



MT. SAN ANTONIO COLLEGE

REGULAR MEETING OF THE BOARD OF TRUSTEES

Wednesday, January 11, 2017

MINUTES

CALL TO ORDER

The regular meeting of the Board of Trustees of Mt. San Antonio College was called to order by Board President Bader at 6:07 p.m. on Wednesday, January 11, 2017. Trustees Baca, Bader, Chen, Chen Haggerty, Hall, Hidalgo, and Santos were present.

STAFF PRESENT

Bill Scroggins, President & CEO; Mike Gregoryk, Vice President, Administrative Services; Irene Malmgren, Vice President, Instruction; Audrey Yamagata-Noji, Vice President, Student Services; and Sokha Song, Director, Equal Employment Opportunity Programs were present.

PUBLIC COMMUNICATION REGARDING CLOSED SESSION

None.

CLOSED SESSION

The Board adjourned to Closed Session at 6:08 p.m. to discuss the following item:

1. Conference with Labor Negotiators, President & CEO

PUBLIC SESSION

The meeting reconvened at 6:35 p.m., and the Pledge of Allegiance was led by Bill Rawlings.

The Board reserves the right to modify the order of business in the manner it deems appropriate.

Closed session shall not extend past the designated time, but should the business considered in closed session require additional time, the Board shall reserve time after the public meeting to continue discussion.

REPORTING OF ACTION TAKEN IN CLOSED SESSION

None.

MOMENT OF SILENCE

A moment of silence was observed for employee **Mercedes Clarrett Camara** who passed away on December 6, 2016. Mercedes was an Administrative Specialist in the CalWORKs department and was never without a huge, beautiful smile and a positive word for students and her colleagues. She loved her work and, despite treatments, Mercedes put up a courageous battle and came to work when her health would permit. Mercedes first began her employment with Mt. SAC in 2007 as a part-time receptionist/clerical assistant in DSPS. In 2011, she had the opportunity to transfer to the CalWORKs department where she provided receptionist and clerical assistance to CalWORKs students.

INTRODUCTIONS AND RECOGNITION

- The following newly appointed and promoted employees were introduced:

Classified Employees (Newly Appointed)

- **Nicole Aragon**, Coordinator, Grants (Grants Office) (present)
- **Claude Gonzales**, Fiscal Specialist (Fiscal Services) (present)
- **Tabitha Groves**, Laboratory Assistant, Child Development Observation (Business Division) (absent)
- **Amrik Johal**, Coordinator, Project/Program (Student Services) (present)
- **Naomi Lopez**, Administrative Specialist II (Learning Assistance Center) (present)
- **Catherine Nguyen**, Fiscal Specialist (Fiscal Services) (present)
- **Andrea Rodriguez**, Administrative Specialist III (Facilities Planning and Management) (absent)
- **Janeth Ruvalcaba**, Upward Bound Academic Specialist (Student Services) (present)
- **Yadira Santiago**, Administrative Specialist III (Administrative Services) (present)

Management Employee (Newly Appointed)

- **Duetta Langevin**, Director, Safety and Risk Management (Administrative Services) (present)
- **Sokha Song**, Director, Equal Employment Opportunity (EEO) Programs (Human Resources) (present)

Classified Employees (Promoted)

- **Joan Chang**, Learning Lab Assistant (Learning Assistance Services) (absent)
- **Julie Ann Moreno**, Fiscal Specialist (Fiscal Services) (absent)

Confidential Employees (Promoted)

- **Marlyn Lanuza**, Executive Assistant I (Instruction Office) (present)
- **Carol Nelson**, Executive Assistant to the President and Board of Trustees (President's Office) (present)

- A Certificate of Service was presented to the following Citizens Oversight Committee Member:
 - **Michael Shay**, 4 years of service

- Trustee Bader thanked Trustee Chen Haggerty for her exemplary service as the Board President for 2016, and presented her with a commemorative plaque.

APPROVAL OF MINUTES

It was moved by Trustee Baca, seconded by Trustee Chen Haggerty, and passed to approve the minutes of the regular meeting of December 14, 2016.

Ayes: Baca, Bader, Chen, Hall, Hidalgo, Santos

Noes: None

Abstained: Chen Haggerty

Absent: None

PUBLIC COMMUNICATION

- Student Kim Corona commented on the closure of the Paramedic program.
- Student Thomas Nguyen commented on the closure of the Paramedic program.
- Student Karen Osorio commented on behalf of undocumented students and thanked the Board for the Resolution that is being taken into consideration tonight.
- Student Perla Gonzales thanked the Board for the Resolution that is being taken into consideration tonight.
- Student Alejandro Juarez thanked the Board for the Resolution that is being taken into consideration tonight.
- Community member Madeline Rios, Chair of the Immigrants' Rights Committee of the Latino Roundtable of Pomona and San Gabriel Valley, commented on immigrants' rights.

