

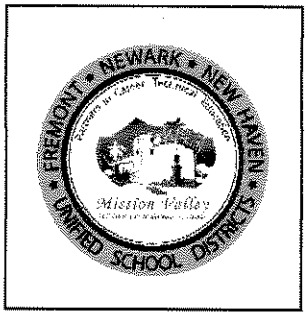
Mission Valley ROP

Thursday, January 20, 2011

5p.m. Governing Council Meeting

MVROP Board Room

(510) 657-1865 Ext. 15141


FREMONT • NEWARK • NEW HAVEN •
UNIFIED SCHOOL DISTRICT
Mission Valley

Agenda

Regular Meeting of the Governing Council
Mission Valley Regional Occupational Center/ Program
ROP Board Room
Thursday, January 20, 2011
Regular Meeting (Open Session) – 5p.m.
Closed Session: Immediately Following Regular Session

Call to order _____p.m.

Pledge of Allegiance

Roll Call:
_____ Jonas Dino, Acting President
_____ Larry Sweeney, Vice President
_____ Janice Schaefer, Clerk

Board of Education Item #1

Election of Officers:

President _____

M _____ S _____ V _____

Vice President _____

M _____ S _____ V _____

Clerk _____

M _____ S _____ V _____

Approval of Agenda:
Motion: _____
Second: _____
Vote: _____

Communication:
a. Items from the Staff
b. Oral Communication
c. Written Communication
d. Items from the Board
e. Public Comment
- Blue Speaker Card – Items on the agenda
- Green Speaker Card – Items not on the agenda

Consent Calendar:

a. Minutes:
Approve minutes from Governing Council Meetings on September 23, 2010 and December 16, 2010.

b. Business and Finance:

B&F#1 Approve Purchase Orders over $5,000
B&F#2 Approve Warrants $5,000 and above
B&F#3 Approve Resolution #11-1011
Modular Classroom Building for Fashion Merchandising/
Interior Design Program

d. Employment and Personnel:

E&P#1 Approve Report of Certificated Personnel Actions

End of Consent Calendar:

Motion: _____
Second: _____
Vote: _____

Board comments on Consent Calendar:

_____
_____

Business and Finance #1 **Information**

Review Budget Modification Plan

Business and Finance #2 **Information/ Action/ Presentation**

Review and Accept Audit Report from Vavrinek, Trine, Day & Co. for the Fiscal Year 2009/2010

Motion: _____
Second: _____
Vote: _____

Board of Education #2 **Information/ Action**

MVROP Conflict of Interest Policy Revision

Motion: _____
Second: _____
Vote: _____

Board Requests

_____
_____

Adjourn to Closed Session: _____ p.m.

Agenda _Closed Session

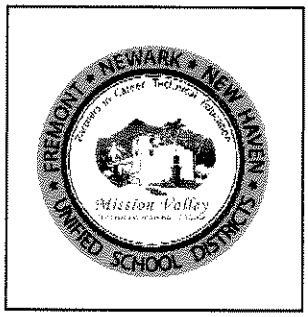
The Board of Education may adjourn to closed session during this meeting pursuant to Government Code Section 3549.1 to discuss and/ or give direction to its representatives. During adjournment to Closed Session the Council will consider and/ or take action upon:

- *Discussion- The process and schedule of the Superintendent Evaluation*

Reconvene to Open Session:_____p.m.

Meeting adjourned: _____pm

Consent Calendar


FREMONT • NEWARK • NEW HAVEN •
UNIFIED SCHOOL DISTRICTS
Mission Valley

Minutes

Regular Meeting of the Governing Council
Mission Valley Regional Occupational Center/ Program
Thursday, September 23, 2010

Member Sweeney called the meeting to order at 5:03pm.

Present:

Larry Sweeney, Vice-President
Nancy Thomas, Alternate

Member Sweeney designated Nancy Thomas as acting Clerk of the Board for the day's meeting.

Approval of Agenda:

Member Thomas made a motion to approve all items on the September agenda. Member Sweeney made a second to approve the motion. Members voted 2-0 to approve all items on the September agenda.

Communication:

a. **Items from Staff:**
Reports from Superintendent Charles Brown:

WASC Accreditation Term
Superintendent Brown announced that MVROP recently received notification that it had been granted a 6 year WASC term of accreditation.

Fire Science Garage Dedication Ceremony
Superintendent Brown updated the Board about the MVROP Fire Science Garage dedication ceremony that recently took place on Tuesday, September 21st in honor of the fallen firefighter and former MVROP student, Thomas "TJ" Marovich.

Prop 1D Update
Superintendent Brown updated the Board that Projects 1 and 2 of the Prop 1D Construction are nearly completed. The final punch list items are presently being executed. All that will remain is student work which will continue through March of 2012. Construction for Project 3 will begin by December 2010.

Superintendent Brown and MVROP Administrators then answered subsequent Board inquiries regarding the Prop 1D Projects.

UC "a-g" Credit Approval
Superintendent Brown updated the Board that the MVROP Sports Therapy course has now been approved to receive UC "g" credit.

Superintendent Brown answered subsequent Board inquiries regarding this update.

2010 MVROP Teacher of the Year
Superintendent Brown announced to the Board that Janay Shepherd, MVROP Careers in Education and Marketing Instructor, has been selected as the 2010 MVROP Teacher of the Year. She will receive her award at a ceremony held by Alameda County Office of Education on October 7, 2010.

b. **Oral Communication**
None

c. **Written Communication:**
Superintendent Brown reviewed the following Written Communication item with the Board:

- *Letter from Accrediting Commission for Schools re: MVROP Granted Six-Year Term of Accreditation, July 7, 2010*
- *Letter from Alameda County Office of Education re: 2010-11 Adopted Budget, August 26, 2010*

d. **Items from the Board:**
Member Sweeney commended how well the recent Fire Science Garage dedication ceremony was received by the family and the attendees. He applauded staff for their hard work in putting the event together. Member Thomas concurred.

e. **Public Comment:**
None

Consent Calendar:

Superintendent Brown and MVROP Administrators answered subsequent Board inquiries regarding items within the Consent Calendar.

Member Thomas made a motion to approve all items in the Consent Calendar. Member Sweeney made a second to approve the motion. Members voted 2-0 to approve all items in the Consent Calendar.

Business and Finance #1 **Review Budget Modification Plan**

Superintendent Brown and Marie dela Cruz, MVROP Business Services Director, reviewed Business and Finance Item #1 and answered subsequent Board inquiries regarding the status of the State Budget.

This item is information only.

Business and Finance #2 **Review and Approve Report on Fiscal Year 2009-2010 Unaudited Actuals**

Marie dela Cruz, MVROP Business Services Director, reviewed Business and Finance Item #2, in regards to the reviewing and approving the report on Fiscal Year 2009-2010 Unaudited Actuals.

Member Thomas made a motion to approve Business and Finance #2, Review and Approve Report on Fiscal Year 2009-2010 Unaudited Actuals. Member Sweeney made a second to approve the motion. Members voted 2-0 to approve Business and Finance #2, Review and Approve Report on Fiscal Year 2009-2010 Unaudited Actuals.

Business and Finance #3 **2010-11 Services Agreement between Fremont Unified School District and Mission Valley ROP**

Marie dela Cruz, MVROP Business Services Director, reviewed Business and Finance Item #3, 2010-11 Services Agreement between Fremont Unified School District and Mission Valley ROP and answered subsequent Board inquiries regarding the item.

