492
NET CHANGE IN UNRESTRICTED CASH AND CASH EQUIVALENTS		37,853	(68,461)
UNRESTRICTED CASH AND CASH EQUIVALENTS,			
BEGINNING OF YEAR	_	224,389	292,850
UNRESTRICTED CASH AND CASH EQUIVALENTS,			
END OF YEAR	\$	262,242	\$ 224,389

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

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED DECEMBER 31,

	2015					
	Program	Operating	Fundraising	Total		
Scholarships, Internships, and Student Support	\$ 173,089	\$ 12,731	\$ -	\$ 185,820		
Textbook Assistance	52,788	₩	-	52,788		
Student Emergency Assistance	14,743	-	-	14,743		
Faculty and Staff Support	34,844	=	±.	34,844		
MPC Campus and Program Support	544,720	12,463	(#)	557,183		
Events	140	35,761	4,410	40,171		
Public Relations	-	-	4,180	4,180		
Accounting and Professional Services	(#)	22,535	257	22,792		
Banking and Investment Fees	54,217	9,446	-	63,663		
Foundation Salaries and Benefits	152,706	123,191	127,469	403,366		
Office and Administrative Expenses		35,755	16,890	52,645		
Total Expenses	\$ 1,027,107	\$ 251,882	\$ 153,206	\$ 1,432,195		
				××		

2014

Program		_ O	Operating		Fundraising		Total	
\$	155,726	\$	_	\$	-	\$	155,726	
	15,574		-				15,574	
	10,277		-		*		10,277	
	39,458		_		<u>=</u>		39,458	
	190,238		-		*		190,238	
	39,779		5,621		<u>=</u>		45,400	
	2,674		_		=		2,674	
	2		29,925		≅		29,925	
	13,750		24,124				37,874	
	121,271		106,596		110,165		338,032	
	=		32,290		20,346		52,636	
\$	588,747	\$	198,556	\$	130,511	\$	917,814	

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Monterey Peninsula College Foundation (the Foundation) is a nonprofit organization whose main purpose is to support education and educational purposes of Monterey Peninsula Community College District (the District), a California public community college located in Monterey, California, through raising funds and acquiring real and personal properties to support the District's programs of public education and its community programs. The Foundation was incorporated in the State of California in November 1994. The Foundation is a Voluntary Health and Welfare Organization as defined by the Financial Accounting Standards Board (FASB) Accounting Standards of Codification (ASC) Topic 958.

Financial Statement Presentation

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts maintained by and directly under the control of the Foundation.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the District are financial interrelated organizations as defined by *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Support and Expenses

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation regarding the timing and purpose for the use of the contributions, the Foundation reports these contributions as unrestricted.

Investments

The Foundation presents its investments in accordance with FASB ASC Topic 958-320, *Investments Debt and Equity Securities*. Under FASB ASC Topic 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in accordance with donor instructions.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

Capital Assets

The Foundation maintains an initial unit cost capitalization threshold of \$500. Capital assets are stated at cost, or if donated, at estimated fair value on the date of donation. Routine maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight line method based on the assets' estimated useful lives ranging from three to seven years.

Donated Services and Goods

A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. In most cases, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services. However, when the value of services is measurable, they are recorded at measured value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the value of the beneficial interest in a charitable remainder trust.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts with maturities of less than 90 days. The Foundation maintains its bank accounts at two financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000. As of December 31, 2015 and 2014, \$78,485 and \$91,194, respectively, were uninsured.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Management monitors the collectibility of their pledges and annually adjusts the balances.

Income Taxes

The Foundation is exempt from Federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been recorded in the financial statements. The Foundation annually files Forms 990, 199, and RRF-1 with the appropriate agencies, as well as Forms 990T and 109, when applicable. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a). There was no unrelated business activity income.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

The Foundation has adopted FASB ASC Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain and, accordingly, no accounting adjustment has been made to the financial statements.

The Foundation's Federal informational tax returns for the years ended December 31, 2012, 2013, and 2014, are open to audit by the Federal authorities. California State informational returns for the years ended December 31, 2011, 2012, 2013, and 2014, are open to audit by State authorities.

Allocation of Functional Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs.

Comparative Financial Information

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

NOTE 2 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management monitors and reviews the unconditional pledges on a monthly basis. Uncollectible pledges written off for the years ended December 31, 2015 and 2014, amounted to \$0 and \$0, respectively.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

The Foundation's unconditional promises to give consisted of the following at December 31st

	2015		2014	
Unconditional promises to give before unamortized		~		
discount and allowance for doubtful accounts	\$	40,000	\$	2,900
Less: Unamortized discount		(2,861)		
Subtotal		37,139		2,900
Less: Allowance for doubtful accounts				
Net Unconditional Promises to Give	\$	37,139	\$	2,900

Amounts due in:				
Less than one year	\$	10,000	\$	2,900
One to five years		30,000		
Less: Unamortized discount		(2,861)		
Subtotal long-term portion of unconditional promises to give		27,139		-
Total	\$	37,139	\$	2,900

NOTE 3 - OSHER ENDOWMENT SCHOLARSHIP

The Foundation for California Community Colleges (FCCC) has created a permanent endowment fund intended to provide scholarship support to California Community College students in perpetuity. The fund began in May 2008 with a \$25 million lead gift from The Bernard Osher Foundation. The Bernard Osher Foundation will provide scholarship matching funds annually to colleges that participate. In order to take advantage of this opportunity, for the years ended December 31, 2015 and 2014, the College and its donors have contributed \$339,728 from the agency accounts that reside in the Foundation. As of December 31, 2015 and 2014, the ending balance of the Osher Endowment Scholarship was \$339,728 and was included in the agency investment totals of \$1,082,554 and \$1,131,788, respectively. The Foundation receives no additional interest or dividends on the balance held at the FCCC and does not participate in the investment management of the funds. All donations to the FCCC Osher Endowment Scholarship must remain in the fund permanently and cannot be returned or used for other purposes.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

NOTE 4 - INVESTMENTS

Investments are stated at fair value and are summarized as of December 31, 2015;

	Adjusted		Unrealized
	Cost	Fair Value	Loss
Equity, Bonds, and Mutual Funds - Foundation	\$ 4,155,781	\$ 3,894,582	\$ (261,199)
Beneficiary Remainder Trust	6,937	6,937	-
Equity, Bonds, and Mutual Funds - Agency Funds (excluding Osher)	742,826	742,826	-
Investments - cash held by Foundation for California Community			
Colleges Osher Endowment Scholarship Fund	339,728	339,728	=
Total	\$ 5,245,272	\$ 4,984,073	\$ (261,199)

Investments are stated at fair value and are summarized as of December 31, 2014;

	Adjusted			nrealized
	Cost	Fair Value		Loss
Equity, Bonds, and Mutual Funds - Foundation	\$ 4,053,878	\$4,037,630	\$	(16,248)
Beneficiary Remainder Trust	10,451	10,451		-
Equity, Bonds, and Mutual Funds - Agency Funds (excluding Osher)	792,060	792,060		-
Investments - cash held by Foundation for California Community				
Colleges Osher Endowment Scholarship Fund	339,728	339,728		
Total	\$ 5,196,117	\$ 5,179,869	\$	(16,248)

Investment activity for the year ended December 31, 2015, consisted of the following:

			Ter	nporarily	Pe	rmanently	
	Un	restricted	Re	estricted	R	Restricted	Total
Interest and dividends	\$	13,578	\$	1,675	\$	102,481	\$ 117,734
Unrealized loss		(29,998)		(3,701)		(227,500)	(261,199)
Total Investment Loss	\$	(16,420)	\$	(2,026)	\$	(125,019)	\$ (143,465)

Investment activity for the year ended December 31, 2014, consisted of the following:

			Ten	porarily	Pe	rmanently	
	Un	restricted	Re	stricted	R	estricted	 Total
Interest and dividends	\$	17,796	\$	2,200	\$	107,869	\$ 127,865
Unrealized gain		(183)		(302)		(15,763)	 (16,248)
Total Investment Gain	\$	17,613	\$	1,898	\$	92,106	\$ 111,617

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

NOTE 5 - FAIR VALUE DISCLOSURES

Effective January 1, 2008, the Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in U.S. GAAP under FASB ASC Topic 820, *Fair Value Measurements and Disclosures*. U.S. GAAP requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level I - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level II - Observable inputs other than Level I prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level III - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level III assets include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Fair Value Measurements

The Foundation used the market approach to estimate fair value for all investment assets.

The following table provides a summary of the financial instruments the Foundation measures at fair value on a recurring basis as of December 31, 2015:

	Level III
Investment Assets	
Beneficiary Remainder Trust	\$ 6,937
Investments - cash held by Foundation for California	
Community Colleges Osher Endowment Scholarship Fund	339,728
Other Assets	
Unconditional promises to give, net	37,139
Total	\$ 383,804
	

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

The following table provides a summary of the financial instruments the Foundation measures at fair value on a recurring basis as of December 31, 2014:

	I	Level III
Investment Assets		
Beneficiary Remainder Trust	\$	10,451
Investments - cash held by Foundation for California		
Community Colleges Osher Endowment Scholarship Fund		339,728
Other Assets		
Unconditional promises to give		2,900
Total	\$	353,079

The following table summarizes the changes in the Foundation's investment assets measured at fair value on a recurring basis as of December 31, 2015:

	Level III
Investments at Fair Value	
Balance at December 31, 2014	\$ 353,079
Current Year Adjustments:	
Adjustment to reflect changes in beneficiary remainder trust	(3,514)
Unconditional promises to give	34,239
Balance at December 31, 2015	\$ 383,804

The following table summarizes the changes in the Foundation's investment assets measured at fair value on a recurring basis as of December 31, 2014:

	3	Level III
Investments at Fair Value		
Balance at December 31, 2013		\$ 354,379
Current Year Adjustments:		
Adjustment to reflect changes in beneficiary remainder trust		(4,125)
Unconditional promises to give	8	2,825
Balance at December 31, 2014		\$ 353,079

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

NOTE 6 - AMOUNTS HELD FOR OTHERS

The Foundation acts as a fiscal agent for departments, organizations, and groups of Monterey Peninsula College. Accordingly, at December 31, 2015 and 2014, \$1,121,631 and \$1,170,816, respectively, of the Foundation's assets belongs to other parties. The Foundation does not have legal access nor any discretion over the funds held for others behalf.

	2015							
	Balance	Transfers	Cash	Balance				
	Beginning	and	Disbursements/	End				
	of Year	Cash Receipts	Transfers	of Year				
Wilder Nursing Trust	\$ 354,139	\$ (12,880)	\$ 5,354	\$ 335,905				
Orr Scholarship Trust	83,530	(3,038)	1,261	79,231				
MPC Scholarship Endowments	200,826	(7,199)	3,032	190,595				
Long-Term Endowments	192,593	(8,737)	7,684	176,172				
Osher Endowment Fund	339,728		20	339,728				
Total	\$ 1,170,816	\$ (31,854)	\$ 17,331	\$ 1,121,631				
	·							
			014					
	Balance	Transfers	Cash	Balance				
	Beginning	and	Disbursements/	End				
	of Year	Cash Receipts	Transfers	of Year				
Wilder Nursing Trust	\$ 348,625	\$ 10,736	\$ 5,222	\$ 354,139				
Orr Scholarship Trust	82,230	2,532	1,232	83,530				
MPC Scholarship Endowments	197,699	6,088	2,961	200,826				
Long-Term Endowments	187,626	5,931	964	192,593				
Osher Endowment Fund	339,728			339,728				
Total	\$ 1,155,908	\$ 25,287	\$ 10,379	\$ 1,170,816				

NOTE 7 - CAPITAL ASSETS

The following is a summary of capital assets as of December 31,:

	2015		2014
Furniture and equipment	\$	10,996	\$ 13,839
Less: Accumulated depreciation		(6,778)	(9,700)
Total	\$	4,218	\$ 4,139

Depreciation expenses for the years ended December 31, 2015 and 2014, were \$1,086 and \$998, respectively.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

NOTE 8 - DONOR DESIGNATED ENDOWMENT FUNDS

The Foundation's endowment funds consist of approximately 27 individual funds established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowments are classified and reported based on existence of donor-imposed restrictions as either unrestricted, temporarily restricted, or permanently restricted.

The Board of Trustees has adopted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation has classified as permanently restricted net assets (a) original value of gifts donated to permanent endowment (b) plus the original value of subsequent gifts to the endowments (c) plus accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies: The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income, as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual tiered distribution of four to six percent, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy: The Foundation's Board approved spending policy, known as Banded Inflation, was created to protect the values of the endowments. First year spending will be four percent of the original gift. Thereafter, spending for each calendar year will be the prior year's spending increased by the Consumer Price Index, subject to the minimum of four percent and the maximum of six percent bands. This rate will be reviewed annually. The expenditure rate includes an administrative expense of one percent of assets on September 30 of each year.

Endowment net asset compositions by type of fund are as follows as of December 31,:

	2015	2014
	Permanently	Permanently
	Restricted	Restricted
Donor-restricted endowment funds	\$ 3,575,042	\$ 3,634,881

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

Changes in endowment net assets as of December 31, 2015, are as follows:

	Permanently
	Restricted
Balance at December 31, 2014	\$ 3,634,881
Contributions	148,352
Interest and dividends	102,481
Unrealized loss on investments	(227,500)
Transfer in	2,861
Amounts appropriated for expenditures	(86,033)
Balance at December 31, 2015	\$ 3,575,042

Changes in endowment net assets as of December 31, 2014, are as follows:

Permanently	
Restricted	
\$	1,454,348
	1,990,744
	107,869
	(15,763)
	161,679
	(63,996)
\$	3,634,881
)-

NOTE 9 - BOARD DESIGNATED UNRESTRICTED NET ASSETS

Board designated unrestricted net assets consist of the following at December 31,:

	2015		-	2014
General Reserve	\$	200,000	\$	391,274
Textbook Assistance		2,000		
Board of Directors Designated Scholarships		(9,500)		49,500
Board of Directors Designated Campus Support		737		8,228
FASA Grants		(2,587)		2,729
Total Board Designated Unrestricted Net Assets	\$	190,650	\$	451,731
	_			

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

NOTE 10 - RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets consist of the following at December 31,:

	2015		2014	
Astronomy	\$	8,000	\$	
Beneficiary Trust		6,936		10,451
Child Development Center		25,843		25,842
General Scholarships	2,617			2,200
Gentrain Scholarship	2,694			5,219
Other Departmental Funds	477,751			307,688
Library and Technology Center	nd Technology Center 36,6			42,310
Athletics	1,137			1,137
Emergency Assistance/Women Supporting Women		62,305		62,824
Total Temporarily Restricted Net Assets	\$ 623,900		\$	457,671

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

Permanently restricted net assets consist of the following at December 31,

	2015	2014
Alison Faul Memorial Scholarship Endowment	\$ 14,920	\$ 16,797
Bruce C. Gregor Memorial Scholarship Endowment	14,626	15,930
Peter J. Cutino Athlete of the Year Endowment	27,493	28,215
Donald L. Davidson, M.D. Memorial Scholarship Endowment	16,866	19,416
Dorothy D. Stevens Memorial Fund	153,656	163,404
George J. Faul Academic Excellence Endowment	103,041	111,798
John and Jeanne Logan Memorial Award Endowment	22,678	24,702
Jennifer Denmark Memorial Scholarship Endowment	13,247	14,422
Jon M. Lefstad Scholarship Endowment	9,779	10,668
Mary Lou Welch Endowed Scholarship	9,553	12,062
Mary Lou Stutzman Nursing Scholarship Endowment	16,179	17,618
Marilynn Dunn Gustafson Scholarship Endowment	14,835	13,404
Donald and Laura Newmark Scholarship Endowment	48,374	52,099
Rosabelle Hamann Memorial Scholarship Fund	376,838	409,729
William M. Shanner Memorial Award Endowment	12,829	13,984
Clyn Smith, M.D. Memorial Scholarship Endowment	19,405	21,100
Leon and Mary Lou Stutzman Choral Music Scholarship Endowment	17,936	18,893
Jim Tunney Scholar Athlete Award	25,172	27,387
Dr. Richard Kezirian Endowed Scholarship	§ 54,658	53,757
Dr. Peggy Downs-Baskin Faculty Advancement Endowment	296,692	319,170
Robert K. Bullock Journalism Scholarship Endowment	2,067,652	2,111,617
John Mahoney Scholarship Fund	9,206	10,000
Dr. Douglas Garrison Fund for Education Excellence	16,015	15,000
Operating Reserve Endowment	128,434	133,709
Balestreri Family Scholarship Fund	9,958	2 =
Val Chao Wu Theater Fund	50,000	·=
Doolittle Performing Arts Fund	25,000	
Total Permanently Restricted Net Assets	\$ 3,575,042	\$ 3,634,881

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Foundation receives financial assistance from 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 Foundation. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Foundation at December 31, 2015 and 2014.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

NOTE 12 - SPLIT-INTEREST AGREEMENT

The Foundation is the remainder beneficiary under the terms of two irrevocable charitable remainder trusts that are administered by a third party trustee (the Community College League of California). The beneficial interest from the remainder trust is recorded in the statement of financial position based on the present value of the future benefits expected to be received from the trusts. A corresponding amount is reflected in the statement of activities as a temporarily restricted contribution in the year the Foundation was notified of its irrevocable interest. At the end of the trust's terms, the remaining assets are available to the Foundation. Assets held in the charitable remainder trusts totaled \$6,937 and \$10,451 at December 31, 2015 and 2014, respectively, and are reported at fair value or cost, depending on the nature of the assets in the statement of financial position.

NOTE 13 - RELATED PARTY TRANSACTIONS

The Foundation provides various levels of monetary support and service to the Monterey Peninsula Community College District. The Foundation received \$100,000 from Monterey Peninsula College for reimbursement of expenses for the years ended December 31, 2015 and 2014. This money is included on the statements of activities under public support and revenue from Monterey Peninsula College. The District provides office space and other support to the Foundation. These amounts are not recognized in the statements of activities as there is no basis for the noncash contributions.

NOTE 14 - TRANSFERS BETWEEN FUNDS

During the year ended December 31, 2015, unrestricted funds were transferred to temporarily restricted funds and permanently restricted funds based on management analysis and donor authorizations.

NOTE 15 - SUBSEQUENT EVENTS

The Foundation's management has evaluated subsequent events for recognition and disclosure through May 13, 2016, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors Monterey Peninsula College Foundation Monterey, 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 Monterey Peninsula College Foundation (a California nonprofit corporation) (the Foundation), which comprise the statement of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements, and have issued our report thereon dated May 13, 2016.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Foundation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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 audits, 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 the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rancho Cucamonga, California

Vauriner, Time, Day & Co., Ll.P.

May 13, 2016



Board of Directors Monterey Peninsula College Foundation Monterey, California

We have audited the financial statements of Monterey Peninsula College Foundation (the Foundation) for the year ended December 31, 2016, and have issued our report thereon dated May 16, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 2, 2017. 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 the Foundation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the Foundation 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. We have evaluated the key factors and assumptions used to develop the estimates in the financial statements and have determined the reasonableness in relation to the financial statements taken as a whole.

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 misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We proposed no audit adjustments, either individually or in the aggregate, that could have a significant effect 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.

Board of Directors Monterey Peninsula College Foundation Page 2

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 16, 2017.

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 the Foundation'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 the Foundation'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

This information is intended solely for the use of Board of Directors and management of Monterey Peninsula College Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Rancho Cucamonga, California

Variner Time, Day & Co. LLP.

May 16, 2017

MONTEREY PENINSULA COLLEGE FOUNDATION

(A California Nonprofit Corporation)

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2016 AND 2015

DECEMBER 31, 2016 AND 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors Monterey Peninsula College Foundation Monterey, California

Report on the Financial Statements

We have audited the accompanying financial statements of Monterey Peninsula College Foundation (a California nonprofit corporation) (the Foundation) which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 Foundation'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 Foundation'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 16, 2017, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 the Foundation's internal control over financial reporting and compliance.

Rancho Cucamonga, California

Varinex Time, Day & Co. LLP.

May 16, 2017

STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	2016 2015	
ASSETS		
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 255,779	\$ 262,242
Restricted	221,053	349,766
Restricted - agency	28,100	39,077
Unconditional promises to give	84,570	10,000
Prepaid expenses and other assets	6,054	9,306
Total Current Assets	595,556	670,391
Noncurrent Assets		
Investments - unrestricted	295,358	89,481
Investments - restricted	4,024,109	3,805,101
Investments - agency	1,145,662	1,082,554
Investment related to split-interest agreement in remainder trust	7,015	6,937
Unconditional promises to give - long-term portion - net	19,021	27,139
Capital assets (net of accumulated depreciation)	3,163	4,218
Total Assets	\$ 6,089,884	\$ 5,685,821
L LA DIL IMPO		
LIABILITIES	ф. 10.21 <i>4</i>	r.
Accounts payable and other current liabilities	\$ 10,214	\$ 5.275
Payroll liability	9,959	5,375
Amounts held for others	1,173,762	1,121,631
Total Liabilities	1,193,935	1,127,006
NET ASSETS		
Unrestricted		
Undesignated	130,468	169,223
Board designated	210,754	190,650
Total Unrestricted	341,222	359,873
Temporarily restricted	642,786	623,900
Permanently restricted	3,911,941	3,575,042
Total Net Assets	4,895,949	4,558,815
Total Liabilities and Net Assets	\$ 6,089,884	\$ 5,685,821

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

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

	2016			
	1.5	Temporarily	Permanently	
	Unrestricted	Restricted	Restricted	Total
PUBLIC SUPPORT AND REVENUES	-			
Contributions	\$ 266,778	\$ 572,458	\$ 93,572	\$ 932,808
First 5 Grant	70,920	12	=	70,920
Monterey Peninsula College	100,000	•	3	100,000
Other income	114,607	44,889	-	159,496
Assets released from restrictions	723,162	(603,566)	(119,596)	· · ·
Total Public Support and Revenues	1,275,467	13,781	(26,024)	1,263,224
EXPENSES				
Program expenses	933,769		-	933,769
Operating expenses	225,678	336	*	225,678
Fundraising expenses	176,958		<u> </u>	176,958
Total Expenses	1,336,405			1,336,405
OTHER INCOME (EXPENSE)				
Interest and dividends	17,054	2,063	119,398	138,515
Unrealized gain (loss) on investments	25,233	2,964	243,525	271,722
Change in value of split-interest agreement		78	<u>=</u>	78
Total Other Income (Expense)	42,287	5,105	362,923	410,315
TRANSFERS	=======================================			
CHANGE IN NET ASSETS	(18,651)	18,886	336,899	337,134
NET ASSETS, BEGINNING OF YEAR	359,873	623,900	3,575,042	4,558,815
NET ASSETS, END OF YEAR	\$ 341,222	\$ 642,786	\$3,911,941	\$ 4,895,949

20	115

		013			
Temporarily Permanently					
Unrestricted	Restricted	Restricted	Total		
\$ 401,604	\$ 646,765	\$ 148,352	\$ 1,196,721		
97,612	\$ 040,705	\$ 140,552	97,612		
*	-		,		
100,000	71.400	-	100,000		
99,205	71,488	(0(,022)	170,693		
711,089	(625,056)	(86,033)	1.565.006		
1,409,510	93,197	62,319	1,565,026		
1,027,107	#0) <u>=</u> (1,027,107		
251,882	*	(=)	251,882		
153,206	·		153,206		
1,432,195			1,432,195		
-		-	2.		
13,578	1,675	102,481	117,734		
(29,998)	(3,701)	(227,500)	(261,199)		
	(3,514)	· ·	(3,514)		
(16,420)	(5,540)	(125,019)	(146,979)		
(81,433)	78,572	2,861			
(120,538)	166,229	(59,839)	(14,148)		
	-				
480,411	457,671	3,634,881	4,572,963		
\$ 359,873	\$ 623,900	\$ 3,575,042	\$ 4,558,815		

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

		2016		2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	\$	337,134	\$	(14,148)
Adjustments to Reconcile Change in Net Assets				
to Net Cash Flows From Operating Activities				
Depreciation		1,055		1,086
Unrealized (gain) loss on investments		(271,722)		261,199
Contributions restricted for temporarily				
and permanently restricted purposes		(666,030)		(795,117)
Changes in Assets and Liabilities				
Unconditional promises to give		(66,452)		(34,239)
Prepaid expenses and other assets		3,252		(5,262)
Split-interest agreement in remainder trust		(78)		3,514
Accounts payable and other current liabilities		14,798		(7,381)
Amounts held for others		52,131		(49,185)
Net Cash Flows From Operating Activities		(595,912)	_	(639,533)
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in investments - net		(216,271)		(68,917)
Purchase of fixed assets		0.0		(1,165)
Net Cash Flows From Investing Activities	_	(216,271)	_	(70,082)
CASH FLOWS FROM FINANCING ACTIVITIES				
Collections of contributions restricted for temporarily				
and permanently restricted purposes		666,030		795,117
Change in restricted cash and cash equivalents		139,690		(47,649)
Net Cash Flows From Financing Activities	_	805,720		747,468
NET CHANGE IN UNRESTRICTED CASH AND CASH EQUIVALENTS		(6,463)		37,853
UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		262,242		224,389
UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	\$	255,779	_\$	262,242

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

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED DECEMBER 31,

	20	1	6	
~			1	

	2010							
	Program		Operating		Fundraising			Total
Scholarships, Internships, and Student Support	\$	379,064	\$	-	\$	120	\$	379,064
Textbook Assistance		26,750		51.				26,750
Student Emergency Assistance		19,970		90		(*)		19,970
Faculty and Staff Support		29,751		5.				29,751
MPC Campus and Program Support		283,110		≅.		-		283,110
Events				44,322		18,288		62,610
Public Relations				#1		6,369		6,369
Accounting and Professional Services				18,859		7		18,859
Banking and Investment Fees		53,245		8,031		: €		61,276
Foundation Salaries and Benefits		141,879		124,179		132,838		398,896
Office and Administrative Expenses		-		30,287		19,463		49,750
Total Expenses	\$	933,769	\$	225,678	\$	176,958	\$	1,336,405

2015

Program		perating	Fu	ndraising	Total
\$ 173,089	\$	12,731	\$	-	\$ 185,820
52,788		: :		30 0	52,788
14,743		-		=	14,743
34,844		2.0			34,844
544,720		12,463		<u>~</u> 6	557,183
		35,761		4,410	40,171
<u>:a</u>		198		4,180	4,180
-		22,535		257	22,792
54,217		9,446		· 기	63,663
152,706		123,191		127,469	403,366
-		35,755		16,890	52,645
\$ 1,027,107	\$	251,882	\$	153,206	\$ 1,432,195

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Monterey Peninsula College Foundation (the Foundation) is a nonprofit organization whose main purpose is to support education and educational purposes of Monterey Peninsula Community College District (the District), a California public community college located in Monterey, California, through raising funds and acquiring real and personal properties to support the District's programs of public education and its community programs. The Foundation was incorporated in the State of California in November 1994. The Foundation is a Voluntary Health and Welfare Organization as defined by the Financial Accounting Standards Board (FASB) Accounting Standards of Codification (ASC) Topic 958.

Financial Statement Presentation

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts maintained by and directly under the control of the Foundation.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the District are financial interrelated organizations as defined by *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others.* The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Support and Expenses

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation regarding the timing and purpose for the use of the contributions, the Foundation reports these contributions as unrestricted.

Investments

The Foundation presents its investments in accordance with FASB ASC Topic 958-320, *Investments Debt and Equity Securities*. Under FASB ASC Topic 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in accordance with donor instructions.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

Capital Assets

The Foundation maintains an initial unit cost capitalization threshold of \$500. Capital assets are stated at cost, or if donated, at estimated fair value on the date of donation. Routine maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight line method based on the assets' estimated useful lives ranging from three to seven years.

Donated Services and Goods

A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. In most cases, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services. However, when the value of services is measurable, they are recorded at measured value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the value of the beneficial interest in a charitable remainder trust.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts with maturities of less than 90 days. The Foundation maintains its bank accounts at two financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000. As of December 31, 2016 and 2015, \$0 and \$78,485, respectively, were uninsured.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Management monitors the collectibility of their pledges and annually adjusts the balances.

Income Taxes

The Foundation is exempt from Federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been recorded in the financial statements. The Foundation annually files Forms 990, 199, and RRF-1 with the appropriate agencies, as well as Forms 990T and 109, when applicable. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a). There was no unrelated business activity income.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

The Foundation has adopted FASB ASC Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain and, accordingly, no accounting adjustment has been made to the financial statements.

The Foundation's Federal informational tax returns for the years ended December 31, 2013, 2014, and 2015, are open to audit by the Federal authorities. California State informational returns for the years ended December 31, 2012, 2013, 2014, and 2015, are open to audit by State authorities.

