



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, March 4, 2013
2:30 PM – Welcome Reception for Dr. Tribley and Committee
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

MEETING AGENDA

1. **Call to Order**
2. **Introductions**
Dr. Walter Tribley, MPC's new Superintendent/President, will be introduced to the Committee.
3. **Public Comment**
Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the Committee.
4. **Approval of November 5, 2012 Minutes** ACTION
5. **Annual Report Follow-Up** INFORMATION
Information added to the 2011-12 Annual Report will be reviewed.
6. **Accept Bills and Warrants Report** ACTION
The list of payments from bond funds expended through December 31, 2012 will be reviewed for acceptance by the committee.
7. **Bond Expenditure Status Report and Cost Control Report** INFORMATION
The December 31, 2012 bond expenditure status report will be reviewed with the committee. The February 2013 cost control report will also be presented.
8. **Bond Auditors' Reports for 2011-12** INFORMATION
The Independent Auditors' Report of the District's bond funds, for the fiscal year ended June 30, 2012, and the District's Bond Performance Audit Report, for the fiscal year ended June 30, 2012, will be reviewed with the committee.

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| <p>9. Monterey County Treasurer's Investment Report
 Series B and C bonds were issued by the district in 2008 and invested with the Monterey County Treasurer's office. The Treasurer's Report of Investments for the quarter ending December 31, 2012 provides the status of these investments.</p> | <p>INFORMATION</p> |
| <p>10. Update on Bond Refunding
 A status report will be provided on the refunding of the District's bonds.</p> | <p>INFORMATION</p> |
| <p>11. Facilities Construction Plan Update
 Mr. Ma will review changes to the District's construction program recommended by the Facilities Committee and approved by the Governing Board on November 28, 2012.</p> | <p>INFORMATION</p> |
| <p>12. Update on Facilities Projects, Timelines and Schedules
 A status report will be provided on all projects. The timelines and schedules for current facility projects will be reviewed.</p> | <p>INFORMATION</p> |
| <p>13. Meeting Schedule
 Future meetings of the Committee are scheduled for:
 Monday, June 10, 2013 (Propose date change to June 17, 2013)
 Monday, August 5, 2013
 Monday, November 4, 2013 (Annual Organizational Meeting)</p> | <p>INFORMATION/ACTION</p> |
| <p>14. Suggestions for Future Agenda Topics and Announcements
 June meeting -- Committee tour of facilities projects on Monterey campus</p> | <p>INFORMATION</p> |
| <p>15. Adjournment</p> | |

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/mpcbond/CitizensBondOversight/Pages/CBOCAgendas.aspx> , at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.



MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

Monday, November 5, 2012
3:00 PM – Regular Meeting
Sam Karas Room, Library and Technology Center
Monterey Peninsula College

Meeting Minutes

MEMBERS PRESENT: Mr. Daniel Cervantes
Mr. Wayne Cruzan
Dr. Sophal Ear
Mr. J. Fagan, Vice Chair
Mr. Rick Heuer
Mr. Birt Johnson, Jr.
Mr. Bob Mulford, Chair
Mr. James Panetta
Mr. Niels Reimers

ABSENT: Mr. Stewart Fuller
Ms. Patty Rossi

STAFF PRESENT: Ms. Rosemary Barrios, Controller
Dr. Douglas Garrison, Superintendent/President
Mr. Stephen Ma, Vice President for Administrative Services
Ms. Vicki Nakamura, Assistant to the President

OTHERS PRESENT: Mr. Joe Demko, Kitchell

1. Call to Order

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:00 PM by Chair Mulford.

2. Public Comment

There were no public comments.

3. Approval of August 6, 2012 Minutes

Revised minutes were distributed to correct the omission of Mr. Heuer's name from the list of members in attendance. In addition, the committee received a handout providing responses to questions in the minutes regarding expenditures on the bills and warrants report. Motion to approve the minutes as amended was made by Vice Chair Fagan and seconded by Mr. Cruzan. Motion carried unanimously.

4. Use of Bond Funds for Equipment and Related Repair Agreements

At the August meeting, committee members expressed concerns about the use of long-term bond funds for purchase of minor equipment and service contracts for Apple computers. It was noted that similar concerns had been expressed by previous committee members in the past. The agenda documents included minute excerpts from committee meetings in 2004 and a past opinion from bond counsel regarding the use of bond funds for training and maintenance contracts related to equipment purchases. Mr. Ma reported the District again contacted bond counsel, David Casnocha, to review this issue. Mr. Casnocha advised the federal tax code allows a small amount, up to 5% of the funds, to be used on non-capital expenses without adversely affecting the tax exempt status of the bond. Staff researched and determined that \$21,702 has been expended on these types of purchases. The phone equipment training expense was not included in the amount as the records have been archived; however, the total expense would be \$55,000 or less. Mr. Ma said this matter was also brought to the Board of Trustees in October 2012 to confirm the practice.

Chair Mulford asked if it was necessary to track the 5% for audit purposes. Mr. Ma responded yes and stated staff will be tracking the amount going forward. He assured the committee that maintenance contracts were being purchased on a limited basis, primarily for computer network hardware and computer equipment. Dr. Garrison added this was an example of how the CBOC has helped the District refine its practices in regards to the bond.

Mr. Heuer said he appreciated staff's research of the matter; however, legal and appropriate use of bonds were two different things. He stated his philosophical difference with using long-term bond funds for these purposes rather than operational funds. Mr. Heuer indicated his lack of support if these items are included in the future.

Vice Chair Fagan acknowledged District budget constraints and asked if there were operational funds available to make these purchases, provide classrooms with small equipment, or support online programs to serve students, instead of the bond. Mr. Ma responded no and explained the District has lost \$6 million in operational funds in the last two years.

5. Accept Bills and Warrants Report

Mr. Ma presented the September 30, 2012 report and asked for questions.

Mr. Reimers questioned how construction management charges are calculated. Mr. Demko stated that a formula is used, with 5.5% of the project construction bid amount plus change orders being calculated and then divided by 24 months to arrive at the monthly expense. Mr. Demko added Kitchell has a separate agreement with the college to provide for construction management services apart from bond program management. Mr. Reimers asked if this formula was consistent, and Mr. Demko responded the state uses the same formula.

Mr. Heuer asked about commissioning services cited on page 2. Mr. Demko explained these services are provided by an independent mechanical engineer to test the heating systems to ensure the temperature and balancing are correct.

Chair Mulford asked about the substantial difference between two charges on page 2 from PARC Environmental for paint preparation and noted no dates of service were included. Mr. Demko said this firm was used to abate lead paint and asbestos found on the upper

floor of the gym. He said PARC is paid on a time and materials basis and he will report back with the dates.

Chair Mulford followed with a question regarding furniture and equipment purchases and the inventory process used. Mr. Ma stated asset tag numbers are placed on items above \$5,000 and descriptions provided for tracking and depreciation purposes. He explained that Ms. Barrios has to report capital assets to the auditor. Ms. Barrios added that items under \$5,000 are also tracked by the purchasing coordinator. Mr. Mulford asked if a physical count is made each year to determine if anything is missing. Mr. Ma responded no annual physical inventory is conducted; missing items would need to be reported by the department. Noting that a significant amount of bond funds have been spent on computers and other equipment, concern was expressed about the inventory process. Chair Mulford requested information be provided at the next meeting regarding the methodology used by the purchasing coordinator to track small equipment items.

Mr. Heuer noted a CalCard purchase on page 5 from Amazon for a Kensington wireless presenter for \$326. He asked if the cost was an error as he researched the item and found the cost was \$52. Staff will check and report back. Mr. Heuer also asked if the petri dish inserts listed on page 6 were a permanent or disposable item. Mr. Ma said he was informed the items were reusable.

Citing the reimbursement to staff on page 7, Mr. Heuer asked if the employee would be issued a CalCard. Ms. Barrios indicated purchases by the employee were infrequent. Dr. Garrison explained these purchases related to a unique situation in the Life Science building where a seawater lab was installed by staff. The work was substantially cheaper as a result. He added the District is currently trying to reduce the number of CalCards due to concerns raised by the committee.

Mr. Panetta questioned the plumbing services for \$40,000 on page 8. Mr. Demko explained trailers were converted into labs to provide swing space for physical science classes. Considerable plumbing work was required. This expense represents a progress billing and a bid process was used.

Mr. Johnson asked about the moving expenses on page 9, if Cardinale Moving and Storage was paid on an hourly basis. Mr. Demko confirmed the moving firm was paid on a time and materials basis. He said it was less expensive and some employees also prefer to do their own moves. Mr. Johnson followed with questions about the negative payments listed on pages 12-13 to the Division of the State Architect (DSA) and to Otto Construction. Ms. Barrios said the payment to DSA for a plan check fee was cancelled after it was determined the fee was also paid by the project architect. She clarified the payments to Otto Construction were for a state funded project. Those charges were moved from the bond fund to the Capital Outlay Fund and will be reimbursed by the state.

Mr. Panetta asked about an expense of \$7,754 for installation of soap and paper towel dispensers on page 16. Mr. Demko explained the work was not in the construction contract and was paid directly.

Chair Mulford noted \$117 million of bond funds have been spent to date on projects. He praised staff on the report, noting the questions are fewer than in the past. Mr. Heuer added his compliments. He serves on other oversight boards and he holds up MPC as an example to follow.

It was moved by Mr. Reimers, and seconded by Mr. Fagan to accept the September 30, 2012 bills and warrants report. Motion carried unanimously.

6. Bond Expenditure Status Report and Cost Control Report

The reports were reviewed with the committee. Mr. Reimers asked if the competitive bid climate was continuing. Mr. Demko said many subcontractors have gone out of business and fewer bids are being received.

7. Annual Report for 2011-12

Dr. Garrison stated a responsibility of the committee is to provide an annual report to the Board of Trustees per the bylaws. Ms. Nakamura has prepared a draft report for review by the committee. Chair Mulford will present the report to the Board at the November meeting.

Dr. Garrison noted page 7 of the draft has a notation that further explanation will be provided regarding interest earnings. Mr. Ma clarified the negative interest figure of \$8,347 should be corrected to a minus \$3,173, based on the information received to date. Staff asked the County Treasurer for an explanation of the interest figures and the responses have been unclear. Half of the bond funds have been deposited in LAIF (Local Agency Investment Fund). The District also has a custom portfolio of corporate bonds where the interest is calculated separately. Mr. Ma said the negative interest figure of \$3,173 does not represent the total interest earned for 2011-12. Mr. Heuer commented there is no such thing as negative interest. Mr. Ma said the negative figure may represent management fees rather than negative interest. Further explanation has been requested and Mr. Ma said he expects to get the issue clarified by the November Board meeting. Dr. Garrison advised the committee that a correction will be made to the report. If the committee is comfortable with the Chair Mulford's review, the report can still be presented to the Board in November. Vice Chair Fagan stated he views the notation in the report as a placeholder that will be filled in and sufficient information has been provided to the committee to approve. Mr. Heuer also asked for clarification of the interest write-off and recovery figures.

Additional items were noted. Mr. Reimers advised the Brown Act tutorial should be added to the description of the committee's meeting and activities on page 6. Staff will add. He also suggested adding two more columns, one for estimated final cost and one for priority, to the In Process projects listed on page 8. Chair Mulford stated there was so much information already provided that the additional columns may not be helpful. Dr. Ear commented the membership terms were incorrect for Mr. Panetta and Ms. Rossi on page 6. Chair Mulford requested a note of appreciation from the committee to the staff be added to the report. He stated the project narratives in the report were clear and descriptive.

Motion was made by Mr. Heuer and seconded by Mr. Cruzan to approve the report with the corrections discussed. Motion carried unanimously.

8. 2014-18 Five Year Capital Outlay Plan

Ms. Nakamura stated that since approval of the bond in November 2002, efforts have been undertaken to leverage local bond funds with other funding. One of the main sources the District has sought is state funding. Ms. Nakamura described the plans that must be prepared and submitted to the Chancellor's Office to qualify for state funding, including the annual five year construction plan and initial project proposals (IPP) and final project proposals (FPP) for each project.

Ms. Nakamura reported the District's 2014-18 Five-Year Construction Plan was approved by the Governing Board in September. She stated the plan continued to reflect the revised facilities construction plan which reduced the reliance on state funding through scope modifications and lower project cost estimates. As a result, the plan shows 4 of 11 projects in the plan being submitted for a state funding match.