Member Thomas made a motion to approve Business and Finance #3, 2010-11 *Services Agreement between Fremont Unified School District and Mission Valley ROP. Member Sweeney made a second to approve the motion. Members voted 2-0 to approve Business and Finance #3, 2010-11 Services Agreement between Fremont Unified School District and Mission Valley ROP.*

Closed Session

No Closed Session was held.

The meeting was adjourned at 5:32pm.

_____
Larry Sweeney, Vice President

_____
Nancy Thomas, Alternate Clerk

Regular Meeting of the Governing Council
Mission Valley Regional Occupational Center/ Program
Thursday, December 16, 2010

Member Harper called the meeting to order at 5:02pm.

Present:

Kevin Harper, President
Larry Sweeney, Vice President
Janice Schaefer, Clerk

Approval of Agenda:

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

Communication:

b. **Oral Communication**
MVROP Law Enforcement Instructors, Jay Crawford and Steve Mendez and MVROP students gave a presentation to the Board regarding the Law Enforcement Program.

a. **Items from Staff:**
Prop 1D Construction Update
Superintendent Brown updated the Board that the Prop 1D construction for phases one and two are 98% complete. The student built garage will be completed by May 2012. Project Three plans have been approved by DSA and CDE and are awaiting review by OPSC.

c. **Written Communication:**
Allison Aldinger, MVROP PR Administrator, reviewed the following Written Communication items with the Board:
- *"Thinking Green" Fremont Bulletin Article, November 12, 2010 Issue*
- *"Are You Ready for Your Close-Up?" MVROP Press Release, December 2, 2010*

d. **Items from the Board:**
Member Harper shared that Member Dino will be the New Haven USD representative for the remainder of the 2010-2011 school year. Member Harper will serve as the district alternate. Member Dino will be in attendance representing NHUSD starting in January 2011.

e. **Public Comment:**
None

Consent Calendar:

MVROP Staff answered subsequent Board inquiries regarding items within the Consent Calendar.

Member Schaefer made a motion to approve the November 2010 Minutes. Member Harper made a second to approve the motion. Members voted 2-0 to approve the November 2010 Minutes.

Member Sweeney made a motion to approve all items in the Consent Calendar, excluding the September 2010 Minutes. Member Schaefer made a second to approve the motion. Members voted 3-0 to approve all items in the Consent Calendar, excluding the September 2010 Minutes.

Business and Finance #1 **Review Budget Modification Plan**

Superintendent Brown and Marie dela Cruz, MVROP Business Services Director, reviewed Business and Finance Item #1 and answered subsequent Board inquiries regarding the California State Budget and the recent State election.

This item is information only.

Business and Finance #2 **Review First Interim Report**

Marie dela Cruz, MVROP Business Services Director, reviewed Business and Finance Item #2 and answered subsequent Board inquiries regarding the First Interim Report.

Member Sweeney made a motion to approve the First Interim Report. Member Schaefer made a second to approve the motion. Members voted 3-0 to approve the First Interim Report.

Board of Education #1 **MVROP Governing Council Meeting Dates**
Superintendent Brown presented the proposed MVROP Governing Council Meeting Dates to the Board and answered subsequent inquiries.

Member Sweeney made a motion to approve the MVROP Governing Council Meeting Dates. Member Schaefer made a second to approve the motion. Members voted 3-0 to approve the MVROP Governing Council Meeting Dates.

Board Requests:
None

Adjourn to Closed Session at 5:56pm.

Open Session was reconvened at 6:57pm.

The Board requested that a Closed Session be added to the agenda for the January Governing Council meeting to continue the discussion regarding the schedule and contract of the Superintendent.

The meeting was adjourned at 6:58pm.

Kevin Harper, President

Larry Sweeney, Vice President

Janice Schaefer, Clerk

Business and Finance

MISSION VALLEY ROP

PURCHASE ORDER REPORT
PURCHASE ORDER'S OVER $5,000
BOARD MEETING -JANUARY 20, 2011
PO PERIOD DECEMBER 6, 2010- JANUARY 7, 2011
AGENDA ITEM - B&F #1

PO NUMBER	VENDOR NAME & ACCOUNT CODE	DESCRIPTION		AMOUNT
114114	HULBERT LUMBER AND SUPPLY	Prop 1D Project	$	11,146.21
	81-0635-0-6706-8501-6211-661-6410	Materials for Building 9C		

Mission Valley ROP
Warrants $5,000 and above
Fiscal Year 10-11

B&F #2
January 20, 2011

Date	Warrant #	Vendor	Purpose	Amount	PO number
11/17/10	TF 110236	FUSD	October busing	$ 13,056.12	
12/7/10	107426	PG&E	Electricity	$ 15,877.08	
12/17/10	129924	AJF/BHM	Prop 1D General Contractor	$ 8,283.00	112353
12/17/10	129924	AJF/BHM	Prop 1D General Contractor	$ 45,949.50	112353
1/4/11	TF 110321	FUSD	November busing	$ 8,059.59	

__X__ Information
__X__ Action
_____Presentation

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM
BOARD OF EDUCATION

AGENDA ITEM
B&F #3

DATE OF BOARD MEETING: January 20, 2011

TITLE: Resolution #11-1011
Modular Classroom Building for Fashion Merchandising/Interior Design Program

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Background:
Public Contract Code, Section 20118 states that if there is an existing contract between a public corporation or agency and a vendor for the lease or purchase of personal property, a school district may authorize the lease or purchase of personal property directly from the vendor by contract, lease, requisition, or purchase order and make payment to the vendor under the same terms that are available to the public corporation or agency under the contract.

Mission Valley ROP was awarded a grant under the Career Technical Education Facilities Program (CTEFP). The grant will provide a new facility for the Fashion Merchandising/Interior Design program. The existing building K4 will be demolished and replaced with a new modular building. Building K4 is over 30 years old and has exceeded its useful life.

Current Status:
Mission Valley ROP will be replacing building K4 with one 3,840 square feet, 80 x 48, rigid steel frame building. The building will include 2 classrooms, 2 restrooms, 75 student/computer stations and 2 storage areas. The building is required for the Fashion Merchandising /Interior Design program.

Staff proposes to contract with Enviroplex, Inc. to procure a one story, rigid steel frame, 80 x 48 classroom building. The proposed cost of the building is $591,035. Pricing is based upon a piggyback contract awarded to Enviroplex by Evergreen School District in Santa Clara County. The cost is within the approved budget for this project.

Recommendation:
Staff recommends adoption of Resolution #11-1011 to award a contract to Enviroplex, Inc. for the procurement of one (80 x 48) modular building to replace K4 for the Fashion Merchandising/Interior Design Program in the amount of $591,035.

Marie dela Cruz, 657-1865 X15145	ROP Center	Business Services	Charles Brown
Staff/Contact Person	**Location**	**Division**	**Superintendent**

MISSION VALLEY ROP

RESOLUTION #11-1011
MODULAR CLASSROOM BUILDING
FOR FASHION MERCHANDISING/INTERIOR DESIGN PROGRAM

WHEREAS**,** Public Contract Code, Section 20118 states that if there is an existing contract between a public corporation or agency and a vendor for the lease or purchase of personal property, a school district may authorize the lease or purchase of personal property directly from the vendor by contract, lease, requisition, or purchase order and make payment to the vendor under the same terms that are available to the public corporation or agency under the contract, and;

WHEREAS, the procurement of one 3,840 square feet (80 X 48) rigid steel frame modular classroom building will ensure a healthful classroom environment for the students by providing replacement for the existing classrooms.