Allocation of Functional Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs.

Comparative Financial Information

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

NOTE 2 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. The discount rate used was 3.41 percent for the years ended December 31, 2016 and 2015, respectively. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management monitors and reviews the unconditional pledges on a monthly basis. Uncollectible pledges written off for the years ended December 31, 2016 and 2015, amounted to \$0 and \$0, respectively.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

The Foundation's unconditional promises to give consisted of the following at December 31:

	·	2016		2015
Unconditional promises to give before unamortized				
discount and allowance for doubtful accounts	\$	104,570	\$	40,000
Less: Unamortized discount		(979)		(2,861)
Net Unconditional Promises to Give	\$	103,591	\$	37,139
Amounts due in:				
Less than one year	\$	84,570	\$	10,000
One to five years		20,000		30,000
Less: Unamortized discount	00	(979)		(2,861)
Subtotal long-term portion of unconditional promises to give		19,021		27,139
Total	\$	103,591	\$	37,139

NOTE 3 - OSHER ENDOWMENT SCHOLARSHIP

The Foundation for California Community Colleges (FCCC) has created a permanent endowment fund intended to provide scholarship support to California Community College students in perpetuity. The fund began in May 2008 with a \$25 million lead gift from The Bernard Osher Foundation. The Bernard Osher Foundation will provide scholarship matching funds annually to colleges that participate. In order to take advantage of this opportunity, for the years ended December 31, 2016 and 2015, the College and its donors have contributed \$339,728 from the agency accounts that reside in the Foundation. As of December 31, 2016 and 2015, the ending balance of the Osher Endowment Scholarship was \$339,728 and was included in the agency investment totals of \$1,145,662 and \$1,082,554, respectively. The Foundation receives no additional interest or dividends on the balance held at the FCCC and does not participate in the investment management of the funds. All donations to the FCCC Osher Endowment Scholarship must remain in the fund permanently and cannot be returned or used for other purposes.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

NOTE 4 - INVESTMENTS

Investments are stated at fair value and are summarized as of December 31, 2016:

	Adjusted		Unrealized
	Cost	Fair Value	Gain
Equity, Bonds, and Mutual Funds - Foundation	\$ 4,047,745	\$ 4,319,467	\$ 271,722
Beneficiary Remainder Trust	7,015	7,015	-
Equity, Bonds, and Mutual Funds - Agency Funds (excluding Osher)	805,934	805,934	-
Investments - cash held by Foundation for California Community			
Colleges Osher Endowment Scholarship Fund	339,728	339,728	<u> </u>
Total	\$ 5,200,422	\$ 5,472,144	\$ 271,722

Investments are stated at fair value and are summarized as of December 31, 2015:

	Adjusted		Unrealized
	Cost	Fair Value	Loss
Equity, Bonds, and Mutual Funds - Foundation	\$ 4,155,781	\$ 3,894,582	\$ (261,199)
Beneficiary Remainder Trust	6,937	6,937	-
Equity, Bonds, and Mutual Funds - Agency Funds (excluding Osher)	742,826	742,826	-
Investments - cash held by Foundation for California Community			
Colleges Osher Endowment Scholarship Fund	339,728	339,728	
Total	\$ 5,245,272	\$ 4,984,073	\$ (261,199)

Investment activity for the year ended December 31, 2016, consisted of the following:

			Ten	nporarily	Pe	rmanently	
	Unrestricted		Restricted		Restricted		 Total
Interest and dividends	\$	17,054	\$	2,063	\$	119,398	\$ 138,515
Unrealized gain		25,233		2,964		243,525	271,722
Total Investment Gain	\$	42,287	\$	5,027	\$	362,923	\$ 410,237

Investment activity for the year ended December 31, 2015, consisted of the following:

			Ter	nporarily	Pe	ermanently	
	Unrestricted		Re	estricted	F	Restricted	 Total
Interest and dividends	\$	13,578	\$	1,675	\$	102,481	\$ 117,734
Unrealized loss		(29,998)		(3,701)		(227,500)	(261,199)
Total Investment Loss	\$	(16,420)	\$	(2,026)	\$	(125,019)	\$ (143,465)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

NOTE 5 - FAIR VALUE DISCLOSURES

Effective January 1, 2008, the Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in U.S. GAAP under FASB ASC Topic 820, *Fair Value Measurements and Disclosures*. U.S. GAAP requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level I - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level II - Observable inputs other than Level I prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level III - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level III assets include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Fair Value Measurements

The Foundation used the market approach to estimate fair value for all investment assets.

The following table provides a summary of the financial instruments the Foundation measures at fair value on a recurring basis as of December 31, 2016:

	Level I	Level III	Total
Investment Assets			
Equity, Bonds, and Mutual Funds - Foundation	\$4,319,467	\$ -	\$ 4,319,467
Equity, Bonds, and Mutual Funds - Agency Funds (excluding Osher)	805,934	<u></u>	805,934
Beneficiary Remainder Trust	4	7,015	7,015
Investments - cash held by Foundation for California Community			
Colleges Osher Endowment Scholarship Fund	339,728	:50	339,728
Other Assets			
Unconditional promises to give, net		103,591	103,591
Total	\$ 5,465,129	\$ 110,606	\$ 5,575,735

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

The following table provides a summary of the financial instruments the Foundation measures at fair value on a recurring basis as of December 31, 2015:

	Level I	L	evel III	Total
Investment Assets				
Equity, Bonds, and Mutual Funds - Foundation	\$ 3,894,582	\$	27	\$3,894,582
Equity, Bonds, and Mutual Funds - Agency Funds (excluding Osher)	742,826		(,,,)	742,826
Beneficiary Remainder Trust	#		6,937	6,937
Investments - cash held by Foundation for California Community				
Colleges Osher Endowment Scholarship Fund	339,728		¥6	339,728
Other Assets				
Unconditional promises to give	=		37,139	37,139
Total	\$ 4,977,136	\$	44,076	\$ 5,021,212

The following table summarizes the changes in the Foundation's investment assets measured at fair value on a recurring basis as of December 31, 2016:

	I	Level III
Investments at Fair Value		
Balance at December 31, 2015	\$	44,076
Current Year Adjustments:		
Adjustment to reflect changes in beneficiary remainder trust		78
Unconditional promises to give		66,452
Balance at December 31, 2016	\$	110,606

The following table summarizes the changes in the Foundation's investment assets measured at fair value on a recurring basis as of December 31, 2015:

	<u>L</u>	evel III
Investments at Fair Value		
Balance at December 31, 2014	\$	13,351
Current Year Adjustments:		
Adjustment to reflect changes in beneficiary remainder trust		(3,514)
Unconditional promises to give		34,239
Balance at December 31, 2015	\$	44,076

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

NOTE 6 - AMOUNTS HELD FOR OTHERS

The Foundation acts as a fiscal agent for departments, organizations, and groups of Monterey Peninsula College. Accordingly, at December 31, 2016 and 2015, \$1,173,762 and \$1,121,631, respectively, of the Foundation's assets belongs to other parties. The Foundation does not have legal access nor any discretion over the funds held for others behalf.

	2016							
	Balance	Cash Receipts	Cash	Balance				
	Beginning	and	Disbursements/	End				
	of Year	Transfers	Transfers	of Year				
Wilder Nursing Trust	\$ 335,905	\$ 34,690	\$ 16,135	\$ 354,460				
Orr Scholarship Trust	79,231	8,188	1,214	86,205				
MPC Scholarship Endowments	190,595	19,706	3,557	206,744				
Long-Term Endowments	176,172	18,194	7,741	186,625				
Osher Endowment Fund	339,728	**	2	339,728				
Total	\$ 1,121,631	\$ 80,778	\$ 28,647	\$ 1,173,762				
	 /	·		:				
		20)15					
	Balance	Cash Receipts	Cash	Balance				
	Beginning	and	Disbursements/	End				
	of Year	Transfers	Transfers	of Year				
Wilder Nursing Trust	\$ 354,139	\$ (12,880)	\$ 5,354	\$ 335,905				
Orr Scholarship Trust	83,530	(3,038)	1,261	79,231				
MPC Scholarship Endowments	200,826	(7,199)	3,032	190,595				
Long-Term Endowments	192,593	(8,737)	7,684	176,172				
Osher Endowment Fund	220 520			220 720				
Oblief Elido Whielit I dhe	339,728	<u>'≅</u> 0.	0.55	339,728				

NOTE 7 - CAPITAL ASSETS

The following is a summary of capital assets as of December 31,:

	 2016		2015	
Furniture and equipment	\$ 10,996	\$	10,996	
Less: Accumulated depreciation	(7,833)		(6,778)	
Total	\$ 3,163	\$	4,218	

Depreciation expenses for the years ended December 31, 2016 and 2015, were \$1,055 and \$1,086, respectively.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

NOTE 8 - DONOR DESIGNATED ENDOWMENT FUNDS

The Foundation's endowment funds consist of approximately 31 individual funds established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowments are classified and reported based on existence of donor-imposed restrictions as either unrestricted, temporarily restricted, or permanently restricted.

The Board of Trustees has adopted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation has classified as permanently restricted net assets (a) original value of gifts donated to permanent endowment (b) plus the original value of subsequent gifts to the endowments (c) plus accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies: The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income, as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual tiered distribution of four to six percent, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy: The Foundation's Board approved spending policy, known as Banded Inflation, was created to protect the values of the endowments. First year spending will be four percent of the original gift. Thereafter, spending for each calendar year will be the prior year's spending increased by the Consumer Price Index, subject to the minimum of four percent and the maximum of six percent bands. This rate will be reviewed annually. The expenditure rate includes an administrative expense of one percent of assets on September 30 of each year.

Endowment net asset compositions by type of fund are as follows as of December 31,:

2016	2015		
Permanently	Permanently		
Restricted	Restricted		
\$ 3,911,941	\$ 3,575,042		

Donor-restricted endowment funds

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

Changes in endowment net assets as of December 31, 2016, are as follows:

	Permanently	
	Restricted	
Balance at December 31, 2015	\$ 3,575,042	
Contributions	93,572	
Interest and dividends	119,398	
Unrealized loss on investments	243,525	
Amounts appropriated for expenditures	(119,596)	
Balance at December 31, 2016	\$ 3,911,941	

Changes in endowment net assets as of December 31, 2015, are as follows:

	Permanently Restricted
Balance at December 31, 2014	\$ 3,634,881
Contributions	148,352
Interest and dividends	102,481
Unrealized loss on investments	(227,500)
Transfer in	2,861
Amounts appropriated for expenditures	(86,033)
Balance at December 31, 2015	\$ 3,575,042

NOTE 9 - BOARD DESIGNATED UNRESTRICTED NET ASSETS

Board designated unrestricted net assets consist of the following at December 31,:

	2016		2015	
General Reserve	\$	200,000	\$	200,000
Textbook Assistance		(=):		2,000
Board of Directors Designated Scholarships		500		(9,500)
Board of Directors Designated Campus Support		1,618		737
FASA Grants		8,636		(2,587)
Total Board Designated Unrestricted Net Assets	\$	210,754	\$	190,650

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

NOTE 10 - RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets consist of the following at December 31,:

	2016		2015	
Astronomy	\$	8,000	\$	8,000
Beneficiary Trust		7,015		6,936
Child Development Center		25,843		25,843
General Scholarships		2,766		2,617
Gentrain Scholarship		1,658		2,694
Library and Technology Center		37,483		36,617
Athletics		1,137		1,137
Emergency Assistance/Women Supporting Women		59,857		62,305
Other Departmental Funds		499,027		477,751
Total Temporarily Restricted Net Assets	\$	642,786	\$	623,900
			_	

MONTEREY PENINSULA COLLEGE FOUNDATION (A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

Permanently restricted net assets consist of the following at December 31,:

		2016		2015
Alison Faul Memorial Scholarship Endowment	\$	15,786	\$	14,920
Bruce C. Gregor Memorial Scholarship Endowment		15,517		14,626
Peter J. Cutino Athlete of the Year Endowment		32,237		27,493
Donald L. Davidson, M.D. Memorial Scholarship Endowment		18,004		16,866
Dorothy D. Stevens Memorial Fund		163,596		153,656
George J. Faul Academic Excellence Endowment		110,743		103,041
John and Jeanne Logan Memorial Award Endowment		24,670		22,678
Jennifer Denmark Memorial Scholarship Endowment		13,662		13,247
Jon M. Lefstad Scholarship Endowment		10,362		9,779
Mary Lou Welch Endowed Scholarship		10,182		9,553
Mary Lou Stutzman Nursing Scholarship Endowment		17,167		16,179
Marilynn Dunn Gustafson Scholarship Endowment		13,087		12,335
Donald and Laura Newmark Scholarship Endowment		51,114		48,374
Rosabelle Hamann Memorial Scholarship Fund		399,499		376,838
William M. Shanner Memorial Award Endowment		13,751		12,829
Clyn Smith, M.D. Memorial Scholarship Endowment		20,558		19,405
Leon and Mary Lou Stutzman Choral Music Scholarship Endowment		18,424		17,936
Jim Tunney Scholar Athlete Award		26,649		25,172
Dr. Richard Kezirian Endowed Scholarship		58,719		54,658
Dr. Peggy Downs-Baskin Faculty Advancement Endowment		313,434		296,692
Robert K. Bullock Journalism Scholarship Endowment		2,221,260		2,067,652
John Mahoney Scholarship Fund		15,628		11,706
Dr. Douglas Garrison Fund for Education Excellence		21,280		16,015
Operating Reserve Endowment		141,108		128,434
Balestreri Family Scholarship Fund		10,833		9,958
Val Chao Wu Theater Fund		50,302		50,000
Doolittle Performing Arts Fund		26,828		25,000
Martha Mulford Ceramics Fund		5,125		
Rod Oka Scholarship Fund		14,414		-
Dr. Winona Trason Scholarship Fund		10,502		~
Chevron FASA		47,500	-	(4)
Total Permanently Restricted Net Assets	\$ 3	3,911,941	\$	3,575,042

MONTEREY PENINSULA COLLEGE FOUNDATION (A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Foundation receives financial assistance from 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 Foundation. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Foundation at December 31, 2016 and 2015.

NOTE 12 - SPLIT-INTEREST AGREEMENT

The Foundation is the remainder beneficiary under the terms of two irrevocable charitable remainder trusts that are administered by a third party trustee (the Community College League of California). The beneficial interest from the remainder trust is recorded in the statement of financial position based on the present value of the future benefits expected to be received from the trusts. A corresponding amount is reflected in the statement of activities as a temporarily restricted contribution in the year the Foundation was notified of its irrevocable interest. At the end of the trust's terms, the remaining assets are available to the Foundation. Assets held in the charitable remainder trusts totaled \$7,015 and \$6,937 at December 31, 2016 and 2015, respectively, and are reported at fair value or cost, depending on the nature of the assets in the statement of financial position.

NOTE 13 - RELATED PARTY TRANSACTIONS

The Foundation provides various levels of monetary support and service to the Monterey Peninsula Community College District. The Foundation received \$100,000 from Monterey Peninsula College for reimbursement of expenses for the years ended December 31, 2016 and 2015. This money is included on the statements of activities under public support and revenue from Monterey Peninsula College. The District provides office space and other support to the Foundation. These amounts are not recognized in the statements of activities as there is no basis for the noncash contributions.

NOTE 14 - SUBSEQUENT EVENTS

The Foundation's management has evaluated subsequent events for recognition and disclosure through May 16, 2017, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors Monterey Peninsula College Foundation Monterey, 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 Monterey Peninsula College Foundation (a California nonprofit corporation) (the Foundation), which comprise the statement of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements, and have issued our report thereon dated May 16, 2017.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Foundation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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 audits, 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 the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rancho Cucamonga, California

Varinex, Time, Day & Co., LLP.

May 16, 2017

Governing Board Agenda

January 24, 2018

New Business Agend	la Item No. D		Superintendent/President College Area
Proposal: That the Gove address the Accrediting College's application	ng Commission of	Community and Junior Colleg	nterey Peninsula College's efforts to es' (ACCJC's) findings regarding the
			Action Letter and External Evaluation ege's application for reaffirmation of
		ey will provide to the Board of to address the ACCJC's recom	Trustees his monthly progress report mendations.
Budgetary Implication None.	ons:		
⊠ INFORMATIO	N: Accreditation I	Recommendations – Progress R	Report
Recommended By:	Dr. Walter Trible	ey, Superintendent/President	
Prepared By:	Shawk A	Executive Assistant to Superintend	lent/President and Governing Board
Agenda Approval:	Dr. Walter Trible	ey, Superintendent/President	

Governing Board Agenda

January 24, 2018

New Business Agend	a Item No. E	Fiscal Services College Area
Proposal: That the Gove period ending, Decem	erning Board review and discuss the 2017-2018 Number 31, 2017.	Monthly Financial Report for the
Background: The Board rot fiscal operations.	utinely reviews financial data regarding expenses a	and revenues to monitor District
Budgetary Implication None.	ons:	
RESOLUTION: ending December 31,	BE IT RESOLVED, that the 2017-2018 Monthly 2017, be accepted.	y Financial Report for the period
Recommended By:	David Martin., Vice President of Administrative	e Services
Prepared By:	Rosemary Barrios, Controller	
Agenda Approval:	Dr. Walter Tribley, Superintendent/President	

Monterey Peninsula College

Fiscal Year 2017-2018 Financial and Budgetary Report December 31, 2017

Enclosed please find attached the Summary of All Funds Report for the month-ending December 31, 2017 for your review and approval.

Operating Fund net revenue through December 31, 2017 is \$26,963,719 which is 50.9% of the operating budget for this fiscal year. Expenditures year-to-date total \$25,524,924 and Encumbrances of \$6,521,517 which together is 60.3% of the operating budget for this fiscal year, for a net difference of -\$5,082,722.

All Funds are showing a positive cash balance.

Unrestricted General Fund

Revenue

- December State Apportionment payment received of \$869,843.
- Property taxes received of \$10,073,024.
- Education Protection Account funds (EPA) received of \$1,249,406.
- Other local revenues received include: enrollment fees, non-resident fees (this includes reversing of deferred revenues) transcripts, and other local fees totaling: \$831,799.

Expenditures

Overall the District operating funds expenditures continue to track to what is projected for the fiscal year.

Restricted Child Development Fund

• Funds of \$219,698 have been received from the State for the Preschool Grant and \$2,347 has been received from the Sate for the Food Program. These revenues will be reflected in the next financial report.

Self Insurance Fund

• Self Insurance Fund (SIF) expenses are at 44.7% of budgeted expenditures. We are six months through the fiscal year and would expect the actual expenditures to be around 50% of budget. We will continue to track this budget closely.

Capital Outlay Fund

• Scheduled Maintenance, Prop 39, and Redevelopment carryover funds have been reversed to the current fiscal-year; these funds were setup at fiscal year-end 16-17. The Capital Outlay fund budget has been adjusted to reflect these funds in the budget.

Building Fund

• The Building Fund budget will be analyzed to review additional projects that are still being completed. Currently the percent actual to budget is at 119.5% at December 31, 2017. The expenditure budget will be adjusted to reflect projects that are still being completed.

Fiduciary Funds

• Fiduciary Funds are tracking close to budget.

Cash Balance:

The total cash balance for all funds is \$29,513,135 including bond cash of \$9,000,373 and \$20,512,672, for all other funds. Operating funds cash is \$12,595,435. Cash balance in the General Fund is at \$11,412,311 for the month-ending December 31, 2017.

Monterey Peninsula Community College

Monthly Financial Report December 31, 2017

Summary of All Funds

	Beginning Fund Balance	Revised 2017 -		Ending Fund Balance	Yes	ar to Date Act 2017 - 2018	tual		Actual Budget	Cash Balance
<u>Funds</u>	07/01/17	Revenue	Expense	6/30/2018	Revenue	Expense	Encumbrances	Rev	Expense/ Enc.	12/31/2017
General - Unrestricted	\$8,097,608	\$40,306,913	\$40,306,913	\$8,097,608	20,757,563	20,274,497	5,273,554	51.5%	63.4%	\$11,412,311
General - Restricted	0	11,259,270	11,259,270	0	5,747,191	4,576,344	1,050,893	51.0%	50.0%	o
Child Dev - Unrestricted	58,055	204,600	204,600	58,055	123,721	64,735	8,762	60.5%	35.9%	38,017
Child Dev - Restricted	0	429,737	429,737	0	36,414	235,806	61,893	8.5%	69.3%	0
Student Center	606,634	241,500	240,225	607,909	86,263	65,416	33,894	35.7%	41.3%	643,660
Parking	561,356	555,000	735,132	381,224	212,567	308,126	92,521	38.3%	54.5%	501,447
Subtotal Operating Funds	\$9,323,653	\$52,997,020	\$53,175,877	\$9,144,796	\$26,963,719	\$25,524,924	\$6,521,517	50.9%	60.3%	\$12,595,435
Self Insurance	2,547,905	7,786,867	7,385,138	2,949,634	4,513,077	3,272,216	26,408	58.0%	44.7%	4,853,621
Worker Comp	118,804	22,100	92,000	48,904	362	26,977	0	1.6%	29.3%	92,189
Other Post Employment Benefits	532,556	112,014	112,014	532,556	36,817	0	0	32.9%	0.0%	569,373
Capital Project	75,839	646,530	639,190	83,179	641,405	165,809	0	99.2%	25.9%	608,434
Building	9,542,581	120,000	702,987	8,959,594	32,559	574,768	265,324	27.1%	119.5%	9,000,373
Revenue Bond	22,751	20,900	20,900	22,751	20,974	20,600	300	100.4%	100.0%	23,125
Debt Service	201,235	1,000	0	202,235	687	0	0	68.7%	0.0%	201,922
Associated Student	211,320	80,000	80,000	211,320	28,147	32,731	0	35.2%	40.9%	253,545
Financial Aid	19,146	6,200,000	6,200,000	19,146	3,249,704	3,241,433	0	52.4%	52.3%	110,754
Scholarship & Loans	68,307	3,500,000	3,500,000	68,307	1,766,200	1,687,848	0	50.5%	48.2%	324,178
Trust Funds	348,636	2,135,000	2,135,000	348,636	1,026,487	988,336	0	48.1%	46.3%	850,652
Orr Estate	30,333	25,000	20,000	35,333	12,520	13,319	0	50.1%	66.6%	29,535
Total all Funds	\$23,043,066	\$73,646,431	\$74,063,106	\$22,626,391	\$38,292,658	\$35,548,961	\$6,813,549	52.0%	48.0%	\$29,513,135
					•					

Governing Board Agenda

January 24, 2018

New Business Agend	a Item No. F	Fiscal Services College Area
	rning Board review and accept the attached Quarterly or the quarter-ending December 31, 2017.	y Financial Status Report
condition of each co	napter 1486, Statutes of 1986, requires that quar mmunity college district be presented to local governments also be filed with the Chancellor's Office.	verning boards for review and
	ons: een taken to ensure close monitoring of the Districus will be provided to the Governing Board.	ct's budget. Monthly reports
	BE IT RESOLVED , that the Quarterly Financia per 31, 2017, as presented on form CCFS 311Q, be meeting.	
Recommended By:	Tell	
	David J. Martin, Vice President of Administrative S	
Prepared By:	Rollmany Barrecs	/
* V	Rosemary Barrios, Controller	
Agenda Approval:	walth a Triby	
	Dr. Walter Tribley, Superintendent / President	

CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE

Quarterly Financial Status Report, CCFS-311Q VIEW QUARTERLY DATA

District: (460) MONTEREY

CHANGE THE PERIOD V

Quarter Ended: (Q2) Dec 31, 2017

(****, ********************************		As of June 30 for the fiscal year specified					
Line	Description	Actual 2014-15	Actual 2015-16	Actual 2016-17	Projected 2017-2018		
Unrestri	cted General Fund Revenue, Expenditure and Fund Balance:						
A.	Revenues:						
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	36,585,802	42,874,366	42,756,750	40,306,913		
A.2	Other Financing Sources (Object 8900)	1,400,000	0	2,031,765	0		
A.3	Total Unrestricted Revenue (A.1 + A.2)	37,985,802	42,874,366	44,788,515	40,306,913		
В.	Expenditures:						
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	36,330,317	39,406,539	41,845,811	40,135,284		
B,2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	1,328,481	925,220	1,600,648	171,629		
B.3	Total Unrestricted Expenditures (B.1 + B.2)	37,658,798	40,331,759.	43,446,459	40,306,913		
C.	Revenues Over(Under) Expenditures (A.3 - B.3)	327,004	2,542,607	1,342,056	0		
D.	Fund Balance, Beginning	3,885,709	4,212,713	6,755,552	8,097,608		
D.1	Prior Year Adjustments + (-)	0	232	0	0		
D.2	Adjusted Fund Balance, Beginning (D + D.1)	3,885,709	4,212,945	6,755,552	8,097,608		
E.	Fund Balance, Ending (C. + D.2)	4,212,713	6,755,552	8,097,608	8,097,608		
F:1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	11,2%	16.7%	18.6%	20.1%		
Annualiz	red Attendance FTES:						
G.1	Annualized FTES (excluding apprentice and non-resident)	6,501	0	6,701	6,701		
	,	0 = = 0 1 1 1 = = = =	10		Tour .		
Total Ge	neral Fund Cash Balance (Unrestricted and Restricted)	2014-15	ecified quarter er 2015-16	2016-17	2017-2018		
H.1	Cash, excluding borrowed funds		11,515,450	14,987,748	11,412,311		
H.2	Cash, borrowed funds only		0	o	0		
H.3	Total Cash (H.1+ H.2)	11, 280, 916	11,515,450	14,987,748	11,412,311		

IV. Unrestricted General Fund Revenue, Expenditure and Fund Balance:

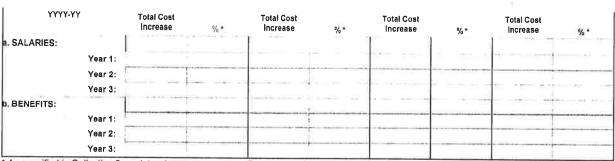
Line	Description	Adopted Budget (Col. 1)	Annual Current Budget (Col. 2)	Year-to-Date Actuals (Col. 3)	Percentage (Col. 3/Col. 2)
I.	Revenues:				
1,1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	40,306,913	40,306,913	20,757,563	51.5%
1.2	Other Financing Sources (Object 8900)	0	0	0	
1.3	Total Unrestricted Revenue (I.1 + I.2)	40,306,913	40,306,913	20,757,563	51.5%
J.	Expenditures:				
J.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	40,137,330	40,135,284	20,174,497	50.3%
J 2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	169,583	171,629	100,000	58.3%
J.3	Total Unrestricted Expenditures (J.1 + J.2)	40,306,913	40,306,913	20,274,497	50.3%
K ₊	Revenues Over(Under) Expenditures (I.3 - J.3)	0	0	483,066	
Ŀ	Adjusted Fund Balance, Beginning	8,097,608	8,097,608	8,097,608	
L.1	Fund Balance, Ending (C. + L.2)	8,097,608	8,097,608	8,580,674	
M	Percentage of GF Fund Balance to GF Expenditures (L.1 / J.3)	20.1%	20.1%		

V. Has the district settled any employee contracts during this quarter?

NO

If yes, complete the following: (If multi-year settlement, provide information for all years covered.)

Contract Period Settled Management Academic Classified (Specify) Permanent Temporary



^{*} As specified in Collective Bargaining Agreement or other Employment Contract

VI. Did the district have significant events for the quarter (include incurrence of long-term debt, settlement of audit findings or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANs), issuance of COPs, etc.)?

NO

If yes, list events and their financial ramifications. (Enter explanation below, include additional pages if needed.)

VII.Does the district have significant fiscal problems that must be addressed?

This year? Next year? NO NO

If yes, what are the problems and what actions will be taken? (Enter explanation below, include additional pages if needed.)

c. Provide an explanation on how the district intends to fund the salary and benefit increases, and also identify the revenue source/object code.

CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE

Quarterly Financial Status Report, CCFS-311Q CERTIFY QUARTERLY DATA

District: (460) MONTEREY

Fiscal Year: 2017-2018
Quarter Ended: (Q2) Dec 31, 2017

Your Quarterly Data is Certifie	d for this quarter		
Chief Business Officer		District Con	tact Person
CBO Name:	David J. Martiin	Name:	Rosemary Barrios
CBO Phone:	831-646-4040	Title:	Controller
CBO Signature:	The		
Date Signed:	1/10/18	Telephone:	831-646-4043
Chief Executive Officer Name:	Dr. Walter Tribley	Fax:	831-645-1315
CEO Signature:		"	
Date Signed:	(E-Mail:	rbarrios@mpc.edu
Electronic Cert Date:	01/10/2018		

California Community Colleges, Chancellor's Office Fiscal Services Unit 1102 Q Street, Suite 4550 Sacramento, California 95811

Send questions to:
Christine Atalig (916)327-5772 catalia@ccco.edu or Tracy Britten (916)324-9794 tbritten@ccco.edu
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Governing Board Agenda

January 24, 2018

New Business Agenda Item No. G

Human Resources
College Area

Proposal:

That the Governing Board approves the Tentative Agreement (TA) between the Monterey Peninsula Community College District and Monterey Peninsula College Employees Association, Chapter #245 (the Parties) dated December 4, 2017 increasing the Classified Salary Schedule by 1% effective January 1, 2018 and further approves the revised Classified Salary Schedule effective January 1, 2018.