In addition to the five year plan, the District also submitted an IPP for the music facilities project. Mr. Ma reviewed the background of the project. He reported a year ago the decision was made to renovate the theater as a spoken word space rather than for a performing arts facility. Most of the bond funds reserved for the theater and music facilities was allocated to the theater renovation. To augment the remaining dollars for the music project, the District developed a plan to renovate the existing recital hall and music lab facilities and submit an IPP for state matching funds of \$1.2 million for a total project cost of \$2.4 million. In addition, a further phase of the plan includes construction of a new music recital hall funded by private donations. The music facilities have been designed by an architect from the Los Angeles area who has extensive experience with music performance facilities.

Mr. Heuer asked about the priority order of the projects in the plan. It was explained projects are required to be prioritized for the state. The priority order was determined based on which projects were currently under construction, those approved or to be submitted for state funding, and the projects necessary to complete before others could proceed.

9. Update on Facilities Projects, Timelines, and Schedules

Mr. Demko reviewed the status of active facility projects.

Humanities/Business Humanities/Student Services - Mr. Demko said the Humanities building renovation will begin in January, 2013 due to swing space needs.

Theater – The project is proceeding well. The orchestra lift is being installed. The next big task will be installation of the elevator. The rigging and sound system will also be installed.

Life Science/Physical Science Buildings – Mr. Demko reported the Physical Science building renovation has started and completion is expected by June 2013.

Gym 1st Floor – The renovation has been completed and move-in will occur over the next month.

Swing Space - Mr. Demko noted the biggest demand for space this year was for Humanities. In June, some of the portables will be removed.

Mr. Demko said there were three major projects remaining on the Monterey campus, the Pool/Tennis Courts, the Student Center, and the Arts Complex. Savings from earlier projects will be used to support these projects. A revised funding plan will be taken to the Board for approval. He reported the three projects will be bid in the spring while the favorable bidding climate continues.

10. Committee Membership Update

A revised membership handout was distributed to the committee with corrected terms. Dr. Garrison reported four members, Mr. Fagan, Mr. Fuller, Mr. Mulford, and Mr. Reimers,

completed their first terms and were reappointed for a second term. He thanked them for their willingness to continue their service.

11. Officers

Dr. Garrison stated the superintendent/president has the responsibility to appoint the Chair. He reported he asked J. Fagan to serve as Chair for the next year and Mr. Fagan has accepted. Dr. Garrison asked if any members were interested in serving as Vice Chair. Mr. Mulford nominated Mr. Johnson for the Vice Chair, seconded by Mr. Reimers. Mr. Johnson was elected unanimously.

12. Meeting Schedule

The meeting dates of March 4, June 10, August 5, and November 4 (annual organizational meeting) were proposed for 2013 and accepted without changes.

13. Suggestions for Future Agenda Topics and Announcements

There were no suggestions for future topics. Dr. Garrison discussed the presidential leadership transition at the college. He stated the new superintendent/president, Walter Tribley, was from Washington state. His anticipated start date is December 17, allowing for some overlap with Dr. Garrison. Chair Mulford, on behalf of the committee, expressed gratitude to Dr. Garrison for his collaborative leadership.

14. Adjournment

Chair Mulford adjourned the meeting at 4:30 p.m.

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ANNUAL REPORT FOLLOW-UP

Pages with changes

INTRODUCTION

At the election conducted on November 5, 2002, the Monterey Peninsula Community College District was successful in obtaining more than 55% voter approval to issue and sell general obligation bonds in the amount of \$145,000,000 to fund specific facility projects. The bond election was conducted under Proposition 39 regulations.

Pursuant to Education Code Section 15278, the Board of Trustees established the Citizens' Bond Oversight Committee (CBOC) at their meeting on February 25, 2003 to satisfy the accountability requirements of Proposition 39.

The Citizens' Bond Oversight Committee Bylaws, setting forth the duties and rights of the Committee, were also adopted by the Board at the February 25, 2003 meeting.

The three primary duties of the Citizens' Bond Oversight Committee are to inform the public concerning the District's expenditure of bond proceeds, review and report on the expenditure of taxpayers' monies, and advise the public on the District's compliance with Proposition 39.

To accomplish these duties and as required in the bylaws, the CBOC submits this annual report to the Board of Trustees. The CBOC expresses its appreciation to District staff for their support of the committee's work and activities.

Rick Heuer	2-year initial term, 11/2011 – 11/2013
Birt Johnson, Jr.	2-year initial term, 11/2011 – 11/2013
Bob Mulford, Chair	2-year initial term, 11/2010 – 11/2012
James Panetta	2-year initial term, 11/2011 – 11/2013
Niels Reimers	2-year initial term, 11/2010 – 11/2012
Patricia Rossi	2-year initial term, 11/2011 – 11/2013

MEETINGS AND ACTIVITIES OF THE CITIZENS' BOND OVERSIGHT COMMITTEE

The committee conducts its meetings in accordance with provisions of the Ralph M. Brown Public Meetings Act, Government Code Sections 54950 et seq. Meeting notices and agendas are sent to members of the committee within the required period of time, posted at the Monterey Peninsula College Administration Building, and sent to local media.

The college's bond website (www.mpc.edu/mpcbond/) includes a page specifically designated for the committee's activities where the meeting schedule, agendas, minutes, and annual reports are posted.

During 2011-12, the committee convened four quarterly meetings. The annual organizational meeting of the committee was held November 7, 2011, with subsequent meetings held on March 5, 2012, June 11, 2012, and August 6, 2012. The primary location for the meetings was the Sam Karas Room in the Library & Technology Center on the Monterey campus with the August meeting held at the MPC Public Safety Training Center in Seaside.

At the meetings convened during 2011-12, the committee received status updates on bond projects and reviewed bond program expenditures. For the benefit of new members, the March meeting included a review of the committee's purpose and duties and a summary of the Brown Act by David Casnocha, District bond counsel. An overview of the state capital outlay process and the District's facilities construction program was also provided by staff. At the March meeting, the committee also reviewed the 2010-11 independent financial and performance audit reports for the District's bond funds. The June meeting started with a tour of facility projects at the Monterey campus, including the refurbished Humanities and Student Supportive Services building, the recently completed Life Science building renovation, and the Gym 1st floor reconstruction project. At the August meeting, the committee toured the facilities at the Marina Education Center and the MPC Public Safety Training Center in Seaside, both funded by the bond proceeds.

FINANCIAL REPORT OF THE CITIZENS' BOND OVERSIGHT COMMITTEE

The first bond issuance, Series A, was conducted on June 18, 2003. Total principal amount issued was \$40 million. The Series A bond was refinanced in December 2005, increasing the principal amount to \$44,240,052. The second and third series of bonds were issued in January 2008. In Series B, \$9,004,530 of taxable bonds were issued, with no time limit for expenditure. The principal amount of the Series C issuance was \$95,994,770 of tax exempt bond funds that were anticipated to be 85% expended within five years.

The Series B and C funds were invested in Monterey County's investment portfolio. **Interest earnings in 2011-12 totaled \$563,739.** Also, County Treasurer recovery efforts concerning the Washington Mutual and Lehman Brothers bankruptcy filings resulted in additional recoupment of \$177,110 in 2011-12 for the interest lost in 2008-09.

In 2002, a property tax rate of \$23.89 per \$100,000 of assessed value was projected when the District's bond measure was approved. Since the first bond issuance in 2003, the average tax rate has been \$21.08.

Expenditures and payments made from bond funds have been regularly reviewed and accepted by the committee during the course of the year. The annual expenditure report below shows expenditures during the report period of October 1, 2011 through September 30, 2012 and total expenditures since bond inception.

MPC Bond Expenditure Report
July 1, 2003 through September 30, 2012

<u>Receipts:</u>	Prior	10/1/2011- 09/30/2012	Total
Bond Principal – Series A	\$40,000,000	\$0	\$40,000,000
Refinancing - Series A	\$4,240,052	\$0	\$4,240,052
Bond Principal - Series B, taxable	\$9,004,530	\$0	\$9,004,530
Bond Principal - Series C, nontaxable	\$95,994,770	\$0	\$95,994,770
Interest Income*	\$7,840,146	\$563,739	\$8,403,885
Interest Write-off**	(\$1,878,835)	\$0	(\$1,878,835)
Interest Recovery**	\$488,039	\$177,110	\$665,149
Total Receipts	\$155,688,702	\$740,849	\$156,429,551

* Interest income is through June 30, 2012.

** All MPC bond funds are on deposit with the Monterey County Investment Pool. The interest write-off and recovery occurred due to the Lehman Brothers and Washington Mutual bankruptcy filings in 2008.

<u>Expenditures:</u>	Prior	10/1/2010-09/30/2011	Total
Completed Projects:			
As Built Drawings	\$209,792	\$0	\$209,792
Automotive Technology -- HVAC	\$16,443	\$0	\$16,443
Auto Technology Addition	\$958,602	\$0	\$958,602
Business, Math, Computer Science	\$2,215,418	\$0	\$2,215,418
Business Computer Science Building - Seismic Design	\$7,982	\$0	\$7,982
Child Development Center	\$1,029,199	\$0	\$1,029,199
College Center Renovation	\$23,608	\$0	\$23,608
Demolition of Old Plant Services	\$63,522	\$0	\$63,522
Drafting Building	\$13,974	\$0	\$13,974
Environmental Impact Report	\$154,163	\$0	\$154,163
Family and Consumer Science Renovation	\$67,671	\$0	\$67,671
Gym - Floor/Seismic/Bleachers	\$877,847	\$0	\$877,847
Humanities Building - Seismic Design	\$16,375	\$0	\$16,375
HVAC Repairs	\$618,539	\$0	\$618,539
Infrastructure I (main campus utilities, parking lot A)	\$20,886,001	\$0	\$20,886,001
Infrastructure II (parking lots D, E, & F)	\$2,481,607	\$0	\$2,481,607
Landscaping – Library & Technology Center	\$438,293	\$0	\$438,293
Lecture Forum Remodel	\$2,117,203	\$0	\$2,117,203
Life Science -- Elevator Evaluation	\$7,794	\$0	\$7,794
Master Signage Program	\$53,890	\$0	\$53,890
New Admin/Old Library Renovation	\$4,712,191	\$0	\$4,712,191
New Facilities Building	\$487,574	\$0	\$487,574
Old Library Renovation Analysis	\$21,280	\$0	\$21,280
Miscellaneous	\$221	\$0	\$221
Physical Education (Stadium, Fitness Center, etc.)	\$17,236,568	\$0	\$17,236,568
Physical Science -- Elevator Evaluation	\$6,986	\$0	\$6,986
Public Safety Training Center	\$7,478,201	\$0	\$7,478,201
Roof Repairs	\$480,256	\$0	\$480,256
Social Science Remodel	\$863,697	\$0	\$863,697
Telephone System Upgrades	\$599,414	\$0	\$599,414
Theater Light Board	\$22,733	\$0	\$22,733
Vehicles	\$187,070	\$0	\$187,070
Walkway/Safety Improvements	\$225,630	\$0	\$225,630
Completed Projects	\$64,579,744	\$0	\$64,579,744
In Process:			
Arts Complex	\$43,240	\$303,381	\$346,621
Bond Program Management	\$4,861,547	\$420,792	\$5,282,339
College Center	\$0	\$19,701	\$19,701
Furniture/Equipment	\$2,621,756	\$779,571	\$3,401,327
Humanities, Bus-Hum, Student Services	\$752,376	\$306,789	\$1,059,165
Infrastructure - Phase III	\$5,390,977	\$719,320	\$6,110,297
Life & Physical Science	\$1,059,344	\$4,425,899	\$5,485,243
Music Building	\$0	\$23,770	\$23,770
New Education Center at Marina	\$7,627,995	\$606,705	\$8,234,700

New Student Services Building	\$9,374,471	\$306,917	\$9,681,388
PE Phase II - Gym/Locker Room Renov.	\$61,898	\$2,385,420	\$2,447,318
Pool/Tennis Courts Renovation	\$176,500	\$60	\$176,560
PSTC Parker Flats	\$34,379	\$35,095	\$69,474
Swing Space/Interim Housing	\$4,282,488	\$698,121	\$4,980,609
Theater	\$907,144	\$5,085,410	\$5,992,554
General Contingency	\$0	\$0	\$0
Management Expense for Custom Investment Portfolio***	\$0	\$3,173	\$3,173
In Process	\$37,194,115	\$16,116,952	\$53,314,240
Total Expenditures	\$101,773,859	\$16,116,952	****\$117,893,984

*** The District has requested the Monterey County Treasurer to manage and place custom investments for a portion of the funds on deposit with the Treasurer. These investments are outside the general pool and include GE corporate bonds and LAIF (Local Agency Investment Fund) investments which generate a higher rate of return.