REORDER OF AGENDA

It was moved by Trustee Baca and seconded by Trustee Hall to reorder the Agenda to move the vote on Action Items 1 and 6.

Ayes: Baca, Bader, Chen, Chen Haggerty, Hall, Hidalgo, Santos

Noes: None

Abstained: None

Absent: None

REPORTS

Reports by the following constituency leaders were given and are posted on the College website with these minutes:

- **Aneca Abcede**, President, Associated Students
- **Jeff Archibald**, President, Academic Senate
- **John Lewallen**, President, Classified Senate
- **Eric Kaljumagi**, President, Faculty Association
- **Sandra Bollier**, President, CSEA 262
- **Bill Lambert**, Executive Director, Mt. SAC Foundation

BOARD COMMUNICATION

- A. Trustee Bader read the following reminder: “At this time, the Board of Trustees will report on matters related to attendance at conferences, professional affiliations, and community involvement directly related to their functions as Board members.”
- B. All Board members shared the following comments:
- They welcomed and congratulated newly appointed and promoted employees.
 - They thanked Mike Shay for his four years of service to the Citizens Oversight Committee.
- C. Trustee Chen reported the following:
- Attended the SGV Civic Alliance holiday party.
 - Attended the Hanukkah celebration with Eric Garcetti.
 - Interviewed by Tucker Carlson on Fox News.
 - Attended a retreat for Asian Pacific Islanders.
 - Attended a salute to Vice President Joe Biden.
- D. Trustee Santos reported the following:
- Attended several holiday parties.
 - Attended the SGV Civic Alliance holiday party.
 - Attended the Baldwin Park Women’s Club meeting.
 - Attended the Irwindale Lions Club meeting.
 - Participated in the West Covina Home for the Holidays tour.
 - Attended the Latino Roundtable membership meeting.
 - Attended the Mt. SAC RN Pinning ceremony.
 - Participated with Educators for Immigrants Rights by attending the La Puente City Council meeting in support of their resolution supporting the undocumented. She commented that some of our students also attended and were very well-spoken.
- E. Trustee Baca reported the following:
- Acknowledged the passing of donor Pete Reynolds.
 - Participated in the Walnut Valley Kiwanis food project.
- F. Trustee Hidalgo reported the following:
- Wished everyone a Happy New Year.

- Interviewed by Brad Pomerance from Charter Communications about the Safe Haven status.
- Thanked Judy for her service as Board President.

G. Trustee Chen Haggerty reported the following:

- Commented that she's glad to support the Resolution on the Agenda on student rights.
- Thanked her colleagues for supporting her as Board President last year.
- Wished everyone a Happy New Year.

H. Trustee Hall reported the following:

- Wished everyone a Happy Chinese new year.
- Commented that women's basketball is ranked #2 and men are 10-7.
- Attended the SGV Civic Alliance holiday party.
- Commented that the SGV Civic Alliance is having their Board Retreat on campus on Friday.
- Commented on the passing of Pete Reynolds, and that Pete was in the first student body and has been a supporter of Mt. SAC for over 70 years.

I. Trustee Bader reported the following:

- Commented on the passing of Pete Reynolds and his commitment and dedication to the College.
- Commented that one of the people who attended Wassail has made donation to the Foundation.
- Commended Jill Dolan on the look of the Annual Report.
- Wished everyone a Happy New Year.

PRESIDENT SCROGGINS' REPORT INCLUDED THE FOLLOWING:

- He welcomed and congratulated newly appointed and promoted employees.
- He thanked Mike Shay for his four years of service to the Citizens Oversight Committee.
- He discussed the annual Board Study Session scheduled for January 21, 2017.
- He discussed the management staff retreat, which was well organized and attended by 70 managers. He is happy to be providing the managers professional development support.
- He introduced Rick Alonzo of Vavrinek, Trine, Day, & Co., LLP, Certified Public Accountants, to present on the Bond audit.
- He introduced Dave Wilson, Chief of Public Safety, to present a report on changes in the Public Safety Department.

CONSENT CALENDAR

It was moved by Trustee Baca, seconded by Trustee Hidalgo, and passed to approve the following items:

1. Appropriation Transfers and Budget Revisions Summary;

2. Hire various Independent Contractors in order to acquire the expertise needed to accomplish College goals and to meet deadlines;
3. Re-issuance of stale-dated warrants;
4. 2017-18 Nonresident Tuition Fees;
5. Agreement with Ellucian to provide consulting services;
6. Agreement with Capitol Door Service to provide semi-annual service on all campus automatic doors;
7. Reject Bid No. 3136 – Building 9A The Center for Deaf and Hard of Hearing Remodel;
8. Agreement with PAL id Studio to provide professional interior design and furniture consulting services on the Continuing Education Building 40 Remodel – Phase II and Student Services Improvements;
9. Agreement with IDS Group to provide professional structural engineering services on the Performing Arts Mezzanine Extension project;
10. Agreement with Marlene Imirzian & Associates, Architects to provide professional design and consulting services on the Counseling Annex Renovation;
11. Contract Amendment:
 - Contract Professional Design and Consulting Services – Added Services – Lot M Site Improvements – HMC Architects – Amendment No. 3;
12. Contract Amendment:
 - Contract Professional Design and Consulting Services – Added Services – The Center for Deaf and Hard of Hearing Remodel – PAL id Studio – Amendment No. 1;
13. Change Order for the Athletics Modular Structure:
 - Contract American Modular Systems (Modular Contractor) – Change Order No. 5;
14. Personnel Transactions;
15. New and/or Revised Classified Job Classification Descriptions;
16. School of Continuing Education Additions and Changes;
17. Affiliation Agreement with Centrelake Imaging;
18. Career Technical Education (CTE) Pathways Program (SB 1070): Acceptance of Augmentation Funds;
19. In-N-Out Burger Contract Agreement and Advance Payment for Special Events Celebration;

20. New, 4-Year Review, Modified Courses, Modified Certificates, and New and Modified Degrees Effective with the 2017-18 Academic Year;
21. Hispanic-Serving Institutions – Science, Technology, Engineering, or Mathematics and Articulation Programs Subcontract: Acceptance of Funds;
22. Undergraduate International Studies and Foreign Languages Program Subcontract: Acceptance of Funds;
23. This item was pulled and acted upon separately below;
24. Contract with Michael Le for the Lion Dance Performance;
25. Note Takers as Independent Contractors for the Disabled Student Programs and Services in order to acquire the expertise needed to accomplish College goals and to meet deadlines; and
26. Agreement with Kern County Superintendent of Schools for professional consulting services for the Emergency Communications Tower.

Ayes: Baca, Bader, Chen, Chen Haggerty, Hall, Hidalgo, Santos

Noes: None

Abstained: None

Absent: None

CONSENT ITEM #23 – RESOLUTION NO. 16-07 – APPROVAL TO COMPENSATE TRUSTEE JUDY CHEN HAGGERTY FOR HER ABSENCE FROM THE REGULAR MEETING OF THE BOARD OF TRUSTEES ON DECEMBER 14, 2016

It was moved by Trustee Santos and seconded by Trustee Chen to approve this item.

Ayes: Baca, Bader, Chen, Hall, Hidalgo, Santos

Noes: None

Abstained: Chen Haggerty

Absent: None

ACTION ITEM #1 – APPROVAL TO ACCEPT THE AUDIT REPORTS FROM VAVRINEK, TRINE, DAY, & CO., LLP, CERTIFIED PUBLIC ACCOUNTANTS, FOR THE FISCAL YEAR ENDING JUNE 30, 2016, RELATING TO BOOKS AND RECORDS OF THE MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT PROPOSITION 39, GENERAL OBLIGATION BONDS (MEASURE RR, NOVEMBER 2008; LEASE REVENUE BONDS, 2007; AND BOND ANTICIPATION NOTES, 2009) PERFORMANCE AND FINANCIAL AUDITS (DISTRIBUTED AS SEPARATE DOCUMENTS)

It was moved by Trustee Hall and seconded by Trustee Chen Haggerty to approve this item.

Ayes: Baca, Bader, Chen, Chen Haggerty, Hall, Hidalgo, Santos
Noes: None
Abstained: None
Absent: None

ACTION ITEM #2 – PRESIDENT & CEO EMPLOYMENT AGREEMENT RENEWAL

It was moved by Trustee Chen Haggerty and seconded by Trustee Baca to approve this item.

Ayes: Baca, Bader, Chen, Chen Haggerty, Hall, Hidalgo, Santos
Noes: None
Abstained: None
Absent: None

ACTION ITEM #3 – NOMINATIONS FOR THE 2016 CCCT BOARD OF DIRECTORS

There was discussion on this item and no action was taken.

ACTION ITEM #4 – REAPPOINTMENT OF MEMBER TO THE CITIZENS OVERSIGHT COMMITTEE

It was moved by Trustee Chen and seconded by Trustee Chen Haggerty to approve this item.

Ayes: Baca, Bader, Chen, Chen Haggerty, Hall, Hidalgo, Santos
Noes: None
Abstained: None
Absent: None

ACTION ITEM #5 – PROPOSAL TO INITIATE CSEA, CHAPTER 262 NEGOTIATIONS FOR SUCCESSOR AGREEMENT, JULY 1, 2017, THROUGH JUNE 30, 2020

It was moved by Trustee Baca and seconded by Trustee Chen Haggerty to approve this item.

Ayes: Baca, Bader, Chen, Chen Haggerty, Hall, Hidalgo, Santos
Noes: None
Abstained: None
Absent: None

ACTION ITEM #6 – RESOLUTION NO. 16-08 – SUPPORT OF UNDOCUMENTED STUDENTS AND AFFIRMING THE PRIVACY OF STUDENT RECORDS

It was moved by Trustee Chen and seconded by Trustee Baca to approve this item.