NOW, THEREFORE, BE IT UNANIMOUSLY RESOLVED that award to Enviroplex, Inc. for a total amount of $591,035 is hereby ratified.

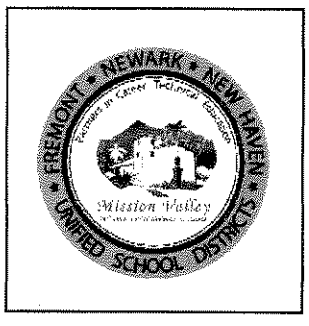
APPROVED by the following unanimous vote this 20th day of January 2011.

AYES:_____

NOES:_____

ABSENT:_____

_____
Clerk of the Governing Council
Mission Valley ROP



Employment Personnel

MISSION VALLEY REGIONAL OCCUPATIONAL CENTER/PROGRAM
GOVERNING COUNCIL

AGENDA ITEM

_____ Information

Date: January 20, 2011 ___X___ Action

Title: REPORT OF CERTIFICATED PERSONNEL ACTIONS

Background:

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

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

Current Status:

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

Recommendation:

Approve Certificated Personnel recommendations for: *Employment, Resignation.*

Shelley Adams
(510) 657-1865

Certificated Personnel
Division

Charles Brown
Superintendent

ECL 1

CONSENT ITEMS
MISSION VALLEY ROP

Certificated Personnel

Percentage of Salary Schedule

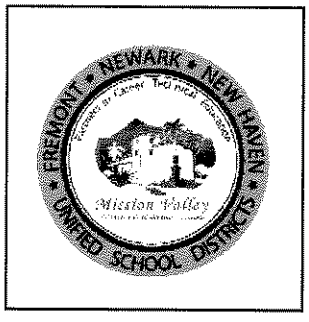
NAME	FTE	6 HR/7HR	DEPARTMENT	EFFECTIVE DATE	ADDITION/ REMOVAL
Ebadut Mohamed	1	6 hour	Transportation Technology	December 15, 2010	Addition

Resignation

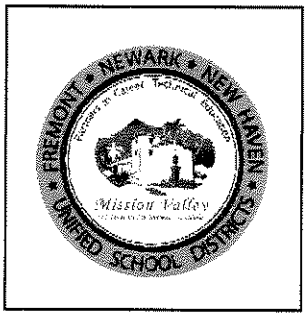
NAME	FTE	6 HR/7HR	DEPARTMENT	EFFECTIVE DATE	ADDITION/ REMOVAL
George Woodward	1	6 HOUR	Transportation Technology	December 17, 2010	Removal

(con4jan1011)

End of Consent



Business and Finance



Business and Finance #1

__X__ Information
_____ Action
_____ Presentation

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

BOARD OF EDUCATION

AGENDA ITEM

Business and Finance #1

Date of Board Meeting: **January 20, 2011**

TITLE: **Review Budget Modification Plan**

Background:
The budget act in February 2009 included two budget years (2008-09 and 2009-10). MVROP received a 15.4% midyear cut to 2008-09 revenues and an additional 4.5% cut to 2009-10 revenues. The cost of living adjustment was not funded in either year (a loss of 5.66% for 2008-09 and another 4.25% for 2009-10), and due to declining enrollment statewide, ROCPs had a negative adjustment of .63% in 2008-09. In addition to these tremendous cuts, ROCPs became part of the flexibility provisions in categorical program funding.

Superintendent's Council and MVROP Budget Committee have been working with Board, staff, and community members to identify potential budget modifications to address the loss in funding from the State of California. The State budget situation is continually changing due to increasing state budget deficits and uncertain tax receipts.

Current Status:
Governor Jerry Brown released his proposal for solving the state's $25 billion budget gap on January 10, 2011. The Governor is proposing to tie maintaining the current level of Proposition 98 funding contingent upon voter approval of extending temporary taxes.

Specifically for schools, the governor proposed:

- Asking voters to extend for five years temporary tax levels for sales tax, income taxes and vehicle license fees, $2 billion of that would be committed to Proposition 98.
- Based on voter approval of extending those taxes, maintaining Proposition 98 at $49.3 billion, which is $400 million less than in the current year.
- Proposing to defer $2.1 billion in K-14 apportionments into 2012-13. The deferral is in addition to all of the deferrals currently in place, including the latest $1.7 billion deferral that was part of the 2010-11 budget
- Zero COLA for 2011-12, but increasing the revenue limit deficit factor for districts by an estimated 1.67 percent.
- Extending categorical program flexibility through 2014-15.

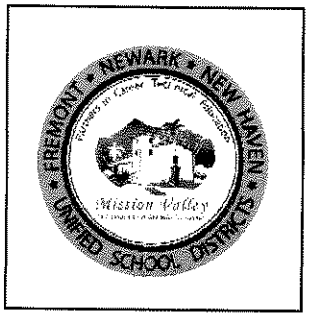
- Continuing the existing reduction in the penalties for K-3 Class Size Reduction through 2013-14.
- Continuing other flexibility provisions through 2014-15. This includes authorization to reduce routine maintenance contributions from 3 percent to 1 percent, suspension of the deferred maintenance match, suspension of the requirement to purchase instructional materials, and the reduction of the mandated reserve amounts.
- Eliminating the Office of the Secretary of Education for a state General Fund savings of $1.9 million.

MVROP staff will be attending meetings and workshops to learn more about the details of the proposed budget and its specific impact to the ROP.

Recommendation:

None.

Charles Brown	Business Services	Charles Brown
Staff Contact	Division	Superintendent, Mission Valley ROP



Business and Finance #2

__X__ Information
__X__ Action
_____Presentation

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM
BOARD OF EDUCATION

AGENDA ITEM
Business & Finance #2

DATE OF BOARD MEETING: January 20, 2011

TITLE: Review and Accept Audit Report for the Fiscal Year 2009-10

Background:

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

Current Status:

A copy of the fiscal year ended June 30, 2010 audit report by Vavrinek, Trine, Day & Co. is enclosed for your review. There were no findings for 2009-10 and no findings from 2008-09 to implement.

Recommendation:

Staff recommends approval of the 2009-10 fiscal year ended June 30, 2010 audit report for Mission Valley ROP.

Marie dela Cruz, 657-1865 X15145	ROP Center	Business Services	Charles Brown
Staff/Contact Person	**Location**	**Division**	**Superintendent**

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

To the Governing Board
Mission Valley Regional Occupational Program

We have audited the financial statements of the governmental activities and each major fund of the Mission Valley Regional Occupational Program (MVROP) for the year ended June 30, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you previously. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Mission Valley Regional Occupational Program are described in Note 1 to the financial statements. MVROP implemented GASB 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* (OPEB) during the year. No other new accounting policies were adopted and the application of existing policies was not changed during fiscal year ended June 30, 2010. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the other post-employment benefit obligation (OPEB) calculation. Another sensitive estimate is the depreciation which we have evaluated the useful life of various classes of depreciable assets in accordance with the MVROP's policy and industry practice.

Management's estimate of the OPEB obligation is based on an actuarial study performed by Total Compensation Inc. We evaluated the key factors and assumptions used to develop the liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not identify such items during the audit.

5000 Hopyard Road, Suite 335 Pleasanton, CA 94588 Tel: 925.734.6600 Fax: 925.734.6611 www.vtdcpa.com

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Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 10, 2010.