**** Total expenditures of \$117,893,984 equate to 75% of Measure I bond proceeds of \$156,429,551 being spent through September 30, 2012 on District bond projects. In addition, the District has been successful in securing matching funds from the state and other sources to augment bond proceeds and further address District facility needs. These matching funds will supplement bond proceeds by an estimated \$44,419,024, resulting in total projected expenditures of \$200,848,575 for facilities projects by the end of the bond program.

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
Vendor Name	Description of Service or Purchase	Amount Paid
		<i>Total Expense at September 30, 2012</i>
<u>New Student Services Building</u>		<i>\$9,681,388.03</i>
	No new expense this period.	\$0.00
		To Date Expense through December 31, 2012
		<u>\$9,681,388.03</u>
		<i>Total Expense at September 30, 2012</i>
<u>College Center</u>		<i>\$19,701.49</i>
American Reprographics Co	Printing services. Invoice 608032.	\$8.60
HGHB	Professional design services for September 2012.	\$19,000.00
HGHB	Professional design services for August 2012.	\$28,500.00
Division of State Architect	Plan filing fee.	\$27,400.00
HGHB	Professional design services for October 2012.	\$28,500.00
C2G Civil Consultants Group	Provide topographic and boundary surveying.	\$2,850.00
American Reprographics Co	Printing services. Invoice 644696.	\$153.23
Kleinfelder	Provide geotechnical analysis and reporting. Bill thru 11/4/12.	\$3,200.00
		To Date Expense through December 31, 2012
		<u>\$129,313.32</u>
		<i>Total Expense at September 30, 2012</i>
<u>Art Complex</u>		<i>\$346,620.77</i>
American Reprographics	Printing services. Invoice 607941.	\$42.35
American Reprographics	Printing services. Invoice 607922.	\$260.10
American Reprographics	Printing services. Invoice 602210.	\$361.86
Kleinfelder	Provide geotechnical reporting and testing. Bill thru 7/15/12.	\$1,715.50
Dilbeck & Sons Inc.	Open up ceiling for design team investigation in the art ceramics building and repair the ceiling afterward.	\$352.00
HGHB	Professional design services for the month of September 2012.	\$8,800.00
American Reprographics	Printing services. Invoice 641383.	\$14.00
American Reprographics	Printing services. Invoice 641947.	\$39.56
American Reprographics	Printing services. Invoice 648745.	\$286.87
HGHB	Professional design services for the month of October 2012.	\$8,800.00
		To Date Expense through December 31, 2012
		<u>\$367,293.01</u>

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
Vendor Name	Description of Service or Purchase	Amount Paid
		<i>Total Expense at September 30, 2012</i>
<u>Music Building</u>		<i>\$23,770.35</i>
	No new expense this period.	\$0.00
		To Date Expense through December 31, 2012
		<u>\$23,770.35</u>
<u>PE Phase II (Gym/Locker Room Renovation)</u>		
		<i>Total Expense at September 30, 2012</i>
		<i>\$2,447,318.08</i>
Amramp	Provide labor and materials to fix the upstairs ramp.	\$2,984.97
GBMI Inc.	Provide inspection services for August 2012.	\$4,800.00
GBMI Inc.	Provide inspection services for September 2012.	\$4,275.00
HGHB	Professional design services for August 2012.	\$5,340.00
HGHB	Professional design services for September 2012.	\$5,340.00
Kitchell CEM	Construction management services for September 2012.	\$11,000.00
Axiom Engineers	Commissioning services for the period 8/26/12-9/22/12.	\$5,070.00
Ausonio Inc	Payment application #9.	\$629,124.00
HP Inspections	Special inspection services consisting of: field welding inspection. Service from 9/17/12-9/28/12.	\$1,560.00
HP Inspections	Special inspection services consisting of: ceiling wire proof load testing. Service from 7/31/12-8/31/12.	\$5,010.00
Axiom Engineers	Commissioning services for the period 9/23/12-10/20/12.	\$1,690.00
HGHB	Professional design services for October 2012.	\$5,340.00
Kitchell CEM	Construction management services for October 2012.	\$11,000.00
GBMI Inc.	Provide inspection services for October 2012.	\$3,375.00
Ausonio Inc	Payment application #10.	\$289,785.00
Axiom Engineers	Commissioning services for the period 11/18/12-12/15/12.	\$1,690.00
Cardinale Moving & Storage	Moving of offices, equipment room, and training room into the swing space as the gym is being renovated. Invoice 35425, 35394, 35386.	\$2,545.00
Kitchell CEM	Construction management services for November 2012.	<u>\$11,000.00</u>
		To Date Expense through December 31, 2012
		<u>\$3,448,247.05</u>

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
Vendor Name	Description of Service or Purchase	Amount Paid
		<i>Total Expense at September 30, 2012</i>
<u>Pool Building</u>		<i>\$120,814.25</i>
American Reprographics	Printing services. Invoice 623623.	\$19.84
American Reprographics	Printing services. Invoice 623206.	\$209.47
American Reprographics	Printing services. Invoice 641648.	\$20.99
American Reprographics	Printing services. Invoice 640696.	\$288.66
		To Date Expense through December 31, 2012
		<u>\$121,353.21</u>
		<i>Total Expense at September 30, 2012</i>
<u>Pool/Tennis Court Renovation</u>		<i>\$55,745.66</i>
	No new expense this period.	\$0.00
		To Date Expense through December 31, 2012
		<u>\$55,745.66</u>
		<i>Total Expense at September 30, 2012</i>
<u>New Education Center at Marina</u>		<i>\$8,234,700.12</i>
	No new expense this period.	\$0.00
		To Date Expense through December 31, 2012
		<u>\$8,234,700.12</u>
		<i>Total Expense at September 30, 2012</i>
<u>Furniture/Equipment</u>		<i>\$3,401,327.43</i>
Air Exchange Inc	Purchase of 4 - 4" diameter arm, telescopes 3.5 feet to 5 feet, with wall bracket, 32 - 3" diameter rubber band, clamp cover, and 6 straight nozzle 3" diameter for the life science program.	\$5,483.57
Contrax	Purchase 1 60" x 24" Dorian crank table for the life science building.	\$2,023.86
US Bank (Cal Card) - Barcode Planet	Purchase 1 MS9520 Voyager usb kit for the marina life science program,	\$165.34
US Bank (Cal Card) - Edmund Scientific	Purchase 1 portable butane gas burner for the life science program.	\$59.90
US Bank (Cal Card) - Amazon.com	Purchase 1 Guide to Marine Coastal Plankton and Marine Invertebrate Larvae for the life science program.	\$42.03
ULINE	Purchase 1, collapsible rolling clothes rack, 1 double rolling clothes rack, 1 blue 15 bushel vinyl basket, and 1 40x24x32 steel push cart for the gym equipment room.	\$683.83
Patterson Dental Supply	Purchase 6 assistant's stool, value with ultra leather for the life science dental assisting program.	\$3,659.26
Contrax	Purchase 2 stirrup nylon slide and bolts and 3 pair of 6 position stirrups for life science.	\$644.69
American 3B Scientific	Purchase of 1 muscular figure 1/4 life size for the life science anatomy program.	\$551.00

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
		Amount
Vendor Name	Description of Service or Purchase	Paid
<u>Furniture/Equipment (continued)</u>		
American 3B Scientific	Purchase of anatomy equipment for the life science program which included: 2 male pelvis, 2 female pelvis, 2 brain ventricles, 2 life size muscle torso 27-part, 2 dissectible muscled arm, 1 muscular leg, 1 kidney section, and 1 larynx 3 times full size.	\$13,955.84
Contrax	Purchase of furniture for lower gym consisting of: guest chairs, stainless steel work table, desks, flipper door storage unit, file cabinets, tack boards, and task lights.	\$69,038.37
Ward's Natural Science	Purchase 12 dropping bottle 30ml, amber glass square for the life science program.	\$18.40
Patterson Dental Supply	Provide and install Eaglesoft software for the dental x-ray machine for the life science program.	\$3,085.44
Steris Corporation	Purchase equipment for the Life Science building.	\$4,305.00
Orthopedic Outfitters Inc	Purchase 1 Vectra Genisys 4 channel combo with sEMG and cart for the gym.	\$4,931.36
Alert Services Inc	Purchase 3 Hausmann treatment tables, 1 mat platform uph, 1 Hausmann gas spring adj backrs, and 1 - 6 leg split leg table for the gym athletic program.	\$3,609.41
Teracai	Purchase 1 recertplus Cisco authorized 7911G ip phone without user license for the gym.	\$361.97
Steris Corporation	Purchase 1 steam sterilizer for the life science lab.	\$4,305.00
PWS Laundry	Purchase 1 Speed Queen Tumbler 50#, and 1 Speed Queen 40# front load washer for the gym.	\$17,363.56
G&G Electric & Laundry Repairs	Provide labor and materials to install 2 washers and 2 dryers in the gym equipment room.	\$2,400.00
US Bank (Cal Card) - ArcadianLighting.com	Purchase of 1 Lite Source Chofa floor lamp for the humanities conference room.	\$176.49
US Bank (Cal Card) - EBay, cmcompcom	Purchase 1 Scantron 888P + OMR test scoring machine for the Marina Education Center.	\$274.95
Teracai	Purchase 1 Cisco CAT3750X 24 port data lan-base 1 slot layer 3 switch, 2 recertplus Cisco authorized catalyst 3750X 24 port poe lan base switch, 1 recertplus Cisco authorized catalyst 3K-X 1G network module, and 3 recertplus Cisco authorized 802.11A/G/N controller based ap with clean air internal antennas for the gym.	\$11,277.19
American Supply	Purchase custodial equipment for the gym, which includes: 1 W/D pad floor machine and 1 - 4 gallon solution tank.	\$1,008.15
Uline	Purchase 1 36x24x72 grey storage cabinet for the gym equipment room.	\$911.64
Contrax	Purchase of 10 pack high pressure laminate lateral file tops for lower gym.	\$2,592.02
Kevin Raskoff	Reimbursement for purchase of small equipment for the seawater project, items included: flippin fan, med colander, electric dryer duct, reflective insulation, electric portable fan, filter sock mount, compact pump, gutter filter, aluminum lint trap with tie, foundation vent, cable ties, pvc plug mpt, mini spring clamp, strap tie, pipe swing adapter, and pvc pipe.	\$525.23

	Monterey Peninsula College	
	Bills & Warrants Report	
	Through December 31, 2012	
		Amount
Vendor Name	Description of Service or Purchase	Paid
<u>Furniture/Equipment (continued)</u>		
Andres Durstenfeld	Reimbursement for purchase of small equipment for seawater project, items included: ladder, drywall screws, split point drill bits, regular louver vent aluminum louver and screen.	\$338.99
American Lock & Key	Provide, install, adjust, key locks to spec for the gym.	\$7,584.80
Medco Inc.	Purchase 2 stools with round chrome base for the gym.	\$123.14
Monterey Sanitary	Purchase custodial equipment for the gym, consisting of: 1 wet/dry vacuum, 1 Cheetah 1500 rpm uhs burnisher, and 1 high security housekeeping cart.	\$2,788.49
	To Date Expense through December 31, 2012	<u>\$3,565,616.35</u>
<u>Swing Space</u>	<i>Total Expense at September 30, 2012</i>	<i>\$4,980,608.75</i>
Peninsula Office Solutions	Copy charge for the Toshiba copier for the math department swing space. Service from 9/4/12-10/4/12.	\$77.69
Peninsula Office Solutions	Rental payment and copy charge for the Toshiba copier for the math department swing space. Service from 10/04/12-11/04/12.	\$233.08
Peninsula Office Solutions	Rental payment and copy charge for the Toshiba copier for the math department swing space. Service from 11/04/12-12/04/12.	\$233.08
William Scotsman	Rental payment for unit CPX-62795 for the period 9/29/12-10/28/12.	\$592.00
William Scotsman	Rental payment for unit AME-00440 for the period 9/29/12-10/28/12.	\$1,268.00
Pacific Gas & Electric	Electric payment for theater swing space. Service for 9/11/12-10/09/12.	\$275.15
Surfside Enterprises & Meldrum	Rental payment for October rent of warehouse for theater rehearsal, scene shop, and storage.	\$3,760.90
Cardinale Moving & Storage co	Moving of physical science programs to the general classroom swing space. Service on 8/29/12.	\$236.00
Cardinale Moving & Storage co	Moving of physical science programs to the general classroom swing space. Service on 8/23/12.	\$573.47
Cardinale Moving & Storage co	Moving of physical science programs to the general classroom swing space. Service on 8/14/12.	\$925.00
Cardinale Moving & Storage co	Moving of physical science programs to the general classroom swing space. Service on 8/1/12.	\$1,105.00
Cardinale Moving & Storage co	Moving of physical science programs to the general classroom swing space. Service on 8/30/12.	\$1,105.00
Cardinale Moving & Storage co	Moving of physical science programs to the general classroom swing space. Service on 8/9/12.	\$1,285.00
Cardinale Moving & Storage co	Moving of physical science programs to the general classroom swing space. Service on 8/29/12.	\$1,437.47
Cardinale Moving & Storage co	Moving of physical science programs to the general classroom swing space. Service on 8/8/12.	\$2,130.00
Dilbeck & Sons	Moving services included: labor to move boxes to the physical science swing space. Cardinale Moving & Storage was not available for the move.	\$970.00
Dilbeck & Sons	General contractor services including: moving furniture from physical science to swing space, relocate monketbars and lab hoods from one class to another, anchoring metal cabinets for chemical storage, and install shelving.	\$6,322.80