Background:

The Parties negotiated and agreed to increase the Classified Salary Schedule by 1% effective January 1, 2018. The TA was ratified by the members of MPCEA on January 17, 2018 with a vote of (insert #) in favor and (insert #) opposed.

Budgetary Implications:

The costs are included in the 2017-2018 budget and are estimated at \$34,961 for unrestricted general funds and \$7,394 for restricted funds.

RESOLUTION: BE IT RESOLVED, that the Governing Board approves the Tentative Agreement (TA) between the Monterey Peninsula Community College District and Monterey Peninsula College Employees Association, Chapter #245 dated December 4, 2017 increasing the Classified Salary Schedule by 1% effective January 1, 2018.

BE IT FURTHER RESOLVED, that the Governing Board approves the Classified Salary Schedule effective January 1, 2018.

Recommended By:_	Lanun Walter
	Laurence Walker, Interim Vice President of Student Services
Prepared By:	Dusan Kitagawa
	Susan Kitagawa, Associate Dean of Human Resources
Agenda Approval:_	Dr. Walter Tribley, Superintendent/President
	V

TENTATIVE AGREEMENT

By Monterey Peninsula Community College District And Monterey Peninsula College Employees Association

December 4, 2017

The Monterey Peninsula Community College District ("District") and Monterey Peninsula College Employees Association ("MPCEA") hereby agree to Tentative Agreement ("T.A."), effective upon full execution by authorized representatives of both parties, ratification by MPCEA membership, and approval by the District's Board of Trustees, with respect to Article IV – Pay and Allowances ("Article IV") and Appendix A of the MPCEA collective bargaining agreement ("CBA").

- 1. Effective January 1, 2018, the District's 2017-18 Classified Salary Schedule ("Classified Salary Schedule"), attached to the MPCEA CBA as Appendix A, shall be increased by 1%. A copy of the current Classified Salary Schedule is attached to this T.A. and incorporated herein.
- 2. The parties acknowledge and agree that this 1% increase is reflective of the 1% on-schedule full-time faculty member increase proposed by the District to the Monterey Peninsula College Teachers Association ("MPCTA") on October 11, 2017.
- 3. If the District agrees to apply a percentage increase to the 2017-18 full-time faculty salary schedule (Schedule A of the MPCTA collective bargaining agreement) by a percentage greater than 1% (called an "overage"), the parties agree that the overage percentage shall also be applied to Appendix A of the MPCEA CBA.
- 4. The parties agree that this T.A. carries out the intent of Article IV of the MPCEA CBA (including Article 4.1).

This T.A. is made and entered into this 4th day of December 2017 between MPCEA and the District. The representatives and signatories listed below hereby affirm and represent that they have authority to bind their principals to the terms of this T.A., and both bargaining teams and their individual members agree to support the ratification and approval of this T.A. by their principals and constituents.

Signed by:

MONTEREY PENINSULA COMMUNITY
COLLEGE DISTRICT

MONTEREY PENINSULA COLLEGE
EMPLOYEES ASSOCIATION

Monterey Peninsula Community College District CLASSIFIED SALARY SCHEDULE

2017-2018

1	Step A \$2,193 \$12.66	Step B \$2,304 \$13.29	Step C \$2,420 \$13.96	Step D \$2,541 \$14.69	Step E \$2,670 \$15.41	Step F \$2,806 \$16.19
2	\$2,248	\$2,360	\$2,479	\$2,606	\$2,736	\$2,876
	\$12.97	\$13.62	\$14.31	\$15.04	\$15.80	\$16.58
3	\$2,304	\$2,420	\$2,541	\$2,670	\$2,806	\$2,946
	\$13.29	\$13.96	\$14.69	\$15.41	\$16.19	\$17.01
4	\$2,360	\$2,479	\$2,606	\$2,736	\$2,876	\$3,022
	\$13.62	\$14.31	\$15.04	\$15.80	\$16.58	\$17.44
5	\$2,420	\$2,541	\$2,670	\$2,806	\$2,946	\$3,098
	\$13.96	\$14.69	\$15.41	\$16.19	\$17.01	\$17.88
6	\$2,479	\$2,606	\$2,736	\$2,876	\$3,022	\$3,175
	\$14.31	\$15.04	\$15.80	\$16.58	\$17.44	\$18.33
7	\$2,541	\$2,670	\$2,806	\$2,946	\$3,098	\$3,253
	\$14.69	\$15.41	\$16.19	\$17.01	\$17.88	\$18.78
8	\$2,606	\$2,736	\$2,876	\$3,022	\$3,175	\$3,335
	\$15.04	\$15.80	\$16.58	\$17.44	\$18.33	\$19.25
9	\$2,670	\$2,806	\$2,946	\$3,098	\$3,253	\$3,419
	\$15.41	\$16.19	\$17.01	\$17.88	\$18.78	\$19.73
10	\$2,736	\$2,876	\$3,022	\$3,175	\$3,335	\$3,504
	\$15.80	\$16.58	\$17.44	\$18.33	\$19.25	\$20.22
11	\$2,806	\$2,946	\$3,098	\$3,253	\$3,419	\$3,593
	\$16.19	\$17.01	\$17.88	\$18.78	\$19.73	\$20.72
12	\$2,876	\$3,022	\$3,175	\$3,335	\$3,504	\$3,680
	\$16.58	\$17.44	\$18.33	\$19.25	\$20.22	\$21.24
13	\$2,946	\$3,098	\$3,253	\$3,419	\$3,593	\$3,773
	\$17.02	\$17.88	\$18.78	\$19.73	\$20.72	\$21.77

Monterey Peninsula Community College District CLASSIFIED SALARY SCHEDULE 2017-2018

	Step A	Step B	Step C	Step D	Step E	Step F
14	\$3,022	\$3,175	\$3,335	\$3,504	\$3,680	\$3,867
	\$17.44	\$18.33	\$19.25	\$20.22	\$21.24	\$22.31
15	\$3,098	\$3,253	\$3,419	\$3,593	\$3,773	\$3,965
	\$17.88	\$18.78	\$19.73	\$20.72	\$21.77	\$22.87
16	\$3,175	\$3,335	\$3,504	\$3,680	\$3,867	\$4,063
	\$18.33	\$19.25	\$20.22	\$21.24	\$22.31	\$23.45
17	\$3,253	\$3,419	\$3,593	\$3,773	\$3,965	\$4,165
	\$18.78	\$19.73	\$20.72	\$21.77	\$22.87	\$24.05
18	\$3,335	\$3,504	\$3,680	\$3,867	\$4,063	\$4,269
	\$19.25	\$20.22	\$21.24	\$22.31	\$23.45	\$24.63
19	\$3,419	\$3,593	\$3,773	\$3,965	\$4,165	\$4,376
	\$19.73	\$20.72	\$21.77	\$22.87	\$24.05	\$25.26
20	\$3,504	\$3,680	\$3,867	\$4,063	\$4,269	\$4,485
	\$20.22	\$21.24	\$22.31	\$23.45	\$24.63	\$25.89
21	\$3,593	\$3,773	\$3,965	\$4,165	\$4,376	\$4,597
	\$20.72	\$21.77	\$22.87	\$24.05	\$25.26	\$26.53
22	\$3,680	\$3,867	\$4,063	\$4,269	\$4,485	\$4,712
	\$21.24	\$22.31	\$23.45	\$24.63	\$25.89	\$27.20
23	\$3,773	\$3,965	\$4,165	\$4,376	\$4,597	\$4,831
	\$21.78	\$22.87	\$24.05	\$25.26	\$26.53	\$27.88
24	\$3,867	\$4,063	\$4,269	\$4,485	\$4,712	\$4,951
	\$22.31	\$23.45	\$24.63	\$25.89	\$27.20	\$28.55
25	\$3,965	\$4,165	\$4,376	\$4,597	\$4,831	\$5,075
	\$22.87	\$24.05	\$25.26	\$26.53	\$27.88	\$29.29
26	\$4,063	\$4,269	\$4,485	\$4,712	\$4,951	\$5,202
	\$23.45	\$24.63	\$25.89	\$27.20	\$28.55	\$30.02
27	\$4,165	\$4,376	\$4,597	\$4,831	\$5,075	\$5,333
	\$24.05	\$25.26	\$26.53	\$27.88	\$29.29	\$30.76

Monterey Peninsula Community College District CLASSIFIED SALARY SCHEDULE

2017-2018

28	Step A \$4,269 \$24.63	Step B \$4,485 \$25.89	Step C \$4,712 \$27.20	Step D \$4,951 \$28.55	Step E \$5,202 \$30.02	Step F \$5,465 \$31.53
29	\$4,376	\$4,597	\$4,831	\$5,075	\$5,333	\$5,602
	\$25.26	\$26.53	\$27.88	\$29.29	\$30.76	\$32.33
30	\$4,485	\$4,712	\$4,951	\$5,202	\$5,465	\$5,741
	\$25.89	\$27.20	\$28.55	\$30.02	\$31.53	\$33.12
31	\$4,597	\$4,831	\$5,075	\$5,333	\$5,602	\$5,885
	\$26.53	\$27.88	\$29.29	\$30.76	\$32.33	\$33.97
32	\$4,712	\$4,951	\$5,202	\$5,465	\$5,741	\$6,032
	\$27.20	\$28.55	\$30.02	\$31.53	\$33.12	\$34.81
33	\$4,831	\$5,075	\$5,333	\$5,602	\$5,885	\$6,182
	\$27.88	\$29.29	\$30.76	\$32.33	\$33.97	\$35.68
34	\$4,951	\$5,202	\$5,465	\$5,741	\$6,032	\$6,338
	\$28.55	\$30.02	\$31.53	\$33.12	\$34.81	\$36.58
35	\$5,075	\$5,333	\$5,602	\$5,885	\$6,182	\$6,496
	\$29.29	\$30.76	\$32.33	\$33.97	\$35.68	\$37.49
36	\$5,202	\$5,465	\$5,741	\$6,032	\$6,338	\$6,659
	\$30.02	\$31.53	\$33.12	\$34.81	\$36.58	\$38.41
37	\$5,333	\$5,602	\$5,885	\$6,182	\$6,496	\$6,826
	\$30.76	\$32.33	\$33.97	\$35.68	\$37.49	\$39.36
38	\$5,465	\$5,741	\$6,032	\$6,338	\$6,659	\$6,995
	\$31.53	\$33.12	\$34.81	\$36.58	\$38.41	\$40.35
39	\$5,602	\$5,885	\$6,182	\$6,496	\$6,826	\$7,171
	\$32.33	\$33.97	\$35.68	\$37.49	\$39.36	\$41.37
40	\$5,741	\$6,032	\$6,338	\$6,659	\$6,995	\$7,351
	\$33.12	\$34.81	\$36.58	\$38.41	\$40.35	\$42.41

Effective Date: January 1, 2018 with 1.0% increase Board Approved Date: December 20, 2017

Monterey Peninsula Community College District CLASSIFIED SALARY SCHEDULE

2017-2018

	RANGE		RANGE
Academic Curriculum Scheduling & Catalog Technician	20	Library Specialist-Circulation Desk	10
Accommodations Specialist	13	Library Specialist-Interlibrary Loans, Periodicals & Circulation Desk	12
Accounting Specialist	12	Library Specialist-Technical Services	17
Accounting Specialist II	17	Library Systems Technology Coordinator	26
Accounting Specialist III	20	Maintenance Specialist	20
Administrative Assistant I	7	Matriculation Services Specialist	9
Administrative Assistant II	11	Matriculation Services Specialist, Senior	13
Administrative Assistant III	18	Matriculation/Articulation Technician	29
Administrative Assistant III- Faculty Assignments	19	Network Engineer	33
Admissions & Records Specialist	10	Network Technician	26
Art Gallery Specialist	15	Online Instructional Technology Specialist	26
Art Studio Specialist	14	Payroll Analyst	20
Athletic Trainer	28	Pool Operator/Groundskeeper	10
Athletics & Division Office Manager	19	Program Coordinator-Business Skills Center	22
Athletics & PE Equipment Specialist	7	Program Coordinator-International Student Program	22
Attendance Accounting Specialist	18	Program Coordinator-Older Adult & Continuing Education	20
Automotive Laboratory Manager	18	Program Coordinator-Reading Center	29
Campus Security Officer	10	Programmer Analyst	30
Career/Transfer Resource Coordinator	18	Programs Specialist- Upward Bound	14
Categorical Services Coordinator	Dublic Information/Complice 9 Dublications Durchartions		22
Categorical Services Coordinator II	22	Public Relations/ Publications Production Specialist	18
Ceramics Studio Specialist	14	Purchasing Coordinator	23
College Receptionist	5	Records Evaluator	15
CurricuNET Specialist	18	Re-Entry & Multicultural Resource Center Coordinator	22
Custodian	6	Re-Entry Counseling Services Specialist	17
Custodian-Lead	8	Reprographics Technician	11
Division Office Manager	18	Scheduling Technician	20
Early Childhood Education Lab Mentor	23	Sciences Laboratory Manager	23
Food Preparer	7	Shipping/Receiving Specialist	8
Groundskeeper	8	Student Activities Coordinator	18
Health Services Specialist	14	Student Financial Services Coordinator	22
Information Technology Support Technician	23	Student Financial Services Outreach Coordinator	22
Instructional Specialist-Theater-Master Carpenter	20	Theater Management Specialist	14
Instructional Specialist	14	Tutorial Site Coordinator- TRIO/Upward Bound	14
Instructional Technology Specialist	22	Unit Office Manager, Admissions & Records	18
Instructional Technology Specialist – Nursing	23	Unit Office Manager, Child Development Center	18
Job Center Coordinator	14	Unit Office Manager, EOPS / CARES	18
Laboratory Specialist I	14	Unit Office Manager, Facilities	18
Laboratory Specialist II	17	Unit Office Manager, Library	18
Library Circulation Desk Coordinator	17	Unit Office Manager, Marina Ed. Ctr.	18
Library Operations Coordinator	26	Unit Office Manager, Public Safety Training Ctr.	18

Board Approved: June 29, 2017

Governing Board Agenda

January 24, 2018

New Bu	siness	Agenda	Item	No.	Н
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Human Resources
College Area

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That the Governing Board approves the Confidential Salary Schedule effective January 1, 2018 reflecting a 1% increase.

Background:

X

Monterey Peninsula Community College District and Monterey Peninsula College Employees Association, Chapter #245 negotiated and agreed to increase the Classified Salary Schedule by 1% effective January 1, 2018.

Historically, unrepresented permanent employee groups have received salary increases equitable to bargaining unit members.

Budgetary Implications:

Schedule effective January 1, 2018 reflecting a 1% increase.

The costs are included in the 2017-2018 budget and are estimated at \$3,243 for unrestricted general funds.

RESOLUTION: BE IT RESOLVED, that the Governing Board approves the Confidential Salary

Prepared By:

Dr. Walter Tribley, Superintendent/President

Susan Kitagawa, Associate Dean of Human Resources

Agenda Approval:

Dr. Walter Tribley, Superintendent/President

Monterey Peninsula Community College District CONFIDENTIAL SALARY SCHEDULE

2017-2018 Effective January 1, 2018

Title	Α	В	С	D	E	F
Administrative Assistant IV to the Vice	3,680	3,867	4,063	4,269	4,485	4,712
President for Academic Affairs	21.24	22.31	23.45	24.63	25.89	27.20
Administrative Assistant IV to the Vice	3,680	3,867	4,063	4,269	4,485	4,712
President for Administrative Services	21.24	22.31	23.45	24.63	25.89	27.20
Administrative Assistant IV to the Vice	3,680	3,867	4,063	4,269	4,485	4,712
President for Student Services	21.24	22.31	23.45	24.63	25.89	27.20
Budget and Operations Analyst	4,485	4,712	4,951	5,202	5,465	5,741
Budget and Operations Analyst	25.89	27.20	28.55	30.02	31.53	33.12
Executive Assistant to the President	4,165	4,376	4,597	4,831	5,075	5,333
	24.05	25.26	26.53	27.88	29.29	30.76
Human Resources Technician	3,175	3,335	3,504	3,680	3,867	4,063
Traman resources recriment	18.33	19.25	20.22	21.24	22.31	23.45
Human Resources Analyst	4,485	4,712	4,951	5,202	5,465	5,741
Human Resources Analysi	25.89	27.20	28.55	30.02	31.53	33.12
Human Resources Benefits and	3,504	3,680	3,867	4,063	4,269	4,485
Retirement Coordinator	20.22	21.24	22.31	23.45	24.63	25.89
Human Resources Specialist	3,419	3,593	3,773	3,965	4,165	4,376
Transactive opening	19.73	20.72	21.77	22.87	24.05	25.26

Confidential Stipend of 5% is paid to all confidential employees in addition to the above salary amounts.

Notes:

- 1. Retroactive Pay. Retroactive pay is not paid to hourly, temporary staff.
- 2. Each employee shall be granted a non-cumulative longevity stipend per month as described below beginning in the first month of the employee's eighth (8th) year of continuous employment, and at the beginning of each subsequent fifth (5th) year thereafter up to the maximum. Stipends are pro-rated for part-time employees. A maximum of four (4) longevity stipends will be granted at the beginning of years 8, 13, 18 and 23 of continuous employment. The amounts listed below are the total amounts paid at the designated service period; they are not added together. The maximum longevity stipend, at the beginning of 23 years of service, will be \$360.00 per month.

3.

Beginning Year:	Total Monthly
	Increment
Eight (8)	\$6 0
Thirteen (13)	\$140
Eighteen (18)	\$240
Twenty-three (23)	\$360

Effective Date: January 1, 2018 with 1.0% increase

Board Approved: December 20, 2017

Governing Board Agenda

January 24, 2018

New Business Agenda Item N	۱O.	I
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Human Resources
College Area

Proposal:

That the Governing Board approves the Management-Supervisory Salary Schedule effective January 1, 2018 reflecting a 1% increase.

Background:

Monterey Peninsula Community College District and Monterey Peninsula College Employees Association, Chapter #245 negotiated and agreed to increase the Classified Salary Schedule by 1% effective January 1, 2018.

Historically, unrepresented permanent employee groups have received salary increases equitable to bargaining unit members.

Budgetary Implications:

The costs are included in the 2017-2018 budget and are estimated at \$6,085 for unrestricted general funds and \$846 for restricted funds.

RESOLUTION: BE IT RESOLVED, that the Governing Board approves the Management-Supervisory Salary Schedule effective January 1, 2018 reflecting a 1% increase.

Recommended By:	Wath a rull	
	Dr. Walter Tribley, Superintendent/President	
	1	
Prepared By:	Lucan Kitagawa	
	Susan Kitagawa, Associate Dear of Human Resources	
Anacon stranger	Colf o Tolla	
Agenda Approval:	was a rain	
	Dr. Walter Tribley, Superintendent/President	

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MANAGEMENT-SUPERVISORY SALARY SCHEDULE

2017-2018 Effective January 1, 2018

Classification	Range
Assistant to the Superintendent/President	57
Associate Researcher	50
Controller	52
Custodial/ Evening Site Supervisor	40
Director of Security and Emergency Operations	57
Director, Admissions and Records	60
Director, Children's Center	44
Director, Information Systems	67
Director, Institutional Research	57
Director, Marketing and Communications	60
Director, Student Financial Services	52
Facilities Operations Supervisor	45
Systems and Programming Manager	57
Theater Technical Director	45

All positions are overtime exempt.

1. Effective April 1, 2000, the career longevity increment will be changed from a percentage rate to a non-cumulative flat rate of \$55.00 per month in pay beginning the first month of the employee's eighth (8th) year of full-time employment in the District, and at the beginning of each subsequent fifth (5th) year thereafter. A maximum of four (4) longevities steps will be granted at the beginning of year 8, 13, 18 and 22 beyond the date of hire for continuous employment. The maximum longevity increment, at 22 years of service, will be \$220.00 per month. Board Approved 3/28/00.

Those employees who have earned Longevity Increments under a previous longevity program, will have the actual dollar amount frozen and will continue to receive the actual dollar value of the increment(s). The dollar amount will remain constant until that amount is equal to or less than the longevity increment program amount described above. The employee will then receive the longevity amount available under the new program.

2. Employees who earned Professional Growth increments (5% of base salary for each increment, up to a maximum of 5 increments), prior to March 30, 2006, will continue to receive these increments. Awards of new or additional Professional Growth increments are not available after March 30, 2006.

Effective Date:

January 1, 2018 with a 1.0% increase

Board Approval:

December 20, 2017

Monterey Peninsula Community College District MANAGEMENT-SUPERVISORY SALARY SCHEDULE

2017-2018

Effective January 1, 2018

30 31 32 33 34 35 36 37 38	3,171 3,254 3,334 3,412 3,500 3,590	3,329 3,416 3,499 3,582 3,676	3,495 3,588 3,675 3,763	3,669 3,767 3,859	3,856 3,956	30 31
31 32 33 34 35 36 37	3,254 3,334 3,412 3,500 3,590	3,416 3,499 3,582	3,588 3,675	3,767		
32 33 34 35 36 37	3,334 3,412 3,500 3,590	3,499 3,582	3,675		3,900	J 1
33 34 35 36 37	3,412 3,500 3,590	3,582		ുരാഷ	4.054	32
34 35 36 37	3,500 3,590		3,763		4,051	33
35 36 37	3,590	3,676		3,950	4,148	34
36 37			3,860	4,053	4,255	
37		3,771	3,959	4,156	4,363	35
	3,669	3,856	4,048	4,248	4,461	36
338	3,764	3,954	4,150	4,358	4,575	37
	3,845	4,038	4,296	4,451	4,674	38
39	3,950	4,148	4,357	4,574	4,803	39
40	4,047	4,248	4,461	4,682	4,917	40
41	4,148	4,357	4,573	4,802	5,043	41
42	4,248	4,461	4,682	4,920	5,164	42
43	4,360	4,577	4,808	5,048	5,297	43
44	4,461	4,682	4,917	5,164	5,423	44
45	4,573	4,800	5,042	5,291	5,556	45
46	4,689	4,925	5,168	5,428	5,700	46
47	4,790	5,029	5,281	5,546	5,821	47
48	4,912	5,158	5,417	5,685	5,970	48
49	5,040	5,290	5,555	5,834	6,125	49
50	5,168	5,428	5,700	5,983	6,285	50
51	5,290	5,554	5,833	6,123	6,431	51
52	5,420	5,687	5,972	6,274	6,587	52
53	5,556	5,835	6,127	6,433	6,754	53
54	5,692	5,977	6,275	6,589	6,917	54
55	5,834	6,125	6,432	6,753	7,091	55
56	5,978	6,278	6,590	6,920	7,266	56
57	6,123	6,431	6,750	7,090	7,441	57
58	6,280	6,593	6,922	7,268	7,633	58
59	6,436	6,759	7,098	7,452	7,824	59
60	6,593	6,922	7,268	7,633	8,012	60
61	6,763	7,104	7,457	7,830	8,222	61
62	6,931	7,104	7,437	8,022	8,426	62
63	7,101					63
64		7,455 7,641	7,828	8,219	8,630	64
65	7,277		8,023	8,426	8,847	65
66	7,461	7,834	8,225	8,637	9,069	66
67	7,639 7,819	8,023 8,211	8,422 8,621	8,844 9,052	9,287 9,506	67

Governing Board Agenda

January 24, 2018

New Business Agenda Item N	No.	J
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Human Resources
College Area

Proposal:

That the Governing Board approves the Administrative Salary Schedule effective January 1, 2018 reflecting a 1% increase.

Background:

Monterey Peninsula Community College District and Monterey Peninsula College Employees Association, Chapter #245 negotiated and agreed to increase the Classified Salary Schedule by 1% effective January 1, 2018.

Historically, unrepresented permanent employee groups have received salary increases equitable to bargaining unit members.

Budgetary Implications:

The costs are included in the 2017-2018 budget and are estimated at \$8,772 for unrestricted general funds and \$3,416 for restricted funds.

RESOLUTION: BE IT RESOLVED, that the Governing Board approves the Administrative Salary Schedule effective January 1, 2018 reflecting a 1% increase.

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Recommended By:	Dr. Walter Tribley, Superintendent/Fresident	
Prepared By:	Susan Kitagawa, Associate Dean of Human Resources	
Agenda Approval:	Dr. Walter Tribley, Superintendent/President	

ADMINISTRATIVE SALARY SCHEDULE

2017-2018 Effective - January 1, 2018

Title	Step 1	Step 2	Step 3	Step 4*	Step 5*
Director	6,846	7,121	7,405	7,702	8,010
Assistant Dean	7,850	8,180	8,502	8,852	9,196
Associate Dean	9,238	9,574	9,906	10,253	10,600
Dean	9,759	10,089	10,421	10,771	11,118
Administrative Dean	10,282	10,646	11,021	11,371	11,718
Vice President	10,877	11,241	11,616	11,961	12,314

^{*}Advancement to Steps 4 and 5 requires three years full time service at the previous step.

Notes:

- 1. The above are twelve month contracts.
- Twenty-two working days of vacation are authorized each year, with an accrual maximum of 44 days.
- 3. An additional ten working days are authorized beyond the normal vacation for study, travel and general professional improvement for Vice Presidents.
- 4. A monthly bonus of \$240 will be awarded for an earned doctorate from an accredited institution.
- 5. An additional 5% stipend will be earned by an administrator for each District negotiating team in which they have been assigned to serve.
- 6. The Superintendent/President, the Vice Presidents and the Associate Dean of Human Resources are on individual contracts.

Effective Date: January 1, 2018 with 1.00% increase

Board Approval: December 20, 2017

Governing Board Agenda

January 24, 2018

New Business Agenda Item No. K

Administrative Services
College Area

Proposal:

That the 2018-2019 nonresident tuition fee for the District be established in accordance with ECS 76140 at \$258 per semester unit, with no fee for capital outlay.

Background:

Education Code Section (ECS) 76140 requires each district board to establish the nonresident fee no later than February 1 of each year for the succeeding fiscal year. The code enumerates seven options for a district to choose from in determining its nonresident tuition fee:

- 1. 'Statewide average: \$258 per semester unit.
- 2. 'Computed district average: \$263 per semester unit.
- 3. 'Computed district average adjusted for noncredit':

The computations in 1 and 2 include all credit and noncredit courses. The cost of noncredit courses is about half the cost of credit courses; therefore, districts having 10% or more noncredit FTES may complete a separate calculation to adjust for the cost difference between credit and noncredit courses.

- 4. 'No more than contiguous districts'.
- 5. 'No more than district, no less than statewide cost'. The maximum amount is the district average cost, and the minimum amount is the statewide average cost.
- 6. 'Highest Years Statewide Average Tuition.' (ECS 76140 (e)(1)(B)). The greater amount of the calculations of statewide nonresident tuition for the succeeding year, the current year or any of the four prior years' statewide average, which is \$258 per semester unit from 2016-17.
- 7. 'No more than 12 Comparable States Average Tuition'. (ECS 76140(e)(1)(E)). No greater than the 2016-17 average nonresident tuition fee of public community colleges in a minimum of 12 states comparable to California in cost of living. This average is calculated to be \$424 per semester unit.

In addition to the nonresident tuition fee computed as specified above, ECS 76141 authorizes districts to charge nonresident students an amount based on capital outlay expenditures in the preceding year.

The District does not receive apportionment for nonresident students taking credit courses. As a result, the State allows the District to charge nonresident students a different tuition for credit courses.

Monterey Peninsula College is charging the statewide average of \$234.00 in this current year (2017-18). The District is again recommending that the current statewide average of \$258.00 be adopted as the nonresident fee for 2018-2019.

Budgetary Implications:

The nonresident tuition fee generates revenue and is intended to offset the cost of education of nonresident students taking credit courses.

RESOLUTION	: BE IT RESOLVED, That the 2018-2019 nonresident tuition fee for the District
be established in acc	cordance with ECS 76140 at \$258.00 per semester unit.
Recommended By:	David J. Martin, Vice President of Administrative Services
Prepared By:	Suzanne Ammons, Administrative Assistant
Agenda Approval:	Dr. Walter Tribley, Superintendent/President

CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE

1102 Q STREET, 4TH FLOOR SACRAMENTO, CA 95811-6549 (916) 445-8752 http://www.ccco.edu



Memorandum

December 14, 2017

Fiscal Services Memo 17-14 Via E-mail Only

TO:

Chief Business Officers
Chief Instructional Officers

FROM:

Wrenna Finche, Director

Fiscal Standards and Accountability

SUBJECT: 2018-19 Nonresident Fees need to be established by February 1, 2018

SYNOPSIS: Education Code (EC) Section 76140 requires each district governing board to establish the nonresident tuition fee not later than February 1 for the succeeding fiscal year.