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 governmental unit'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 governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 10, 2010

MISSION VALLEY
REGIONAL OCCUPATIONAL
PROGRAM

ANNUAL FINANCIAL REPORT
JUNE 30, 2010

FINANCIAL SECTION

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

Governing Board
Mission Valley Regional Occupational Program
Fremont, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mission Valley Regional Occupational Program (the "ROP") as of and for the year ended June 30, 2010, which collectively comprise the ROP's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the ROP's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2009-10,* issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds information of the Mission Valley Regional Occupational Program, as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the Notes to the basic financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, (OPEB)* for the year ended June 30, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2010, on our consideration of the ROP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be considered in conjunction with this report in considering the results of our audit.

5000 Hopyard Road, Suite 335 Pleasanton, CA 94588 Tel: 925.734.6600 Fax: 925.734.6611 www.vtdcpa.com

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The required supplementary information, such as management's discussion and analysis, budgetary comparison information, pension and other postemployment benefits, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the ROP's basic financial statements. The supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 10, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

This section of Mission Valley Regional Occupational Program's (ROP) annual financial report presents our discussion and analysis of the ROP's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the ROP's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

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

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

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

The Primary unit of the government is the ROP.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

FINANCIAL HIGHLIGHTS OF 2009-10

Total revenue and income received for the General fund in 2009-10 was $8,237,082 excluding on behalf payments of $135,336 (.1% less than 2008-09). Mission Valley ROP received 87% of its revenue from the State Revenue Limit. The remaining 13% came from Lottery, Registration Fees, Staff Development, Direct Support Professional Training (DSPT) Program, Vocational Education 132/Carl Perkins Program and interest income. The ROP established a County School Facilities Fund this year to account for new construction activities.

Mission Valley ROP reported a final ADA of 1,584 which was 879 less than last year. Total ADA represents 95% high school ADA and 5% adult ADA.

All Certificated, Classified and Administrative employees did not receive any cost of living increase to salaries.

The ending General fund balance was $4,788,699 an increase of $353,156 over last year. Components of the ending fund balance include reserves for economic uncertainty, equipment replacement, facilities repairs and improvements, lottery carryover, and reserves for post employment benefits. The reserve for economic uncertainty was 6.3% of expenditures which is above the State required minimum of 3%.

A new ROP facility was built by Fremont Unified School District (FUSD). It was completed in June 2007 and classes were held for the first time in the new facility in the school year 2007-08. The new Mission Valley ROP Career Technical Training Center facility is located in the heart of Fremont on the corner of Stevenson Blvd and Blacow Road. MVROP contributed a total amount of $1,470,000 towards the cost of the new building construction and will be leasing the building from FUSD.

REPORTING THE ROP AS A WHOLE

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

THE ROP AS TRUSTEE

Reporting the ROP's Fiduciary Responsibilities

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

THE ROP AS A WHOLE

Net Assets

The ROP's net assets were $7,601,221 and $5,051,463 for the fiscal years ended June 30, 2010 and 2009, respectively. Of these amounts, $4,467,682 and $4,151,707 were unrestricted for each respective year. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. The analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the ROP's governmental activities.

Table 1

	Governmental Activities	
	2010	2009
Current and other assets	$ 5,986,755	$ 4,712,516
Capital assets	2,817,029	793,098
Total Assets	**8,803,784**	**5,505,614**
Current liabilities	975,044	276,973
Long-term debt	227,519	177,178
Total Liabilities	**1,202,563**	**454,151**
Net assets		
Invested in capital assets, net of related debt	2,783,051	793,098
Restricted	350,488	106,658
Unrestricted	4,467,682	4,151,707
Total Net Assets	**$ 7,601,221**	**$ 5,051,463**

The $4,467,682 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations.

Changes in Net Assets

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

Table 2

	Governmental Activities	
	2010	2009
Revenues		
Program revenues		
Charges for services	$ -	$ 541,809
Operating and capital grants and contributions	1,549,841	7,179,063
General revenues:		
Other general revenues	8,232,015	682,186
Total Revenues	**9,781,856**	**8,403,058**
Expenses		
Instruction	4,425,022	5,383,178
Instruction related activities	1,115,853	1,038,349
Pupil Services	228,449	255,095
General administration	770,441	903,017
Plant Services	692,333	737,597
Total Expenses	**7,232,098**	**8,317,236**
Change in Net Assets	**$ 2,549,758**	**$ 85,822**

Governmental Activities

As reported in the Statement of Activities, the cost of all of our governmental activities this year was $8,317,236 and $7,232,098 for 2009 and 2010, respectively. However, the amount that the taxpayers ultimately financed for these activities was $596,364 and $5,682,257 for 2009 and 2010 because the cost was covered by those who benefited from the programs ($541,809 and $0 for 2009 and 2010) or by other governments and organizations who subsidized certain programs with grants and contributions ($7,179,063 and $1,549,841 for 2009 and 2010). We paid for the remaining "public benefit" portion of our governmental activities with other revenues, like interest and general entitlements.

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

Table 3

	Net (Cost) Surplus of Services	
	2010	2009
Instruction	$ (2,901,240)	$ (490,014)
Instruction related activities	(1,099,916)	(6,035)
Pupil Services	(220,554)	(1,287)
General administration	(768,214)	(59,150)
Plant Services	(692,333)	(39,878)
Total	**$ (5,682,257)**	**$ (596,364)**

THE ROP'S FUNDS

As the ROP completed this year, our governmental funds reported a combined fund balance of $5,011,711, which is an increase of $576,168 from last year.

The primary reason for the increase is the increase in revenues from local income (excess property tax allocation)

General Fund Budgetary Highlights

Over the course of the year, the ROP revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 24, 2010. (A schedule showing the ROP's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 34.)

- Significant revenue revisions made to the 2009-10 budget were due to increases in local income such as excess property tax allocation and registration fees. Actual revenues increased by $1,191,125 over the original budget.
- Revenue increases allowed Mission Valley ROP to reduce the budget deficit.

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the ROP had $2,817,029 in a broad range of capital assets, including building and improvements, furniture and equipment, vehicles, net of accumulated depreciation. This amount represents a net increase (including additions, deductions and depreciation) of $2,023,931 over last year.

Table 5

	Governmental Activities	
	2010	2009
Construction in Progress	$ 2,289,959	$ 278,243
Buildings and Improvements	722,018	722,018
Furniture and Equipment	445,780	419,578
Total Assets	3,457,757	1,419,839
Less Total Accumulated Depreciation	640,728	626,741
Total Assets after Depreciation	**$ 2,817,029**	**$ 793,098**

The increase is due to construction projects in progress. The construction in progress represents new projects related to the State Proposition 1D grants and the Career Technical Education Facilities Program (CTEFP). Projects include modernization of the Auto Tech/Auto Body facilities and new construction of the Fire Science/EMT buildings.

We present more detailed information about our capital assets in Note 4 to the financial statements.

Long-Term Obligation

At the end of this year, the ROP had $227,519 in current year an increase of $50,341 over last year. We present more detailed information regarding our long-term liabilities in Note 6 of the financial statements.

Table 6

	Governmental Activities	
	2010	2009
Capital leases	$ 33,978	$ -
Accumulated Vacation - net	159,234	177,178
Net OPEB Obligation	34,307	-
Totals	**$ 227,519**	**$ 177,178**

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2009-10 ARE NOTED BELOW:

Mission Valley ROP's 2009-10 budget supported various programs in career technical education and training. Total general fund expenditures for the year were $7,928,742 ($608,793 more than last year). Mission Valley ROP spent 71% of its budget on instructional programs and instruction related services. Salaries and benefits represent 70% of total expenditures which include payroll reimbursements to Fremont, Newark and New Haven Unified School Districts.