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
		Amount
Vendor Name	Description of Service or Purchase	Paid
Swing Space (continued)		
Dilbeck & Sons	Provide labor and materials to renovate the general classroom for the physical science programs.	\$59,103.00
Geo. H. Wilson Inc.	Provide mechanical and plumbing services at the physical science swing space. 100% complete.	\$5,674.00
Stericycle Specialty Waste	Moving of chemicals from the physical science building to the general classroom swing space.	\$498.60
Mobile Modular Mgmnt Corp	Rental of classroom trailer 31638. Rent from 9/16/12-10/15/12.	\$420.00
Mobile Modular Mgmnt Corp	Rental of classroom trailer 31638. Rent from 10/16/12-11/14/12.	\$420.00
Mobile Modular Mgmnt Corp	Rental of 3 portable classrooms placed on tennis courts. Unit 40241, 45185, 45190. Rent from 10/05/12-11/03/12.	\$1,998.00
William Scotsman	Rental of ramp on old Kitchell trailer. Rent from 9/20/12-10/19/12.	\$257.40
Mobile Modular Mgmnt Corp	Rental of classroom trailer 31638. Rent from 9/10/12-10/09/12.	\$586.66
Mobile Modular Mgmnt Corp	Rental of classroom trailer 31638. Rent from 10/10/12-11/08/12.	\$586.66
Epico Systems	Provide labor to install data and telephone equipment at business and humanities swing space.	\$1,301.00
Mobile Modular Mgmnt Corp	Rental of classroom trailer 49127. Rent from 10/08/12-11/06/12.	\$80.44
Mobile Modular Mgmnt Corp	Rental of classroom trailer 49127. Rent from 11/07/12-12/06/12.	\$80.44
Geo. H. Wilson Inc.	Provide hvac services at the physical science swing space. Progress billing #3.	\$3,786.00
Culligan Water co.	Moving of Culligan water filter system from physical science to the general classroom swing space.	\$325.00
Dilbeck & Sons	Install carpet and paint room AD 102, 103 and 108 for student services program swing space.	\$7,743.12
Wasson's Cleaning	Carpet cleaning including moving furniture for the swing space, the portable village and general classroom.	\$670.52
Wasson's Cleaning	Post construction cleaning of 3 portables used for swing space.	\$707.50
Wasson's Cleaning	Cleaning of the general classroom building used for swing space.	\$1,000.00
Surfside Enterprises & Meldrum	Rental payment for November rent of warehouse for theater rehearsal, scene shop, and storage.	\$3,810.90
Axiom Engineers	Commissioning services for the general classroom after the new hoods and exhaust fans were installed. Service from 9/23/12-10/20/12.	\$1,750.00
Williams Scotsman	Rental of ramp on old Kitchell trailer. Rent from 10/20/12-11/19/12.	\$257.40
Monterey Bay Laundry Co	Provide laundry service while lower gym was being renovated because no washer and dryer was available. Invoice 20241136-20241138, 20241142-20241145, 20241148-20241152, 20241155-20241156, 20241158-20241159, 20241163-20241166, 20241169-20241173, 20241176-20241180, 20241183-20241187, 20241190-20241194, 20241197-20241201, 20241204-20241207.	\$6,838.50
Central Electric	Electrical work completed at the business humanities classrooms 101 and 104.	\$10,607.00
M3 Environmental Consulting	Hazardous material abatement monitoring service for the month of August and September 2012.	\$1,710.98
Monterey Bay Laundry Co	Provide laundry service while lower gym was being renovated because no washer and dryer was available. Invoice 20241213, 20241212, 20241208.	\$335.00

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
		Amount
Vendor Name	Description of Service or Purchase	Paid
<u>Swing Space (continued)</u>		
William Scotsman	Rental payment for unit CPX-62795 for the period 10/29/12-11/28/12.	\$592.00
William Scotsman	Rental payment for unit AME-00440 for the period 10/29/12-11/28/12.	\$1,268.00
Pacific Gas & Electric	Electric payment for theater swing space. Service for 10/10/12-11/07/12.	\$197.33
Mobile Modular Mgmnt Corp	Rental of 3 portable classrooms placed on tennis courts. Unit 40241, 45185, 45190. Rent from 11/4/12-12/3/12.	\$1,998.00
Mobile Modular Mgmnt Corp	Rental of classroom trailer 3138. Rent from 11/09/12-12/08/12.	\$586.66
Mobile Modular Mgmnt Corp	Rental of classroom trailer 49127. Rent from 11/07/12-12/06/12.	\$80.44
M3 Environmental Consulting	Hazardous material abatement monitoring service for the business humanities building room 104. Service for October 2012.	\$325.00
M3 Environmental Consulting	Hazardous material abatement monitoring service for the business humanities building room 101. Service for October 2012.	\$475.00
Cardinale Moving & Storage co	Moving of the humanities programs to the general classroom swing space. Service on 11/12/12.	\$317.50
Surfside Enterprises & Meldrum	Rental payment for December rent of warehouse for theater rehearsal, scene shop, and storage.	\$3,810.90
Dilbeck & Sons	Building renovations for swing space for the humanities department classes. Buildings that were renovated included: business/humanities rooms 101 and 104, art dimensional 102 & 103, and international center 108.	\$21,200.00
Division of State Architect	Additional fees owed for relocatables due to higher cost than initially listed during the state review.	\$2,334.88
Monterey Bay Laundry Co	Provide laundry service while lower gym was being renovated because no washer and dryer was available. Invoice 20241214, 20241215, 20241218, 20241219, 20241220, 20241221, 20241222, 20241227, 20241228, 20241229.	\$1,165.00
Pacific Gas & Electric	Electric payment for theater swing space. Service for 11/08/12-12/10/12.	\$164.31
Williams Scotsman	Rental of ramp on old Kitchell trailer. Rent from 11/20/12-12/19/12.	\$257.40
	To Date Expense through December 31, 2012	<u>\$5,148,458.93</u>
<u>General Institutional Bond Mgmt</u>		
	<i>Total Expense at September 30, 2012</i>	<i>\$5,282,339.03</i>
American Reprographics	Monthly user and account fee. Invoice 620531.	\$52.18
American Reprographics	Monthly user and account fee. Invoice 635950.	\$52.18
Kitchell CEM	Program management services for the bond program for the month of September 2012.	\$20,795.00

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
Vendor Name	Description of Service or Purchase	Amount Paid
General Institutional Bond Mgmt (continued)		
Kitchell CEM	Program management services for the bond program for the month of October 2012.	\$24,301.00
American Reprographics	Monthly user and account fee. Invoice 656922.	\$52.18
Kitchell CEM	Program management services for the bond program for the month of November 2012.	<u>\$20,536.00</u>
To Date Expense through December 31, 2012		<u>\$5,348,127.57</u>
Theater Building		
<i>Total Expense at September 30, 2012</i>		<i>\$5,992,554.41</i>
American Reprographics	Printing services. Invoice 618176.	\$124.49
American Reprographics	Printing services. Invoice 611607.	\$250.64
GBMI Inc.	Inspection services for August 2012.	\$7,125.00
West Bay Builders Inc	Payment application #12.	\$534,245.66
Bank of Marin - West Bay Builders	Retention payment deposited with Bank of Marin for escrow account application #12.	\$59,360.63
GBMI Inc.	Inspection services for September 2012.	\$6,150.00
Kleinfelder	Special testing and inspection services. Bill thru 10/7/12.	\$377.00
Kitchell CEM	Construction management services for the month of September 2012.	\$18,300.00
HP Inspections Inc	Special testing and inspection services for the period 9/4/12-9/28/12.	\$4,088.75
HP Inspections Inc	Special testing and inspection services for the period 7/26/12-8/31/12.	\$5,000.00
Hammel Green & Abrahamson	Professional design services for the period ending September 28, 2012.	\$7,710.00
Hammel Green & Abrahamson	Professional design services for the period ending August 24, 2012.	\$11,565.00
West Bay Builders Inc	Payment application #13.	\$589,168.05
Bank of Marin - West Bay Builders	Retention payment deposited with Bank of Marin for escrow account application #13.	\$65,463.12
Kitchell CEM	Construction management services for the month of October 2012.	\$18,300.00
GBMI Inc.	Inspection services for October 2012.	\$6,900.00
HP Inspections Inc	Special inspection and testing for the period 10/3/12-10/27/12.	\$5,810.00
Hammel Green & Abrahamson	Professional design services for the period ending October 26, 2012.	\$10,876.00
Kleinfelder	Special testing and inspection services. Bill thru 11/4/12.	\$600.00
West Bay Builders Inc	Payment application #14.	\$500,185.10
Bank of Marin - West Bay Builders	Retention payment deposited with Bank of Marin for escrow account for application #14.	\$55,576.12
GBMI Inc.	Inspection services for November 2012.	\$4,950.00
Kitchell CEM	Construction management services for the month of November 2012.	<u>\$18,300.00</u>
To Date Expense through December 31, 2012		<u>\$7,922,979.97</u>

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
Vendor Name	Description of Service or Purchase	Amount Paid
<u>Infrastructure Phase III/ Miscellaneous</u>		
<i>Total Expense at September 30, 2012</i>		<i>\$6,110,297.11</i>
HGHB	Professional design services for the theater access and site work. Service for August 2012.	\$648.75
Central Electric	Provide labor and material to install power and data cable for digital sign on main campus.	\$1,315.78
American Reprographics	Printing service for the child development center shade structure. Invoice 604998, 607927, 608798.	\$133.66
American Reprographics	Printing service for the theater walkway project. Invoice 605001, 607930, 608807, 615291, 617609.	\$617.77
Bruce Kiddle	Provide fencing to be installed adjacent to portable trailer located near the theater building.	\$750.00
Bogner Sheet Metal	Diagnose and repair water leak in the student services building and cleaned out the air handlers multiple times.	\$2,596.22
Dolinka Group	Professional consulting services in association with negotiating redevelopment agency payments for the district to augment funds for bond program. Invoice 2012700834.	\$315.00
Axiom Engineers	Commissioning services for the student services center building. Service from 7/22/12 - 8/25/12.	\$5,100.00
HGHB	Reimbursement for division of state architect plan check fee for the child development center shade structure. Service for August 2012.	\$715.00
Axiom Engineers	Commissioning services for the student services center building. Service from 8/26/12 - 9/22/12.	\$2,855.00
Kleinfelder	Special inspection services for the baseball diamond restroom project. Bill thru 9/9/12.	\$248.25
Division of State Architect	Additional fees owed for the construction of the baseball backstop project.	\$432.17
HGHB	Professional schematic design services for the entry forecourt in front of the theater building. Service for August 2012.	\$1,712.50
American Reprographics	Printing service for the theater walkway project. Invoice 627012.	\$81.64
American Reprographics	Printing service for the theater walkway project. Invoice 632486.	\$149.17
David Foord	Inspection services for infrastructure III projects. Service for September 2012.	\$2,475.00
HGHB	Professional design services for the child development center shade structure. Service for September 2012.	\$1,760.00
HGHB	Professional design services for the child development center shade structure. Service for August 2012.	\$2,640.00
Kleinfelder	Special inspection services for the baseball diamond restroom project. Bill thru 10/7/12.	\$486.00
USA Shade & Fabric Structure	Provide safety fencing with green screen at the child development center shade structure work area.	\$792.00
Coast Counties Glass	Furnish and install two auto door openers with wireless actuators and exit devices with keyed dogging at the student services building.	\$12,638.00
Siemens Industry Inc	Installation of Apogee RENO software onto monterey peninsula college insight server workstation for remote notification of alarms. Setup remote notification program for pre-determined points in the administration building and the Marina Education Center.	\$10,535.00