Nonresident Tuition Fee. For determining your district's 2018-19 nonresident tuition fee, the 2016-17 statewide average expense of education was \$7,404 per full time equivalent student (FTES). The projected increase in the United States Consumer Price Index (USCPI) as determined by the Department of Finance is 2.4% for the 2017-18 fiscal year and 2.2% for 2018-19, for a compound factor of 1.046 against the 2016-17 statewide average expense of education (\$7,404) yields an Average cost of \$7,745 per FTES for the tuition year, or \$258 per semester unit for a 30-unit semester term academic year. For districts on the quarter system, the 45-unit quarter term academic year results in \$172 per quarter term unit.

Nonresident Tuition Fee Options. EC 76140(e) enumerates seven options for a district to choose in setting its nonresident tuition fee. These options are reflected in the enclosed worksheet as the "basis for adoption." Options 1-3 are generally well understood, but for Option 4 ("No more than contiguous district") and Option 5 ("No more than district, no less than statewide cost"), please keep in mind the following specifics:

Option 4 'No more than contiguous district'. A review of the legislative history when this option was adopted confirms that this amount <u>must be within</u> the:

<u>Fee</u> (not cost) adopted by a contiguous district (<u>Maximum</u> amount for Option #4);

AND

• <u>Cost</u> of the lesser of (1) your district's average <u>cost</u> *OR* (2) the statewide average <u>cost</u> (<u>Minimum</u> amount for Option #4).

Option 5 'No more than district, no less than statewide cost'. The maximum amount for this option is the district average cost, and the minimum amount for this option is the statewide average cost. Only an amount between these maximum and minimum amounts is allowed under this option.

Option 6 'Highest Years Statewide Average Tuition'. (EC 76140(e)(1)(B)). Use the greater of the succeeding year, the current year or any of the four prior year's statewide average nonresident tuition fee calculation, which is \$258 per semester unit or \$172 per quarter unit from 2016-2017.

Option 7 'No more than 12 Comparable States Average Tuition'. (EC 76140(e)(1)(E)). No greater than the 2016-17 average nonresident tuition fee of public community colleges in a minimum of 12 states comparable to California in cost of living. This average is calculated to be \$424 per semester unit or \$283 per quarter unit.

Nonresident Capital Outlay Fee. Pursuant to EC Section 76141 a district <u>may</u> also charge to any nonresident student (<u>except nonresident students having AB 540 status</u>) a capital outlay fee. The amount of the nonresident capital outlay fee has to be the lesser of:

- the amount that was expended by the district for capital outlay in the preceding fiscal year divided by the total full-time equivalent student (FTES) of the district in the preceding fiscal year; OR
- 50% of the 2016-17 nonresident tuition fee adopted pursuant to EC 76140.

Processing Fee for Students from Foreign Countries. Pursuant to EC 76142 a district <u>may</u> charge nonresident applicants who are both citizens and residents of a foreign country a processing fee not to exceed the lesser of (1) the actual cost of processing an application and other documentation required by the federal government **OR** (2) \$100, which may be deducted from the tuition fee at the time of enrollment.

Exemptions to these fees. Various exemptions to these fees are provided in the law. Please click on the following web links to EC Sections 76140-76143 and a related legal opinion to learn more about these exemptions:

http://Ed Code Non-Res

http://AB540 and Non-Res Capital Outlay Fee

Tuition Fee Worksheet. A worksheet for computing the nonresident tuition and capital outlay fees is enclosed. The comparable information for all districts used to derive the statewide average expense of education per FTES for 2016-17 is also enclosed for your reference.

ACTION/DATE REQUESTED: Please complete and return by <u>February 15, 2018</u> a copy of the enclosed worksheet and provide information on the 2018-19 nonresident tuition and capital outlay fees adopted by your district governing board by February 1, 2018.

CONTACT: If you have any questions or comments regarding this memorandum, please contact Michael Yarber at (916) 327-6818 or myarber@ccco.edu.

California Community Colleges

2018-19 Nonresident Fees Worksheet

NONRESIDENT TUITION FEE CALCULATIONS FOR OPTIONS 1 THROUGH 7

	2018-19 NONRESIDENT TUITION FEE (EC 76140)	(Col. 1) Statewide	(Col. 2) District	(Col. 3) 10% or More Noncredit FTES
A.	Expense of Education for Base Year (2016-17 CCFS 311, Expenditures by Activity Report, AC 0100-6700, Cols: 1-3)	\$8,691,115,474	\$ <u>51,678,993</u>	\$
В.	Annual Attendance FTES (Recal 2016-17)	<u>1,173,780</u>	6,854.64	
c.	Average Expense of Education per FTES (A ÷ B)	\$ <u>7,404</u>	\$7,539.27	\$
D.	U.S. Consumer Price Index Factor (2 years)	x <u>1.046</u>	<u>x 1.046</u>	<u>x 1.046</u>
E.	Average Cost per FTES for Tuition Year (C x D)	\$ <u>7,745</u>	\$ <u>7,886</u>	\$
F.	Average Per Unit Nonresident Cost – Semester (Qtr)	\$ <u>258</u> (\$ <u>172</u>)	\$ 263	\$
G.	Highest year Statewide average – Semester (Qtr)	\$ <u>258</u> (\$ <u>172</u>)	\$	\$
Н.	Comparable 12 state average – Semester (Qtr)	\$ <u>424</u> (\$ <u>283</u>)	\$	\$

Annual Attendance FTES includes all student contact hours of attendance in credit and noncredit courses for resident and nonresident students; Round tuition fee to the nearest dollar.

Column 3 is an option for use by a district with ten percent or more noncredit FTES (Section 76140(e)(1)(A)). If your district qualifies, then fill out this column with noncredit FTES and noncredit expense of education data excluded.

NONRESIDENT TUITION FEE CALCULATIONS FOR OPTIONS 6 OR 7

Option 6. The greater amount of the calculations of statewide nonresident tuition for 2013-14 through 2016-17 is \$258 per semester unit or \$172 per quarter unit (2016-17).

Option 7. The average of the nonresident tuition fees of public community colleges in 2016-17 of no less than 12 states comparable to California in cost of living is \$424 per semester unit or \$283 per quarter unit.

Requirement for Use of Option 6 or 7: The additional revenue generated by the increased nonresident tuition permitted under options 6 or 7 shall be used to expand and enhance services to resident students (EC 76140(e)(2)). Districts meeting one or more criteria below shall be considered in compliance with the requirements of EC 76140(e)(2). Please check all that apply:

III C	compliance with the requirements of EC 70140(e)(2). Hease check all that apply.
	Revenue from nonresident tuition was less than 5% of total general fund revenue.
	Actual resident FTES was greater than funded resident FTES.
	Percent expenditures for counseling and student services were greater than statewide average
	(AC 6300 plus 6400 divided by AC 0100-6700, Cols. 1-3).
	Percent expenditures for instructional services were greater than statewide average (AC 0100-
	5900 divided by AC 0100-6700, Cols. 1-3.

Continue to next page ▶

The district governing board at its <u>January, 24</u> , <u>2018</u> meeting adopted a <u>nonresident tuition</u>
fee of \$ 258 per semester unit or \$ per quarter unit.
Basis for adoption is (<i>place an X in one box only</i>). X 1. Statewide average cost, per column 1. 2. District average cost, per column 2. 3. District average cost with 10% or more noncredit FTES, per column 3. 4. Contiguous district
NONRESIDENT CAPITAL OUTLAY FEE (EC 76141)
For districts electing to charge a capital outlay fee to <u>any</u> nonresident student, please compute this fee as follows:
a. Capital Outlay expense for 2016-17 \$
b. FTES for 2016-17
c. Capital outlay expense per FTES (line a divided by line b)
d. Capital Outlay Fee per unit:
1. Per semester unit (line c divided by 30 units)
<u>OR</u>
2. Per quarter unit (line c divided by 45 units)
e. 2018-19 Nonresident Student Capital Outlay Fee (not to exceed the <u>lesser</u> of line d OR 50% of
adopted 2018-19 Nonresident Tuition Fee)
The district governing board at its, 20 meeting adopted a <u>nonresident</u>
capital outlay fee of \$ per semester unit or \$ per quarter unit.
Upon adoption of nonresident tuition and/or capital outlay fees by your district governing board by February 1, 2018, please submit a copy of this report by <u>February 15, 2018</u> to: California Community Colleges Chancellor's Office Fiscal Services Unit (attn. Michael Yarber)
1102 Q Street, Sacramento, CA 95811-6549 FAX (916) 323-8245
District: Monterey Peninsula Community Colleged District
Contact Person: David I Martin Vice President of Administrative Services

Contact Person: <u>David J. Martin, Vice President of Administrative Services</u>

Phone Number & email: 831-646-4040, dmartin@mpc.edu

▶ Continued from previous page

CALIFORNIA COMMUNITY COLLEGES

2018-19 Nonresident Tuition Fee

Based on 2016-17 Actual Expense of Education from CCFS-311 (AC 0100-6700; Objects of Expenditure 1000-5000)

District Code	District	2016-17 Expense of Education*	2016-17 Total FTES**	2016-17 Expense Per FTES
610	Allan Hancock	64,003,969	10,315.28	6,204.77
620	Antelope Valley Joint	78,881,041	10,701.37	7,371.12
910	Barstow	16,932,161	2,673.40	6,333.57
110	Butte-Glenn	135,814,777	10,296.40	13,190.51
410	Cabrillo	80,461,127	10,610.35	7,583.27
810	Cerritos	118,757,778	17,080.84	6,952.69
480	Chabot-Las Positas	132,853,569	16,072.17	8,266.06
920	Chaffey	108,996,287	16,725.28	6,516.86
820	Citrus	75,483,382	12,478.44	6,049.10
830	Coast	223,905,487	32,587.15	6,870.97
710	Compton	38,815,891	5,212.27	7,447.02
310	Contra Costa	208,638,770	26,516.22	7,868.35
970	Copper Mountain	15,444,515	1,424.95	10,838.64
930	Desert	63,394,603	8,888.56	7,132.16
720	El Camino	132,736,144	18,898.47	7,023.64
120	Feather River	17,735,057	1,905.46	9,307.49
420	Foothill-DeAnza (quarter system)	247,238,516	30,581.27	8,084.64
440	Gavilan	39,041,510	5,420.38	7,202.73
730	Glendale	104,268,511	16,422.44	6,349.15
20	Grossmont-Cuyamaca	149,888,630	19,948.40	7,513.82
450	Hartnell	53,039,796	7,431.72	7,136.95
30	Imperial	50,266,169	6,914.39	7,269.79
520	Kern	135,032,159	21,976.33	6,144.44
220	Lake Tahoe (quarter system)	16,481,410	1,826.17	9,025.12
130	Lassen	15,283,451	1,758.87	8,689.36
840	Long Beach	137,992,305	21,382.31	6,453.57
740	Los Angeles	775,231,501	111,807.34	6,933.64
230	Los Rios	360,980,142	53,503.03	6,746.91
330	Marin	57,238,819	3,850.01	14,867.19
140	Mendocino-Lake	25,597,378	3,149.34	8,127.85
530	Merced	68,287,430	9,744.69	7,007.66
50	Mira Costa	107,260,603	11,489.94	9,335.18
460	Monterey Peninsula	51,678,993	6,854.64	7,539.27
850	Mt. San Antonio	205,587,159	31,932.42	6,438.20
940	Mt. San Jacinto	79,154,042	12,522.68	6,320.85
240	Napa Valley	41,374,791	5,388.07	7,678.96

District Code	District	2016-17 Expense of Education*	2016-17 Total FTES**	2016-17 Expense Per FTES
860	North Orange County	293,308,189	38,089.23	7,700.55
430	Ohlone	59,746,411	8,932.29	6,688.81
950	Palo Verde	16,832,323	2,102.26	8,006.78
60	Palomar	139,526,809	18,794.55	7,423.79
770	Pasadena	162,024,466	25,739.11	6,294.87
340	Peralta	185,067,476	17,393.82	10,639.84
870	Rancho Santiago	210,216,106	28,238.46	7,444.32
160	Redwoods	32,900,691	4,272.77	7,700.08
880	Rio Hondo	91,719,957	11,769.09	7,793.29
960	Riverside	203,222,971	30,376.33	6,690.18
980	San Bernardino	116,010,671	14,389.53	8,062.16
70	San Diego	314,363,785	44,751.54	7,024.65
360	San Francisco	207,784,960	21,589.96	9,624.15
550	San Joaquin Delta	106,187,401	13,722.69	7,738.09
470	San Jose-Evergreen	118,708,360	12,187.20	9,740.41
_640	San Luis Obispo County (Ut 5 7 9	56,915,246	7,283.50	7,814.27
370	San Mateo County	171,995,137	18,046.73	9,530.54
650	Santa Barbara	111,910,349	14,635.40	7,646.55
660	Santa Clarita	110,336,288	16,945.41	6,511.28
780	Santa Monica	189,981,824	27,807.32	6,832.08
560	Sequoias	63,089,471	9,790.62	6,443.87
170	Shasta-Tehama-Trinity	49,780,352	7,432.86	6,697.33
270	Sierra Jt.	93,823,086	13,009.37	7,211.96
180	Siskiyou Jt.	23,615,124	2,658.75	8,882.04
280	Solano	55,523,844	6,591.23	8,423.90
260	Sonoma	137,620,174	17,011.00	8,090.07
890	South Orange County	203,171,576	29,117.27	6,977.70
90	Southwestern	107,199,578	16,271.21	6,588.30
570	State Center	196,873,609	27,697.74	7,107.93
680	Ventura	182,059,404	25,777.22	7,062.80
990	Victor Valley	76,829,719	9,855.95	7,795.26
580	West Hills	46,072,613	5,725.21	8,047.32
690	West Kern	29,994,789	2,698.53	11,115.23
490	West Valley	110,648,873	13,429.37	8,239.32
590	Yosemite	124,430,569	15,628.46	7,961.79
290	Yuba	57,845,400	7,727.23	7,485.92
	Totals	\$8,691,115,474	1,173,780	\$7,404

^{* &}quot;Expense of Education" is defined in the Budget and Accounting Manual as including all General Fund expenditures, restricted and unrestricted, for all objects of expenditure 1000 through 5000 and all expenditures of activity from 0100 through 6700. For the purposes of calculating the Nonresident Tuition Fee, Expense of Education is different than the 50% Law "current expense of education".

** Includes credit and noncredit FTES for resident and nonresident students.

2018-19 Nonresident tuition calc

			<u>Gavilan (Non</u>				
	Name of district	Statewide	contiguous)	<u>Hartnell</u>	Cuesta	Cabrillo	MPCCD
	Calculated rate per State formula						
	Expense of Education For Base Year (2016-17 CCFS 311,						
Α	Expenditures by Activity Report, AC 0100-6700, Cols: 1-3)	8,691,115,474	39,041,510	53,039,796	\$56,915,246	\$80,461,127	\$51,678,993
В	Annual Attendance FTES (Recal 2016-17)	1,173,780	5,420	7,432	\$7,284	\$10,610	\$6,855
С	Average Expense of Education per FTES	7,404	7,203	7,137	\$7,814	\$7,583	\$7,539
D	US Consumer Price Index Facter (2 years)	1.046	1.046	1.046	\$1.046	\$1.046	\$1.046
Ε	Average Cost per FTES for Tuition Year (CxD)	7,745	7,534	7,465	8,174	7,932	7,886
F	Average Per Unit Nonresident Cost - Semester	258	251	249	272	264	263
Z	Average Expense of Education per FTES (A ÷ B)	\$7,404	\$7,203	\$7,137	\$7,814	\$7,583	\$7,539
	Difference (C-Z) Test for accuracy	\$0	\$0	\$0	\$0	\$0	\$0

Manual input from CCCCO form 2017-18 Nonresident Tuition Fee

Governing Board Agenda

January 24, 2018

New	Business	Agenda	Item	No.	L
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Fiscal Services
College Area

2004 GMC Van, VIN	erning Board declares as surplus the following two 2004 GMC 12 passenger vans: 1GJHG39U841156057 1GJHG39U441156573
	e purchased by MPC in 2004 and are now surplus to our program. These vans will be ransition Center for \$2,000 each.
Budgetary Implicati None.	ons:
	BE IT RESOLVED, that the Governing Board declares as surplus the two 2004 s and direct the disposal of these items in accordance with Board guidelines and irements.
Recommended By:	David J. Martin, Vice President of Administrative Services
Prepared By:	Mary Weber/Purchasing Coordinator
Agenda Approval:	Dr. Walter Tribley, Superintendent/President

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agenda Item No. M

Administrative Services College Area

Proposal:

That the Governing Board appoint Mr. David J. Martin, Vice President of Administrative Services as the District's primary representative and reappoint Dr. Walter Tribley, Superintendent/President as the District's alternate representative to the Bay Area Community College District's Pool-JPA for Property and Liability, for Monterey Peninsula College, effective February 1, 2018.

Background:

Budgetary Implications:

The District is a member of the Bay Area Community College District JPA for Property and Liability, which holds quarterly meetings organized by Keenan & Associates. In the event that the primary representative for Monterey Peninsula College is unavailable to attend, an alternate representative should be named.

RESOLUTION: BE IT RESOLVED, That the Governing Board appoint Mr. David J. Martin, V.	Vice
President of Administrative Services as the District's primary representative and reappoint Dr. Wa	alter
Tribley, Superintendent/President as the District's alternate representative to the Bay Area Commu	ınity
College District's Pool-JPA for Property and Liability, for Monterey Peninsula College, effective Februar	ry 1,
2018.	
Prepared By: Suzanne Ammons, Administrative Assistant	
Agenda Approval: Dr. Walter Tribley, Superintendent/President	

None

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agenda Item No. I	New	Business	Agenda	Item	No.	N
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Administrative Services
College Area

Proposal:

That the Governing Board appoint Mr. David J. Martin, Vice President of Administrative Services as the District's primary representative and reappoint Susan Kitagawa, Associate Dean of Human Resources, as the District's alternate representative to the Northern California Community College Pool-JPA for Workers Compensation, for Monterey Peninsula College effective February 1, 2018.

Background:

The District is a member of the Northern California Community College Pool-JPA for Workers Compensation, which holds quarterly meetings organized by Keenan & Associates. In the event that the primary representative is unavailable to attend, an alternate representative for Monterey Peninsula College should be named.

Budgetary Implications:

None

RESOLUTION: BE IT RESOLVED, That the Governing Board appoint Mr. David J. Martin, Vice
President of Administrative Services as the District's primary representative and reappoint Susan Kitagawa,
Associate Dean of Human Resources, as the District's alternate representative to the Northern California
Community College Pool-JPA for Workers Compensation, for Monterey Peninsula College effective
February 1, 2018.
Prepared By: Suzanne Ammons, Administrative Assistant
12 00 5.00

Agenda Approval:

Dr. Walter Tribley, Superintendent/President

Monterey Peninsula Community College District Governing Board Agenda

January 24, 2018

New Business Agenda Item No. O

Advancement
College Area

Proposal:

To enter into an Agreement with MATE Inspiration for Innovation (MATE II).

Background:

MPC administers the Marine Advanced Technology Education (MATE) Center, funded by the National Science Foundation.

The MATE Center conducts remotely operated vehicle (ROV) competitions and operates the SeaMATE Enterprise, an online store that provides products such as textbooks and robotic kits, as well as work experience for college students.

With prior Board approval, a separate nonprofit organization, MATE II, was established in 2016 for the purpose of co-administering the ROV competitions with the MATE Center, to raise funds to support the competitions, and to eventually assume responsibility for the SeaMATE Enterprise.

The attached Memorandum of Agreement has been written to formalize the roles, rights, and mutual benefits of the relationship between MPC and MATE II.

Budgetary Implications:

None.

RESOLUTION: BE IT RESOLVED, that the Memorandum of Agreement with MATE Inspiration for Innovation be approved as proposed.

Recommended By:

Beccie Michael, Vice President, Advancement

Prepared By:

Beccie Michael, Vice President, Advancement

Agenda Approval:

Dr. Walter Tribley, Superintendent/President

MEMORANDUM OF AGREEMENT BETWEEN MONTEREY PENINSULA COLLEGE AND MATE INSPIRATION FOR INNOVATION

THIS MEMORANDUM OF AGREEMENT (this "Agreement") is made and entered effective as of ______, 2017, by and between Monterey Peninsula College, a California public community college ("MPC"), and MATE INSPIRATION FOR INNOVATION, a California nonprofit public benefit corporation ("MATE II"), with reference to the following facts:

RECITALS

- A. MPC is a public community college that administers The Marine Advanced Technology Education (MATE) Center commonly known as "The MATE Center."
- B. The MATE Center is engaged, among other things, in developing and providing educational programs that focus on marine technology. The MATE Center has developed curricula, conducted regional and international underwater remotely operated vehicle ("ROV") competitions (the "ROV Competitions"), and has operated the SeaMATE social enterprise, an online store that provides community college students with work experience while creating products, including, without limitation, robotics kits, textbooks, and promotional clothing, for educational purposes (the "SeaMATE Enterprise").
- C. MATE II was organized in October 2016 as a separate nonprofit public benefit corporation for purpose of co-administering the ROV Competitions and soliciting funds to support the ROV Competitions from sources that do not provide grants to public educational institutions. MATE II was also formed with the intent that it would, over time, assume administration of the ROV Competitions and operation of the SeaMATE Enterprise. Such intent is reflected in a certain Memorandum of Agreement entered into between MPC and MATE II dated November 8, 2016.
- D. MPC and MATE II are entering into this Agreement to reflect that, upon completion of the National Science Foundation grant received by The MATE Center on or about July 15, 2015, Grant No. "1502046" (the "NSF Grant") or such other date as determined pursuant to this Agreement, MATE II will assume all responsibility for (i) the administration and operation of the ROV Competitions, and (ii) the operation of the SeaMATE Enterprise.
- E. This Memorandum of Agreement is further entered into to effect the assignment and/or license to MATE II of certain intellectual property as necessary or appropriate in connection with the programs and activities to be assumed and operated by MATE II.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration the receipt and adequacy which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Assignment of Rights to Copyrightable Works. Effective as of the date of this Memorandum, MPC hereby assigns and transfers to MATE II all right, title and interest in the textbook known as <u>Underwater Robotics: Science, Designs & Fabrications</u>, by Dr. Stephen W. Moore, Harry Bohm and Vickie Jensen, with design and illustrations by Nora Johnston, © 2010 Marine Advanced Technology (MATE) Center, including, without limitation, the copyright thereto, and all proceeds derived therefrom from

and after the date of this Agreement. Further, MPC agrees to execute such further agreements and instruments as may be necessary or appropriate to effect the above assignment.

- 2. Grant of License. Effective as of the date of this Memorandum, MPC hereby grants to MATE II an irrevocable, royalty free, non-exclusive, worldwide license to use all trade names, trademarks, service marks, logos, domain names and other intellectual property (including, without limitation, any registrations or applications) used or developed in connection with the operation of the ROV Competitions and SeaMATE Enterprise, whether now or hereafter existing, including, without limitation, all rights in the trade names, trademarks, service marks, logos and domain names listed on Exhibit A to this Agreement (collectively, the "Intellectual Property"). MATE II shall have the right to sublicense the right to use such Intellectual Property to the Regional Coordinators who host and coordinate the ROV Competitions internationally and to such other persons or entities as appropriate for purposes of promoting and otherwise conducting such ROV Competitions. At the request of MATE II, MPC agrees to execute such further instruments and agreements as necessary or desirable to effect the above grant of rights, including specifically and without limitation, the grant of a license to use any trade names, trademarks, service markets, logos and other domain names and intellectual property developed in connection with the promotion and operation of the ROV competitions from and after the effective date of this Memorandum.
- 3. Assumption of Program Administration, Activities and Operations. Effective as of completion of the NSF Grant or such other date as determined below (the "Transfer Date"), MATE II shall assume all responsibility for the administration of the ROV Competitions and operation of the SeaMATE Enterprise. In light of the fact that the performance by MPC of the NSF Grant may be extended beyond the current estimated June 30, 2020 grant completion date, MPC and MATE II hereby agree that the above transfer of programs, activities and operations shall occur no later than June 30, 2020, unless it is determined that the terms and conditions of the NSF Grant prohibit such transfer and assignment as of such date. In such event, the transfer shall occur as soon thereafter as permissible by terms of the NSF grant. Effective as of the Transfer Date, MPC shall assign, transfer and convey to MATE II all inventory-on-hand and receivables associated with SeaMATE Enterprise without further consideration therefor.
- **4. Amendment.** This Memorandum of Agreement may not be modified or amended without the consent of both parties.
- 5. Binding on Successors. This Memorandum of Agreement shall be binding on and inure to the benefit of the parties' successors and assigns.
- **6. Governing Law.** This Memorandum of Agreement shall be construed in accordance with the law of the State of California.
- 7. Counterparts. This Agreement may be executed in two or more counterparts, which each constituting an original and all together constituting one and the same instrument.

IN WITNESS WHEREOF, this Agreement is executed effective as of the date first written above.

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MPC:	MATE II:
MONTEREY PENINSULA COLLEGE, a California public community college	MATE Inspiration for Innovation, a public benefit corporation
By:	By: Jill M. Zande, President

EXHIBIT A

TRADE NAMES, TRADEMARKS, SERVICE MARKS, ETC.

- 1. SeaMATE The word mark, tradename and service mark
- 2. ROV-in-a-Bag The work mark, trademark and service mark
- 3. The domain names www.seamate.org and www.marinetech.org.
- 4. The SeaMATE design logo with image of "SeaMATE" appearing in a black box on black background with box having rounded edges, and "Sea" appearing in green and "MATE" appearing in blue.
- 5. The design logo with SeaMATE design logo appearing above an image of puffer fish with the words "Puffer Fish" below.
- 6. The design logo with SeaMATE design logo appearing above an image of a trigger fish with the words "Trigger Fish" below.
- 7. The MATE Center design logo with an inverted black triangle with "MATE" appearing below in black lettering and blue circle with three stylized waves inside the circle, and all variations thereof, including the design without the words "MATE" below the triangle.

Monterey Peninsula Community College District Governing Board Agenda

January 24, 2018

New Business Agenda Item No. P

Student Services
Office

Proposal:

That the Governing Board approves the Memorandum of Understanding between The Monterey County Office of Education (MCOE), Quality Matters and Monterey Peninsula College, Child Development Center for Professional Development Stipend not to exceed \$7,000.00. This agreement for services and compensation of staff time is efective December 1, 2017 to June 30, 2018.

Background:

The Monterey County Office of Education (MCOE) will provide CSPP Agency Assessment and Access Professional Development compensation stipend not to exceed \$7,000.00. This stipend is to be utilized to compensate Quality Matters Early Care and Education teaching staff to attend an onsite 2-hour CLASS overview training with the intension of:

- Supporting teaching staff at all Quality Matters' CSPP sites in understanding CLASS tool
- Improving teacher- child interactions within Quality Matters participating CSPP centers
- Show growth within CLASS assessment classroom scores by the next rating period

Budgetary Implications:

Monterey Peninsula Community College, Child Development Center will receive the amount not to exceed \$7,000 for Professional Development compensation stipend.

Resolution:

BE IT RESOLVED, that the Governing Board approves the Memorandum Of Understanding between The Monterey County Office of Education (MCOE), Quality Matters and Monterey Peninsula College, Child Development Center for Professional Development Stipend not to exceed \$7,000.00. This agreement for services and compensation of staff time is efective December 1, 2017 to June 30, 2018.