Ayes: Baca, Bader, Chen, Chen Haggerty, Hall, Hidalgo, Santos
Noes: None

Abstained: None
Absent: None

ADJOURNMENT

The meeting adjourned at 8:58 p.m.

WTS:CN



To the Board of Trustees and Citizens' Oversight Committee
Mt. San Antonio Community College District
Walnut, California

We have audited the financial statements of the General Obligation Bond Fund (Measure RR) of Mt. San Antonio Community College District (the District) for the year ended June 30, 2016, and have issued our report thereon dated January 3, 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 February 10, 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 District are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the District changed accounting policies related to fair value measurement and accounting for certain external investment pools by adopting GASB issued Statement No. 72, *Fair Value Measurement and Application*, and GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*, for the year ended June 30, 2016. We noted no transactions entered into by the District 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. There were no sensitive estimates affecting the District's General Obligation Bond Fund (Measure RR) financial statements.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were noted in completing our audit.

Disagreements With Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 3, 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 District'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 District'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 Trustees, management of the Mt. San Antonio Community College District, and the Mt. San Antonio Citizens' Oversight Committee. It is not intended to be, and should not be, used by anyone other than these specified parties.

Varrinck, Trine, Day & Co., LLP

Rancho Cucamonga, California
January 3, 2017

**MT. SAN ANTONIO
COMMUNITY COLLEGE DISTRICT**

**MEASURE RR GENERAL OBLIGATION BOND FUND
FINANCIAL AUDIT**

JUNE 30, 2016

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND**

**FINANCIAL AUDIT
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JUNE 30, 2016**

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Governing Board and
Citizens Oversight Committee
Mt. San Antonio Community College District
Walnut, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Mt. San Antonio Community College District (the District), Measure RR General Obligation Bond Fund (Measure RR), as of and for the year ended June 30, 2016, 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 statement 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 error or fraud. 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 financial position of Measure RR General Obligation Bond Fund (Measure RR) of the District at June 30, 2016, 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 RR General Obligation Bond Fund (Measure RR), 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 January 3, 2017, on our consideration of the District's Measure RR General Obligation Bond Fund (Measure RR) 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 the 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 RR General Obligation Bond Fund (Measure RR) internal control over financial reporting and compliance.

Varrinck, Trine, Day & Co., LLP

Rancho Cucamonga, California
January 3, 2017

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND**

**BALANCE SHEET
JUNE 30, 2016**

ASSETS

Investments	\$ 69,522,228
Accounts receivable	<u>315,057</u>
Total Assets	<u><u>\$ 69,837,285</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	<u>\$ 7,354,963</u>
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FUND BALANCE

Restricted for capital projects	<u>62,482,322</u>
Total Liabilities and Fund Balance	<u><u>\$ 69,837,285</u></u>

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

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND**

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

REVENUES

Interest income	\$ 718,019
Other local revenue	<u>398,334</u>
Total Revenues	<u><u>1,116,353</u></u>

EXPENDITURES

Salaries and benefits	1,369,168
Supplies and materials	524,736
Services and operating expenditures	2,030,570
Capital outlay	<u>46,793,319</u>
Total Expenditures	<u><u>50,717,793</u></u>

DEFICIENCY OF REVENUES OVER EXPENDITURES (49,601,440)

OTHER FINANCING SOURCES

Other sources - proceeds from bond issuance	<u>19,898,640</u>
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NET CHANGE IN FUND BALANCE (29,702,800)

FUND BALANCE - BEGINNING OF YEAR 92,185,122

FUND BALANCE - END OF YEAR \$ 62,482,322

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

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT MEASURE RR GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Measure RR General Obligation Bond Fund (Measure RR) 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).

Financial Reporting Entity

The financial statements include Measure RR General Obligation Bond Funds (Measure RR) of the District used to account for Measure RR projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measure RR. 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 Measure RR General Obligation Bond Fund 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 fund 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 RR General Obligation Bond Fund 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 Governmental Accounting Standards Board (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.

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT MEASURE RR GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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 - Measure RR

As of June 30, 2016, the fund balance is 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.

Change in Accounting Principles

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

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

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

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

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT MEASURE RR GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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

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

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

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

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

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 instrument; 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 agreement; 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.

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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 statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT MEASURE RR GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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 is 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 Los Angeles County Investment Pool. The District maintains an investment of \$69,522,228 with the Los Angeles County Investment Pool, with an average maturity of 608 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 Los Angeles County Investment Pool is not required to be rated, nor has been rated as of June 30, 2016.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

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

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

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

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

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Uncategorized</u>
Los Angeles County Investment Pool	<u>\$ 69,595,040</u>	<u>\$ 69,595,040</u>

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

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016, consisted of accrued interest for a total of \$315,057.