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
Vendor Name	Description of Service or Purchase	Amount Paid
Infrastructure Phase III/ Miscellaneous (continued)		
Kleinfelder	Special inspection and testing services for the child development shade structure. Bill thru 10/27/12.	\$2,837.80
Electrical Distributors	Pre-purchase 1 light fixtures for the theater walkway project.	\$136.21
Electrical Distributors	Pre-purchase 4 light fixtures for the theater walkway project.	\$385.89
Media Systems Group	Provide labor and material to install new cabling, microphones, and equipment to upgrade the Sam Karas room audio visual system.	\$23,981.96
HGHB	Professional design services for the theater access and site work. Service for October 2012.	\$648.75
The Shalleck Collaborative Inc	Professional services to include: agency review and construction administration for the audio visual upgrade of the Sam Karas room.	\$1,000.00
Don Chapin Company	Construction services to provide: work for the theater walkway project. Base bid \$61,160. Project 20% complete.	\$11,008.80
Axiom Engineers	Commissioning services for the Marina Education Center. Service from 1/22/12 - 10/27/12.	\$7,523.00
Axiom Engineers	Commissioning services for the Marina Education Center. Service from 1/22/12 - 10/27/12. Duplicate payment. Refund shown below.	\$7,523.00
Division of State Architect	Additional fees owed for the alterations to the theater building walkway project.	\$239.46
M3 Environmental Consulting LLC	Hazardous material testing for theater walkway. Service for September 2012.	\$785.00
Axiom Engineers	Commissioning services for the student services center. Service from 9/23/12 - 10/20/12.	\$1,400.00
GBMI Inc.	Inspection services for the theater walkway project. Service for October 2012.	\$975.00
Urban Lumberjacks	Tree removal and trimming was done at the theater walkway area so the widening of the walkway from Parking Lot B to the theater could be completed.	\$2,200.00
Axiom Engineers	Refund for duplicate payment made on 11/15/12, PO 130579.	(\$7,523.00)
Electrical Distributors	Purchase light fixtures for the theater walkway project.	\$3,282.92
Electrical Distributors	Purchase light fixtures for the theater walkway project.	\$5,880.79
Apex Signs & Graphics	Provide design and layout service to create a map of the public safety training center campus. The map will have building room details.	\$429.00
Kleinfelder	Special inspection services for the theater walkway project. Bill thru 11/4/12.	\$3,928.75
Don Chapin Company	Construction services which include: work for the theater walkway project. Base bid \$61,160. Project 40% complete.	\$12,232.00
PARC Environmental	Hazardous material abatement for the theater walkway project.	\$6,307.20
Division of State Architect	Fees due for construction of Parking Lot B.	\$2,524.50
HGHB	Professional design services for the art storage locker project. Closeout. Service for September 2012.	\$910.00
Dolinka Group	Professional consulting services in association with negotiating redevelopment agency payments for the district to augment funds for bond program. Invoice 2012901177.	\$262.50

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
Vendor Name	Description of Service or Purchase	Amount Paid
Infrastructure Phase III/ Miscellaneous (continued)		
Cardinale Moving & Storage Co.	Move furniture from campus warehouse out to Marina Education Center. Service on 11/2/12.	\$770.23
EcoTech Energy Solutions	Provide consulting services related to Helix wind turbine located at the Marina Education Center.	\$4,871.00
GBMI Inc.	Inspection services for the theater walkway project. Service for November 2012.	\$1,425.00
Kleinfelder	Special inspection and testing services for the child development shade structure. Bill thru 12/2/12.	\$425.50
Sign Works	Provide and install added signage required by the division of state architect for ADA compliance. Signs included: 53 - \$250 fine signs and 5 full handicap parking signs with \$250 fine signs.	<u>\$1,628.59</u>
To Date Expense through December 31, 2012		<u>\$6,257,293.87</u>
PSTC Parker Flats		
<i>Total Expense at September 30, 2012</i>		<i>\$69,473.52</i>
EMC Planning Group Inc.	CEQA process for the public safety training center project at Parker Flats. Service for April thru June 2012.	<u>\$1,025.00</u>
To Date Expense through December 31, 2012		<u>\$70,498.52</u>
Humanities, Bus-Humanities, Former Student Services		
<i>Total Expense at September 30, 2012</i>		<i>\$1,059,165.22</i>
CS & Associates Inc.	Consulting services consisting of: providing labor compliance review for the humanities building project. Service from 8/5/12-9/5/12.	\$716.57
Kitchell CEM	Construction management services for the month of September 2012.	\$8,500.00
CS & Associates Inc.	Consulting services consisting of: providing labor compliance review for the humanities building project. Service from 9/5/12-10/5/12.	\$716.57
ThyssenKrupp Elevator Corp.	Overhaul the elevator located in the humanities building. 50% of payment required upon acceptance of signed agreement, and 50% due upon completion of work.	\$7,356.50
ThyssenKrupp Elevator Corp.	Overhaul the elevator located in the humanities building.	\$7,356.50
Kitchell CEM	Construction management services for the month of October 2012.	\$8,500.00
Cardinale Moving & Storage co.	Moving old student services to new building. Service on 11/14/12.	\$1,823.96
Kitchell CEM	Construction management services for the month of November 2012.	<u>\$8,500.00</u>
To Date Expense through December 31, 2012		<u>\$1,102,635.32</u>

	Monterey Peninsula College	
	Bills & Warrants Report	
	Through December 31, 2012	
		Amount
Vendor Name	Description of Service or Purchase	Paid
Life Science & Physical Science	<i>Total Expense at September 30, 2012</i>	<i>\$5,485,242.58</i>
MANPOWER	General labor provided to move boxes from the physical science building to the general classroom swing space on 8/26/12.	\$1,077.52
Contrax	Purchase of 50 UXL stack chair for the life science building.	\$5,603.81
Axiom Engineers	Troubleshooting mechanical system in the life science and physical science building.	\$4,638.75
Otto Construction	Contractor provided labor to install soap dispensers and paper towel dispensers in the life science labs.	\$4,148.50
Otto Construction	Additional work provided at the Life Science Parking Lot J which included: asphalt repairs, ADA van accessible stall, seal coat and restriping of the surface.	\$10,200.00
Otto Construction	Additional work provided at the life science building which included: elevator improvement, furnish and install peg boards, electrical additions, and hvac commissioning revisions.	\$44,460.00
Cardinale Moving & Storage Co	Vendor provided packing material for the move from the general classroom swing space back to the renovated life science building.	\$924.50
Coast Wide Environmental	Soft demo and abatement of materials identified as hazardous removed from the physical science building which included: floor finishes (except painted), wallboard (wall and ceiling), acoustical tile, casework and lab benches, chalkboards and tack boards, ceiling tile mastic, stud framing, lights and ballasts. Second floor ceiling beams to be neatly abated.	\$111,775.00
David Foord	Inspection services for life science and physical science building for the month of September 2012.	\$1,125.00
HGHB	Professional design service for the life science and physical science renovation project. Service for September 2012.	\$3,833.30
Kitchell CEM	Construction management services for the life science and the physical science building. Service for September 2012.	\$22,290.00
HGHB	Professional design service for the life science and physical science fume hood project. Service for August 2012.	\$2,839.40
HGHB	Professional design service for the life science and physical science fume hood project. Service for September 2012.	\$5,678.80
Kleinfelder	Special inspection services for the life science and physical science building. Bill thru 9/9/12.	\$323.75
Contrax	Purchase, and installation of 9 Elite Series articulating monitor arms for the computers in the life science lab.	\$3,802.87
Contrax	Purchase, and installation of 20 Elite Series articulating monitor arms for the computers in the life science lab.	\$12,031.88
Wasson's Cleaning	Post construction cleaning of the life science building which included: clean and seal (wax) VCT flooring on both floors per square foot.	\$4,880.77

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
Vendor Name	Description of Service or Purchase	Amount Paid
<u>Life Science & Physical Science (continued)</u>		
M3 Environmental Consulting	Hazardous material abatement monitoring for the physical science building. Service for September 2012.	\$10,347.29
Axiom Engineers	Commissioning services for the life science and physical science building. Service from 9/23/12-10/20/12.	\$2,240.00
Otto Construction	Payment application #12.	\$34,489.80
HGHB	Professional design service for the life science and physical science building. Service for October 2012.	\$7,666.61
Kitchell CEM	Construction management services for the life science and the physical science buildings. Service for October 2012.	\$22,290.00
US Bank(Cal Card) - Provantage	Purchase 8 Trulink audio amplifier for the life science building.	\$709.79
US Bank (Cal Card) - Shopblt.com	Purchase of 2 Trulink media gateway for the life science building.	\$96.90
US Bank (Cal Card) - Shopblt.com	Purchase of 6 - 1pk Trulink media gateway wall mount, 7 Trulink media gateway under table mount, for the life science building.	\$244.25
US Bank (Cal Card) - Shopblt.com	Purchase of 5 Trulink media gateway wall mount for the life science building.	\$1,049.82
US Bank (Cal Card) - C2G	Purchase of 1 TMG F2/W2 under table mount for the life science building.	\$47.50
US Bank (Cal Card) - Orchard Supply	Purchase screws for repair of thin client bracket at the Marina Education Center.	\$7.53
David Foord	Inspection services for life science and physical science buildings for the month of October 2012.	\$10,875.00
Geo H. Wilson	Labor and materials to install two dishwashers in the life science labs.	\$6,101.00
Otto Construction	Payment application #13.	\$267,583.50
Coast Wide Environmental	Asbestos abatement services for the physical science building. Minimum mobilization charge.	\$800.00
David Foord	Inspection services for life science and physical science building for the month of November 2012.	\$8,100.00
HGHB	Professional design service for the life science and physical science building. Service for November 2012.	\$7,666.62
Kitchell CEM	Construction management services for the life science and the physical science building. Service for November 2012.	\$22,290.00
Kleinfelder	Special inspection services for the life science and physical science building. Bill thru 11/4/12.	\$1,398.50
Kleinfelder	Special inspection services for the life science and physical science building. Bill thru 12/2/12.	\$1,430.25
Otto Construction	Payment application #14.	\$326,214.90
To Date Expense through December 31, 2012		<u>\$6,456,525.69</u>

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
		Amount
Vendor Name	Description of Service or Purchase	Paid
<u>Closed Projects</u>		
Old Library		\$21,279.52
Early Start - Walkway/Safety Improvements		\$225,630.18
Early Start -Telephone System Upgrades		\$599,414.48
Early Start - As Built Drawings		\$209,792.00
Early Start - Roof Repairs		\$480,255.64
Early Start - HVAC Repairs	Social Science/Computer Science buildings.	\$618,538.68
Early Start - Landscaping	Library technology area.	\$438,292.96
Early Start - Vehicles		\$187,070.27
Early Start - Master Signage Plan		\$53,890.42
Early Start - Auto Technology Bldg	HVAC replacement.	\$16,443.00
Drafting Bldg	Furnace replacement.	\$13,974.00
Early Start - New Plant Services Bldg	Costs over state funding for new building.	\$487,574.35
Early Start - Demolition of Old Plant Services Bldg		\$63,521.68
Environmental Impact Report - Campus		\$154,162.67
Business & Computer Science Bldg	Seismic design.	\$7,981.84
Humanities Bldg	Seismic design.	\$16,375.04
International Center Bldg	Blue Prints.	\$14.71
Physical Science Bldg	Architectural Services, for potential elevator replacement.	\$6,986.44
Life Science Bldg	Architectural Services, for potential elevator replacement.	\$7,793.83
Pool/Tennis Courts	Preliminary architectural services.	\$206.00
Physical Education Facility		\$1,488,294.29
PE Field/Track		\$14,848,446.67
Fitness Phase IB		\$899,827.93
College Center Renovation		\$23,608.41
Social Science Renovation		\$863,696.74
Music/Theater Building		\$22,732.50
Family and Consumer Science		\$67,671.12
Gymnasium Building	Floor/Seismic/Bleachers.	\$877,847.00
Lecture Forum Renovation		\$2,117,203.20
Child Development Center		\$1,029,198.71
Infrastructure/Parking		\$20,886,001.04
Infrastructure 2		\$2,481,606.93

Monterey Peninsula College		
Bills & Warrants Report		
Through December 31, 2012		
		Amount
Vendor Name	Description of Service or Purchase	Paid
Closed Projects (continued)		
New Administration/Old Library Building		\$4,712,191.10
Public Safety Training Center Renovation		\$7,478,201.30
Auto Technology Building Renovation		\$958,602.22
Business & Computer Science (includes Math)		\$2,215,417.93
	To Date Expense (Closed Projects) through December 31, 2012	<u>\$64,579,744.80</u>
	Total Payments (Closed Projects, Under Construction, and Planned Projects)	<u>\$122,513,691.77</u>