Prepared By:

Agenda Approval:

Dr. Walter Tribley, Superintendent/President

Agenda Approval:

Agenda Approval:

Dr. Walter Tribley, Superintendent/President

MEMORANDUM OF UNDERSTANDING

Between the Monterey County Office of Education and Monterey Peninsula College

- 1. PARTIES: This Agreement is entered into by and between the Monterey County Office of Education, Quality Matters (hereinafter referred to as "MCOE") and Monterey Peninsula College, Child Development Center (hereinafter referred to as CSPP Agency "CA. STATE PRESCHOOL PROGRAM").
- 2. SERVICES: MCOE agrees to provide one or all of the following services to the CSSP Agency:
 - MCOE will provide CSPP Agency Assessment and Access Professional Development compensation stipend not to exceed \$7,000.00. This stipend is to be utilized to compensate Quality Matters Early Care and Education teaching staff to attend an onsite 2-hour CLASS overview training with the intention of:
 - o Supporting teaching staff at all Quality Matters' CSPP sites in understanding CLASS tool
 - o Improving teacher child interactions within Quality Matters participating CSPP centers
 - o Show growth within CLASS assessment classroom scores by the next rating period
- 3. **MCOE DUTIES:** MCOE shall provide the associated services to CSPP Agency and its authorized administrators/participants as follows to:
 - Provide stipend to be used solely for staff compensation for attending onsite training.
 - a. Initial distribution should be allocated in the following way:
 - i. Staff agree to attend 2-hour onsite training and are incentivized with hourly compensation
 - ii. Administrator schedules 2-hour timeframe with Quality Matters coordinator to host onsite training
 - Provide each staff member with a certificate of attendance which can be used for Professional Development hours upon the completion and receipt of a Post Training survey. These will be remitted to MCOE after the scheduled training.
- 4. **CSPP AGENCY DUTIES:** CSPP Agency Shall provide the associated services to MCOE in connection with the agreement:
 - Schedule 2-hour staff training with Quality Matters coordinator prior to May 18, 2018.
 - Reimburse the teaching staff for attending the 2-hour training not to exceed allocated amount.
 - Each teaching staff member will need to complete a Post Event Survey. These will be given to MCOE 2 weeks after the scheduled training.
- 5. **PAYMENT:** MCOE shall allocate stipend within 30 days of receiving invoice. Total allocated amount is determined by MCOE and cannot exceed \$7,000.00 per site.
- 6. **TERM:** This agreement for services and compensation of staff time is effective December 1, 2017 to June 30, 2018.
- 7. **INDEMNIFICATION:** CSPP Agency agrees to hold harmless, indemnify, and defend MCOE and its officers, agents and employees from any and all claims and losses accruing or resulting from injury, damage or death of any person, firm or corporation in connection with CSPP Agency performance of this Agreement.

MCOE agrees to hold harmless, indemnify, and defend CSPP Agency and its officers, agents and employees from any and all claims and losses accruing or resulting from injury, damage or death of any person, firm or corporation in connection with MCOE's performance of this Agreement.

- 8. **TERMINATION:** This Agreement is subject to termination upon thirty (30) days written notice. In the event of early termination, MCOE shall pay CSPP Agency for all actual costs incurred through the effective date of termination.
- 9. **GOVERNING LAW:** The terms and conditions of the Agreement shall be governed by the laws of the State of California with venue in Monterey County, California.
- 10. **COMPLETENESS OF AGREEMENT:** This Agreement constitutes the entire understanding of the parties and any changes shall be mutually agreed to in writing.

OF EDUCATION (MCOE)	Name of Agency: Monterey Peninsula College By: Watth Carry
By: Signature	Signature
Garry P. Bousum	Dr. Walter Tribley
Typed Name	Typed Name
Associate Superintendent Title	Superintendent/President Title
Signature	
Caryn Lewis, Assistant Superintendent	



Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agenda Item No. Q

Superintendent/President
Office

Proposal:

That the independent contractor's agreement with Vicki Nakamura for consultant services related to Fort Ord planning issues and special projects, be approved.

Background:

The former Assistant to the President has 25 years of experience working on Fort Ord property conveyance and development issues for the District and assisting with special projects for the Superintendent/President. To provide continuity, the District has contracted with Vicki Nakamura to advise on Fort Ord-related issues and other special projects, as determined by the Superintendent/President. The attached independent contractor's agreement describes these services.

Budgetary Implications:

The cost of these services will be \$45,000 and will be covered by funds budgeted for consultant services as one-time funds.

RESOLUTION: BE IT RESOLVED, that the independent contractor's agreement with Vicki Nakamura for consultant services related to Fort Ord planning issues and special projects, be approved.

Recommended By:

Dr. Walter Tribley, Superintendent/President

Prepared By:

Shawn Anderson, Executive Assistant to Superintendent/President & Governing Board

Agenda Approval:

Dr. Walter Tribley, Superintendent/President

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

INDEPENDENT CONTRACTOR AGREEMENT

(Lecturers, Presenters, Consultants)

This agreement is made and entered into this 10th day of <u>January</u>, 2018 by and between Vicki Nakamura ("INDEPENDENT CONTRACTOR") and MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT (MPC).

WHEREAS, MPC is authorized by Section 53060 of the California Government Code to contract with and retain independent contractors; and

WHEREAS, MPC finds that the INDEPENDENT CONTRACTOR is specially trained and experienced and competent to perform special services to MPC,

NOW THEREFORE, MPC and INDEPENDENT CONTRACTOR agree as follows:

- 1. INDEPENDENT CONTRACTOR shall provide the following specific services, as needed, in consultation with the Superintendent/President:
 - Advise and strategize with the college president and other staff identified by the Superintendent/President regarding all Fort Ord-related issues, including college property transfer and development issues; Dept. of Education public benefit conveyance requirements and issues; FORA matters, including reuse-related plans and reports requiring review and response; research and gather information, attend meetings as needed.
 - Serve as a resource for staff identified by the Superintendent/President to facilitate and support transition of district processes.
 - Serve on local successor agency oversight boards to provide continuity during transition to County Oversight Board
 - Advise and strategize with the college president regarding special projects as needed, conducting research and developing plans for implementation.
- 2. MPC shall pay INDEPENDENT CONTRACTOR for his/her services as follows: Flat rate of \$45,000.00. Payment upon receipt of invoices.
- 3. TERM: The contract services are for the period from January 10, 2018 through June 30, 2018.
- 4. INDEPENDENT CONTRACTOR shall in the performance of this Agreement be and act as an Independent Contractor providing the necessary tools and equipment.
- 5. INDEPENDENT CONTRACTOR shall assume all expenses incurred in connection with the performance of this Agreement unless otherwise specified in paragraph 2 above. The fees specified, unless otherwise indicated and agreed to, shall be the only obligation of MPC. While engaged in carrying out and complying with any of the terms and conditions of this Agreement, INDEPENDENT CONTRACTOR is not an officer, agent or employee of MPC.
- 6. Independent Contractor shall indemnify, and hold the College, its officers, employees, or agents harmless from and against any and all liability, loss, or expense, including attorney fees, or claims for injury or damages arising out of the performance of this Agreement. The INDEPENDENT CONTRACTOR at his/her expense, cost, or risk shall also defend any and all actions, suits, or other legal proceedings that may be brought or instituted against the College, its officers, agents thereof on any claim or demand, and pay to satisfy any judgment that may be rendered against the College, but only in proportion to and to the extent that such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from a disregard for this agreement or the negligent or intentional acts or omissions of the INDEPENDENT CONTRACTOR.
- 7. Upon mutual agreement in writing of the parties hereto, this agreement may be terminated for any reason. INDEPENDENT CONTRACTOR and MPC have executed this Agreement as of this date first written above.

INDEPENDENT CONTRACTOR

MPC COLLEGE DISTRICT, by:

Vicki Nakamura Printed Name	Walter Tribley Printed Name -Vice President, Admin. Svc. or Superintendent/President
Villi Nokamure Signature	Signature
Address	
City, State, Zip Code	
Soc. Sec. Number / Fed Employer ID Number	

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

	New	Business	Agenda	Item	No.	R
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Academic Affairs
College Area

Proposal:

To approve these courses which have proceeded through the institutional curriculum development process to the point of recommendation to the Board.

Background:

The courses listed below are recommended by the Curriculum Advisory Committee and endorsed by the MPC administration.

Budgetary Implications:

When offered, related courses and programs generate instructor and support costs, which are offset by student attendance driven income.

RESOLUTION: BE IT RESOLVED, that the following new courses be approved:

New Courses:

LETP 207 Homicide Investigation LETP 236 Advanced Officer Skills II

Recommended By:

Dr. Jon Knolle, Dean of Instruction - Library, Learning Resources, Online Education

Prepared By:

Kim Kingswold, Academic Technician

Agenda Approval:

Dr. Walter Tribley, Superintendent/President

NEW COURSES

LETP 207, Homicide Investigation

2 units

Total hours: 18 hours lecture; 62 hours lab

Justification:

This is a POST-certified Institute of Criminal Investigations course used throughout the state of California and required for Homicide Investigators. Updates pending since 2015, updated 4/4/17 to be current with 2017-2018 course material. The Course Content, SLOs, Assignments, and Requisites were modified.

Description:

This course teaches students the highly specialized field of Homicide Investigation. It will cover the legal aspects of death investigation, homicide crime scene management, autopsy, psychological profiling, criminal psychology, laboratory work, and interview techniques.

LETP 236, Advanced Officer Skills II

.5-1 unit

Total hours for 1 unit: 8 hours lecture; 32 hours lab TBA

Justification:

This course is required by POST. Law Enforcement officers need to keep their skills updated annually.

Description:

This course provides agency discretionary training and/or required mandated training according to the Commission on Peace Officer Standards and Training (POST), the Correction Standards Authority (CSA),or other regulatory agencies. Related topics include state/legislatively mandated training, perishable skills, first aid/CPR, and officer safety skills. This course is certified to meet continuing professional training standards prescribed by POST.

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agenda Item No. S

Superintendent/President
College Area

Proposal:

That the Governing Board review Board Policies: 3260 – Sustainability; 3280 – Grants; 3300 – Public Records; 3501 – Campus Security and Access; 3503 – Missing Student Notification; 3550 – Drug Free Environment and Drug Prevention Program; 3560 – Alcoholic Beverages; 3710 – Securing of Copyright; 3715 – Intellectual Property; 3720 – Computer and Network Use; 3820 – Gifts; 3900 – Speech: Time, Place, and Manner; 4060 – Delineation of Functions Agreements; 4115 – College Catalog; 6307 – Debt Issuance and Management; 7140 – Collective Bargaining; 7210 – Academic Employees; 7230 – Classified Employees; 7236 – Substitute and Short-Term Employees; 7250 – Educational Administrators; 7260 – Classified Supervisors and Managers; 7360 – Discipline and Dismissal, Academic Employees; and 7365 – Discipline and Dismissal, Classified Employees.

Background:

In May 2012, the District approved a new approach for revision of board policies where the policy language provided through the Community College League of California (CCLC) policies and procedure subscription service would be adopted without change, including the numbering, except in limited circumstances. The goal of the new approach is to adopt CCLC's policy manual in its entirety, as a replacement for the District's existing policies. This approach will ensure the District has the essential policies in place and the deleting of out-of-date or noncompliant policies will be accomplished more efficiently. The acceptance of the CCLC policy language without revision is advised to safeguard the District and avoid the need for review of language modifications by local legal counsel, saving District legal costs.

An extensive update of board policies is currently underway to reflect CCLC policy language and policies will be presented to the Board in a group for review and approval to facilitate the policy update. Completion of this update will address one of the recommendations from the District's accreditation evaluation report.

In December 2017, the Board Policies Subcommittee reviewed the attached General Institution, Academic Affairs, Business and Fiscal Services, and Human Resources policies—some of which are still being routed through the appropriate participatory governance groups. The Board will be apprised of appropriate recommended revisions prior to adoption. The subcommittee's recommendation will be provided during the Board discussion of this item.

The attached policies are presented for a first reading for Governing Board review and will return for action at the next board meeting:

n at the next board meet	
Board Policy 3260	Sustainability (no existing MPC policy)
Board Policy 3280	Grants (no existing MPC policy)
Board Policy 3300	Public Records (no existing MPC policy)
Board Policy 3501	Campus Security and Access (no existing MPC policy)
Board Policy 3503	Missing Student Notification (no existing MPC policy)
Board Policy 3550	Drug Free Environment and Drug Prevention Program
·	(no existing MPC policy)
Board Policy 3560	Alcoholic Beverages (no existing MPC policy)
Board Policy 3710	Securing of Copyright (replaces existing MPC policy 2225)
Board Policy 3715	Intellectual Property (no existing MPC policy)
Board Policy 3720	Computer and Network Use (no existing MPC policy)
Board Policy 3820	Gifts (replaces existing MPC policy 2175)
Board Policy 3900	Speech: Time, Place, and Manner (replaces existing MPC policy 2215)
Board Policy 4060	Delineation of Functions Agreements (no existing MPC policy)
Board Policy 4115	College Catalog (replaces existing MPC policy 3020)
Board Policy 6307	Debt Issuance and Management (no existing MPC policy)
Board Policy 7140	Collective Bargaining (replaces existing MPC policies 5200 and 5205)
Board Policy 7210	Academic Employees (replaces existing MPC policies 5300, 5305, 5310,
	5320, 5330, and 5335)
Board Policy 7230	Classified Employees (replaces existing MPC policies 5400, 5405, 5410,
	5415, 5425, and 5435)
Board Policy 7236	Substitute and Short-Term Employees (replaces MPC policy 5700)
Board Policy 7250	Educational Administrators (replaces existing MPC policies 5537 and 5545)
Board Policy 7260	Classified Supervisors and Managers (replaces existing MPC policies 5520,
	5525, 5530, 5535, 5550, 5552, and 5595)
Board Policy 7360	Discipline and Dismissal, Academic Employees (replaces existing MPC
	policy 5325)
Board Policy 7365	Discipline and Dismissal, Classified Employees (replaces existing MPC
	policies 5430 and 5540)

Budgetary Implications:

None.

INFORMATION: First Reading of Board Policies: 3260 – Sustainability; 3280 – Grants; 3300 – Public Records; 3501 – Campus Security and Access; 3503 – Missing Student Notification; 3550 – Drug Free Environment and Drug Prevention Program; 3560 – Alcoholic Beverages; 3710 – Securing of Copyright; 3715 – Intellectual Property; 3720 – Computer and Network Use; 3820 – Gifts; 3900 – Speech: Time, Place, and Manner; 4060 – Delineation of Functions Agreements; 4115 – College Catalog; 6307 – Debt Issuance and Management; 7140 – Collective Bargaining; 7210 – Academic Employees; 7230 – Classified Employees; 7236 – Substitute and Short-Term Employees; 7250 – Educational Administrators; 7260 – Classified Supervisors and Managers; 7360 – Discipline and Dismissal, Academic Employees; and 7365 – Discipline and Dismissal, Classified Employees.

Prepared By:

Shawn Anderson, Executive Assistant to Superintendent/President and Governing Board

Agenda Approval:

Dr. Walter Tribley, Superintendent/President

Dr. Walter Tribley, Superintendent/President



Chapter 3 General Institution

3260

BP 3260 Sustainability

The Governing Board of Monterey Peninsula Community College District delegates to the Superintendent/President the authority to develop practices and procedures that promote leadership on sustainability issues in all areas of the College District, including instruction, operations, construction, facilities, land use, energy management, water conservation, solid-waste minimization, storm-water pollution preventions, recycling, and environmental and biological integrity. In addition to promulgating efficiency and sustainability for their own sake, Monterey Peninsula Collage, as an institution of higher education, shall become a model and classroom of sustainability for students, faculty, staff, and the community. The energy and sustainability procedures will include goals and guidance for all facets of the College District that ensure the evolution of best practices in sustainability.

See Administrative Procedure 3260.

Office of Primary Responsibility: Vice President, Administrative Services.

References: Education Code Section 84040(b)

Adopted: New Policy- ASAG CC Nov. 10, 2015

Revised and Adopted:

Reviewed:



Chapter 3	General Institution	3280
):		

BP 3280

Grants

Note: Although not legally required, the following is legally advised.

The Board will be informed about all grant applications made and grants received by the District.

The Superintendent/President shall establish procedures to assure timely application and processing of grant applications and funds, and that the grants that are applied for directly support the purposes of the District.

See Administrative Procedure 3280

Office of Primary Responsibility: Superintendent/President

References: Education Code 70902

Adopted:

Revised and Adopted: [Insert subsequent Revision and Board Adoption Date, if any] **Reviewed:** [Insert Board Review Date, with no revisions adopted, if applicable]



Chapter 3	General Institution	3300
S 		
BP 3300	Public Records	

Note: This policy is legally required.

The Superintendent/President shall establish procedures for records management, including access by the public, that comply with the requirements of the California Public Records Act.

See Administrative Procedure 3300

Office of Primary Responsibility: Superintendent/President

References: Government Code Sections 6250 et seq.

Adopted: ASAG Nov 2017

Revised and Adopted: [Insert subsequent Revision and Board Adoption Date, if any] **Reviewed:** [Insert Board Review Date, with no revisions adopted, if applicable]



Chapter 3 General Institution

3501

BP 3501 Campus Security and Access

The Superintendent/President (or designee) shall establish procedures for security and access to District facilities.

See Administrative Procedure 3501

Office of Primary Responsibility: Vice President, Administrative Services

References:

34 Code of Federal Regulations Part 668.46(b)(3); ACCJC Accreditation Standard III.B.1

New Policy

Approved - ASAG, CC 11-22-16 - not posted.



Chapter 3 General Institution 3503

BP 3503 Missing Student Notification

Note: This policy is only legally required for a District that maintains any on-campus student housing facility.

The Superintendent / President is authorized to enact procedures as appropriate and permitted by law to follow with regard to the notification of missing students who reside in on-campus housing facilities.

Reference:

34 Code of Federal Regulations Section 668.46(h).



Chapter 3 General Institution 3550

BP 3550 Drug Free Environment and Drug Prevention Program

NOTE: This policy is legally required.

The District shall be free from all drugs and from the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees.

The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in all facilities under the control and use of the District.

Any student or employee who violates this policy will be subject to disciplinary action (consistent with local, state, or federal law), which may include referral to an appropriate rehabilitation program, suspension, demotion, expulsion or dismissal.

The Superintendent/President shall assure that the District distributes annually to each student and employee the information required by the Drug-Free Schools and Communities Act Amendments of 1989 and complies with other requirements of the Act.

See Administrative Procedure 3550.

Office of Primary Responsibility: Vice President, Student Services.

References: Drug Free Schools and Communities Act, 20 U.S. Code Section 1145g;

34 Code of Federal Regulations Sections 86.1 et seq.;

Drug Free Workplace Act of 1988, 41 U.S. Code Section 702

Adopted: New Policy- ASAG Nov 2017

Revised and Adopted:

Reviewed:



Chapter 3	General Institution	3560
BP 3560	Alcoholic Beverages	
Note: This n	olicy is legally required	

The **Superintendent/President** is authorized to enact procedures as appropriate and permitted by law regarding serving alcoholic beverages on campus or at fund-raising events held to benefit non-profit corporations. Alcoholic beverages shall not be served on campus except in accordance with these procedures.

See Administrative Procedure 3560

Office of Primary Responsibility: Superintendent/President

References: Business and Professions Code Section 25608;

34 Code of Federal Regulations Section 668.46(b)

Adopted: New – ASAG Nov 2017

Revised and Adopted: [Insert subsequent Revision and Board Adoption Date, if any]

Reviewed: [Insert Board Review Date, with no revisions adopted, if applicable]



Chapter 3 General Institution

3710

BP 3710 Securing of Copyright

Old policy:

2225 Use of Copyright Materials

It is the Policy of the Governing Board that provisions of Federal copyright laws will be strictly adhered to by all College employees, and in all programs operated by the College. Regulations related to the use of copyrighted materials are included as Appendix 2225 of the Governing Board Policies Handbook.

Reference: 17 United States Code, Section 101 et. seq. (1976), Fair Use Doctrine. Adopted: June 1, 1988.

BP 3710 Securing of Copyright

Note: This policy is legally advised.

The Superintendent/President is directed to develop appropriate administrative procedures to implement the provisions of the Education Code which authorize the securing of copyright protection for works, including but not limited to registering copyrights and policing infringements, on behalf of the District. The procedures developed by the Superintendent/President shall assure that the District may use, sell, give or exchange published materials and may license materials prepared by the District in connection with its curricular and special services.

In the development of these procedures, the Superintendent/President shall solicit the input of the proper representatives of the college community in accordance with the District's policies regarding shared local decision making.

See Administrative Procedure 3710

Office of Primary Responsibility: Superintendent/President

References: Education Code Sections 72207 and 81459;

17 U.S. Code Section 201

Adopted: June 1, 1988-Old Policy 2225- ASAG Nov 2017

Revised and Adopted:



Chapter 3 General Institution

3715

BP 3715

Intellectual Property

Note: This policy is legally required.

The Superintendent/President shall develop procedures that define the rights, interests, protection, and transfer of intellectual property created by the District employees and students.

See Administrative Procedure 3715

Office of Primary Responsibility: Superintendent/President

References: 17 U.S. Code Sections 101 et seq.;

35 U.S. Code Sections 101 et seq.;

37 Code of Federal Regulations Sections 1.1 et seq.

Adopted: New ASAG Nov 2017

Revised and Adopted: [Insert subsequent Revision and Board Adoption Date, if any] **Reviewed:** [Insert Board Review Date, with no revisions adopted, if applicable]



Chapter 3 General Institution

3720

BP 3720 Computer and Network Use

Employees and students who use District computers and networks and the information they contain, and related resources have a responsibility not to abuse those resources and to respect the rights of others. The President or designee shall establish procedures that provide guidelines to the students and staff for the appropriate use of information technologies. The procedures shall include that users mush respect software copyrights and licensees, respect the integrity of computer-based information resources, refrain from seeking to gain unauthorized access and respect the rights of other computer users.

References: Education Code Section 70902; 17 U.S. Code Sections 101 et seq. Penal Code 502; Accreditation Standard III.C

Adopted:

See Administrative Procedure 3720



Chapter 3 General Institution

3820

BP 3820 Gifts

Old BP 2175 Gifts or Donations to the District

The Governing Board, through the Administration of the District, reserves the right to accept or refuse gifts, donations, and bequests. The Board shall not assume responsibility for appraising, or assessing value to such gifts, donations, and bequests for donors' income tax purposes.

Acceptance and acknowledgement of gifts shall not be considered an endorsement by the District of a commercial product, or business entity, or institution of learning. Trust accounts shall be established for monetary gifts, donations and bequests to specific departments, programs or uses. Funds in excess of working capital will be invested in accordance with Governing Board Policy 2125.

Reference: Education Code 71046, 72241. Adopted: June 1, 1988.

BP 3820 Gifts

Note: This policy is legally advised.

Gifts of cash or stock should be made to the MPC Foundation and are accepted by the MPC Foundation Executive Director.

The Board shall consider all gifts, donations and bequests made to the District once vetted by the MPC Foundation. The Board reserves the right to refuse to accept any gift which does not contribute toward the goals of the District, or the ownership of which would have the potential to deplete resources of the District.

The District shall assume no responsibility for appraising the value of gifts made to the District.

Acceptance of a gift shall not be considered endorsement by the District of a product, enterprise or entity.

In no event shall the District accept a donation from any donor who engages in practices or policies which discriminate against any person on the basis of nationality, religion, age, gender, gender identity, gender expression, race or ethnicity, medical condition, genetic information, ancestry, sexual orientation, marital status, military or veteran status, or physical or mental disability; or when the stated purposes of the donation are to facilitate such discrimination in providing educational opportunity.



NOTE: The District should consult with counsel if confronted with a donor who wishes to make a donation of a scholarship that will be tailored to help historically underrepresented groups. Generally, a District should not accept a donation from a donor when the stated purpose of the donation is to facilitate discrimination on the basis of nationality, religion, age, gender, gender identity, gender expression, race or ethnicity, medical condition, genetic information, ancestry, sexual orientation, marital status, or physical or mental disability.

See Administrative Procedure 3820

Office of Primary Responsibility: Superintendent/President

References: Education Code Section 72205

Adopted: June 1, 1988 for Policy 2175.

Revised and Adopted: [Insert subsequent Revision and Board Adoption Date, if any] **Reviewed:** [Insert Board Review Date, with no revisions adopted, if applicable]



Chapter 3 General Institution

3900

BP 3900 Speech: Time, Place, and Manner

Old BP 2215 Time, Place, and Manner Policy

In order to provide an atmosphere in which groups and organizations can function without disrupting the College's curricular programs, the Governing Board places the following restrictions on the time, place, and manner of non-curricular activities at Monterey Peninsula College.

College recognized student organizations may conduct activities, which utilize the name and resources of the College only in compliance with the Education Code and Time, Place, and Manner Regulations authorized by the Board.

Public service agencies, charitable and non-profit organizations, and other non-college groups as defined in the Civic Center Act, may distribute and/or post materials, collect signatures on petitions, solicit funds, or engage in informational activities on campus only in compliance with the Education Code and the Time, Place, and Manner Regulations referred to above, and included as Appendix 2215 of the Governing Board Policies Handbook.

Groups and individuals other than those designated above are also subject to these regulations of time, place, and manner and to other restrictions as deemed necessary by the administration for ensuring an orderly learning environment for Monterey Peninsula College.

No student or community organization which denies membership or participation in any of its activities on the basis of ethnic group identification, religion, age, sexual preferences, color, or physical or mental disability shall be allowed to use College facilities or resources.

Membership in secret student societies or organizations is prohibited.

Reference: Education Code 76060 et. seq.; 82530 et. seq.;

Equal Access Act, Public Law 980377.

Adopted: June 1, 1988. Revised: May 25, 1999

BP 3900 Speech: Time, Place, and Manner

NOTE: This policy is **legally required**, with the exception of the second sentence specifying the colleges as non-public forums, which is **suggested as good practice**.

Students, employees, and members of the public shall be free to exercise their rights of free expression, subject to the requirements of this policy.

The college(s) of the District is/are non-public forums, except for those areas that are designated public forums available for the exercise of expression by students, employees, and members of the public. The Superintendent/President shall enact such administrative procedures as are necessary to reasonably regulate the time, place, and manner of the exercise of free expression in the designated public forums.



The administrative procedures <u>promulgated_endorsed</u> by the Superintendent/President shall not prohibit the right of students to exercise free expression, including but not limited to the use of bulletin boards, the distribution of printed materials or petitions, and the wearing of buttons, badges, or other insignia.

Speech shall be prohibited that is defamatory, obscene according to current legal standards, or which so incites others as to create a clear and present danger of the commission of unlawful acts on District property or the violation of District policies or procedures, or the substantial disruption of the orderly operation of the District.

Nothing in this policy shall prohibit the regulation of hate violence directed at students in a manner that denies their full participation in the educational process (Education Code Section 66301(e)), so long as the regulation conforms to the requirements of the First Amendment to the United States Constitution, and of Section 2 of Article 1 of the California Constitution. Students may be disciplined for harassment, threats, or intimidation unless such speech is constitutionally protected.

See Administrative Procedure 3900

Office of Primary Responsibility: Vice President, Student Services

References:

Education Code Sections 66301 and 76120

Adopted: June 1, 1988

Revised and Adopted: May 25, 1999; ASAG 2017

Reviewed:



Chapter 4 Academic Affairs 4060

BP 4060 Delineation of Functions Agreements

Whenever a mutual agreement <u>between Monterey Peninsula College and an outside with a</u> school district or other educational entity relating to responsibility for adult noncredit continuing education programs is required by state law, the Superintendent/President shall present an appropriate memorandum of understanding to the <u>Governing Board MPC Board of Trustees</u> for approval.

References: Education Code Sections 8535 and 8536

Adopted:



Chapter 4

Academic Affairs

4115

BP 4115 College Catalog

The College Catalog provides students with information on services, programs, regulations and academic and student related policies and procedures. The District reserves the right to make changes in policies, regulations, fees and programs in the catalog without prior notice where circumstances necessitate change.

Monterey Peninsula College issues a new catalog yearly. The courses required for a specific degree or certificate may change from one catalog to the next, and often change during a student's tenure. For the purposes of meeting graduation requirements based on Catalog Rights, students may elect to meet the requirements of either:

- 1. The catalog which was in effect at the time the student began their course work at MPC, or
- 2. Any catalog that has been in effect during the time that the student has maintained continuous enrollment before graduation.

Students maintain Catalog Rights by continuous enrollment at MPC. Continuous enrollment is defined as having a grade of A, B, C, D or W or P or NP in at least one MPC course per academic year.

References: ACCJC Eligibility Requirement 20

Formerly Governing Board Policy 3020 - College Catalog

Adopted: August 10, 1988

Renumbered, Revised, and Adopted:

MONTEREY PENINSULA COLLEGE **GOVERNING BOARD POLICIES**

3000 SERIES EDUCATIONAL PROGRAMS AND STANDARDS

A. Educational Programs

3020 College Catalog

The College Catalog is intended to serve students as a guide to services, programs. regulations and academic and student-related policies and procedures. It shall contain a statement of the philosophy, functions and objectives of the College, a description of instructional programs and courses, and Governing Board policies (A) admissions and residency requirements; (B) fees; (C) pertaining to: scholarship standards, including grading systems, credit by examination, standards for probation and dismissal and academic renewal, and (D) student rights and responsibilities. Changes in these policies shall be approved by the Board prior to their publication in subsequent catalog editions. The Board shall accept each edition of the College Catalog.

The College reserves the right to make changes in policies, regulations, fees and programs in the catalog without prior notice where circumstances necessitate change.

Students who enter associate and certificate programs shall have the option of satisfying requirements which were in effect at the time they entered the program, or of satisfying requirements in effect at the time of completion of the program.