NOTE 5 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2016, consisted of capital outlay costs for a total of \$7,354,963.

NOTE 6 - FUND BALANCE

The Fund balance at June 30, 2016, is restricted for capital projects in the amount of \$62,482,322.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2016, Measure RR had \$40,370,240 in commitments with respect to unfinished projects.

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's Measure RR General Obligation Bond Fund at June 30, 2016.

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***

Governing Board and
Citizens Oversight Committee
Mt. San Antonio Community College District
Walnut, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Mt. San Antonio Community College District (the District) Measure RR General Obligation Bond Fund (Measure RR), as of and for the year ended June 30, 2016, and the related notes of the financial statements, and have issued our report thereon dated January 3, 2017.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure RR General Obligation Bond Fund specific to Measure RR, 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 RR General Obligation Bond Fund (Measure RR) 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 RR General Obligation Bond Fund (Measure RR) internal control. Accordingly, we do not express an opinion on the effectiveness of the District's Measure RR General Obligation Bond Fund (Measure RR) 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 RR General Obligation Bond Fund (Measure RR) 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 RR General Obligation Bond Fund (Measure RR) 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 RR General Obligation Bond Fund (Measure RR) 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 RR General Obligation Bond Fund (Measure RR) internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinich, Train, Day & Co., LLP

Rancho Cucamonga, California
January 3, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND**

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2016**

None reported.

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2016**

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

**MT. SAN ANTONIO
COMMUNITY COLLEGE DISTRICT**

**MEASURE RR GENERAL OBLIGATION BONDS, LEASE
REVENUE BONDS, AND BOND ANTICIPATION NOTES
PERFORMANCE AUDIT**

JUNE 30, 2016

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND,
LEASE REVENUE BONDS, AND BOND ANTICIPATION NOTES**

**PERFORMANCE AUDIT
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JUNE 30, 2016**

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INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Governing Board and
Citizens Oversight Committee
Mt. San Antonio Community College District
Walnut, California

We were engaged to conduct a performance audit of the Mt. San Antonio Community College District's (the District) Measure RR General Obligation Bond Fund (Measure RR) for the year ended June 30, 2016. In addition, as a result of the District's use of Measure RR General Obligation Bond funds to defease temporary financing debt, we have conducted a performance audit of the District's use of proceeds from lease revenues bonds and bond anticipation notes for the year ended June 30, 2016.

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 XIII A, 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 controls 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 XIII A, 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 expended Measure RR General Obligation Bond Funds (Measure RR), lease revenue bond funds, and bond anticipation note funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

Rancho Cucamonga, California
January 3, 2017

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND,
LEASE REVENUE BONDS, AND BOND ANTICIPATION NOTES**

JUNE 30, 2016

AUTHORITY FOR ISSUANCE

The general obligation bonds associated with Measure RR 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 District received authorization from an election held on November 11, 2008, to issue bonds of the District in an aggregate principal amount not to exceed \$353,000,000 to finance the acquisition, construction, modernization, renovation, and equipping of District facilities, and to pay the cost of issuance associated with the Bonds approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2008 Authorization).

Until the 2013-14 fiscal year, assessed property values were insufficient to allow the approval of a bond issuance under Measure RR. In order to continue with planned construction projects, the District sought temporary financing sources. In June 2008, the District issued \$10,800,000 in lease revenue bonds to provide financing of equipment, relocatable structures, and building projects. In April 2010, the District issued \$64,900,000 in bond anticipation notes to finance the acquisition, construction, modernization, renovation, and equipping of District facilities and to refinance the District's outstanding lease revenue bonds.

In August 2013, the District issued Election of 2008 Series 2013A and 2013B General Obligation Bonds in the amounts of \$205,586,691 and \$11,715,000, respectively. The bonds were issued to liquidate bond anticipation notes held by the District and to finance the acquisition, construction, modernization, renovation, and equipping of District facilities.

In September 2015, the District issued Election of 2008 Series 2015C General Obligation Bonds in the amount of \$20,000,000. The bonds were issued to finance the acquisition, construction, modernization, renovation, and equipping of District facilities.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds issued under the 2008 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. The proceeds from the Bonds are to be used for projects such as modernization of college technology, upgrading and modernization of college infrastructure, including classrooms and labs, and building new teaching and learning spaces. All projects to be funded under the Measure RR General Obligation Bond must be included in the Board of Trustees' approved Facilities Master Plan, which details the scope of work to be done for each project.

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND,
LEASE REVENUE BONDS, AND BOND ANTICIPATION NOTES**

JUNE 30, 2016

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 XIII A, 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 citizen's 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. Review compliance with the expenditure provision/restrictions in the Measure RR Bond Issuance, as well as approved Board policies.
2. Reviewed the detailed accounting of expenditures to determine if proceeds are being spent on administrative salaries or any other operating expenses.
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.
4. Provide a written report regarding any findings and recommendations and present the results to the Board of Trustees and/or the Citizens' Oversight Committee.