BOND EXPENDITURE REPORT 12/31/12

Total Budget With Other Funds	Projects	A	B	C	A-B-C	(B+C)/A	
		Total Bond Budget	Total Bond Prior Year Expenses	2012-2013	Bond Budget Balance	% Bond Cost	% Construction Schedule
	In Process			Year to Date Bond Payments			
\$5,000,000	College Center Renovation	\$5,000,000	\$701	\$128,612	\$4,870,687	3%	0%
\$4,000,000	Furniture & Equipment	\$5,685,000	\$3,325,103	\$240,513	\$2,119,384	63%	66%
\$7,690,000	Humanities, Bus-Hum, Student Services	\$3,296,000	\$1,040,825	\$61,810	\$2,193,365	33%	37%
\$6,466,000	Infrastructure - Phase III	\$6,466,000	\$6,047,336	\$209,957	\$208,707	97%	94%
\$10,800,000	Life Science/Physical Science	\$10,800,000	\$5,230,601	\$1,225,925	\$4,343,474	60%	65%
\$8,300,000	New Ed Center Building at Marina	\$8,300,000	\$8,234,700	\$0	\$65,300	99%	100%
\$9,700,000	New Student Services Building	\$9,700,000	\$9,681,388	\$0	\$18,612	100%	100%
\$4,010,000	PE Phase II - Gym/Locker Room Renov.	\$4,010,000	\$1,614,430	\$1,833,817	\$561,753	86%	98%
\$2,000,000	Pool/Tennis Courts Renovation	\$2,000,000	\$176,560	\$539	\$1,822,901	9%	0%
\$4,600,000	Swing Space / Interim Housing	\$5,800,000	\$4,909,953	\$238,506	\$651,541	89%	100%
\$10,500,000	Theater	\$10,500,000	\$4,833,872	\$3,089,108	\$2,577,020	75%	88%
\$1,667,699	General Contingency	\$178,609	\$0	\$0	\$178,609	0%	0%
\$74,733,699	Total in Process	\$71,735,609	\$45,095,469	\$7,028,787	\$19,611,353		
	Future						
\$5,724,000	Arts Complex	\$5,724,000	\$284,948	\$82,345	\$5,356,707	6%	0%
\$1,200,000	Music	\$1,200,000	\$23,770	\$0	\$1,176,230	2%	0%
\$12,000,000	PSTC Parker Flats	\$6,000,000	\$69,474	\$1,025	\$5,929,501	1%	0%
\$18,924,000	Total Future	\$12,924,000	\$378,192	\$83,370	\$12,462,438		
	Completed						
\$1,057,576	Early Start/Completed-HVAC Repairs	\$618,539	\$618,539	\$0	\$0	100%	100%
\$2,965,574	Early Start/Completed-New Plant Serv Bldg	\$487,574	\$487,574	\$0	\$0	100%	100%
\$599,414	Early Start/Completed-Telephone System	\$599,414	\$599,414	\$0	(\$0)	100%	100%
\$67,671	Family Consumer Science	\$67,671	\$67,671	\$0	\$0	100%	100%
\$1,517,774	Gym - floor/seismic/bleachers	\$877,847	\$877,847	\$0	\$0	100%	100%
\$2,481,607	Infrastructure - Phase II	\$2,481,607	\$2,481,607	\$0	\$0	100%	100%
\$20,886,001	Infrastructure - Phase I	\$20,886,001	\$20,886,001	\$0	\$0	100%	100%
\$2,117,203	Lecture Forum Renovation	\$2,117,203	\$2,117,203	\$0	\$0	100%	100%
\$7,427,191	New Admin / Old Library Renovation	\$4,712,191	\$4,712,191	\$0	(\$0)	100%	100%
\$5,413,198	New Child Development Center Bldg	\$1,029,198	\$1,029,198	\$0	\$0	100%	100%
\$21,420,211	Other Early start / completed	\$1,950,012	\$1,950,012	\$0	\$0	100%	100%
\$17,336,569	PE Field Track, Fitness Building	\$17,236,569	\$17,236,569	\$0	\$0	100%	100%
\$863,697	Social Science Renovation (inc. Seismic)	\$863,697	\$863,697	\$0	\$0	100%	100%
\$7,478,201	Public Safety Training Center Renov.	\$7,478,201	\$7,478,201	\$0	\$0	100%	100%
\$1,000,000	Auto Technology Building	\$958,602	\$958,602	\$0	(\$0)	100%	100%
\$2,300,000	Business, Math, Computer Science	\$2,215,418	\$2,215,418	\$0	\$0	100%	100%
\$94,931,887	Total Completed	\$64,579,744	\$64,579,745	\$0	(\$0)		
\$188,589,586	Total All Projects	\$149,239,353	\$110,053,406	\$7,112,157	\$32,073,790		
	General Institutional-Bond Management		\$5,211,924	\$136,204			
			\$115,265,330	\$7,248,361			
	Total Bond Funds Spent to Date		\$122,513,691				

Cost Control Report

2/11/2013

Life Science / Physical Science

	Budget	Current Projection	Variance	Comments
Design Phase	\$ 1,080,000	\$ 1,080,000	\$ -	Design includes Architect, DSA fees, printing, etc.
Constructn bid	\$ 7,400,000	\$ 7,400,000	\$ -	Actual bid amount.
C.O. Contngcy.	\$ 980,000	\$ 980,000	\$ -	
Test & Inspect.	\$ 210,000	\$ 210,000	\$ -	
Cnstr Mgmt Fee	\$ 625,000	\$ 625,000	\$ -	
Equipment	\$ -	\$ -	\$ -	Furniture and Equipment will be from a separate fund.
Other	\$ 505,000	\$ 505,000	\$ -	Includes hazmat, demolition, IT and future allowance.
Total	\$10,800,000	\$10,800,000	\$ -	

Summary: The present budget is now \$10,800,000. The original budget was \$14,500,000, but the bids and construction costs were lower than originally budgeted. As a result, \$3,700,000 has been transferred to other project budgets. The present budget is \$10,800,000 (as approved by the Board in November 2012). The Physical Science building is scheduled for completion in the summer of 2013.

Theatre

	Budget	Current Projection	Variance	Comments
Design Phase	\$ 976,000	\$ 976,000	\$ -	Design includes Architect, DSA fees, printing, etc.
Constructn bid	\$ 7,790,000	\$ 7,790,000	\$ -	Actual bid amount.
C.O. Contngcy.	\$ 779,000	\$ 779,000	\$ -	
Test & Inspect.	\$ 220,000	\$ 220,000	\$ -	
Cnstr Mgmt Fee	\$ 385,000	\$ 385,000	\$ -	
Equipment	\$ -	\$ -	\$ -	Furniture and Equipment will be from a separate fund.
Other	\$ 350,000	\$ 350,000	\$ -	Includes hazmat, demolition and IT
Total	\$10,500,000	\$10,500,000	\$ -	

Summary: The present budget is \$10,500,000 (as approved by the Board in November 2012). The project is scheduled for completion in April of 2013.

Old Student Services / Humanities / Business

	Budget	Current Projection	Variance	Comments
Design Phase	\$ 1,100,000	\$ 1,100,000	\$ -	Design includes Architect, DSA fees, printing, etc.
Constructn bid	\$ 4,110,000	\$ 4,110,000	\$ -	Actual bid amount.
C.O. Contngcy.	\$ 411,000	\$ 411,000	\$ -	
Test & Inspect.	\$ 231,000	\$ 231,000	\$ -	
Cnstr Mgmt Fee	\$ 330,000	\$ 330,000	\$ -	
Equipment	\$ 132,000	\$ 132,000	\$ -	Equipment partially State funded
Other	\$ 300,000	\$ 300,000	\$ -	Includes hazmat, demolition and IT
Total	\$ 6,614,000	\$ 6,614,000	\$ -	

Summary: It is important to recognize that this is a State "match" funded project (State will fund \$3,318,000 and MPC will fund \$3,296,000). The original budget of \$3,845,000 that MPC was to contribute has now been reduced to \$3,296,000 due to the bids coming in lower than the budget. This results in a potential savings to the MPC bond budget of \$549,000 which may be allocated in the future to a contingency fund. Phase 1 (Old Student Services Building) has been completed. Phase 2 (Humanities Building) construction has begun. The Humanities building is scheduled to be completed in November of 2013.

**MONTEREY PENINSULA
COMMUNITY COLLEGE DISTRICT**

**MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002
AUDIT REPORT**

JUNE 30, 2012

**MONTEREY PENINSULA
COMMUNITY COLLEGE DISTRICT**

**MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002
FINANCIAL AUDIT**

JUNE 30, 2012

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

JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

Governing Board and
Citizens' Oversight Committee
Monterey Peninsula Community College District
Monterey, California

We have audited the accompanying financial statements of the Measure I General Obligation Bonds (the Building Fund) of Monterey Peninsula Community College District (the District) as of June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. 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 opinion.

As discussed in Note 1 of the Notes to Financial Statements, the financial statements present only the Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, as discussed in Note 1 of the Notes to Financial Statements, the Building Fund's financial statements are prepared on the modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - modified accrual basis of the Measure I General Obligation Bonds of Monterey Peninsula Community College District as of June 30, 2012, and the results of its operations - modified accrual basis for the year then ended, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, on our consideration of the District's internal control over financial reporting for the Building Fund 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 assessing the results of our audit.

Vavrinek, Trine, Day & Co., LLP.
Rancho Cucamonga, California
December 19, 2012

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

**BALANCE SHEET - MODIFIED ACCRUAL BASIS
JUNE 30, 2012**

ASSETS

Investments	\$ 40,779,577
Accounts receivable	5,186
Due from District	<u>1,756,717</u>
Total Assets	<u><u>\$ 42,541,480</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	<u>\$ 1,650,245</u>
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Fund Balance:

Restricted	<u>40,891,235</u>
Total Liabilities and Fund Balance	<u><u>\$ 42,541,480</u></u>

See the accompanying notes to financial statements.

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

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

REVENUES	
Interest revenues	<u>\$ 206,683</u>
EXPENDITURES	
Salaries and benefits	668
Supplies and materials	515
Services and operating expenditures	1,978,532
Capital outlay	<u>13,367,129</u>
Total Expenditures	<u>15,346,844</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(15,140,161)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>56,031,396</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 40,891,235</u></u>

See the accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies of Monterey Peninsula Community College District Measure I General Obligation Bonds (the Building Fund) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. Monterey Peninsula Community College District Building Fund account for the financial transactions in accordance with the policies and procedures of the California Community Colleges Budget and Accounting Manual.

Financial Reporting Entity

The financial statements include only the Building Fund of the Monterey Peninsula Community College District used to account for Proposition 39 projects. This fund was established to account for the expenditures of general obligation bonds issued under the Proposition 39 Measure I General Obligation Bonds. These financial statements are not intended to present fairly the financial position and results of operations of Monterey Peninsula Community College District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

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

Basis of Accounting

The Building Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. These fund financial statements do not include the adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of Statement No. 35.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Budgets and Budgetary Accounting

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

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

Fund Balance - Governmental Funds

As of June 30, 2012, the fund balance of the Measure I General Obligation Bond was classified as follows:

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

Use of Estimates

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 2 - INVESTMENTS

Policies and Practices

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

Investment in County Treasury

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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 District manages its exposure to interest rate risk by investing in the Monterey County Investment Pool. The District maintains a building fund investment of \$40,779,577 with the Monterey County Investment Pool. The fair value of this investment is approximately \$40,814,736 with an average weighted maturity of 387 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Monterey County Investment Pool is not required to be rated, nor has it been rated as of June 30, 2012.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable in the amount of \$5,186 consists of \$363 in interest earnings that have yet to be received as of June 30, 2012 and \$4,823 in other local accounts receivable. All amounts have been determined by management to be fully collectible.

NOTE 4 - INTERFUND TRANSACTIONS

Due from Capital Outlay Projects Fund	\$ 1,739,034
Due from General Fund	<u>17,683</u>
Total Due	<u><u>\$1,756,717</u></u>

NOTE 5 - ACCOUNTS PAYABLE

The accounts payable represents amounts owed to vendors for both ongoing and completed construction projects in the amount of \$1,650,245 as of June 30, 2012.