2009-10 HIGHLIGHTS

MVROP highlights of the 2009-10 School Year include:

- Staff development for all certificated, classified and management staff
- New Teacher Training
- Fall Open House
- Participation in Alameda County Teacher of the Year Program
- Spring Car Show at Washington High School highlighting work from the Auto Technology and Auto Body Painting/Refinishing programs
- 5th Annual Multimedia Fest: A showcase of multimedia presentations created by local high school students representing seven categories: Animation, Video Art Production, Digital Drawing, Digital Graphic Design, Digital Photography, Digital Imaging, and Digital Sound Design.
- Career Faires at (3) High Schools/ROP Presentations at (4) High Schools
- 8th Annual Forensic Challenge Event
- MVROP Health Clinic Event
- Kennedy Sophomore Tours
- Irvington SHAPE Tours
- Administrator's Lunch and Tour
- Educators' Brunch
- PetersenDean Roofing and Solar Systems guest lecture/activities series
- Student of the Year event at Newark Hilton
- Mission College Articulation Day
- Student Certifications in Medical Assisting, CNA, EKG Technician, Pharmacy Tech and EMT Programs
- Graduation ceremonies for Pharmacy Tech, CNA, Medical Assisting and EKG Technician Programs

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES:

In considering the ROP Budget for the fiscal year 2010-11, the ROP Board and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Revenue limit income with negative .38% Cost of Living Adjustment (COLA)
2. Federal income estimated at $0
3. Lottery income at $125.50 per ADA
4. DSP income estimated at $85,000

Expenditures are based on the following forecasts:

- Salaries for 2010-11 include step and column increase and 2% work year reduction
- 15% decrease in materials and supplies

Mission Valley ROP leases the new ROP Career Technical Training Center from Fremont Unified School District. The lease agreement is effective for 20 years beginning in July 2007. Lease payments will increase 3.5% each year. The payment for 2010-11 is $243,918. In the event that COLA is less than 3.5% then MVROP has the option to defer the difference and pay it in the following year.

There are (7) modular buildings owned by the ROP, adjacent to the new facility. The amount of $3,101,750 has been designated for capital outlay in the ending fund balance to replace buildings, repair roofs, floors, and update infrastructure as necessary. In 2007-08, Mission Valley ROP received three grants from the State through the Proposition 1D Career Technical Education Facilities Program (CTEFP) for a total amount of $2,106,938. The grants will be used to modernize and replace buildings for the Fire Science/EMT, Auto Tech/Auto Body, and Fashion Merchandising/Interior Design Programs.

The Reserve for Economic Uncertainty is 7.6% of expenditures which is above the State minimum required.

CONTACTING THE ROP'S FINANCIAL MANAGEMENT:

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the ROP's finances and to show the ROP's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Director of Business Services at Mission Valley Regional Occupational Program, 5019 Stevenson Blvd, Fremont, CA 94538, telephone (510) 657-1865 extension 15145.

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
Assets	
Deposits and investments	$ 3,283,326
Receivables	2,702,864
Prepaid expenses	565
Construction in Progress	2,289,959
Capital assets, not depreciated	1,167,798
Less: Accumulated depreciation	(640,728)
Total assets	8,803,784
Liabilities	
Accounts payable	$ 975,044
Current portion of long-term obligations	7,204
Noncurrent portion of long-term obligations	220,315
Total liabilities	1,202,563
Net Assets	
Invested in capital assets, net of related debt	2,783,051
Restricted for:	
Capital projects	223,012
Legally restricted	127,476
Unrestricted	4,467,682
Total net assets	$ 7,601,221

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities
Governmental activities:				
Instruction	$4,425,022	$ 114,344	$ 1,409,438	$ (2,901,240)
Instruction related activities:				
Supervision of instruction	400,557	13,405	-	(387,152)
Instructional library, media and technology	103,868	-	-	(103,868)
School site administration	611,428	2,532	-	(608,896)
Pupil services:				
All other pupil services	228,449	7,895	-	(220,554)
General administration:				
Data processing	151,860	-	-	(151,860)
All other general administration	618,581	2,227	-	(616,354)
Plant services	692,333	-	-	(692,333)
Total governmental-type activities	$7,232,098	$ 140,403	$ 1,409,438	(5,682,257)
General revenues and subventions:				
Federal and State aid not restricted to specific purposes				16,766
Interest and investment earnings				28,355
Interagency revenues				7,421,809
Miscellaneous				765,085
Subtotal, general revenues				8,232,015
Change in net assets				2,549,758
Net assets - beginning				5,051,463
Net assets - ending				$ 7,601,221

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2010

	General Fund	County School Facilities Fund	Total Governmental Funds
ASSETS			
Deposits and investments	$ 3,060,314	$ 223,012	$ 3,283,326
Receivables	2,702,864	-	2,702,864
Prepaid expenses	565	-	565
Total assets	$ 5,763,743	$ 223,012	$ 5,986,755
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 975,044	$ -	$ 975,044
Total liabilities	975,044	-	975,044
Fund Balances:			
Reserved for:			
Prepaid expenses	565	-	565
Legally restricted	127,476	-	127,476
Other reservations	7,500	-	7,500
Unreserved:			
Designated	4,653,158	223,012	4,876,170
Total fund balance	4,788,699	223,012	5,011,711
Total Liabilities and Fund Balance	$ 5,763,743	$ 223,012	$ 5,986,755

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total Fund Balance - Governmental Funds		$5,011,711
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 3,457,757	
Accumulated depreciation is	(640,728)	
		2,817,029
Long-term liabilities, including capital lease, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term obligations at year end consists of:		
Capital leases payable	33,978	
Compensated absences (vacations)	159,234	
Net OPEB Obligation	34,307	
		(227,519)
Total Net Assets - Governmental Activities		$7,601,221

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	County School Facilities Fund	Total Governmental Funds
REVENUES			
Federal sources	$ 16,613	$ -	$ 16,613
Other state sources	220,277	1,409,438	1,629,715
Other local sources	8,135,528	-	8,135,528
Total Revenues	8,372,418	1,409,438	9,781,856
EXPENDITURES			
Current			
Instruction	4,433,441	-	4,433,441
Instruction related activities:			
Supervision of instruction	400,557	-	400,557
Instructional library, media and technology	103,868	-	103,868
School site administration	611,428	-	611,428
Pupil Services:			
All other pupil services	228,449	-	228,449
General administration:			
Data processing	151,860	-	151,860
All other general administration	635,284	-	635,284
Plant services	663,565	-	663,565
Facility acquisition and construction	824,788	1,186,426	2,011,214
Debt service			
Principal	10,838	-	10,838
Total Expenditures	8,064,078	1,186,426	9,250,504
EXCESS OF REVENUES OVER EXPENDITURES	308,340	223,012	531,352
Other Financing Sources (Uses):			
Other sources	44,816	-	44,816
Net Financing Sources (Uses)	44,816	-	44,816
	353,156	223,012	576,168
Fund Balance - Beginning	4,435,543	-	4,435,543
Fund Balance - Ending	$ 4,788,699	$ 223,012	$ 5,011,711

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

Total Net Change in Fund Balance - Governmental Fund		$ 576,168
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statements of activities.		
This is the amount by which capital outlays exceeds depreciation in the period.		
Depreciation expense	$ (57,962)	
Capital outlays	2,083,134	
		2,025,172
Loss on disposal of capital assets is reported in the government-wide statement of net assets, but is not recorded in the governmental funds.		(1,241)
Proceeds received from capital lease are revenues in the governmental funds, increases long term liabilities in the statement of net assets and do not affect the statement of activities.		(44,816)
In the statement of activities, certain operating expenses - compensated absences (vacations) and special termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). At year-end, compensated absences used was more than amounts earned.		17,944
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		10,838
In the statement of activities, unfunded annual required contribution (ARC) is recognized as an expense, but it not recognized in the governmental funds.		(34,307)
Change in Net Assets of Governmental Activities		$ 2,549,758

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010

	Agency Funds
ASSETS	
Deposits and investments	$ 10,128
Total assets	$ 10,128
LIABILITIES	
Accounts payable	$ 100
Due to student groups	10,028
Total liabilities	$ 10,128

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

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

Basis of Presentation - Fund Accounting

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

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

General Fund The General Fund is the chief operating fund for all districts/ROPs. It is used to account for the ordinary operations of a district. All transactions except those required or permitted by law to be in another fund are accounted for in this fund.