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND,
LEASE REVENUE BONDS, AND BOND ANTICIPATION NOTES**

JUNE 30, 2016

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2015 to June 30, 2016. 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, 2016, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the period July 1 2015 through June 30, 2016, for Measure RR, lease revenue bonds, and the bond anticipation notes. 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 XIII A, Section 1(b)(3)(C) of the California Constitution and Measure RR as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2015 and ending June 30, 2016, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included transactions totaling \$19,962,157. This represents 39 percent of the total expenditures of \$51,653,850.
3. Based on our testing, we verified that funds from the Measure RR General Obligation Bond Fund (Measure RR) and the bond anticipation notes were expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

Fund	Dollar Value of Transactions Tested	Total Project Expenditures	Percentage of Total Expenditures
Lease Revenue Bonds	\$ -	\$ -	0%
BAN Funds	\$ 451,564	\$ 936,057	48%
Bond Construction Fund #2, Measure RR	\$ 19,510,593	\$ 50,717,793	38%
Total	\$ 19,962,157	\$ 51,653,850	39%

CONCLUSION

The results of our tests indicated that, in all significant respects, the Mt. San Antonio Community College District has properly accounted for the expenditures held in the Measure RR General Obligation Bond Fund (Measure RR), the lease revenue bonds fund, and the bond anticipation notes fund, and that such expenditures were made for authorized Bond projects. Further, it was noted that funds held in the Measure RR General Obligation Bond Fund the lease revenue bonds fund, and the bond anticipation notes fund, and expended by the District, were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004, by the State of California Attorney General.

SUPPLEMENTARY INFORMATION

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
 MEASURE RR GENERAL OBLIGATION BOND FUND,
 LEASE REVENUE BONDS, AND BOND ANTICIPATION NOTES**

**LEASE REVENUE BONDS SCHEDULE OF PROJECT BUDGETS
 AND EXPENDITURES (UNAUDITED)
 FOR THE YEAR ENDED JUNE 30, 2016**

	Total Budget	Actual Costs for Fiscal Year Ended June 30, 2016	Cumulative Costs through June 30, 2016
Project 7 Campus Classroom Improvements	\$ 3,725,707	\$ -	\$ 3,725,707
Project 17 Campus-wide Improvements	7,300,918	-	7,285,966
	\$ 11,026,625	\$ -	\$ 11,011,673
 Budget Reconciliation:			
Lease Revenue Bond Proceeds	\$ 10,904,255		
Interest Earned	122,370		
	\$ 11,026,625		

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND,
LEASE REVENUE BONDS, AND BOND ANTICIPATION NOTES**

**BOND ANTICIPATION NOTES SCHEDULE OF PROJECT BUDGETS
AND EXPENDITURES (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2016**

	Total Budget	Actual Costs for Fiscal Year Ended June 30, 2016	Cumulative Costs through June 30, 2016
Project A Library, Learning Resources and Campus Center	\$ 197,529	\$ -	\$ 197,529
Project B Business and Computer Technology	526,083	9,120	505,892
Project C Child Development Center	16,728,824	(11,971)	16,668,996
Project D Athletics Complex Phase 2	38,772	-	38,772
Project E Career and Technical Education Building Renovation	92,043	-	92,043
Project F Classroom Building Renovation	4,567,312	-	4,486,364
Project G Laboratory Building Expansion-Sciences	791,201	-	789,634
Project H Fire Academy	106,161	-	106,161
Project I Public Transportation Center	-	-	-
Project J Parking, Public Safety, and Traffic Improvements	582,638	-	581,550
Project K Scheduled Maintenance	2,517,376	140,525	2,410,305
Project L1 Infrastructure Improvement (Utilities, Site, Traffic, Energy, Landscape)	5,584,116	10,729	5,020,968
Project L3 Temporary Space	1,683,564	-	1,663,900
Project L4 Demolition	261,813	46,155	261,813
Project L5 Administration Building Remodel	1,120,131	-	1,120,131
Project L6 Contingency	-	-	-
Project L7 Campus-wide Improvement Projects	15,666,845	157,549	15,549,609
Project L8 Construction Support	6,387,342	583,950	6,254,322
Lease Revenue Bonds (COPS) Debt Retirement	9,596,001	-	9,596,001
Bond Investment/Interest Reserves	68,315	-	-
	\$ 66,516,066	\$ 936,057	\$ 65,343,990
Budget Reconciliation:			
BAN Issuance	\$ 64,999,815		
Interest earned	1,496,450		
Additional proceeds	19,801		
	\$ 66,516,066		

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND,
LEASE REVENUE BONDS, AND BOND ANTICIPATION NOTES**

**MEASURE RR GENERAL OBLIGATION BOND FUND
SCHEDULE OF PROJECT BUDGETS AND EXPENDITURES (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2016**