NOTE 6 - FUND BALANCE

Fund balance is composed of the following element:

Restricted	<u><u>\$ 40,891,235</u></u>
------------	-----------------------------

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2012, the District had the following commitments with respect to the unfinished capital projects:

<u>CAPITAL PROJECTS</u>	<u>Remaining Construction Commitments</u>	<u>Expected Date of Completions</u>
Furniture & Equipment	\$ 63,959	2015-2016
Humanities, Business-Humanities, Student Services	2,963,948	2013-2014
Infrastructure - Phase III	8,426	2012-2013
Life Science/Physical Science	4,240,522	2013-2014
PE Phase II - Gym/Locker Room Renovation	1,956,235	2012-2013
Pool/Tennis Courts Renovation	51,578	2013-2014
Swing Space / Interim Housing	155,980	2015-2016
Theater	5,003,008	2012-2013
Arts Complex	182,400	2013-2014
Music	22,500	2015-2016
General Institutional Bond Management	172,000	On going
	<u>\$ 14,820,556</u>	

The projects are funded through a combination of general obligation bonds and capital project apportionments from the State Chancellor's Office.

Litigation

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



**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 and
Citizens' Oversight Committee
Monterey Peninsula Community College District
Monterey, California

We have audited the accompanying financial statements of the Measure I General Obligation Bonds (the Building Fund) of Monterey Peninsula Community College District (the District) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 19, 2012. 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.

As discussed in Note 1 of the Notes to Financial Statements, the financial statements present only the Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, as discussed in Note 1 of the Notes to Financial Statements, the Building Fund's financial statements are prepared on the modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

Management of Monterey Peninsula Community College District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's Building Fund (Measure I) 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 District's Building Fund (Measure I) internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's Building Fund (Measure I) internal control over financial reporting.

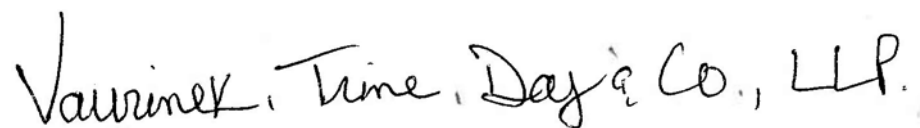
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Building Fund (Measure I) 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, District Management, and the Citizens' Oversight Committee and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Vaurine, Time, Day & Co., LLP." The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 19, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2012**

None reported.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2012**

None reported.

**MONTEREY PENINSULA
COMMUNITY COLLEGE DISTRICT**

**MEASURE I GENERAL OBLIGATION BONDS
ELECTION 2002**

PERFORMANCE AUDIT

JUNE 30, 2012

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

**PERFORMANCE AUDIT
JUNE 30, 2012**

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**INDEPENDENT AUDITORS' REPORT
ON PERFORMANCE AUDIT**

Governing Board and
Citizens' Oversight Committee
Monterey Peninsula Community College District
Monterey, California

We were engaged to conduct a performance audit of Monterey Peninsula Community College District (the District) Proposition 39 Measure I General Obligation Bond Funds (the Building Fund) for the year ended June 30, 2012.

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

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

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

The results of our tests indicated that the District expended Proposition 39 Measure I General Obligation Bond Funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

Rancho Cucamonga, California
December 19, 2012

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**PERFORMANCE AUDIT
JUNE 30, 2012**

AUTHORITY FOR ISSUANCE

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

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

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

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

PURPOSE OF ISSUANCE

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

AUTHORITY FOR THE AUDIT

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

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**PERFORMANCE AUDIT
JUNE 30, 2012**

2. The community college district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction, and information technology needs in developing the project list.
3. Requires the community college district to appoint a citizens' oversight committee.
4. Requires the community college district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the community college district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

OBJECTIVES OF THE AUDIT

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

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2011 to June 30, 2012. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2012, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2012, for the Building Fund (Measure I). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and the Measure I as to the approved Bond projects list. We performed the following procedures:

1. We reviewed the procedures for disbursement of funds related to the voter approved general obligation bond to determine if procedures were applied in accordance with laws and regulations, as well as policies approved by the Governing Board.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**PERFORMANCE AUDIT
JUNE 30, 2012**

2. We reviewed construction expenditures totaling 58 percent of all expenditures from the detailed accounting of expenditures to determine if proceeds expended are for specific projects as listed in the voter approved bond language. Our sample included transactions totaling \$8,921,678 of the total expenditures of \$15,346,844.
3. We selected a total of 58 percent of actual expenditures incurred through the Measure I Building Fund, and verified that expenditures were charged to the appropriate object code classification within the general ledger.
4. We verified that a separate Building Fund of the District has been established to account for the receipt of bond proceeds and expenditure of the funds for the period of July 1, 2011 through June 30, 2012.
5. We noted \$668 in salaries and benefits charged to the Measure I Building Fund and verified, through review of payroll records and supporting documentation, that 100 percent of the amounts expended were in support of the Measure I Bond Elections and not for District general administration or operations.
6. We analyzed the balance of Measure I Bond Funds available at June 30, 2012.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**PERFORMANCE AUDIT
JUNE 30, 2012**

GENERAL OBLIGATION BOND FUND - ALL SERIES

REVENUES AND OTHER FINANCING SOURCES

2003-2004	Proceeds from sale of bonds	\$ 40,000,000
2003-2004	Interest income earned and paid	485,875
2004-2005	Interest income earned and paid	799,782
2005-2006	Interest income earned and paid	1,529,143
2005-2006	Proceeds from refunding of bonds	4,240,051
2006-2007	Interest income earned and paid	1,441,914
2007-2008	Proceeds from new issuances	108,628,528
2007-2008	Interest income earned and paid	1,308,722
2008-2009	Interest income earned and paid	198,008
2009-2010	Interest income earned and paid	621,134
2010-2011	Interest income earned and paid	166,400
2011-2012	Interest income earned and paid	206,683
		<u>159,626,240</u>

EXPENSES AND OTHER FINANCING USES

2003-2004	Expenses	1,318,754
2004-2005	Expenses	2,815,133
2005-2006	Expenses	9,574,342
2006-2007	Expenses	20,713,267
2007-2008	Expenses	22,925,031
2008-2009	Expenses	16,162,764
2009-2010	Expenses	13,376,046
2010-2011	Expenses	16,502,824
2011-2012	Expenses	15,346,844
		<u>118,735,005</u>

Net Fund Balance at June 30, 2012	<u><u>\$ 40,891,235</u></u>
-----------------------------------	-----------------------------

CONCLUSION

The results of our tests indicated that, in all significant respects, Monterey Peninsula Community College District has properly accounted for the expenditures held in the Building Fund (Measure I), and that such expenditures were made for authorized Bond projects. There were no salaries of administrators charged to the Bond Funds for District general administration or operations.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2012**

None reported.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND
ELECTION 2002**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2012**

None reported.



Monterey County

Legislation Text

File #: 13-0041, Version: 1

Title

Receive and accept the Treasurer's Report of Investments for the quarter ending December 31, 2012.

Report

RECOMMENDATION:

It is recommended that the Board of Supervisors: Receive and accept the Treasurer's Report of Investments for the quarter ending December 31, 2012.

SUMMARY:

Government Code Section 53646 (b)(1) states the Treasurer may submit a quarterly report of investments. The attached Exhibit A provides a narrative portfolio review of economic and market conditions that support the investment activity during the September - December period. Exhibit B describes the investment portfolio position by investment type as of December 31, 2012. Exhibit C is a listing of historical Monterey County Treasury Pool yields versus benchmarks. Exhibit D describes the investment portfolio by maturity range, and Exhibit E is an overview of the short term funds that the Treasurer invests in overnight, liquid assets.

DISCUSSION:

During the October to December quarter the Treasury bond curve changed very little in the 0 - 5 year term. Yields in maturities of a year or less were down slightly, while longer maturities were slightly higher. The Federal Reserve continued their Quantitative Easing program, and for the first time announced targets for unemployment and inflation that would influence their decision to raise interest rates. The Fed continued their assurances that they will keep the Fed Funds Rate at or below 0.25 percent but added that it would stay at that level until unemployment falls below 6.5% and inflation tops 2.5%. Congress continued to be unable to pass a bill to avoid the fiscal cliff until New Years day when they passed a bill that included increased revenues, but no cuts to spending. All of these factors helped contribute to many institution's continued investment in fixed income securities.

On December 31, 2012 the Monterey County investment portfolio contained an amortized cost basis of \$1,033,515,337 spread among 78 separate securities and funds. The par value of those funds was \$1,032,228,054, with a market value of \$1,034,828,004 or 100.13% of amortized book value. The portfolio's net earned income yield for the period was 0.49%. The portfolio produced estimated income of \$1,211,697 for the quarter which will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 425 days.

The investment portfolio was in compliance with all applicable provisions of state law and the adopted

File #: 13-0041, Version: 1

investment policy, and contained sufficient liquidity to meet all projected outflows over the next six months. Market value pricings were obtained through Bloomberg LLP, Union Bank of California and included live-bid pricing of corporate securities.

OTHER AGENCY INVOLVEMENT:

A copy of this report will be distributed to all agencies participating in the County investment pool and the Treasury Oversight Committee. In addition, the report will be published on the County Treasurer’s web site. A monthly report of investment transactions is provided to the Board of Supervisors as required by GC 53607.

FINANCING:

The investment portfolio contains sufficient liquidity to meet all projected expenditures over the next six months. We estimate that the investment earnings in the General Fund will be consistent with budgeted revenue, but at historically low levels, as the Federal Reserve is expected to continue keeping short term interest rates at the current rate of 0.00 - 0.25%.

Prepared by: Eamonn M. Mahar, Investment Officer, x5490

Approved by: Mary A. Zeeb, Treasurer-Tax Collector, x5474

Attachments:

Exhibit A - Investment Portfolio Review - 12.31.12

Exhibit B - Portfolio Management Report - 12.31.12

Exhibit C - Monterey County Historical Yields vs. Benchmarks

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Gzj kdk'G'/"Qxgt pki j v*Nks wkf +'CuugvF kxtkdwkqp

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"
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Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Upon motion of Supervisor Potter, seconded by Supervisor Salinas, and carried by those members present, the Board of Supervisors hereby:

Received and accepted the Treasurer's Report of Investments for the quarter ending December 31, 2012.

PASSED AND ADOPTED on this 29th day of January 2013, by the following vote, to wit:

- AYES: Supervisors Armenta, Calcagno, Salinas, Potter, and Parker
- NOES: None
- ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 76 for the meeting on January 29, 2013.

Dated: January 30, 2013
File Number: 13-0041

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By *Denise Hancock*
Deputy

Exhibit A

Investment Portfolio Review Quarter Ending December 31, 2012

OVERVIEW – October 1 – December 31, 2012

During the October to December quarter the Treasury bond curve changed very little in the 0 – 5 year term. Yields in maturities of a year or less were down slightly, while longer maturities were slightly higher. The Federal Reserve announced plans to expand their Quantitative Easing program, and for the first time announced targets for unemployment and inflation that would influence their decision to raise interest rates. The Fed continued their assurances that they will keep the Fed Funds Rate at or below 0.25 percent but added that it would stay at that level until unemployment falls below 6.5% and inflation tops 2.5%. Congress continued to be unable to pass a bill to avoid the fiscal cliff until New Years day when they passed a bill that included increased revenues, but no cuts to spending. All of these factors helped contribute to many institution's continued investment in fixed income securities.

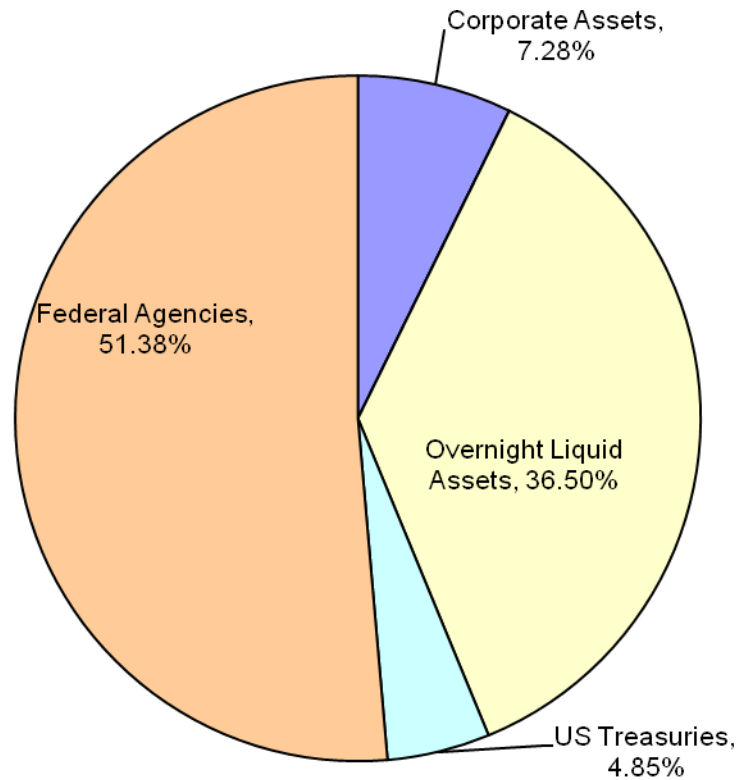
The County Treasury was able to outperform all of the portfolio benchmarks due to a consistent investment strategy that ladders short term debt to provide liquidity, while also taking advantage of higher rates by buying small amounts of longer term corporate and callable debt structures. The following indicators reflect key aspects of the County's investment portfolio in light of the above noted conditions:

1. Market Access – The U.S. Treasury continued to issue substantial amounts of debt instruments. The continued large issuance is due to their efforts to stimulate the economy by providing funding for financial institutions, social programs, and ongoing military funding requirements. Access to U.S. Treasuries has been plentiful, but yields have continued to remain low as investors seek safe havens from an uncertain world market. These issues have continued to keep yields low on Treasury bonds from October through December.