Reference:

Education Code 72285.

California Administrative Code, Title 5, 55750 - 55765.

Formerly Governing Board Policies 6.4 and 6.5.

Renumbered and Adopted: August 10, 1988.



Chapter 6 Business and Financial Affairs

6307

BP 6307

Debt Issuance and Management

NOTE: This policy is **legally required** for those districts that issue debt.

The Superintendent/President shall establish procedures to ensure the District is professionally managing its debt and fulfills its annual debt issuance reporting requirements to the California Debt and Investment Advisory Commission.

Procedures shall include:

- The purposes for which the debt proceeds may be used.
- The types of debt that may be issued.
- The relationship of the debt to, and integration with, the District's capital improvement program or budget, if applicable.
- Policy goals related to the District's planning goals and objectives.
- The internal control procedures that the District has implemented, or will implement, to
 ensure that the proceeds of the proposed debt issuance will be directed to the intended
 use.

New 4/17

See Administrative Procedure 6307

Office of Primary Responsibility: Superintendent/President.

References:

Government Code Section 8855

Adopted: [Insert First Board Adoption Date]

Revised and Adopted: [Insert subsequent Revision and Board Adoption Date, if any]

Reviewed: [Insert Board Review Date, with no revisions adopted, if applicable]



Chapter 7 **Human Resources** **BP 7140**

BP 7140 Collective Bargaining

If eligible employees of the District select an employee organization as their exclusive representative, and if after recognition by the District or after a properly conducted election, an exclusive representative is certified as the representative of an appropriate unit of employees under the provisions of the Educational Employment Relations Act, Government Code Sections 3540 et seg., the District will meet and negotiate in good faith on matters within the scope of bargaining as defined by the law.

Also see BP/AP 2610 titled Presentation of Initial Collective Bargaining Proposals and Collective Bargaining Agreement(s) for applicable employee group(s).

References: Education Code Sections 70902(b)(4), 72411, 87801, and 88160;

Government Code Section 53200;

34 Code of Federal Regulations 668 (U.S. Department of Education regulations on the Integrity of Federal Student Financial Aid Programs under Title IV of the Higher

Education Act of 1965, as amended)

Formerly Governing Board Policies 5200 Recognition of Employee Organization and 5205 **Employee Organization Access**

Adopted: March 10, 1989

Renumbered, Revised, and Adopted:

5000 SERIES PERSONNEL

C. Employee Organizations

5200 Recognition of Employee Organizations

Certified Employee Organization

The District recognizes the Monterey Peninsula College Teacher's Association (MPCTA)/CTA/NEA as the exclusive representative for all certificated employees except the following positions: management, supervisory, confidential, employees hired as substitutes, employees who teach only non-credit courses, consultants and guest lecturers, Parks and Recreation instructors at Asilomar, Fire Science instructors at Asilomar, instructors of Administration of Justice courses 602, 606, 651 other than the instructor of record, Hidden Valley Music Seminar instructors, apprenticeship program instructors, and coordinators of Parks and Recreation.

All wages, hours and other terms and conditions of employment negotiated with (MPCTA)/CTA/NEA are described in the agreement between (MPCTA)/CTA/NEA and MPCCD:

2. Classified Employee Organization

The District recognizes the Monterey Peninsula College Employees Association, MPCEA/CSEA, Chapter 245 as the exclusive representative for all classified employees except the following positions: management, supervisory, confidential, substitute, short-term, professional expert, certificated, and student employees.

Reference: Government Code 3540 et. seq.

Originally Adopted as Governing Board Policy: May 10, 1989.

5000 SERIES PERSONNEL

C. Employee Organizations

5205 Employee Organization Access

The California Government Code, Section 3543.1 (b), provides that employee organizations shall have the right of access at reasonable times to areas in which employees work; the right to use institutional bulletin boards, mailboxes, and other means of communication, subject to reasonable regulation; and the right to use institutional facilities at reasonable times for the purpose of meetings concerned with the exercise of the rights guaranteed under Chapter 961 of the Government Code.

The Superintendent/President shall establish reasonable administrative regulations to implement Government Code, Section 3543.1 (b). The regulations shall establish procedures and limitations necessary to prevent such organizational activities from impeding or disrupting College operations. These regulations are included as Appendix 5205 of the Governing Board Policies Handbook.

Reference: Government Code 3543.1 (b).

Formerly Governing Board Policy 5.12.

Revised, Renumbered and Adopted: May 10, 1989.



GOVERNING BOARD POLICIES

Chapter 7 Human Resources

7210

BP 7210 Academic Employees

Academic employees are all persons employed by the District in academic positions. Academic positions include every type of service, other than paraprofessional service, for which minimum qualifications have been established by the Board of Governors for the California Community Colleges.

Faculty members are those employees who are employed by the District in academic positions that are not designated as supervisory or management. Faculty employees include, but are not limited to, instructors, librarians, counselors, and professionals in health services, DSPS, and EOPS.

Decisions regarding tenure of faculty shall be made in accordance with the evaluation procedures established for the evaluation of probationary faculty and in accordance with the requirements of the Education Code. The Board of Trustees reserves the right to determine whether a faculty member shall be granted tenure.

The District may employ temporary faculty from time to time as required by the interests of the District. Temporary faculty may be employed full-time or part-time. The Board delegates authority to the District Superintendent/President_to determine the extent of the District's needs for temporary faculty.

Notwithstanding this policy, the District shall comply with its goals under the Education Code regarding the ratio of full-time to part-time faculty to be employed by it and for making progress toward the standard of 75% of total faculty work load hours taught by full-time faculty.

Formerly Board Policies 5300 Definition of Faculty, 5305 Certificated Employment Status, 5310 Professional Commitment, 5320 Teaching Faculty Duties and Responsibilities, 5330 Faulty Layoff, and 5335 Faculty Research.

References: Education Code Sections 87001, 87003, 87400 et seq., 87419.1, 87482.8, and 87600

et seq.; Title 5 Section 5

Adopted: May 10, 1989 (for Policies 5300, 5305, 5310, 5320, 5330, 5335)

Revised: August 20, 1991 (for Policies 5330); **Renumbered, Revised and Adopted:**

5000 SERIES PERSONNEL

D. Faculty

5300 Definition of Faculty

"Faculty" includes instructors, librarians, counselors, coaches, health services professionals, disabled student programs and service professionals, and individuals employed before July 1, 1990 who required non-supervisorial and non-management certification qualifications.

Reference: Education Code 87001 (c).

5000 SERIES PERSONNEL

D. Faculty

5305 Certificated Employment Status

All members of the faculty and all management and supervisory personnel performing service for which a California Credential is required, shall be classified under one of the following employment designations:

- Regular Employee. A regular employee is an employee who has gained tenure in accordance with State law and District regulations.
- 2. Contract Employee. A contract employee is a non-tenured employee who is under contract in a tenure-track position for the probationary years of his/her employment with the District. This classification does not include persons employed in contract programs with public and private agencies as authorized by Section 87470, Education Code.
- Regular Instructor in the Evening Program. A regular instructor in the Evening Program is an instructor who has tenure in the evening as required by court order.
- 4. <u>Temporary Employee.</u> A temporary employee is one who is employed in a non-tenure track position. These are defined in the California Education Code.
- Part time Employee. A part time employee is one who is not assigned a full teaching load.
- 6. Substitute Employee. A substitute employee is one who is employed to fill the position of a regular or contract employee who is absent from service.
- Lecturer. A lecturer is a person well qualified in a subject area employed to speak before a class and not employed for more than four lectures in any term.

Reference: Education Code 87400, 87403, 87421, 87447, 87449, 87450, 87451, 87452, 87455, 87456, 87459, 87478, 87480, 87481, 87482, 87482.5.

Formerly Governing Board Policy 3.1.

Revised, Renumbered and Adopted: May 10, 1989.

5000 SERIES PERSONNEL

D. Faculty

5310 Professional Commitment

Faculty members shall accept professional obligation to faithfully execute their duties. This obligation includes:

- Maintaining the highest standards of instruction in the classroom and/or work assignment;
- Satisfactory relationships with students and co-workers;
- Having personal qualities and maintaining high ethical standards which contribute toward success as a faculty member;
- Sensitivity to and understanding of the diverse academic, socioeconomic, cultural, disability and ethnic backgrounds of community college students;
- 5. Commitment to the philosophy and goals of Monterey Peninsula College.

5000 SERIES PERSONNEL

D. Faculty

5320 Teaching Faculty Duties and Responsibilities

Some of the duties and responsibilities of bargaining unit certified personnel are described in the MPCTA/MPCCD contract. Included as Appendix 5320 of the Governing Board Policies Handbook is a list of additional duties and responsibilities of full-time regular/contract teaching faculty. All teaching faculty, full- and part-time are expected to:

- Meet each scheduled class and teach or conduct learning exercises for the entire period.
- Contact the appropriate division chair or administrator in advance to make arrangements for unavoidable absences.
- Provide each student at the beginning of the course written information about the course to include a full description of the instructor's grading system and how the student will be evaluated.
- Keep accurately required class records on attendance, withdrawal and grading.
- Submit when due all necessary reports, such as attendance and grade reports, roll books and class information sheets, and certify as to their accuracy.
- Comply with all institutional policies and procedures.
- Give careful attention to all bulletins and memorandums from administrative offices.
- Check their faculty mailbox regularly.

5000 SERIES PERSONNEL

D. Faculty

5330 Faculty Layoff

In accordance with Section 87743 of the California Education Code, faculty (includes all members of the faculty bargaining unit) may be laid off due to a decline in average daily attendance or whenever a particular kind of service is to be reduced or discontinued. The services of no regular employee may be terminated under the provisions of this policy while any employee with less seniority is retained to render a service which said employee is qualified and competent, as defined in the MPCTA/MPCCD Collective Bargaining agreement, to render.

Re-employment of employees laid off under this policy shall be in accordance with California Education Code Sections 87444-87446.

Reference: Education Code 87743, 87743.5, 87444-87446

Adopted: May 10, 1989.

Revised and Adopted: August 20, 1991.

5000 SERIES PERSONNEL

D. Faculty

5335 Faculty Research

Research is not a requirement for the instructional staff; however, it is recognized that many faculty members will wish to participate actively in their fields through such extra efforts as research or writing, and such activity will be encouraged for the benefit of the instructor, the students, and the College, provided it does not interfere with the instructional program and is done at no cost to the District unless prior approval has been received.

Formerly Governing Board Policy 3.3.

Revised Renumbered and Adopted: May 10, 1989.



GOVERNING BOARD POLICIES

Chapter 7 Human Resources 7230

BP 7230 Classified Employees

Classified employees are those who are employed in positions that are not academic positions. The employees and positions shall be known as the classified service.

The classified service does not include:

- Substitute and short-term employees who are employed and paid for less than 75 percent of the fiscal year.
- Part-time apprentices and professional experts employed on a temporary basis for a specific project, regardless of length of employment.
- Full-time students employed part-time, and part-time students employed part-time
 in any college work-study program or in a work experience education program
 conducted by the District.

The Board of Trustees shall fix and prescribe the duties of the members of the classified service. (See BP 7110 titled Delegation of Authority, Human Resources)

Before a short-term employee is employed, the Board, at a regularly scheduled meeting, shall specify the service required to be performed and certify the ending date of the service. The Board may later act to shorten or extend the ending date, but shall not extend it beyond 75 percent of an academic year.

The Superintendent/President shall establish procedures to assure that the requirements of state law and regulations regarding the classified service are met.

The probationary period for classified employees shall be six months.

Also see BP/AP 7120 titled Recruitment and Hiring as well as the applicable collective bargaining agreement.

Formerly Board Policies 5400 Definition, 5405 Duties and Responsibilities, 5410 Posting of Vacancies, 5415 Separation, 5425 Abandonment of Position, and 5435 Abolition of Position.

References: Education Code Sections 88003, 88004, 88009, and 88013

Adopted: May 10, 1989

Renumbered, Revised and Adopted:

5000 SERIES PERSONNEL

E. Classified Personnel

5400 Definition

1. Classified Service

The classified service of the District shall consist of personnel employed in positions not requiring certification, except as listed in Education Code Sections 88003, 88005, and 88008.

Rules and regulations governing the employment of persons in the classified service are set forth in the California Education Code.

Wages, hours, and other terms of employment are negotiated with the exclusive bargaining representative of the classified personnel and are set forth in a separate contract agreement, which is on file in the Personnel Office.

Probationary Status

The initial six months of service in the position shall be in probationary status.

Regular Status

Regular status shall be accomplished upon satisfactory completion of the probationary period, as determined by the District evaluation process.

Reference:

Education Code 88003-5, 88008. MPCCD/MPCEA Agreement.

5000 SERIES PERSONNEL

E. <u>Classified Personnel</u>

5405 Duties and Responsibilities

The District shall maintain a current position description for each classified service position. The position description shall be reviewed and approved by the Governing Board upon recommendation of the Superintendent/President.

Assignment of duties and responsibilities in the classified service shall be the direct responsibility of the immediate Supervisor of each employee. Duties and responsibilities are included in the current job description.

Reference: Education Code 88009.

Formally Governing Board Policy 4.2.

Revised, Renumbered, and Adopted: May 10, 1989.

5000 SERIES PERSONNEL

E. Classified Personnel

5410 Posting of Vacancies

Personnel Services shall send notices to the employee's work site of any vacant classified positions. This notice shall normally be distributed one week in advance of outside recruitment and shall be for the purpose of allowing employees additional time for position inquiry and for application material preparation.

Posting of vacancies may also be prescribed in the collective bargaining agreement, in which case the posting shall comply with the agreement's terms

5000 SERIES PERSONNEL

E. Classified Personnel

5415 Separation

Any employee separating from the District is expected to obtain from the Personnel Office and complete the appropriate District forms for the action and participate in an exit interview.

5000 SERIES PERSONNEL

E. Classified Personnel

5425 Abandonment of Position

An employee who fails to report for duty for three consecutive days without permission from the employee's supervisor or the Superintendent/President shall be deemed to be absent without leave from the first such day. An employee who fails to return from a leave of absence within three working days after the expiration of an authorized leave shall be deemed to be absent without leave. Unless the non-reporting of the absence is attributable to a critical emergency, or other sufficient cause, such absence without leave shall be deemed sufficient reason for automatic termination of employment.

Reference: Education Code 88016.

5000 SERIES PERSONNEL

E. <u>Classified Personnel</u>

5435 Abolition of Position

The Governing Board reserves the right to abolish a position. The status of a person who held an abolished position shall be determined in accordance with California Education Code procedures and the contract with the bargaining unit.



GOVERNING BOARD POLICIES

Chapter 7 Human Resources

7236

BP 7236 Substitute and Short-Term Employees

The Superintendent/President is authorized to employ substitute and short-term employees as required.

Such employees are not members of the classified service and are not eligible for fringe benefits, except upon approval of the Superintendent/President and the Governing Board.

Such employees are classified as short-term employees and are not eligible for permanent status.

Formerly Board Policy 5700 Short Term Employees

References: Education Code Section 88003

Adopted: May 10, 1989

Renumbered, Revised and Adopted:

5000 SERIES PERSONNEL

H. Other Employees and Contractors

5700 Short-Term Employees

The Superintendent/President is authorized to employ substitute and short-term employees as required.

Such employees are not members of the classified service and are not eligible for fringe benefits, except upon approval of the Superintendent/President and the Governing Board.

Such employees are classified as short-term employees and are not eligible for permanent status.

"Short-term" means any person employed to perform a service for the District, upon the completion of which, the service required or similar services will not be extended or needed on a continuing basis. Such employees shall not be employed and paid for 75 percent or more of a school year, which means 195 working days, including holidays, sick leave, vacation and other leaves of absences irrespective of number of hours worked per day.

Reference: Education Code 88003.



GOVERNING BOARD POLICIES

Chapter 7 Human Resources 7250

BP 7250 Educational Administrators

An administrator is a person employed by the Board of Trustees in a supervisory or management position as defined in Government Code Sections 3540 et seq.

Educational administrators are those who exercise direct responsibility for supervising the operation of or formulating policy regarding the instructional or student services programs of the District.

An educational administrator who has not previously acquired tenure as a faculty member in the District shall have the right to become a first year probationary faculty member once his/her administrative assignment expires or is terminated, if the following criteria are met:

- The administrator meets the criteria established by the District for minimum qualifications for a faculty position, in accordance with procedures developing jointly by the Superintendent/President and the Academic Senate and approved by the Board of Trustees. The Board shall rely primarily on the advice and judgment of the Academic Senate to determine that an administrator possesses minimum qualifications for employment as a faculty member.
- The requirements of Education Code Section 87458(c) and (d), or any successor statute, are met with respect to prior satisfactory service and reason for termination of the administrative assignment.

Educational administrators shall be compensated in the manner provided for by the appointment or contract of employment. Compensation shall be set by the Board upon recommendation by the Superintendent/President. Educational Administrators shall further be entitled to health and welfare benefits made available by action of the Board upon recommendation by the Superintendent/President.

Educational administrators shall be entitled to vacation leave, sick leave, and other leaves as provided by law, these policies, and administrative procedures adopted by the Superintendent/President.

Educational administrator may be employed by an appointment or contract of up to four years in duration.

The Board of Trustees may, with the consent of the administrator concerned, terminate, effective on the next succeeding first day of July, the terms of employment and any contract of employment with the administrator, and reemploy the administrator on any terms and



GOVERNING BOARD POLICIES

conditions as may be mutually agreed upon by the Board and the administrator, for a new term to commence on the effective date of the termination of the existing term of employment.

If the Board determines that the administrator is not to be reemployed when his/her appointment or contract expires, notice to an administrator shall be in accordance with the terms of the existing contract. If the contract is silent, notice shall be in accordance with Education Code Section 72411.

Formerly Board Policies 5537 Administrative Status as a Faculty Member and 5545 Layoff.

References: Education Code Sections 72411 et seq., 87002(b), and 87457-87460;

Government Code Section 3540.1(g) and (m)

Adopted: March 10, 1982 (for Policy 5545) and August 29, 1991 (for Policy 5537)

Revised and Adopted: May 10, 1989 and August 29, 1991 (for Policy 5545)

Renumbered, Revised and Adopted:

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5537 Administrative Status as a Faculty Member

In accordance with Education Code Section 87458, an educational administrator who has not previously acquired tenured status as a faculty member in the District shall have the right to become a first year probationary faculty member once his or her administrative assignment expires or is terminated.

Conditions and procedures for acquiring status as a first year probationary faculty member by an educational administrator are included as Appendix 5537.

Reference: Education Code 87458

Adopted: August 20, 1991

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5545 Layoff

1. Educational Administrators

Pursuant to Section 87743 of the California Education Code, tenured personnel are subject to termination of services whenever the average daily attendance declines below the corresponding period of either of the previous two school years or whenever a particular kind of service is to be reduced or discontinued.

Tenured personnel released as a result of a reduction in workforce shall maintain a 39 month residual interest for re-employment as specified in California Education Code 87744 when and if the District hires additional employees.

2. Classified Managers, Supervisors and Confidential Personnel

Pursuant to Section 88127 of the California Education Code, classified personnel shall be subject to layoff for lack of work or lack of funds. For multiple position classifications, the order of layoff within the class shall be determined by length of service. The employee who has been employed the shortest time in class, plus higher classes, shall be laid off first. Reemployment shall be in the reverse order of layoff.

Persons laid off because of lack of work or lack of funds are eligible for reemployment for a period of 39 months and shall be re-employed in preference to new applicants.

Employees who take voluntary demotions or reductions in assigned time in lieu of layoff shall be, at the option of the employee, returned to a position in their former class or to positions with increased assigned time as vacancies become available.

Reference: Education Code 87743-4, 87458, 88127.

Originally Adopted as Governing Board Policy: March 10, 1982.

Adopted: May 10, 1989.

Revised: August 20, 1991.



GOVERNING BOARD POLICIES

Chapter 7 Human Resources

7260

BP 7260 Classified Supervisors and Managers

Classified administrators are administrators who are not employed as educational administrators.

Classified supervisors are those classified administrators, regardless of job description, having authority to hire, transfer, suspend, recall, promote, discharge, assign, reward, or discipline other employees, or having the responsibility to assign work to and direct them, adjust their grievances, or effectively recommend such action.

Classified managers are those classified administrators, regardless of job description, having significant responsibilities for formulating District policies or administering District programs other than the educational programs of the District.

Classified administrators may be employed by an appointment or contract of up to four years in duration. If a classified administrator is employed by an appointment or contract, the appointment or contract shall be subject to the same conditions as applicable to educational administrators.

Classified administrators may also be employed in the same manner as the other members of the classified service. If a classified administrator is employed as a regular member of the classified service, employment shall be consistent with other provisions of these policies regarding employment of classified employees.

Also see BP/AP 7120 titled Recruitment and Hiring, AP 7121 Recruitment and Hiring: Administrators and Managers, BP/AP 7240 titled Confidential Employees, and BP/AP 7250 titled Educational Administrators

Formerly Board Policies 5525 Administrative Organization; 5520 Management Team Status; 5530 MSC Rights and Responsibilities; 5535 Promotion, Transfer, and Reassignment; 5550 Retirement; 5552 Golden Handshake; and 5595 Complaints

References: Education Code Section 72411; Government Code Section 3540.1(g) and (m)

Adopted: March 10, 1982 (for Policies 5520, 5530, 5535, 5550, 5552, 5595); May 10, 1989 (for Policies 5500 and 5525)

Revised and Adopted Revised: May 10, 1989 (for Policies 5520, 5530, 5535, 5550, 5552, and 5595) **Renumbered, Revised, and Adopted:**

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5520 Management Team Status

The Governing Board recognizes the importance of management, supervisory, and confidential personnel for the purpose of fulfilling its legal responsibility for the management of community college education and services in the District. The Board expects the management team to provide educational leadership; to formulate and recommend District policies; to administer District programs; to recommend the employment, promotion, transfer, suspension, and the discharge of employees; and to supervise and evaluate employees. While shared responsibility and authority is emphasized in the District, nothing in this policy intends to limit the responsibility and authority of the Board or of management, supervisory, and confidential employees to make decisions as prescribed by law.

It shall be the policy of the Board that all positions whose salary placement is on a management, supervisory, and confidential salary schedule shall be considered as members of the management team

Management personnel have major responsibilities for providing educational leadership; formulating and recommending District policies; administering District programs; adjudicating grievances; and supervising and evaluating employees.

Supervisory personnel have authority, in the interest of the District, for assigning work to employees, directing employees, adjusting their grievances or recommending such action, and supervising and evaluating employees.

Confidential personnel provide support services to management personnel and have access to, or possess, information relating to employer employee relations.

Reference: Education Code 72400; 72413.

Originally Adopted as Governing Board Policy: March 10, 1982.

Numbered and Re-adopted: May 10, 1989.

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5525 Administrative Organization

It shall be the policy of the Governing Board to authorize the Superintendent/President to utilize the staff of the College to best serve the needs of the students and the goals of the District. As such, the Superintendent/President has authority to organize the administrative structure and assign the staff in the manner in which he/she believes will best achieve this goal.

New management positions may be established by the Board. Existing positions may be abolished in whole or in part, and the number of permanent personnel may be reduced for reasons of a decline in the average daily attendance or because of a reduction or discontinuance of a particular service of the District.

Administrative Contracts

Instructional and student services administrators shall be employed by a contract not to exceed four years in accordance with Section 72411.5 of the California Education Code. Other administrators may also be employed by such contract upon the recommendation of the Superintendent/President.

The terms and conditions of the contract shall be consistent with the terms and conditions for administrators as specified in Board policy.

Reference: Education Code 72400; 72411.5; 72413.

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5530 MSC Rights and Responsibilities

1. Ethical Responsibilities

Members of the management team shall be committed to the principles of honesty and equity. They shall not seek to abridge the legal freedoms of faculty, staff, and students. At the same time, they shall not willingly permit the rights and privileges of any members of the college community to override the best interests of the public served by the College.

As appointed managers of the college community, administrators shall exercise judgments, which are dispassionate, fair, consistent, and equitable. They shall exhibit openness and reliability in what they say and do as leaders. They shall confront issues and people without prejudice. They shall commit themselves to excellence in education and ethical behavior.

The consistent exercise of integrity is ethical behavior.

Responsibilities to Constituencies

Members of the management team respond to many constituencies: to elected or appointed governing boards; to colleague administrators, faculty, and staff; to their professions; and, ultimately, to the students and the community. The following statements of responsibilities are intended as guidelines:

- A. With respect to students, a member of the management team has the responsibility:
 - (1) To remain continuously informed of the characteristics, preferences, and educational needs of the local community.
 - (2) To provide and protect student access to the educational resources of the Monterey Peninsula College.
 - (3) To protect human dignity and individual freedom, and assure that students are respected as individuals, as learners, and as independent decision-makers.
 - (4) To invite students to contribute to College decisions and directions.

5000 SERIES PERSONNEL

- F. Management, Supervisory and Confidential Personnel
 - 5530 MSC Rights and Responsibilities (continued)
 - (5) To protect students from disparagement, embarrassment, or capricious judgment.
 - (6) To keep foremost in mind at all times that the College exists to serve students.
 - B. With respect to colleagues and staff, a member of the management team has the responsibility:
 - (1) To develop a climate of trust and mutual support through the governance processes characterized by the participation of people affected, a focus on objectives rather than personalities, respect for reason, freedom of expression, and the right to dissent.
 - (2) To foster openness by encouraging and maintaining two-way communication.
 - (3) To encourage, support and abide by written policies and procedures and to communicate clearly to staff members the conditions of employment, work expectations and evaluation procedures.
 - (4) To provide opportunities for professional growth.
 - (5) To provide due process with opportunity for appeal and review of employee evaluation.
 - C. With respect to the Governing Board, a member of the management team has the responsibility:
 - (1) To keep the Board informed so that it can act in the best interests of the District or College and the public.
 - (2) To act in the best interest of the District or College even when that action conflicts with an interest of the administrator or individual colleagues.
 - (3) To be guided by the principles and policies established by the Board.
 - (4) To represent the Board in official statements only when formally designated to do so.

5000 SERIES PERSONNEL

- F. Management, Supervisory and Confidential Personnel
 - 5530 MSC Rights and Responsibilities (continued)
 - D. With respect to the profession, a member of the management team has the responsibility:
 - (1) To improve performance through participation in professional activities.
 - (2) To be informed about developments in education in general and in the community college in particular.
 - (3) To encourage and assist professionals toward growth and effectiveness.
 - (4) To provide stewardship for the institution, including, but not limited to providing for the protection of the physical facilities and for the safety of people.

Rights and Due Process

A member of the management team shall have the right:

- A. To be considered for employment without regard to race, color, religion, sex. age, national origin, physical or mental handicap, status as Vietnamera veteran or marital status.
- B. To a clear written statement of the philosophy, goals, and objectives of the institution; of the duties and responsibilities of the position; and of the conditions of employment including, but not limited to, statements on salary and fringe benefits, term of office, process of review, date of notification of action regarding renewal or continuance.
- C. To work in a setting of institutional support and a climate of professional respect.
- D. To be assigned authority commensurate with responsibilities and resources adequate to carry out assigned functions.
- E. To act independently within the scope of authority to carry out responsibilities assigned.
- F. To perform duties and carry out responsibilities without disruption or harassment.

5000 SERIES PERSONNEL

- F. Management, Supervisory and Confidential Personnel
 - 5530 MSC Rights and Responsibilities (continued)
 - 3. Rights and Due Process (continued)
 - G. To be provided with legal and financial protection from liability in earrying out duties of the position.
 - H. To participate in formulating and implementing institutional policy at a level appropriate for the position held.
 - I. To speak for the institution at the level of assigned authority
 - J. To participate in associations and to support causes of his/her choice, while always making it clear whether the person is speaking for the institution or for himself/herself and while always conducting personal causes or affairs on personal time and at personal expense.
 - K. To privacy regarding personal matters.
 - L. To participate in and to be supported at an appropriate level in activities providing for professional growth such as career advancement and promotion, subbatical leaves, other leaves, and conference attendance.
 - M. To loyal support from supervisors for the proper performance of work assigned.
 - N. To be evaluated in a professional manner on a regular and systematic basis, and to receive adequate notice of dissatisfaction with performance or of action to terminate in accordance with existing statutes.
 - O. To due process in accordance with the law.

Originally Adopted as Governing Board Policy: March 10, 1982.

Numbered and Re-adopted: May 10, 1989.

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5535 Promotion, Transfer and Reassignment

It is the function of the Superintendent/President to determine staffing patterns and personnel required, and to assign personnel in the best interest of the District.

Promotion means reassignment of a person to a position at a higher level of eompensation. Persons employed in management positions who are being eonsidered for promotion must meet the qualifications of the new position.