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

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

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

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

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

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

Cash and Cash Equivalents

The ROP's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fund Balance Reserves and Designations

The ROP reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for revolving cash accounts, prepaid expenditures (expenses), and legally restricted grants and entitlements.

Designations of fund balances consist of that portion of the fund balance that has been designated (set aside) by the governing board to provide for specific purposes or uses. Fund balance designations have been established for economic uncertainties and other purposes.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The ROP has no related debt outstanding as of June 30, 2010. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the ROP or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The ROP first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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.

Budgetary Data

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

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

Policies and Practices

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

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

General Authorizations

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

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

Interest Rate Risk

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

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Governmental Activities				
Capital Assets Not Being Depreciated				
Construction in progress	$ 278,243	$ 2,011,716	$ -	$ 2,289,959
Total Capital Assets Not Being Depreciated	278,243	2,011,716	-	2,289,959
Capital Assets Being Depreciated				
Buildings and improvements	722,018	-	-	722,018
Furniture and equipment	419,578	71,418	45,216	445,780
Total Capital Assets Being Depreciated	1,141,596	71,418	45,216	1,167,798
Less Accumulated Depreciation				
Buildings and improvements	442,858	5,816	-	448,674
Furniture and equipment	183,883	52,146	43,975	192,054
Total Accumulated Depreciation	626,741	57,962	43,975	640,728
Governmental Activities Capital Assets, Net	$ 793,098	$ 2,025,172	$ 1,241	$ 2,817,029

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Instruction	$ 29,194
Plant services	28,768
Total Depreciation Expense Governmental Activities	$ 57,962

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2010, consisted of the following:

	General
Vendor payables	$ 946,656
Salaries and benefits	28,388
Total	$ 975,044

NOTE 7 – FUND BALANCES

Fund balance is composed of the following elements:

	General	County School Facilities	Total
Reserved			
Revolving cash	$ 7,500	$ -	$ 7,500
Prepaid expenditures	565	-	565
Restricted programs	127,476	-	127,476
Total Reserved	135,541	-	135,541
Unreserved			
Designated			
Economic uncertainties	499,047	-	499,047
Other designation	4,154,111	223,012	4,377,123
Total Designated	4,653,158	223,012	4,876,170
Total Unreserved	4,653,158	223,012	4,876,170
Total	$ 4,788,699	$ 223,012	$ 5,011,711

NOTE 8 – POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

Plan Description

The Postemployment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the Mission Valley Regional Occupational Program. The Plan provides medical benefits to eligible retirees and their spouses. Membership of the Plan consists of 8 retirees and beneficiaries currently receiving benefits, one terminated plan member entitled to but not yet receiving benefits, and 54 active plan members. Expenditures for post employment benefits are recognized on a pay-as-you-go basis, as retirees' premiums are paid.

Contribution Information

The contribution requirements of plan members and the ROP are established and may be amended by the ROP and the employee groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the ROP and the employee groups. For fiscal year 2009-10, the ROP contributed $26,563 to the plan, all of which was used for current premiums (approximately 44 percent of current year's annual required contributions).

In the February 5, 2010 actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses) and 3 percent general inflation per year. Healthcare cost trend rate was 4 percent until reaching the ultimate trend. The UAAL is being amortized at a level percentage of payroll assuming a 3% annual increase in payroll. The remaining amortization period at July 1, 2010, was 29 years. The actuarial value of assets was not determined in this actuarial valuation. Currently, the ROP is considered to be an unfunded plan since there are no assets and retiree benefits are paid annually on a cash basis.

NOTE 9 - RISK MANAGEMENT

Property and Liability:

The ROP is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2010, the ROP Participated in the East Bay Schools Insurance Group (EBSIG), for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2010, the ROP participated in the Alameda County School Insurance Group (ACSIG), an insurance purchasing pool. The intent of the ACSIG is to achieve the benefit of a reduced premium for the ROP by virtue of its grouping and representation with other participants in the ACSIG. The workers' compensation experience of the participating ROP is calculated as one experience and a common premium rate is applied to all ROPs in the ACSIG. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of each participated school ROPs. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the ACSIG.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

CalSTRS

Plan Description

The ROP contributes to the CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, California 95826.

NOTE 11 - RELATED PARTIES

The ROP is operated under a Joint Power Agreement between the Fremont Unified School District, New Haven Unified School District and the Newark Unified School District. Revenues are based on the annual average daily attendance of the participants from the ROPs multiplied by the appropriate revenue limit per ADA. Upon receipt of the revenues, the districts make transfers to the ROP. The total revenues transferred for 2010 were $7,467,423.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Grants

The ROP received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the ROP at June 30, 2010.

Services Provided By Others

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

Litigation

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

Operating Leases

The ROP has entered into an operating lease for equipment with lease terms in excess of one year. The agreement contains no purchase options. It contains a termination clause providing for cancellation after a specified number of days written notice to lessor, but it is unlikely that the ROP will cancel any of the agreements prior to the expiration date. Future minimum lease payments under this agreement are as follows:

Year Ending June 30,	Lease Payment
2010-11	$ 8,985
2011-12	5,673
Total	$ 14,658

Construction Commitments

As of June 30, 2010, ROP had no outstanding construction commitments.

REQUIRED SUPPLEMENTARY INFORMATION

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts (GAAP Basis)		Actual	Variances - Positive (Negative)
	Original	Final	(GAAP Basis)	Final to Actual
REVENUES				
Federal sources	$ 16,613	$ 16,613	$ 16,613	$ -
Other state sources [1]	116,943	116,963	84,941	(32,022)
Other local sources	6,912,401	7,605,207	8,135,528	530,321
Total Revenues	7,045,957	7,738,783	8,237,082	498,299
EXPENDITURES				
Current				
Certificated salaries	3,605,836	3,608,970	3,317,342	291,628
Classified salaries	1,060,901	1,088,901	1,064,000	24,901
Employee benefits	759,101	765,516	706,285	59,231
Books and supplies	401,534	435,062	393,609	41,453
Services and operating expenditures	1,711,556	1,735,339	1,547,436	187,903
Other outgo				
Capital outlay	-	850,335	889,232	(38,897)
Debt service - principal	-	10,838	10,838	-
Total Expenditures	7,538,928	8,494,961	7,928,742	566,219
Excess (Deficiency) of Revenues Over (Under) Expenditures	(492,971)	(756,178)	308,340	1,064,518
Other Financing Sources (Uses):				
Other sources	-	-	44,816	-
Net Financing Sources (Uses)	-	-	44,816	-
NET CHANGE IN FUND BALANCES	(492,971)	(756,178)	353,156	1,064,518
Fund Balance - Beginning	4,435,543	4,435,543	4,435,543	-
Fund Balance - Ending	$ 3,942,572	$ 3,679,365	$ 4,788,699	$ 1,109,334

1 On behalf payments of $135,336 was not included in the actual or the budget columns.

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

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2010

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Unprojected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
February 5, 2010	$ -	$ 483,209	$ 483,209	0%	$ 4,381,342	11.03%

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

SUPPLEMENTARY INFORMATION

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through California Department of Education (CDE):			
Vocational Educational Grants			
Adult SEC 132 (Carl Perkins Act)	84.048	14893	$ 16,613
Total Expenditures of Federal Awards			$ 16,613

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2010

ORGANIZATION

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

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

Mission Valley ROP is a provider of career training for high tech, high pay and high demand fields. In existence for more than 35 years, MVROP has been instrumental in preparing students for successful business, medical, and technical careers. Over 5,000 students (adult and high school) participate each year in ROP's exemplary educational programs.