		Total Budget	Actual Costs for Fiscal Year Ended June 30, 2016	Cumulative Costs through June 30, 2016
Project A	Library, Learning Resources and Campus Center	\$ 1,218,275	\$ 78,844	\$ 78,844
Project B	Business and Computer Technology	42,195,377	7,799,409	10,861,196
Project C	Child Development Center	2,498,854	1,806,560	2,452,542
Project D	Athletics Complex Phase 2	5,684,099	878,904	3,907,382
Project E	Career and Technical Education Building Renovation	-	-	-
Project F	Classroom Building Renovation	74,803	-	-
Project G	Laboratory Building Expansion-Sciences	-	-	-
Project H	Fire Academy	3,545,624	222,589	3,414,779
Project I	Public Transportation Center	-	-	-
Project J	Parking, Public Safety, and Traffic Improvements	6,198,422	1,013,069	4,536,122
Project K	Scheduled Maintenance	6,716,563	1,105,860	3,763,449
Project L1	Infrastructure Improvement (Utilities, Site, Traffic, Energy, Landscape)	22,609,533	12,780,821	18,887,543
Project L3	Temporary Space	13,558,265	6,359,756	7,383,869
Project L4	Demolition	435,500	118,116	324,648
Project L5	Administration Building Remodel	1,689,998	152,850	1,098,903
Project L6	Contingency	419,590	-	-
Project L7	Campus-wide Improvement Projects	46,994,836	14,823,188	39,032,214
Project L8	Construction Support	14,882,422	3,577,827	10,498,349
		\$ 168,722,161	\$ 50,717,793	\$ 106,239,840
Budget Reconciliation:				
	Measure RR Proceeds	\$ 164,721,295		
	Bond Investment Funds	2,126,538		
	Proceeds for Legal Settlements	1,874,328		
		\$ 168,722,161		

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND,
LEASE REVENUE BONDS, AND BOND ANTICIPATION NOTES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

None reported.

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
MEASURE RR GENERAL OBLIGATION BOND FUND,
LEASE REVENUE BONDS, AND BOND ANTICIPATION NOTES**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2016**

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



Associated Students Report

*Presented by A.S. President Aneca Koleen Abcede
January 1st, 2017*

Greetings Members of the Board,

Senate and Executive Board

New Senators have been appointed to positions and will begin their term this spring. The new positions filled are Activities, Athletics, Cross-cultural, Finance, Publicity, and Natural Sciences. We are also in the process of setting up Ad-Hoc committees in planning of our environmental and food drive/security initiatives.

A.S. Officer Training

Our officer training will be held on February 21st. The purpose of this retreat is provide our newly appointed officers with the tools needed for a successful term. Last years training was a success as we focused on team work, drafting of bills/resolutions/appropriations, and campus services.

Special Recognitions

Thank you, members of the board, for continuing to support student needs and diversity here at Mt.SAC. Many students are pleased with your actions taken towards ensuring our campus remains a safe environment for all.

Respectfully,

Associated Students President

Aneca Koleen Abcede



MT. SAN ANTONIO COLLEGE CLASSIFIED SENATE

REPORT TO THE BOARD OF TRUSTEES
WEDNESDAY JANUARY 11, 2017

A very light report for this month as Classified Senate meets tomorrow, Thursday, Jan. 12, 2017.

1. Classified Senate will begin discussion and planning for:
 - a. Our Annual Valentines Event. This is well received each year with a large turnout of classified employees. Besides sweet treats, we provide the latest information on news and opportunities available to classified employees.
 - b. The Classys Awards of Excellence. This popular event takes quite a bit of time and planning to get off the ground. Scripting and pre-production for videos is vital, as we know we have some amazing standards to live up to!

Happy New Year!

Respectfully submitted by,
John Lewallen
President, Classified Senate



Strengthen, Increase, Promote and Advance

**Faculty Association Report
To the Board of Trustees
11 January 2017**

1. Representative Council

The Representative Council will not meet until 7 March. Items for March action include a request to our members to fund our political action account for upcoming Board of Trustee elections and a draft administration evaluation form that will be piloted sometime in 2017.

2. Dual Enrollment

In early December, the Faculty Association issued a demand to bargain to the District regarding Instructional Service Agreements (ISAs) and dual enrollment. The use of ISAs to teach credit courses during the school year contracts out work that would normally be done by FA members. In addition, multiple contractual items need to be addressed should FA members teach dual enrollment courses under the proposed Memorandum of Understanding we expect to use with partnering K-12 districts.

Dr. Scroggins notified the FA on 20 December that the District "... will maintain status quo implementation of its contractual agreement with High School Dual Enrollment instruction." The FA believes that this notification is a refusal to bargain dual enrollment issues, and we are attempting to determine whether such a refusal is permitted under the Educational Employment Relations Act. The FA does not support the use of ISAs and wants all dual enrollment faculty to work as Mt. SAC employees under the FA contract regardless of their other employment.