Transfer means a change of assignment or position, which has been requested by an employee, and includes but is not limited to a lateral change assignment or to either a higher or lower position. An employee who requests a transfer must meet the qualifications of the position for which the request is made.

Reassignment means an involuntary change of an employee's assignment initiated by the Governing Board or the District. Reasons for reassignment shall include but not be limited to changing needs of the District, reductions in enrollment, additions or deletions of specific programs, or more effective utilization of management personnel resources. Any involuntary reassignment shall be made with regard to the employee's qualifications for the new position.

Reference: Education Code 72400; 72413.

Originally Adopted as Governing Board Policy: March 10, 1982.

Numbered and Re-adopted: May 10, 1989.

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5550 Retirement and Reduced Service

1. STRS AND PERS

Retirement shall be in accordance with applicable provisions of the Education Code and the public retirement system (PERS or STRS) of which the employee is a member.

2. Reduced Service Partial Retirement Plan

Reduced Service

Full-time regular certificated personnel may reduce their workload from full-time to part-time and have their retirement benefits based on full-time equivalent employment. Rules and regulations for reduced service are included as Appendix 5550 of the Governing Board Policies Handbook.

b. Denial of Reduced Service

The District reserves the right to deny granting a reduced workload and/or consent to first-year option to any employee if doing so would create unusual and difficult staffing problems. A denial of an early retirement request, however, shall be only temporary, and the employee may reapply for the program and make the effective date for the following school year or school term. All such reapplications shall be considered by the District without prejudice. A denial to grant the first-year option shall not prejudice the employee's application for early retirement.

c. Prerequisites —

To qualify for this program, the full-time regular certificated personnel shall meet the following prerequisites:

(1) Minimum Years of Service

The employee shall be a member of STRS and shall have completed ten (10) years of full-time service in a position requiring certification in the public school system of California which includes grades K-12, community college, or as a teacher in the California State University and College

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5550 Retirement and Reduced Service (continued)

system, with sabbatical leaves being counted as full-time employment. The immediately preceding five (5) years shall have been full-time employment in the Monterey Peninsula Community College District without a break in service. Time spent on a sabbatical leave or other approved leaves of absence shall not be used in computing the five-year full-time service requirement and shall not be considered a break in service.

(2) Minimum Age

The employee shall have attained the age of fifty-five (55)—prior to the beginning of the semester in which the reduction—in service begins.—

Reference: Education Code 22724, 87483.

Originally Adopted as Governing Board Policy: March 10, 1982.

Numbered and Re-adopted: May 10, 1989.

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5552 Golden Handshake

The District will implement the provisions of Education Code Section 87488 (known as the "Golden Handshake"). For certificated employees, such implementation shall strictly observe the limitation set forth in such code section, and the District shall be under no obligation if the District is unable to guarantee a savings as is required under this code section. The implementation of this section shall not be read as a limitation on the reallocation of unit positions within the District following retirement or resignation. The District will not be obligated to the benefits as set forth herein beyond the expiration date of the code provisions.

Reference: Education Code 87488.

Originally Adopted as Governing Board Policy: March 10, 1982.

Numbered and Re-adopted: May 10, 1989.

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5595 Complaints

Complaints Against MSC Personnel

A. Complaints to the Board

In accordance with Governing Board policy, all charges or complaints made against employees of the District and presented to the Board directly shall be referred to the Superintendent/President for investigation and report unless they refer directly to the Superintendent/President.

Any complaints received by an individual Board member will be referred to the Superintendent/President for investigation. Following the investigation, the Superintendent/President will then communicate to the person making the complaint with a copy to all Board members. If the Board member prefers, the Superintendent/President will communicate his/her findings back to the Board member, who will be responsible for contacting the complainant, and copies of the investigation report will be sent to all Board members.

Complaints, attacks, or criticisms brought up at a Board meeting will be referred to the Superintendent/President for investigation. No attempt will be made to respond at the time the complaint is made, but a written report will be prepared after the facts have been investigated.

B. Complaints to Other College Personnel

All charges made against MSC employees of the District and presented to College personnel shall be referred to the employee's immediate supervisor for investigation and action, if appropriate. Anonymous complaints shall be disregarded.

2. Complaints by MSC Personnel

A. Definition

A "complaint" is an allegation made by an MSC employee that the employee has been adversely affected on an employer employee matter not covered by alternate complaint or grievance procedures.

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5595 Complaints (continued)

2. Complaints by MSC Personnel (continued)

B. Special Provisions

(1) Service of Other Parties

The services of the Personnel Office, Affirmative Action Officer, or other District officials, may be requested in the process of resolving the complaint.

(2) <u>Time Limits</u>

A supervisor's failure to give a decision within the time limits shall permit the complainant to proceed to the next step. The time limits, however, may be extended by mutual agreement.

(3) Conduct of Complaint Processing

An investigation or other handling or processing of any complaint shall be conducted so as to result in minimal interference with, or interruption of, the instructional program and institutional activities.

C. Procedure

(1) First Step

An attempt shall be made to resolve any complaint in informal verbal discussion between complainant and the person who has immediate supervisorial responsibilities.

(2) Second Step

If the complaint cannot be resolved informally, the complainant shall file the complaint in and, at a mutually agreeable time, discuss the matter with the person who was involved at step one. If the complaint is against the supervisor, the written complaint shall be filed with the appropriate Dean. The written complaint shall state the nature of the complaint and shall state the remedy requested.

The filing of the formal, written complaint at the second step

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5595 Complaints (continued)

should, if possible, be within twenty (20) days from the date of occurrence of the event giving rise to the complaint. The supervisor or Dean shall render a decision on the complaint and communicate it in writing to the unit member within ten (10) days after receipt of the complaint.

(3) Third Step

If the complaint is not resolved satisfactorily at the second step, there shall be available a third step, that of the Superintendent/President or designee. The complainant shall meet with the Superintendent/President or designee within ten (10) days of receipt of the second step decision. Within ten (10) days of the meeting, the Superintendent/President or designee shall render a decision in writing regarding the complaint.

(4) Appeal to the Governing Board

Should the complainant not be satisfied at the third step, the employee shall have ten (10) days to so notify the Superintendent/President, who shall then forward the written materials to the Governing Board. The Board shall review the written records at an executive session of the next regularly scheduled Board meeting. The Board may make a final decision, request further information, schedule a hearing, or take whatever action it deems appropriate. If the Board requests further information or a hearing a reasonable notice and an opportunity to prepare shall be given to the employee.

Reference: Governing Board Policy 1055.

Originally Adopted as Governing Board Policy: March 10, 1982.

Numbered and Re adopted: May 10, 1989.



GOVERNING BOARD POLICIES

Chapter 7 Human Resources 7360

BP 7360 Discipline and Dismissal – Academic Employees

A contract or regular employee may be dismissed or penalized for one or more of the grounds set forth in Education Code Section 87732. If the employee is to be penalized, the Board of Trustees shall determine the nature of the penalties. If the Board decides to dismiss or penalize a contract or regular employee, it shall assure that each of the following has been satisfied:

- The employee has been evaluated in accordance with standards and procedures established in accordance with the provisions of Education Code Sections 87660 et seq., and any administrative procedure for evaluation contained in a collective bargaining agreement;
- The Board has received all statements of evaluation which considers the events for which dismissal may be imposed;
- The Board has received a recommendation from the Superintendent/ President; and
- The Board has considered the statements of evaluation and the recommendations in a lawful meeting.

If the Board decides it intends to dismiss a contract or regular employee, it shall take the actions required by the Education Code, and the Superintendent/ President or designee shall thereafter assure that the employee is afforded the full post-termination due process required by Education Code Sections 87666-87681.

The Superintendent/President shall establish procedures that define the conditions and processes for dismissal, discipline, and due process and ensure they are available to employees.

Formerly Board Policy 5325 Personal Conduct/Suspension and Dismissal

References: Education Code Sections 87666 and 87732

Adopted: May 10, 1989

Renumbered, Revised and Adopted:

MONTEREY PENINSULA COLLEGE GOVERNING BOARD POLICIES

5000 SERIES PERSONNEL

D. Faculty

5325 Personal Conduct/Suspension and Dismissal

Faculty shall be subject to the standards of conduct set forth in the Education Code, and the Administrative Code (Title 5), and shall be subject to suspension and dismissal in accordance with the provisions of these Codes.

The grounds on which an employee may be suspended or dismissed include the following eauses:

- 1. Immoral or unprofessional conduct.
- Commission, aiding, or advocating the commission of acts of criminal syndication.
- 3. Dishonesty.
- 4. Incompetency.
- 5. Evident unfitness for service.
- Physical or mental condition unfitting him/her to instruct or associate with students.
- Persistent violation of or refusal to obey the education laws of the State or reasonable regulations prescribed for the government of the public schools by the Board of Governors or by the Governing Board of the community college district employing him/her.
- 8. Conviction of a felony or of any crime involving moral turpitude.
- 9. Conduct specified in Section 1028 of the Government Code.
- 10. Knowing membership by the employee in the Communist Party.

Reference: Education Code 87732.

Formerly Governing Board Policy 3.2.

Revised, Renumbered and Adopted: May 10, 1989.



GOVERNING BOARD POLICIES

Chapter 7 Human Resources

7365

BP 7365 Discipline & Dismissal, Classified Employees

The Superintendent/President shall enact procedures for the disciplinary proceedings applicable to permanent classified employees of the District. Such procedures shall conform to the requirements of the Education Code.

The Governing Board's determination of the sufficiency of the cause for disciplinary action of a classified employee shall be conclusive.

No disciplinary action shall be taken for any cause that arose prior to the employee becoming permanent, or for any cause that arose more than two years preceding the date of the filing of any charge against the employee, unless the cause was concealed or not disclosed by the employee when it could be reasonably assumed that the employee should have disclosed the facts to the District.

A permanent member of the classified service shall be subject to disciplinary action, including, but not limited to, oral reprimand, written reprimand, reduction in pay, demotion, suspension, or discharge.

Also see the collective bargaining agreement(s) for the applicable employee group(s).

Formerly Board Policies 5430 titled Suspension, Demotion and Dismissal and 5540 titled Dismissal/Removal from Position.

References: Education Code Section 88013; Government Code Sections 3300 et seg.

Adopted: March 10, 1982 (for Policy 5540); May 10, 1989 (for Policy 5530)

Revised and Adopted: March 10, 1982 (for Policy 5540); May 10, 1989 (for Policy 5530)

Renumbered, Reviewed and Adopted:

MONTEREY PENINSULA COLLEGE GOVERNING BOARD POLICIES

5000 SERIES PERSONNEL

E. Classified Personnel

5430 Suspension, Demotion and Dismissal

A classified employee is subject to disciplinary action, which includes dismissal, suspension, demotion, reassignment, for one of more of the following or similar eauses:

- 1. Falsification of any information supplied to the District, including but not limited to application forms, employment records, time eards, absence forms, or any other District record.
- 2. Incompetence or inefficiency.
- Insubordination.
- Inattention to or dereliction of duty.
- Negligence
- Failure to notify the College of absence.
- Discourteous treatment of the public or fellow employees.
- 8. Dishonesty.
- 9. Theft or misuse of College property or money.
- 10. Drunkenness.
- 11. Immoral Conduct.
- Addiction to the use of narcotics.
- 13. Willful violation of provisions of the Education Code, Government Code, other statutes of the State of California or of the federal Government, or the rules, regulations, and procedures adopted by the Governing Board or Board of Governors of the California Community Colleges.
- 14. Drinking alcoholic beverages or the use of illegal drugs while on duty, or reporting for duty while under the influence of alcohol or such drugs.
- 15. Conviction for any criminal offense or of a misdemeanor involving moral turpitude.

MONTEREY PENINSULA COLLEGE GOVERNING BOARD POLICIES

5000 SERIES PERSONNEL

E. Classified Personnel

5430 Suspension, Demotion and Dismissal (continued)

- Conviction for a sex offense as defined in Education Code Sections 87010 and 88023.
- Conviction for a narcotics offense as defined in Education Code 87405.
- Revocation of any license needed for employment in a specified position.
- Repeated and unexcused absence or tardiness.
- 20. Absences from duty without proper authorization, failure to report after leave has expired or after such leave has been disapproved, revoked, or eancelled.
- 21. Incapacity due to mental or physical disability, to be determined by a medical exam.
- 22. Persistent violation or refusal to obey safety rules or regulations.
- 23. Offering of anything of value or offering any service in exchange for special treatment in connection with the employee's job or employment, or the accepting of anything of value or any service in exchange for granting any special treatment to another employee or to any member of the public.
- 24. Using, threatening to use, or attempting to use political influence in securing promotion, leave of absence, transfer, change of classification, pay or character to work.
- 25. Inducing or attempting to induce an officer or employee of the District to commit an unlawful act or acting in violation of any lawful and reasonable District regulation or order.

An employee subject to suspension, demotion, or dismissal shall receive written notice from the Superintendent/President or his/her designee citing the specific acts and/or omissions upon which the disciplinary action is based, a statement of the cause for the action taken; and, if it is claimed that an employee has violated a rule or regulation, such rule or regulation shall be set forth in the notice.

The notice shall contain a statement of the employee's right to a hearing on such charges, the time within which such hearing may be requested, which shall be not less than five (5) days after service of the notice on the employee, and said notice shall be accompanied by a eard or paper, the signing and filing of which with the Superintendent/President or his/her designee shall constitute a demand for a hearing

MONTEREY PENINSULA COLLEGE GOVERNING BOARD POLICIES

5000 SERIES PERSONNEL

E. Classified Personnel

5430 Suspension, Demotion and Dismissal (continued)

and a denial of all charges. Failure of the employee to file a request for hearing within the time specified shall constitute a waiver of the employee's right to a hearing.

The hearing shall normally be conducted by an administrative law judge or by a hearing panel. However, the District reserves the right to provide for a hearing before a specially constituted panel or before the Governing Board. If either of these methods of hearing is to be invoked, the employee will be given a written description of the rules for the hearing. Such information will be provided at least five (5) days prior to the hearing.

Reference: Education Code 88016 et. seq.

Adopted: May 10, 1989.

MONTEREY PENINSULA COLLEGE GOVERNING BOARD POLICIES

5000 SERIES PERSONNEL

F. Management, Supervisory and Confidential Personnel

5540 Dismissal/Removal from Position

The Superintendent/President, upon approval of the Governing Board, may remove management, supervisory or confidential employees from their position for failure to meet their duties and responsibilities as enumerated in Governing Board Policy 5530. The Board has the authority in its discretion, however, to also remove MSC employees from their position for failure to meet their duties and responsibilities as enumerated in Governing Board Policy 5530.

Certificated MSC employees may be dismissed from employment for cause or causes enumerated in Governing Board Policy 5325.

Classified MSC employees may be removed from their position and/or dismissed from employment for cause or causes enumerated in Governing Board Sections 5425 and 5430.

Reference: Education Code 72413, 87732, 88016, 88003.

Originally Adopted as Governing Board Policy: March 10, 1982.

Revised, Numbered and Adopted: May 10, 1989.

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agend	la Item No. T	Superintendent/President College Area		
Proposal: That the Governing Board reviews Administrative Procedures: 2410 – Board Policies and Administrative Procedures and 7121 – Recruitment and Hiring: Administrators and Managers				
Background:				
An extensive update of board policies is currently underway to reflect CCLC policy language and numbering structure. Administrative procedures for policy implementation also are being developed. When finalized, the administrative procedures will be forwarded to the Board as an information item.				
Attached are two administrative procedures for board policies adopted at the May and September 2016 meetings. Administrative Procedure 2410 – Board Policies and Administrative Procedures Administrative Procedure 7121 – Recruitment and Hiring: Administrators and Managers				
Budgetary Implications: None.				
Recommended By:	Dr. Walter Tribley, Superintendent/President			
Prepared By:	Shawn Anderson, Executive Assistant to Superintenden	t/President and Governing Board		
Agenda Approval:	Dr. Walter Tribley, Superintendent/President			



Chapter 2 Board of Trustees 2410

AP 2410 Board Policies and Administrative Procedures

The District will maintain Board Policies and administrative procedures that are up to date and posted on the MPC website. To support regular review of Board Policies and administrative procedures, the District subscribes to the Community College League of California's (CCLC) Policy and Procedure Services, which provides biannual or annual updates.

Each academic year the District will engage in the review of at least one chapter of the Board Policies. The process for this review is as follows:

A. The schedule for which chapter(s) of the Board Policies will be reviewed and (starting with the 2016/17 academic year):

Year	Board Policies Chapter	Responsible Administrator
Year One	 Chapter 1 – The District Chapter 2 – Board of Trustees Chapter 3-7 – Human Resources 	Superintendent/President Superintendent/President Associate Dean of Human Resources
Year Two	Chapter 3 – General Institution	All administrators
Year Three	Chapter 4 – Academic Affairs	VP of Academic Affairs
Year Four	Chapter 5 – Student Services	VP of Student Services
Year Five	Chapter 6 – Business & Fiscal Affairs	VP for Administrative Services

- B. The Administrator in charge of the area covered by each chapter will be responsible for facilitating the discussion of the currency and appropriateness of the policies in their chapter with appropriate constituencies and participatory governance bodies. This administrator will also be responsible for developing suggestions for changes to policies.
- C. Suggestions for changes to policies (with accompanying procedures as an information item) will be forwarded to College Council for their recommendation to the Superintendent/President.
- D. After College Council makes a recommendation on a policy, the Superintendent/President will forward his/her recommendation on the policy to the Board of Trustees for action.



In instances where changes in law or regulations mandate changes to the Board Policies (including any revisions received as part of the annual update from the CCLC Policy and Procedures Service), either the Administrator in charge of the affected area, or the Superintendent/President will take the proposed change(s) to College Council for review. After this review, the Superintendent/President will forward his/her recommendation on Board Policies to the Board of Trustees for action or, in the case of Administrative Procedures, as an information item.

Should any member of the college community whether they be faculty, staff, management, or students identify a needed change or amendment to Board Policy or administrative procedure they may present their proposed change(s) through the appropriate participatory governance group(s) associated with those policies and/or procedures. The Superintendent/President will forward his/her recommendation on Board Policies to the Board of Trustees for action or, in the case of Administrative Procedures, as an informational item.

References: Education Code Section 70902;

ACCJC Accreditation Standards I.B.7, I.C.5, and IV.C.7

President's Cabinet Approved: August 10, 2016 December 4, 2017



Chapter 7 Human Resources 7121

AP 7121 Recruitment and Hiring: Administrators and Managers

INTRODUCTION

A. Philosophy

It is the philosophy of the that administrative hiring procedures and guidelines be established which provide for highly qualified individuals for both educational and classified administrators and managers who are knowledgeable in their professional areas, who are skilled in managing and directing administrative functions or academic programs, and who can foster overall college effectiveness.

Board Policy 7120 Recruitment and Hiring directs the Superintendent/President to establish procedures for the recruitment and selection of employees in accordance with the Equal Employment Opportunity (EEO) Plan and the California Code of Regulations for minimum qualifications.

B. General Principles

The following principles shall guide all activities related to the recruitment and search of new employees:

- 1. The Monterey Peninsula Community College District is committed to providing full, objective, and equal access to its recruitment and search process for all applicants, regardless of race, color, religion, gender, gender identity, gender expression, national origin, ancestry, disability, age, sexual orientation, marital status, military/veteran status, or the perception of one or more of these characteristics. The District is an Equal Opportunity Employer that fully respects and values the richness that inclusion of diversity brings. The District strives to achieve a workforce that is welcoming to all individuals to ensure an inclusive education and employment environment which fosters cooperation, acceptance, democracy, and free expression of speech.
- The Board of Trustees, administrators, managers, faculty, and classified staff share the responsibility for assuring equal opportunity practices throughout the recruitment and search process.
- 3. The District actively seeks applicants who demonstrate the required technical expertise, preparedness, competence, respect, and sensitivity that will enable them to effectively work in a multi-cultural, multi-lingual educational environment.



- 4. Emphasis is placed on the responsibility of the administrators to ensure the quality of their administrator peers.
- Hiring decisions shall comply with Federal and State laws and regulations, board polices, and the District commitment to equal opportunity, fairness, inclusion, respect of all candidates, and objectivity throughout the search process

I. IDENTIFICATION OF VACANT POSITIONS

The Superintendent/President, or designee is responsible for identifying and recommending administrative positions to be filled, through use of a thoughtful and well defined planning process. The Governing Board approves the hiring of all administrative positions.

II. DEVELOPMENT OF THE JOB ANNOUNCEMENT

The job announcement will be developed by the appropriate Committee Chair in consultation with of the Search Committee. The Committee Chair is the immediate supervisor of the vacant position unless otherwise designated by the Superintendent/President. The job announcement shall forwarded to the Office of Human Resources for review. The Chief Human Resources Officer, as the District's EEO Officer, may recommend changes in the announcement draft to assure equal opportunity and the absence of "desirable qualifications" that may adversely impact individuals based on race, ethnicity, religion, gender, national origin, disability, age, gender identity, sexual orientation, and/or marital status. The recommendations will be discussed with the Committee Chair.

Following a review of the document to assure overall compliance with legal standards, a final draft job announcement shall be prepared. The final document will be forwarded to the Committee Chair for a final review, and any substantive changes will be noted. The Committee Chair will notify the Office of Human Resources of any additional changes and the document will be prepared for publication.

Human Resources (HR) Representatives will provide a range of technical services, training and consultation, as appropriate, to assure that the job announcement, recruitment activities and screening/selection process, criteria, forms and documentation comply with applicable current laws and regulations, as well as District policies and procedures. The HR Representative shall attend all meetings of the Search Committee.

A. Elements of the Job Announcement

The administrative job announcement shall include the following information:

 Minimum qualifications shall be in compliance with Title 5 regulations, section 53420 for educational administrator positions. Minimum Qualifications for classified administrators and managers shall be locally determined.



- 2. The state-mandated requirement of a sensitivity to and understanding of the diverse academic, socioeconomic, cultural, disability, gender identity, sexual orientation and ethnic backgrounds of community college students (Title 5 regulations, section 53022).
- 3. A summary of the position and description of the primary duties and responsibilities.
- 4. Additional, job-related skills and qualifications such as:
 - Additional degrees, licenses or certificates
 - Special fields of training and/or experience
 - Specific experience
 - Other job-related knowledge, skills and abilities as appropriate
- 5. Standard job announcements shall include:
 - The Position
 - Salary
 - Assignment (time base, desired starting date)
 - Application Closing Date or Review Date
 - Minimum Qualifications
 - List of Application
 - Search Procedures
 - Summary of Benefits
 - Information on the District and Colleges sites
 - District Statement of Commitment To Equal Employment Opportunity
- 6. All job announcements shall contain a statement in substantially the following form: "The District is an equal opportunity employer. The policy of the District is to encourage applications from all persons. No person shall be denied employment because of ethnicity or race, color, sex or gender, gender identity, gender expression, age, religion, marital status, disability, sexual orientation, national origin, medical conditions, status as a Vietnam-era veteran, ancestry, or political or organizational affiliation."

III. RECRUITMENT

Administrative positions will be open to accept applications and advertised for a period of at least four weeks. Managerial positions will be open for a period of at least two weeks. For hard-to-recruit-for positions, an "Open Until Filled" option may be requested for consideration by the Office of Human Resources. In such instances, the job announcement will indicate a priority application review date. The District reserves the right to modify the recruitment period pending business necessity or special circumstances.

If a closing date is utilized, an extension may be approved by the EEO Officer (or designee), if it is determined by the Committee Chair that an adequate pool was not achieved. Inadequate in



this instance is defined as an insufficient number of applications to allow for a competitive process and/or insufficient breadth and depth of experience, or the pool is not diverse. The District reserves the right to open, extend, or suspend the recruitment of a position at any time during the search process.

Following the review and approval process, the publication of the job announcement will be completed in order to take advantage of job fairs and conferences that enhance the district's recruitment efforts. Where and when advertising is placed will depend on several factors including resources available, lead time required for each publication, time constraints with the District, past experience within the professional area, and past experience with the advertising type. The requirement of open positions shall apply to all full-time and part-time openings, and recruitment for full-time educational and classified administrative positions shall be at least statewide and at a minimum shall included seeking qualified applicants listed in the California Community Colleges Equal Employment Opportunity Registry and posting job announcements with the Registry (Title 5 regulations, section 53021 (a)).

Administrators are encouraged to use their professional networks to advertise open positions. The job announcement will be posted on the District's website and announced to all District employees. The recruitment plan will include multiple national and local job boards designed to reach both the general population and persons from under-represented groups, print media, list serves, the Employment Development Department, and craigslist.

Additional advertising resources for specific outreach in a professional area may be requested and will be decided in consultation with the Office of Human Resources and the Committee Chair, depending on available resources, time constraints, and in addition need, with the ultimate goal being to develop a comprehensive recruitment plan which will ensure an adequate pool of well-qualified applicants.

IV. APPLICATION PROCESS

A. District Application Form

All applicants, internal or external, must submit the current District Application Form as prescribed by the Office of Human Resources, to be considered for an opening using the District's on-line application system. Applicants must submit a separate application form for each opening for which they apply.

B. Transcripts

Unofficial copies of all undergraduate and graduate degrees must be submitted at the time of application. Official transcripts are required prior to the time of employment.



C. Current Resume

D. Cover letter

Specific directions for cover letters may be identified in the job announcement.

E. Licenses or certificates

Unofficial copies of required licenses or certificates should be submitted at the time of application.

F. List of References

A list of professional references should include names, job title, employer, email, and phone numbers.

G. EEO Self Identification Form.

Although this form is optional, applicants are strongly encouraged to complete the form. The data are used for the purposes of analyzing the effectiveness of the District's EEO and recruitment efforts. The Search Committee members do not have access to this confidential information.

H. Supplemental Application Questions

Any supplemental application questions must be completed at the time of application as required.

C. Other Application Materials

Applicants may be required to submit other materials at the time of application as outlined on the job announcement as approved by the EEO Officer.

V. THE SEARCH COMMITTEE

A. Appointment of Search Committee Members

The appointment of Search Committee members will be collaborative. The appointment of Administrators on the Search Committee, as well as Classified Confidential and Classified Managers, will be proposed by the Committee Chair. Faculty members on the Search Committee will be proposed by the Academic Senate. Classified Represented employees needed to serve on the Committee shall be nominated by Monterey Peninsula College Employees Association. As appropriate, student representation will be proposed by the Vice President of Student Services or designee. The District Superintendent/President (or designee) will approve the Search Committee upon review of the proposed Committee members.

B. Committee Chair and Search Committee Composition

The Committee Chair is the immediate supervisor of the vacant position unless otherwise designated by the Superintendent/President. In the event of a Superintendent/President search, the Governing Board shall appoint the Committee Chair.



The minimum size of a Search Committee shall consist of the following membership for the particular group:

Superintendent/President

One (1) administrator (Chair)

Four (4) administrators and/or managers

Two (2) faculty

Two (2) classified represented

One (1) students (optional))

One (1) community member

Vice Presidents

One (1) administrator (Chair)

Three (3) administrators and/or managers

Two (2) faculty

Two (2) classified

One (1) student (optional)

• Deans and Educational Directors

One (1) administrator (Chair)

Three (3) administrators

Two (2) faculty

Two (2) classified

Classified Managers and Supervisors

One (1) administrator (Chair)

Two (2) administrators and/or managers

One (1) faculty

One (1) classified



Search Committee members may include community members, consultants, or personnel from other colleges or districts. Additional members may be added as nominated by the Committee Chair and or designee and approved by the Superintendent/President.

Committees should Include a diverse membership which will broaden perspectives and bring a variety of perspectives to the assessment of applicant qualifications and to better represent the District's commitment to equal opportunity. The inability to meet this requirement shall be reviewed by the EEO Officer, who may nominate others to serve on the committee. Nominations shall be approved by the Superintendent/President.

The names of the members of the Search Committee, and the category they represent, shall be provided to the Office of Human Resources in a timely manner as requested. In the event, names are not forwarded to the Office of Human Resources in a timely manner, the District may proceed with the search if it is determined that further delay of the search process would negatively impact District operations.

C. Role and Responsibilities of the Search Committee.

- 1. Receive training in equal employment opportunity according to state regulations to ensure the fair and equitable treatment of all applicant's is assured.
- 2. Attend all Committee meetings. Any exception may be considered by the EEO Officer.
- 3. Actively engage in discussions and tasks including all phases of the search process within the set timelines, such as determining scoring criteria, screening applications, developing interview questions and skills demonstrations, and rating candidates.
- 4. Establish a timeline allows that a thorough, complete, and thoughtful search.
- 5. Include all members in votes that are taken and decisions that are made throughout the Committee process.
- 6. Recommend candidates to proceed as finalists to second level interviews in an unranked order.
- 7. Sign a confidentiality statement and maintain confidentiality throughout and following completion of the search process.