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

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

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Kevin Harper	President	2010
Larry Sweeney	Vice President	2010
Janice Schaefer	Clerk	2010
Nancy Thomas	Alternate	2010
Jonas Dino	Alternate	2010
Lily Mei	Alternate	2010

ADMINISTRATION

NAME	TITLE
Charles Brown	Superintendent
Shelley Adams	Director of Educational Services
Marie dela Cruz	Director of Business Services

SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2010

Mission Valley Regional Occupational Program reported the following average daily attendance to the joint power districts for reporting on their respective Annual Reports of Attendance.

Fremont Unified School District	1,104
Newark Unified School District	169
New Haven Unified School District	311
Total Average Daily Attendance	1,584

The above ADA is reported for reference purpose only and does not include the Adult Ed ADA. The funding for this program is based on 2007-08 ADA and therefore the ROP is not required to report the ADA in the annual attendance report.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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

	Form Assets
CAPITAL ASSETS	
Total Assets, June 30, 2010, Unaudited Actuals	$ 2,752,129
Adjustment:	
(Increase)/decrease in accumulated depreciation	
Increase in equipment	20,924
Decrease in accumulated depreciation - equipment	43,976
Total Assets, June 30, 2010, Audited Financial Statement	$ 2,817,029

	Form Debt
LONG TERM OBLIGATIONS	
Total Liabilities, June 30, 2010, Unaudited Actuals	$ 226,291
Adjustment:	
Decrease in capital lease payable	(9,374)
Increase in OPEB obligations	10,602
Total Liabilities, June 30, 2010, Audited Financial Statement	$ 227,519

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

	(Budget) 2011	2010	2009	2008
GENERAL FUND				
Revenues [4]	6,990,910	$ 8,237,082	$ 8,246,882	$ 9,283,212
Other sources	-	44,816	-	-
Total Revenues	6,990,910	8,281,898	8,246,882	9,283,212
Expenditures [4]	7,112,641	7,928,742	8,319,949	8,641,366
INCREASE/(DECREASE) IN FUND BALANCE	$ (121,731)	$ 353,156	$ (73,067)	$ 641,846
ENDING FUND BALANCE	$ 4,666,968	$ 4,788,699	$ 4,435,543	$ 4,508,610
AVAILABLE RESERVES [2]	498,857	$ 499,047	$ 942,758	$ 801,382
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	7.0%	6.3%	11.3%	9.3%
LONG-TERM OBLIGATIONS	220,315	227,519	177,178	128,488
AVERAGE DAILY ATTENDANCE ANNUAL [3]	2518	2,518	2,518	2,518

The General Fund balance has increased by $280,089 over the past two years. The fiscal year 2010-11 budget projects a deficit of $121,731. For a ROP this size, the State recommends available reserves of at least 3.0 percent of total general fund expenditures, transfers out, and other uses (total outgo).

The ROP has incurred operating surplus in the past two years and anticipates incurring a deficit during the 2010-11 fiscal year. Total long-term obligations have increased by $99,031 over the past two years.

Funded average daily attendance for 2009 - 2013 will be based on 2007-08 annual funded ADA per State legislation.

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1 Budget 2011 is included for analytical purposes only and has not been subjected to audit.

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

3 Average daily attendance consist of the total attendance reported to Fremont Unified, New Haven Unified, and Newark Unified School Districts, as revised for reporting on their Annual Reports of Attendance.

4 On-behalf payments of $135,336, 156,176, and $156,713 have been excluded from the calculation of the available reserves percentage for fiscal years ended June 30, 2010, 2009, and 2008 respectively.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2010

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the ROP and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Local Education Agency Organization Structure

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Financial Trends and Analysis

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

INDEPENDENT AUDITORS' REPORTS

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

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

Governing Board
Mission Valley Regional Occupational Program
Fremont, California

We have audited the financial statements of the governmental activities and each major fund of Mission Valley Regional Occupational Program as of and for the year ended June 30, 2010, which collectively comprise Mission Valley Regional Occupational Program's basic financial statements and have issued our report thereon dated December 10, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mission Valley Regional Occupational Program's internal control over financial reporting as a basis for designing our auditing procedures 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 Mission Valley Regional Occupational Program's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Mission Valley Regional Occupational Program's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mission Valley Regional Occupational Program'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*.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 10, 2010

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board
Mission Valley Regional Occupational Program
Fremont, California

We have audited the financial statements of the governmental activities and each major fund information of Mission Valley Regional Occupational Program as of and for the year ended June 30, 2010, and have issued our report thereon dated December 10, 2010. 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 for Audits of California K-12 Local Educational Agencies 2009-10*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Compliance with the requirements of laws, regulations, contracts, and grants listed below is the responsibility of Mission Valley Regional Occupational Program's management. In connection with the audit referred to above, we selected and tested transactions and records to determine the Mission Valley Regional Occupational Program's compliance with the State laws and regulations applicable to the following items:

	Procedures in Audit Guide	Procedures Performed
Attendance Accounting:		
Attendance reporting	8	Not Applicable
Kindergarten continuance	3	Not Applicable
Independent study	23	Not Applicable
Continuation education	10	Not Applicable
Instructional Time:		
School districts	6	Not Applicable
County offices of education	3	Not Applicable
Instructional Materials:		
General requirements	8	Not Applicable
Ratios of Administrative Employees to Teachers	1	Not Applicable
Classroom Teacher Salaries	1	Not Applicable
Early retirement incentive	4	Not Applicable
Gann limit calculation	1	Not Applicable
School Accountability Report Card	3	Not Applicable
Public hearing requirement - receipt of funds	1	Not Applicable

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	Procedures in Audit Guide	Procedures Performed
Class Size Reduction Program (including in Charter Schools):		
General requirements	7	Not Applicable
Option one classes	3	Not Applicable
Option two classes	4	Not Applicable
District or charter schools with only one school serving K-3	4	Not Applicable
After School Education and Safety Program		
General requirements	4	Not Applicable
After school	4	Not Applicable
Before school	5	Not Applicable
Charter Schools:		
Contemporaneous records of attendance	1	Not Applicable
Mode of instruction	1	Not Applicable
Non classroom-based instruction/independent study	15	Not Applicable
Determination of funding for non classroom-based instruction	3	Not Applicable
Annual instruction minutes classroom based	3	Not Applicable

Based on our review of *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2009-10*, there is no item required to be tested in the current year. Our audit does not provide a legal determination on Mission Valley Regional Occupational Program's compliance with the State laws and regulations referred to above.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, the California Department of Finance, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 10, 2010