3. 2017-18 Negotiations

The FA Negotiations Team is meeting for thirteen hours this week in order to review our direction from the FA Executive Board, to plan our timelines and work assignments, and to prepare our request to "sunshine" items for negotiation. We anticipate that negotiations will begin in February once we obtain your approval to do so. This item will likely be on your February agenda.

Respectfully submitted by,
Eric Kaljumagi, Faculty Association President

Board of Trustees Meeting 1-11-17

Report by CSEA 262

New Leadership:

Good evening, my name is Sandra Bollier, I am a 22 year classified member in Mt. SAC's Financial Aid Office. As of January 1, 2017, I am the newly elected CSEA 262 President for the next 2 years. Over the past 22 years I have served the district in many leadership roles both for CSEA 262 and Classified Senate, the most recent being that of 1st Vice President, and negotiations co- chair for CSEA 262. I look forward to serving our membership and the district in the next two years in the capacity of my new role for CSEA 262.

Goals 2017:

The themes or goals that our executive board will working on for the next year will be that of transference of bargaining unit work, work load issues, CSEA 262 leadership development, and the professional development of classified staff. We also look forward to continuing the discussions with the district about moving towards an upgraded public safety department. This work includes making sure that all of our campus community is comfortable with the changes we are proposing and that our members, students and campus community are protected.

Approval requested by Board of Trustees:

CSEA 262 would like to encourage the Board of Trustees to approve our Proposal to Initiate Negotiations for our successor agreement brought before you tonight on page 76 of the agenda. Our amazing team of negotiators and researchers are ready to hit the ground running and if approved, we will begin Ground rule setting with the district on January 19, 2017.

Thank you, and have a wonderful evening.

Respectfully Submitted by:

Sandra R Bollier

President CSEA 262



Foundation Report to the Board of Trustees January 11, 2017

Happy new year, everyone. I'll start out this evening by mentioning last week's management retreat. It was a pleasure to participate in that and many thanks to the President for making it possible. The Management Steering Committee did a fantastic job and they deserve some recognition for the work they put it. It was a tremendous success. As a member of the management team, I also would like to thank the college leadership team for your participation in the activity. It means a lot to us.

Early January is a fun time of year for the Foundation. We come in after the break and are greeted by a stack of end of the year gifts that people made throughout the holiday season. This year we had a pretty effective one two punch with Jill Dolan sending out the Annual Report when she did. People received that wonderful publication and then within a week had a solicitation from the Foundation in their hands. Gifts continue to come in.

I try to pick and choose activities to talk with you about that represent the broad work of the Foundation team. One of the obvious but significant ways we support students at the college is by raising money for scholarships. There's great need here so we are constantly working to leverage our relationships and encourage giving to scholarships. We are working on up to ten new scholarships that will assist students across the campus. You know that last fall we kicked off the "We Are Mt. SAC" faculty Staff campaign and a number of those new scholarships have come out of that campaign. Employees at Mt. SAC are seeing how their personal giving can impact the lives of our students. Many of you participate as donors in that process and I thank you sincerely for your support.

On the subject of interesting and exciting Mt. SAC activities coming up, I'd like to encourage you to be a part of is the Athletics Hall of Fame Induction Ceremony. This great event will be held at Pacific Palms Resort on Saturday, February 11 at 5 PM. The impressive class this year includes a former Dean, a track and field athlete, one of the best basketball players in Mt. SAC history, as well as the entire 1997 State and National Championship winning football team. It's going to be a terrific evening. I want to thank Majestic Realty for being the event sponsor again this year.

I am going to conclude my report this evening by discussing a significant loss the college community suffered recently. On December 26, Pete Reynolds passed away. Part of our first graduating class, a member of our Athletics Hall of Fame, a former Alumnus of the Year—Pete was indeed one of our closest friends. His generosity to the College over the years is enormous—more than \$400,000 in his lifetime. His investment in Mt. SAC was significant and the way he did it was telling. He was a difference maker for us and was motivated purely by his affection for and belief in Mt. SAC.

There is so much more to this story than dollars alone. A number of us attended his service last week and at the reception the universal message was of his kindness and his behind the scenes impact. He didn't care for recognition—he shied away from it. Dr. Hall spoke at the reception and his words really hit home for me—Pete's leadership over the years will be felt on this campus forever. We're in the 30th Anniversary this year of the golf tournament that Pete started. Mt. SAC was a priority for him and his leadership set an example that we hope many others will follow.

Annual Giving Stats	FY2015/16	FY2016/17 To-Date	FY2016/17 Goal	FY2015/16 % to Goal
Total Dollars Raised	\$672,072.30	\$380,812.67	\$706,000	53.9%
Total # of Donors	514	303	540	56.1%

Submitted by Bill Lambert, Executive Director, Mt. SAC Foundation