D. Search Committee Orientation and Meeting

All members of the Search Committee will receive orientation at the beginning of the process, in a manner approved by the EEO Officer, which will include the following types of information:

1. The importance of confidentiality and how it shall be reinforced throughout the process. Emphasis shall be placed on the following:



- Requiring the highest level of sensitivity on the part of the committee members regarding the need for confidentiality for the entire selection process;
- Protecting the rights and reputations of the candidates, and the non-sharing of ratings and comments made by committee members; and
- Maintaining strict confidentiality regarding the interview questions and the topic(s) of any work sample(s), in order to provide equal opportunities for all candidates.
- 2. The reporting of violations of the process to the EEO Officer for appropriate action, if the Search Committee member believes any have occurred.
- 3. The disbanding of the Committee by the District Superintendent/President or EEO Officer if it has been determined that confidentiality has been breached or if it has been determined that prejudicial statements are repeated after a warning.
- 4. The District's commitment to equal employment opportunity, including procedures and techniques to assure fairness and objectivity, avoidance of adverse impact, and the inclusion of qualified candidates regardless of race, color, religion, sex, gender identity, national origin, ancestry, disability, age, sexual orientation, or marital status.
- 5. The respective roles, contributions and responsibilities of each Search Committee member in assuring fair, objective and equal treatment of all candidates.
- 6. A review of the search process, its steps, projected timelines, and requirements for legal documentation of the Committee screening and selection of candidates.
- 7. The technical aspects of the process, including review of the knowledge, skills and abilities and the Duties and Responsibilities that will be used to determine the screening criteria, procedures, job-related interview questions and skills demonstrations; rating criteria, appropriate forms and documentation. The Office of Human Resources is available to provide technical assistance to the Committee in all aspects of the process.
- 8. Procedures related to the identification of candidates as "finalists."
- 9. The guidelines regarding the procedures, current law, confidentiality, bias in interview, value of diversity, and documentation required for reference checking.

The Search Committee will utilize the time following the orientation to:

- Finalize the job announcement;
- Calendar steps in the process (including the screening application period, meeting to discuss the selection of candidates for first level interview, date to notify the candidates, and the interview schedule);



- Develop the screening criteria;
- Prepare the rating sheet;
- Develop job-related questions;
- Develop additional assessment techniques, including demonstrations or presentations.

E. Screening and Rating Criteria

Some criteria to considered may include:

- Educational preparation;
- Demonstrated experience;
- Communication and other interpersonal skills;
- Sensitivity to, and knowledge of a diverse student body and its needs;
- Creativity and innovation;
- Leadership potential;
- Service in the community;
- Professional and organizational affiliations;
- Experience in working with people of varying abilities, age, genders, sexual orientations, and cultures;
- Indications of ability for continued professional growth; and
- Knowledge of required laws, rules or regulations.

F. Interview Questions and Skill Demonstrations

Interview questions and skill demonstrations will comply with current law; be based solely on bona fide, job-related knowledge, skills and abilities as stated in the job announcement; and will be appropriate to the subject matter. Interview questions and skill demonstrations should be job-related, based on the required knowledge, skills and abilities, unbiased, and should have the following characteristics:

- 1. Be open-ended in order to prompt full and complete responses from the candidate.
- 2. When appropriate include pre-determined "key response elements" that can be used by the Search Committee to evaluate the quality of the candidate's responses. "Key response elements" are lists of possible responses that the Search Committee can listen for in order to guide their ratings and documentation.

The HR Representative shall coordinate and facilitate all meetings and functions of the Search Committee. All materials including the screening criteria, interview questions and assessments shall be reviewed and approved by the EEO Officer to assure all applicants are afforded an equal opportunity for employments and no elements create an adverse impact. The HR Representative shall be the custodian of all records and documents.



VI. CLOSE OF THE RECRUITMENT PROCESS

A. Application Review

At the close of the recruitment, the Office of Human Resources will conduct a review of the application materials received to ensure all required documents have been submitted. Only complete application materials will be released to the Committee Chair and EEO Representative.

B. Minimum Qualifications Review

The Committee Chair and EEO Representative will have responsibility to review the applications for the minimum qualifications. Applicants whose materials do not meet the minimum qualification requirement, shall not be released to the Search Committee for consideration. Human Resources shall provide training for the screening of minimum qualifications. The Office of Human Resources shall notify all applicants with incomplete applications and those who did not meet minimum qualifications of their status.

VII. SCREENING OF APPLICATION MATERIALS

A. Paper Screening Process

Using the screening criteria developed by the Search Committee, all members of the Committee shall:

- Independently review all completed applications according to the timeline set by the committee;
- Record and submit their results on the rating sheet to Human Resources; and
- Participate in the selection of those applicants who most closely meet the stated requirements and desirable skills and attributes as listed on the job announcement.

Following the screening of application materials, the Search Committee shall meet to review the ratings of all applicants by the members of the Committee. This meeting shall allow for open discussions of the applicants' qualifications. Candidates shall be identified for the First Level Interview with the Search Committee. The Office of Human Resources shall immediately notify the successful candidates of the particulars regarding the First Level Interview including date, time, location, and instruction for any skills demonstration. Applicants selected for interviews shall be given a sufficient notice to prepare for the interview. The applicants not selected for an interview shall also be notified.



Search Committee members are discouraged from printing application materials. Any printed materials including rating sheets must be collected by the HR Representative who serves as the custodian of records.

Internal Applicants

Care should be taken to notify internal candidates immediately by phone, or in person, by the Chair or the Office of Human Resources.

VIII. FIRST LEVEL INTERVIEWS

A. Committee Interviews

The purpose of the First Level Interview is to evaluate the professional competence, technical proficiency, sensitivity to ethnic diversity, and where appropriate community college issues, professional activities, and other characteristics of the candidates as stated in the position announcement.

All candidates must sign a District waiver form authorizing and consenting to the release of information by current and previous employers to Monterey Peninsula College for purposes of checking references to verify suitability for employment.

Each Search Committee member shall document the quality of the candidates' responses and assign a score based on the value determined by the Committee for each question.

Assessments and presentations may be assigned a higher point value.

All pre-determined interview questions and skill demonstrations with any key response elements and other screening components of the search process should be directly related to the required and desirable knowledge, skills and abilities of the job, as listed in the job announcement.

The same set of pre-determined interview questions and skill demonstrations shall be used to evaluate each candidate. The Committee may ask appropriate follow-up questions to clarify a candidate's response to a question, or may ask job-related questions about information contained in the application materials. However, Committee members should assure that all candidates are provided an equal opportunity for clarification and elaboration on matters related to their background and/or responses to questions. Committee members should also be mindful of any time constraints allowing the candidate the opportunity to answer all the questions within the identified interview time period.

All members of the Search Committee shall be present during all of the interviews. If a Committee member is unavoidably absent or detained, the remaining Committee members may proceed without that member for the remainder of the process. Whenever that absence disrupts the balance of the Search Committee membership, the Chair and EEO Officer (or



designee) will decide on a course of action. The course of action decided upon should be documented and included in the application materials at the conclusion of the hiring process.

B. Selection of Finalists

Following the conclusion of the interviews, the Search Committee members shall independently complete their scoring for each candidate. The HR Representative must be present for this meeting and will record the results of all members' scores. The Search Committee will identify and recommend candidates as finalists who most closely meet the selection criteria, who are well qualified in the opinion of the Committee and who most likely would be successful if selected for the position. The Search Committee should be encouraged to engage in a full, frank, and complete discussion about the candidates.

Several factors are to be considered by the Committee in identifying and recommending candidates who will be forwarded as finalists for a Second Level Interview. In the case of candidates new to the professional area, the Committee shall consider the candidate's potential to develop professional competence and skills. The recommendation should be based on a combination of the information contained in the candidate's application materials, the interview performance, and results of the skill demonstration or other pre-determined, jobrelated Committee assessment tool. Such factors as the following shall be considered:

- Demonstrated professional competence
- Scope and quality of professionalism
- Experience and skills related to the position
- Demonstrated skill and preparation to work in a multicultural, multi-lingual educational environment, and sensitivity to and understanding of the diverse academic, socioeconomic, cultural, disability, gender identity, sexual orientation and ethnic backgrounds of community college students.
- Potential for development

The names of the finalists shall be recommended unranked for Second Level Interviews, however Committee members may recommend that specific of areas a candidate's qualifications be further examined. If only one candidate is deemed acceptable as a finalist, the Committee will submit its reasons in writing and forward them to the next level Administrator and EEO Officer, who will review the screening process with the Search Committee Chair and EEO Representative.

C. Interview Documentation

An interview and skills demonstration rating form will be completed and signed by each member of the Search Committee in order to document the quality of each candidate's responses. At the conclusion of the interviews and skill demonstrations, the HR Representative shall compile all of the rating forms, Committee member notes and other written



documentation of the process into a final and confidential Committee record that will be sealed and maintained in the Office of Human Resources for a period of three (3) years as required by law.

Internal Candidates

Care should be taken to notify internal candidates immediately by phone or in person by the Chair or the Office of Human Resources.

G. Non Selection

If no selection is made following the search process, the Superintendent/President and/or the EEO Officer may determine to extend or re-open the recruitment. Extended or re-opened searches are those that have proceeded to the point of Search Committee deliberations. Under these circumstances, the decision to re-open a search signifies that the Search Committee found an insufficient number of applications to allow for a competitive process and/or insufficient breadth and depth of experience exists. Re-opened searches requires that the Committee Chair consult with the EEO Officer (or designee) and shall be given careful consideration.

IX. REFERENCES AND SECOND LEVEL INTERVIEWS

A. Reference Checks

Reference checks for finalists will be conducted by the next level administrator or designee. Reference checks may be conducted any time following the recommendation of finalists by the Search Committee. In the event, reference checks reveal a candidate's unsuitability or inability to perform the duties and responsibilities of the position, the candidate may not be invited to Second Level Interviews.

B. Second Interviews

The Office of Human Resources shall make the arrangements to schedule the Second Level Interviews with the next level Administrator. Interviews should be scheduled within a reasonable time frame after the finalists have been selected by the Search Committee.

Notification shall be by phone, or in person, and care should be taken to notify the candidates as soon as possible that their status at the Second Level has been confirmed. The HR Representative shall be responsible for notifying all candidates of their statuses.

Participants of the Second Level Interview may consist of the immediate supervisor, next level Administrator, Vice President of the area and/or Superintendent/President. The need for additional individuals to participate in the Second Interview shall be determined by the Superintendent/President and/or EEO Officer, with consideration given to appropriate representation. Names of committee members and any supporting documentation shall be returned to the Office of Human Resources.



In the event of a Superintendent/President search, the members of the Governing Board shall participated in the Second Level Interviews.

Individuals participating in Second Level Interviews are required to be trained in EEO laws and regulations and to attend all Second Level Interviews.

Second Level Interviews may include campus tours, forums, and meetings with management and other groups appropriate to the position, and upon approval of the Superintendent/President and EEO Officer.

C. Wrap-Up Meeting

Following the interviews, the members or a representative of the Second Level Interview Committee shall meet with members of the Search Committee. At a minimum, this shall include the Chair and EEO Representative. The purpose of the meeting is to allow the Search Committee to share any pertinent information from the interview process with the Second Level Committee members. The HR Representative shall be present at this meeting.

X. INTERNAL RECRUITMENTS FOR INTERIM ASSIGNMENTS

Requests for (per Title 5 regulation section 53021(b)(1) "in-house or promotional only" recruitment shall not be used to fill any new vacancy described in in section 53021 (a), except when the position is being filled on an interim basis for the minimum time necessary to allow for full and open recruitment. No interim appointment or series of interim appointments may exceed two years in duration.

Where in-house or promotional only recruitment is utilized to fill a position on an interim basis pursuant to Title 5 regulation section 53021(b)(1), all district employees shall be afforded the opportunity to apply.

The in-house recruitment for an interim administrator or manager shall be approved by the Superintendent/President. The recruitment and search processes shall be determined by the Committee Chair and EEO Officer, based on the procedures found herein, which may be accelerated.

XI. APPROVAL PROCESS

The Superintendent/President (or designee) make the final hiring decision and notify the Office of Human Resources for preparation for approval by the Governing Board and to begin the onboarding process. The next level Administrator or Superintendent/President or designee shall contact the candidates who were not selected.



In the event of a Superintendent/President search, the Chair of the Governing Board shall notify the Office of Human Resources of the final candidate and shall notify the candidates who were not selected.

The employment of the candidate is not final until action is taken by the Governing Board at an announced Board Meeting. The Office of Human Resources will contact the selected individual in a timely fashion regarding employment information, required verifications, employment contracts, fringe benefits, and other employee services.



APPENDIX A: Roles and Responsibilities

Role of the Search Committee Chair

The Search Committee Chair has the following responsibilities:

- 1. Recommend search committee members.
- Coordinate the scheduling of all Committee meetings and tasks with the Committee and the HR Representative, providing sufficient time to allow for a thorough, complete, and thoughtful search.
- 3. Chair all Search Committee meetings.
- 4. Ensure all members of the committee are trained by the HR Representative regarding all matters related to:
 - Equal Employment Opportunity guidelines and implementation
 - Safeguards against bias and adverse impact in selection criteria and during the process
 - Forms to be used during the process
 - Review of minimum qualifications and application materials
 - Development of interview questions, key response elements, and skills demonstrations
 - Establishment of a professional and welcoming interview environment
 - Committee deliberations, decisions and documentation of the process.
 - Confidentiality
- 5. Confer with Committee member(s), at any time during the process, regarding any breach in procedure. Report irregularities to the EEO Officer.
- 6. Participate in and ensure the review of minimum qualifications with the EEO Representative in a timely manner.
- 7. Guide Search Committee members through the procedures in compliance with District policies and procedures.
- 8. Conduct and monitor interviews ensuring all applicants are afforded the opportunity for a consistent and fair process.
- 9. Reinforce the importance of confidentiality, non-bias, and equal opportunity in all steps of the process.
- 10. Assist the HR Representative in the compiling and gathering of all forms and paperwork.



Roles and Responsibilities of EEO Representative

- 1. Receive training by Human Resources to effectively serve as the EEO Representative.
- 2. Conduct a review of minimum qualifications with the Chair in a timely manner.
- 3. Carry out all the responsibilities of Search Committee members.
- 4. Work collaboratively with the Chair to monitor the search process in accordance to EEO and District procedures.
- 5. Report any discrepancies or concerns regarding the search process to the EEO Officer.
- 6. Assist the Chair during the search process.

Roles and Responsibilities of the HR Representative

- 1. Assist the Chair in the coordination and facilitation of all aspects of the search process.
- 2. Ensure that all committee members have received training in EEO laws, guideline and best practices, search procedures, bias in interviews, and the value of diversity.
- 3. Provide technical expertise during committee meetings.
- 4. Schedule all meetings and tasks for the recruitment and hiring timelines.
- Attend all committee planning and wrap-up meetings.
- 6. Release applications for a review of minimum qualifications and committee screening.
- 7. Compile scores of screening and interview rating sheets.
- 8. Serve as the custodian of record ensuring application and interview materials are maintained securely.
- 9. Report any discrepancies or concerns regarding the search process to the EEO Officer.
- 10. Communicate with applicants in a timely manner.
- 11. Close recruitment files and secure documents.

References: Education Code Sections 87100 et seq., 87400, and 88003;

ACCJC Accreditation Standard III.A.1

President's Cabinet Approved: November 27, 2017

Revised and Adopted:

Reviewed:

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agenda Item No. U

Superintendent/President Office

Proposal:

That the Governing Board considers endorsing three Monterey County educational programs as candidates for the 2018 Monterey County School Boards Association (MCSBA) Excellence in Education Award.

Background:

The MCSBA requested that Monterey County school districts endorse their top three selections for the 2018 MCSBA Excellence in Education Award from the list of nominees under consideration (Attachment A).

To be eligible to receive this award, the following criteria must be met:

- Available and accessible to students countywide.
- Transformative and significant impact on students' quality of life.
- Highlights unmet countywide student need.
- Exceeds expectations.

The MCSBA Executive Council will select the 2018 MCSBA Excellence in Education award winner on January 29, 2018. The award will be presented at the MCSBA Annual Organizational Meeting and Dinner on Thursday, March 22, 2018 at Hartnell College in Salinas.

Budgetary Implications:

No direct budgetary impact is anticipated.

⊠ RESOLUTION	BE IT RESOLVED, that the Governing Board endorses as candidates for the 2018 Monterey County Schoo
Boards Association	Excellence in Education Award.
Recommended By:	Dr. Walter Tribley, Superintendent/President
Prepared By:	Shawn Anderson, Executive Assistant to Superintendent/President & Governing Board
Agenda Approval:	Dr. Walter Tribley, Superintendent/President

MONTEREY COUNTY SCHOOL BOARDS ASSOCIATION 2018 "EXCELLENCE IN EDUCATION" AWARD

CRITERIA:

- Available and accessible to students countywide
- Transformative and significant impact on students' quality of life
- Highlights unmet countywide student need
- Exceeds expectations

NOMINEES / ORGANIZATIONS CONTINUING TO BE CONSIDERED FOR AWARD:

California Rodeo Salinas - For over 20 years, the California Rodeo Salinas has hosted the Special Buckaroos Rodeo each July. Special needs children from throughout Monterey County are invited to participate and be cowboys and cowgirls for the day. The children have the opportunity to rope a steer 'dummy,' ride a stick horse, ride or pet a horse and meet professional rodeo personnel and contestants. They each leave with a contestant bag, trophy and a huge smile. The annual Rodeo Carnival also hosts a private 'kid's day' each July for special needs children in Monterey County who have a chance to experience the fun of the carnival without the crowds. The carnival opens early for 50 kids to have two hours to themselves with Miss California Rodeo Salinas and freestyle bullfighters making an appearance. Another 20+ year event benefitting local youth is the Cowboy Music & Poetry Gathering where approximately 50 students participate each year by writing poems; age categories are 8-10, 11-13 and 14-16 years. Winners attend the event to read their poems and enjoy the festivities.

- Provides special needs children with unique, free opportunities to learn about and experience the western culture and festivities that surround Big Week, engaging them in their community
- Annual poetry contest allows students to honor western heritage and improve their language skills. Winners also gain experience with public speaking

Carmel Ideas Foundation/Pebble Beach Authors and Ideas Festival: Student Ideas Festival and Festival 2 Schools
For 10 years, all middle and high schools in Monterey County have been invited to attend the Student Ideas Festival (Thursday and Friday) of the annual Pebble Beach Authors and Ideas Festival in September. Thousands of students from throughout Monterey County have attended. In addition, over the past five years the Festival 2 Schools program has brought outstanding presenters, who have found their life passion, into county schools for large group assemblies. Inspirational speakers range from comedians to scientists, physicians to musicians, and even included former Secretary of State Condoleezza Rice and former U.S. Supreme Court Justice Sandra Day O'Connor. The foundation is committed to improving students' English language skills through reading, writing, speaking, and critical thinking. The Foundation has sponsored the countywide Big Read and has donated thousands of books to Monterey County Schools.

- All middle and high schools in Monterey County are invited to attend Student Literary Days
- Presenters renowned in their expertise present to students at school assemblies
- Foundation committed to improvement students' English language skills and inspiring them to succeed
- Exceeds expectations of students, teachers, staff who look forward to the opportunity to have inspirational speakers come to their schools to reach even more students

First Tee of Monterey County - In November of 2004, the First Tee of Monterey County took over the management of the Twin Creeks Golf Course in Salinas and began conducting golf and life skills programs for youth ages 4-17. The First Tee of Monterey County members participate in weekly golf and Life Skills classes taught by recognized First Tee Coaches and PGA Apprentices; receive \$1 greens fees and large buckets of balls, free use of golf equipment and computers, friendly and competitive tournaments, scholarship opportunities, and national leadership and career exploration academies. Programs include a Healthy Habits program for healthy eating and exercising, a Computer Clubhouse for after school learning, College to Career resources, and opportunities to become a junior coach.

- Outreach efforts to minorities, low-income youth, students with disabilities, at-risk youth, and girls who were previously denied access to the game and its positive values.
- Provides life skills
- Exceeds expectations

Girls Health in Girls Hands (GHGH) - An initiative of the Community Foundation for Monterey County's Women's Fund, this organization gives girls in Monterey County a voice in shaping their future and an agenda for change. The Women's Fund created GHGH in 2009 as a girl-led action research project to identify health information, support and services needed by pre-teen and teen girls in Monterey County. GHGH is now a multi-year, multi-agency collaborative which has served over 1,500 girls. Through GHGH, girls throughout Monterey County have access to more comprehensive and integrated health information, are able todevelop powerful leadership skills and help influence positive changes at their schools and in their communities. More than 600 girls participate in partner agency leadership programs, 20 sites enhancing girl programming across the County and GHGH summits bring girls together for advocacy, capacity building and collaboration

- Girls range from pre-teen to teenage with participation throughout Monterey County.
- Empowers girls with support services, positive influences, and leadership building.
- Exceeds expectations by involving girls on an actively engaged level.

Monterey County Free Libraries/The Foundation for Monterey County Free Libraries - The Foundation for Monterey County Free Libraries supports youth literacy programming of the Monterey County Free Libraries, providing year-round encouragement for youngsters to read, find success in school, and achieve their full potential. Services provided through funding from the Foundation for the Monterey County Free Libraries include literacy tutoring, live tutoring for teens online, after school homework assistance, reading programs, library book and material purchasing, technology services, internet access, and youth services programs. Monterey County Free Libraries operates seventeen branch libraries, two bookmobiles, a library by mail program, deposit collections in local schools, a literacy program which operates a literacy outreach vehicle focused on family literacy and kindergarten readiness.

- Free library services, and youth and teen programs available to all residents of Monterey County
- Outreach two bookmobiles visit over thirty communities on a regular schedule and 35 branchlet sites throughout County
- Students of all ages, from kindergarten through college, use the centers and services regularly.

National Steinbeck Center: Steinbeck Young Authors/Young Writers Camp and various education/performing arts programs
The Steinbeck Young Authors/Young Writers Camp motivates middle school students to discover their power of expressing themselves
with the written word. Thousands of students participate in discovering the works of John Steinbeck in their schools. Steinbeck Young
Authors teachers select students to attend a special Day of Writing at the Steinbeck Center, where they write an essay combining their
personal life experiences and their studies of a John Steinbeck novel. They are paired with a volunteer writing 'coach', a community
member who reviews their work with them. After the session with their coaches, students have an opportunity to edit their essays and
turn them in for a final review. A panel of experts judge the students' works. All "Day of Writing" participants are invited to celebrate
their accomplishments and award recipients are acknowledged at an award ceremony. Additionally the National Steinbeck Center
hosts various programs and events that highlight student's art displays and performing arts groups.

- Schools throughout Monterey County participate
- Students work with coaches, one to one, to improve their writing skills
- Community volunteer coaches work with students who might not otherwise have this guidance
- Exceeds expectations and students are recognized for their work

Sunset Cultural Center – Classroom Connections – The Sunset Center produces an arts-in-education program called Classroom Connections which brings artists and performers to schools. This unique and comprehensive program engages youth in a series of workshops and performances designed to foster imagination, confidence, and a sense of possibility. Since 2008, they have worked with close to 8,000 students. Sunset teachers visit participating classrooms to prepare students for artist visit and present a lesson of activities, then nationally touring artists visit the classroom to work with students. Next, students see a performance at the Sunset Center and finally the Sunset Center teacher returns to the classroom to lead a post-performance discussion.

- Students range from kindergarten to high school and special needs to at-risk throughout Monterey County.
- Empowers children by breaking down the process of creating an artistic product step-by-step with artists.
- Exceeds expectations by involving students at an actively engaged level.

The Epicenter – Established in 2014, The Epicenter exists to empower at-risk and system involved youth ages 16-24 enabling them to flourish by connecting them to community resources that provide opportunities for equity and hope in order to improve youth outcomes in Monterey County. The Epicenter is committed to increase the number of foster youth entering into higher education. The Epicenter is centrally located in Salinas and provides three days per week of drop-in services for any youth in need. One-on-one coaching is available, workshops are offered, and referrals are made to services countywide.

- Youth led and youth-run organization that serves and empowers all at-risk youth
- Provides a connection to resources like housing, education, employment and mental/physical health and wellness.
- Provides robust and comprehensive programs to students in Monterey County designed to increase post-secondary enrollment
- Exceeds expectation by helping students realize their potential and guiding them to higher education

Monterey Peninsula Community College District

Governing Board Agenda

January 24, 2018

New Business Agend	la Item No. V	Superintendent/President College Area
Proposal: To review the	attached Calendar of Events.	
agenda for review ar campus.	nd that volunteer assignments be made	placed on each regular Governing Board meeting e so that the Trustees become more visible of our tepresent the Board's view on issues/topics.
Budgetary Implicati None.	ons:	
⊠ INFORMATIO	N: Calendar of Events.	
Recommended By:	Dr. Walter Tribley, Superintendent/Pr	resident
Prepared By:	Shawn Anderson, Executive Assistant to	Superintendent/President and Governing Board
Agenda Approval:	Dr. Walter Tribley, Superintendent/Pr	resident

MPC Governing Board 2017-2018 Calendar of Events

JANUARY 2018

Friday, January 19 Early Spring Session Ends
Monday, January 22 Spring Semester Begins

Wednesday, January 24 Regular Board Meeting, MPC Library & Technology Center

Closed Session: 11:00am, Stutzman Room Regular Meeting: 1:30pm, Sam Karas Room

Fri.-Sun., January 26-28 CCLC Effective Trusteeship & Board Chair Workshop (Board Chair Workshop:

January 27), Sheraton Grand, Sacramento

Sunday, January 28 - Monday, January 29

CCLC Annual Legislative Conference, Sheraton Grand, Sacramento

FEBRUARY 2018

Wednesday, February 14
Friday, February 16
Monday, February 19
Lobo Day – Details to be announced
Holiday – Lincoln Day Observance
Holiday – Washington's Day

Wednesday, February 21 Regular Board Meeting, MPC Library & Technology Center

Closed Session: 11:00am, Stutzman Room Regular Meeting: 1:30pm, Sam Karas Room

Friday, February 23 MPC Foundation Donor Appreciation Party, MPC Library & Technology Center

- Sam Karas Room, 4:00om

MARCH 2018

Friday, March 16 Special Board Meeting: Board Study Session – Self-Insurance, MPC Library &

Technology Center – Sam Karas Room, 12:00 p.m.

Sun.-Sat., March 18-24 Spring Recess

Thursday, March 22 Monterey County School Boards Association's Annual Organizational Meeting

and Dinner, 5:30pm, Location to be announced

Wednesday, March 28 Regular Board Meeting, MPC Library & Technology Center

Closed Session: 11:00am, Stutzman Room Regular Meeting: 1:30pm, Sam Karas Room

APRIL 2018

Wednesday, April 25 Regular Board Meeting, MPC Library & Technology Center

Closed Session: 11:00am, Stutzman Room Regular Meeting: 1:30pm, Sam Karas Room

Friday, April 27 President's Address to the Community, Monterey Marriott, 11:00am-1:30pm

MPC Governing Board 2017-2018 Calendar of Events

MAY 2018

Employee Recognition Ceremony Date, Time & Location TBD

MPC Scholarship Awards Ceremony

May 2018, continued

Date, Time & Location TBD **Veterans Recognition Ceremony**

CDC Preschool Graduation

Early Childhood Education Graduation Celebration

Automotive Technology Graduation Banquet, Tarpy's Roadhouse, 5:00-8:00pm

Asian Student Assn Ceremony, 6:00pm Fire Academy Graduation Ceremony Latino Ceremony, 6:00pm, LF 103

Kente Ceremony, 7:00pm

Thurs.-Sunday, May 3-6

CCLC Annual Trustees Conference, Hyatt Regency Valencia

Monday, May 21 through

Finals

Friday, May 25

Regular Board Meeting, MPC Library & Technology Center Wednesday, May 23

> Closed Session: 11:00am, Stutzman Room Regular Meeting: 1:30pm, Sam Karas Room

Friday, May 25

Spring Semester Ends

Saturday, May 26

Faculty Retirement Breakfast, 8:30am (location to be confirmed)

Commencement: 12:00pm, MPC Stadium (Line-up at 11:30am in Amphitheater)

Nurse Pinning Ceremony, 3:00pm, Amphitheater

Monday, May 28

Holiday – Memorial Day

JUNE 2018

Monday, June 4

Summer Session Begins

Wednesday, June 27

Regular Board Meeting, MPC Library & Technology Center

Closed Session: 11:00am, Stutzman Room Regular Meeting: 1:30pm, Sam Karas Room

JULY 2018

Wednesday, July 4

Holiday – Independence Day

Friday, July 13

End of Six-Week Session

Wednesday, July 25

Regular Board Meeting, Education Center at Marina Closed Session: 11:00am, Room to be determined Regular Meeting: 1:30pm, Room to be determined

Friday, July 27

End of Eight-Week Session