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	Not Applicable
Significant deficiencies identified not considered to be material weaknesses?	Not Applicable
Type of auditors' report issued on compliance for major programs:	Not Applicable
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	Not Applicable
Identification of major programs:	

CFDA Number(s)	Name of Federal Program or Cluster
	Not Applicable

Dollar threshold used to distinguish between Type A and Type B programs:	Not Applicable
Auditee qualified as low-risk auditee?	Not Applicable

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	No
Reporting conditions identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for State programs:	Unqualified

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENT FINDINGS

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

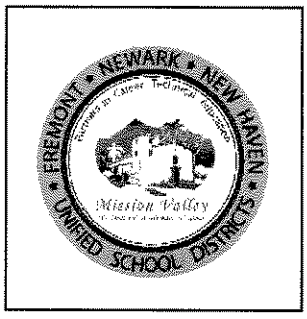
None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS

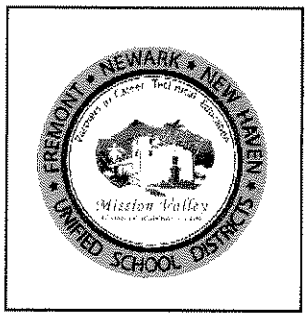
None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

None reported.



Board of Education



Board of Education #2

__X__ Information
__X__ Action
_____Presentation

MISSION VALLEY REGIONAL OCCUPATIONAL PROGRAM
BOARD OF EDUCATION

AGENDA ITEM
Board of Education #2

Date of Board Meeting: **January 20, 2011**

TITLE: **Conflict of Interest Board Policy 4117.2**

Background:

Under the Political Reform Act (Government Code 81000), all public agencies are required to adopt a Conflict of Interest Code. The Conflict of Interest Code describes who must disclose financial interests and the level of disclosure. Public officials, especially those who manage public funds, are required to disclose financial interests. The County Board of Supervisors is the code reviewing body for local government agencies whose jurisdiction is solely within the county, including school districts and charter schools.

Current Status:

Mission Valley ROP's Conflict of Interest Board Policy 4117.2 needs to be revised to include the Conflict of Interest Code as required under the Political Reform Act (GC 81000). Upon Board approval, the revised code must then be sent to the Alameda County Board of Supervisors for approval.

Recommendation:

Staff recommends approval of the first reading of the revised Conflict of Interest Board Policy BP 4117.2.

Marie dela Cruz	ROP Center	Business Services	Charles Brown
Staff/Contact Person	**Location**	**Division**	**MVROP Superintendent**

All employees and officers of the ROP shall perform their duties in an impartial manner, free from bias caused by their own interests.

No employee or officer of the ROP shall accept any money or other valuable thing or any inducement to directly or indirectly introduce, recommend, approve, or otherwise influence the adoption or purchase of any equipment, supplies, or material. Violation of this section will subject an employee to discipline. A violation of this section may also subject the employee to criminal sanctions for violating state law.

CONFLICT OF INTEREST CODE

The Conflict of Interest Code is promulgated under the authority of the Political Reform Act, Government Code Section 81000 et seq., which requires all state and local government agencies to adopt and promulgate a conflict of interest code. Regulation 2 Cal. Code of Regs., Section 18730, as adopted by the Fair Political Practices Commission contains the terms of a standard conflict of interest code; which may be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act.

Therefore, the terms of 2 Cal. Code of Regs., Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix in which positions are designated and disclosure categories are set forth constitute the Conflict of Interest Code of Mission Valley ROP.

Designated employees shall file their statements of economic interest with the ROP secretary, who will make the Statements available for public inspection and reproduction (Gov. Code Section 81008). The original statement of the Superintendent and each member of the school board shall be forwarded to the Clerk, Board of Supervisors and a copy retained by Mission Valley ROP.

FINANCIAL INTEREST

Board members and designated employees shall not be financially interested in any contract made by the Board or in any contract they make in their capacity as Board members or designated employees. (Government Code 1090)

GIFTS

Designated employees shall not accept from any single source in any calendar year any gifts in excess of the prevailing gift limitation specified in law if the employee would be required to report the receipt of income or gifts from that source on his/her statement of economic interests. (Government Code 89503)

The above limitations on gifts do not apply to wedding gifts and gifts exchanged between individuals on birthdays, holidays and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value. (Government Code 89503)

Gifts of travel and related lodging and subsistence shall be subject to the above limitations except as described in Government Code 89506.

A gift of travel does not include travel provided by the district for Board members and designated employees. (Government Code 89506)

HONORARIA

Board members and any designated employees who manage public investments shall not accept any honorarium, which is defined as any payment made in consideration for any speech given, article published, or attendance at any public or private gathering, if the employee would be required to report the receipt of income or gifts from that source on his/her statement of economic interests. (Government Code 89502)

The term "honorarium" does not include: (Government Code 89501)

1. Earned income for personal services customarily provided in connection with a bona fide business, trade or profession unless the sole or predominant activity of the business, trade or profession is making speeches

2. Any honorarium which is not used and, within 30 days after receipt, is either returned to the donor or delivered to the district for donation into the general fund without being claimed as a deduction from income for tax purposes

APPENDIX
DESIGNATED POSITIONS/DISCLOSURE CATEGORIES

DESIGNATED POSITIONS

Position	Disclosure Category
Board Members	1
Superintendent	1
Director, Business Services	1
Director, Educational Services	1
Coordinator	2
Information Technology Manager	2
Public Relations Officer/Administrative Assistant	2
Consultants	*

A consultant is an individual who, pursuant to a contract with the ROP, makes any of several specified governmental decisions or serves in a staff capacity with the ROP, performing the same or substantially the same duties for the ROP that would otherwise be performed by an individual holding a position specified in the ROP's conflict of interest code.

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Superintendent may determine in writing that a particular consultant, although a designated position, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description and a statement of the extent of disclosure requirements. The Superintendent's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

DISCLOSURE CATEGORIES

Category	Disclosure Required
1	Persons in this category must disclose all investments and business positions in business entities, sources of income and interests in real property, gifts and honoraria.
2	Persons in this category must disclose those investments and business positions in business entities, sources of income and interests in real property of the type utilized by the unit for which the designated employee is director, manager or responsible.

Legal Reference:

EDUCATION CODE
1006 Qualifications for holding office
35107 School district employees
35230-35240 Corrupt practices
35233 Prohibitions applicable to members of governing boards
60071 Prohibited offers to influence adoption or purchase of instructional materials
60072 School officials; acceptance of consideration or inducements; prohibition
60073 Penalty for violators; misdemeanor and removal from official position

GOVERNMENT CODE
1090-1098 Prohibitions applicable to specified officers
1125-1129 Incompatible activities
81000-91015 Political Reform Act of 1974, especially:
82011 Code reviewing body
82019 Definition of "designated employee"
82028 Definition of "gifts"
82030 Definition of "income"
82033 Definition of "interest in real property"
82034 Definition of "investment"
87100-87103.6 General prohibitions
87200-87210 Disclosure
87300-87313 Conflict of interest code
87500 Statements of economic interests
89501-89503 Honoraria and gifts
89506 Travel payments, advances and reimbursements
91000-91015 Enforcement

CODE OF REGULATIONS, TITLE 2
18100-18730 Regulations of the Fair Political Practices Commission

Management Resources:

WEB SITES
FPPC: http://www.fppc.ca.gov

Policy Adopted: March 23, 2000
Revised Policy, First Reading: January 20, 2011

End of Board Packet