During the quarter, the majority of County investment purchases continue to be in U.S. Treasury and Agency markets with a continued small position in shorter term, highly rated (AA or better) Corporate bonds, Certificates of Deposits and highly rated (A1, P1), short term Commercial Paper. In addition, the Treasurer continues to keep a high level of overnight liquid assets, reflecting the need to maintain increased levels of available cash to ensure our ability to meet any cash flow needs.

2. Diversification - The Monterey County Treasurer's portfolio consists of fixed income investments, all of which are authorized by the State of California Government Code 53601.

The portfolio asset spread is detailed in the pie chart below:



- Difference in percent of overnight liquid assets to overnight investments from Exhibit D are due to rounding.

3. Credit Risk – Approximately 93% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities and other liquid funds. All assets have an investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. The corporate debt (7.28%) is rated in the higher levels of investment grade. All federal agency securities have AA ratings, or they are guaranteed by the U.S. Treasury.
4. Liquidity Risk – Liquidity risk, as measured by the ability of the county’s Treasury to meet withdrawal demands on invested assets, was adequately managed during the October to December quarter. The portfolio’s average weighted maturity was 425 days, and a large percentage (36.50%) of assets was held in immediately available funds.

PORTFOLIO CHARACTERISTICS

	<u>September 30, 2012</u>	<u>December 31, 2012</u>
Total Assets	\$939,341,502	\$1,033,515,337
Market Value	\$940,943,563	\$1,034,828,004
Days to Maturity	449	425
Yield	0.49%	0.49%
Estimated Earnings	\$1,159,315	\$1,211,697

FUTURE STRATEGY

The U.S. Treasury has continued a policy of heavy borrowing for stimulus programs, military funding and other additional needs. Despite the downgrade of U.S. debt by Standard and Poor's last year and the continued uncertainty in global markets; investors continue to prefer the safety of U.S. debt to other investment options.

Continued uncertainty about Congress' ability to work together and find a comprehensive solution to financial issues, and poor economic news from many areas of the world have continued to reinforce the cautious, risk averse attitude of investors. The increasing regulations on financial institutions; overall uncertainty in the ability of the U.S. government work together combined with an overall slowdown of the global economy continues to drag on our economic recovery. This is clearly reflected in the Federal Reserve's new mandate for continued low rates until specific economic targets are met. The current stability and slow but steady improvement of the U.S. economy ensures that our debt products will remain a safe haven for investors for the foreseeable future, which is good for our overall economic outlook, but ensures continued low rates until underlying conditions change.

In the near term the Treasurer believes short term yields will remain extremely low and will not begin to rise until there is a longer history of consistent improvement in the unemployment rate, or the Federal Reserve starts to see significant inflation in the core Consumer Price Index. The Treasurer's rolling investment ladder will access the short term Treasury and Agency market with expected yields over the next 90 days of less than one-quarter percent. In our efforts to continue to provide the safest vehicles for Treasury investments, the Treasurer will maintain a portfolio weighted with U.S. Treasuries, Federal Agency securities, and other highly liquid assets.

EXHIBIT B

Monterey County Portfolio Management Portfolio Details - Investments December 31, 2012

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
Money Market Accts-GC 53601(k)(2)												
SYS11672	11672	BlackRock			97,582,135.51	97,582,135.51	97,582,135.51	0.167			1	
SYS11801	11801	CalTrust			50,000,000.00	50,000,000.00	50,000,000.00	0.322	Aaa	AAA	1	
SYS11830	11830	Federated			7,935,129.94	7,935,129.94	7,935,129.94	0.114	Aaa	AAA	1	
SYS11578	11578	Fidelity Investments			38,794,314.33	38,794,314.33	38,794,314.33	0.142	Aaa	AAA	1	
Subtotal and Average			158,907,869.74		194,311,579.78	194,311,579.78	194,311,579.78				1	
State Pool-GC 53601(p)												
SYS11361	11361	LAIF			50,000,000.00	50,000,000.00	50,000,000.00	0.354			1	
SYS11422	11422	LAIF			29,812,000.00	29,812,000.00	29,812,000.00	0.354			1	
Subtotal and Average			79,812,000.00		79,812,000.00	79,812,000.00	79,812,000.00				1	
CAMP-GC 56301(p)												
SYS10379	10379	Calif. Asset Mgmt			96,500,000.00	96,500,000.00	96,500,000.00	0.183		AAA	1	
SYS11457	11457	Calif. Asset Mgmt			3,538,089.89	3,538,089.89	3,538,089.89	0.183		AAA	1	
SYS11526	11526	Calif. Asset Mgmt			3,066,384.31	3,066,384.31	3,066,384.31	0.183		AAA	1	
Subtotal and Average			99,894,836.28		103,104,474.20	103,104,474.20	103,104,474.20				1	
Negotiable CDs - GC 53601 (i)												
78009JVK8	11765	RBC Capital Markets		04/25/2011	10,000,000.00	10,039,000.00	10,027,390.88	2.250	Aa	AA	73	03/15/2013
78009NGU4	11863	RBC Capital Markets		06/25/2012	10,000,000.00	9,997,500.00	10,000,000.00	1.500	Aa	AA	905	06/25/2015
Subtotal and Average			20,043,745.75		20,000,000.00	20,036,500.00	20,027,390.88				488	
Medium Term Notes - GC 53601(k)												
36962G4N1	11701	General Electric		08/11/2010	10,000,000.00	10,020,000.00	10,000,000.00	1.060	A	AA	952	08/11/2015
36962G4X9	11738	General Electric		01/07/2011	5,000,000.00	5,087,500.00	5,004,456.39	2.100	A	AA	371	01/07/2014
36962G4X9	11749	General Electric		03/09/2011	5,000,000.00	5,087,500.00	5,004,889.59	2.100	A	AA	371	01/07/2014
36962G4H4	11750	General Electric		03/09/2011	5,000,000.00	5,001,350.00	5,001,398.94	2.800	A	AA	7	01/08/2013
36962G5W0	11855	General Electric		04/27/2012	5,000,000.00	5,185,500.00	4,994,337.89	2.300	A	AA	1,577	04/27/2017
36962G5W0	11856	General Electric		04/27/2012	5,000,000.00	5,185,500.00	5,006,483.33	2.300	A	AA	1,577	04/27/2017
89233P5S1	11839	Toyota Motor Corporation		02/29/2012	5,000,000.00	5,175,000.00	5,090,759.93	2.050	Aa	AA	1,472	01/12/2017
89233P5Z5	11840	Toyota Motor Corporation		02/29/2012	5,000,000.00	5,033,500.00	5,013,089.42	1.000	Aa	AA	777	02/17/2015
Subtotal and Average			45,128,916.12		45,000,000.00	45,775,850.00	45,115,415.49				896	
Commercial Paper Disc.- GC 53601(h)												
89233GT71	11879	Toyota Motor Corporation		09/27/2012	10,000,000.00	9,982,000.00	9,984,736.11	0.350	P-1	A-1	157	06/07/2013

EXHIBIT B

Monterey County Portfolio Management Portfolio Details - Investments December 31, 2012

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
Subtotal and Average			9,980,312.50		10,000,000.00	9,982,000.00	9,984,736.11				157	
Fed Agcy Coupon Sec - GC 53601(f)												
31331KHL7	11763	Federal Farm Credit Bank		04/15/2011	10,000,000.00	10,020,900.00	10,001,430.00	0.850	Aaa	AA	104	04/15/2013
3133EAKP2	11844	Federal Farm Credit Bank		04/04/2012	10,000,000.00	9,990,500.00	10,000,000.00	1.360	Aaa	AA	1,554	04/04/2017
3133EABU1	11845	Federal Farm Credit Bank		04/02/2012	10,000,000.00	10,000,300.00	9,999,475.00	0.150	Aaa	AA	36	02/06/2013
3133EAHA9	11846	Federal Farm Credit Bank		04/02/2012	10,000,000.00	10,001,600.00	9,999,662.17	0.200	Aaa	AA	71	03/13/2013
3133EAPB8	11857	Federal Farm Credit Bank		05/02/2012	10,000,000.00	10,032,700.00	10,000,000.00	1.230	Aaa	AA	1,582	05/02/2017
3133EAF86	11864	Federal Farm Credit Bank		08/07/2012	10,000,000.00	10,030,400.00	10,000,000.00	0.970	Aaa	AA	1,679	08/07/2017
3133EAF60	11867	Federal Farm Credit Bank		08/06/2012	10,000,000.00	10,012,100.00	10,000,000.00	0.430	Aaa	AA	947	08/06/2015
3133EAFZ8	11868	Federal Farm Credit Bank		08/03/2012	10,000,000.00	10,000,400.00	10,000,000.00	0.625	Aaa	AA	1,177	03/23/2016
3133XQU34	11767	Federal Home Loan Bank		04/28/2011	10,000,000.00	10,143,000.00	10,116,581.04	3.625	Aaa	AA	148	05/29/2013
313376Y58	11832	Federal Home Loan Bank		02/01/2012	10,000,000.00	10,000,000.00	9,999,766.67	0.125	Aaa	AA	31	02/01/2013
313376TY1	11834	Federal Home Loan Bank		02/15/2012	10,000,000.00	10,000,200.00	9,999,893.30	0.160	Aaa	AA	17	01/18/2013
313376RD9	11836	Federal Home Loan Bank		02/23/2012	10,000,000.00	10,000,100.00	10,000,038.86	0.180	Aaa	AA	8	01/09/2013
313378GF2	11841	Federal Home Loan Bank		02/28/2012	10,000,000.00	10,000,100.00	9,998,889.52	0.125	Aaa	AA	51	02/21/2013
313376ZL2	11842	Federal Home Loan Bank		02/28/2012	10,000,000.00	10,000,500.00	9,999,922.34	0.170	Aaa	AA	36	02/06/2013
313376NG6	11843	Federal Home Loan Bank		03/29/2012	10,000,000.00	10,000,200.00	10,000,004.56	0.190	Aaa	AA	13	01/14/2013
313378D24	11847	Federal Home Loan Bank		04/10/2012	10,000,000.00	10,001,400.00	9,999,591.26	0.200	Aaa	AA	64	03/06/2013
313372RK2	11849	Federal Home Loan Bank		04/12/2012	10,000,000.00	10,020,800.00	10,018,180.55	1.000	Aaa	AA	85	03/27/2013
3133XW7L7	11850	Federal Home Loan Bank		04/16/2012	10,000,000.00	10,005,400.00	10,005,351.32	1.500	Aaa	AA	15	01/16/2013
3133795A3	11853	Federal Home Loan Bank		04/20/2012	10,000,000.00	10,003,000.00	10,000,000.00	0.220	Aaa	AA	108	04/19/2013
313379BY4	11858	Federal Home Loan Bank		05/01/2012	10,000,000.00	10,000,200.00	9,997,779.11	0.125	Aaa	AA	119	04/30/2013
313378YY1	11860	Federal Home Loan Bank		05/08/2012	10,000,000.00	10,003,500.00	10,001,074.85	0.240	Aaa	AA	105	04/16/2013
313379FZ7	11865	Federal Home Loan Bank		07/30/2012	10,000,000.00	10,004,000.00	10,001,840.46	0.230	Aaa	AA	133	05/14/2013
313376DF9	11869	Federal Home Loan Bank		08/23/2012	10,000,000.00	10,007,100.00	10,004,773.76	0.310	Aaa	AA	135	05/16/2013
3133XXYX9	11872	Federal Home Loan Bank		08/29/2012	10,000,000.00	10,081,900.00	10,078,985.96	1.875	Aaa	AA	171	06/21/2013
313379D89	11873	Federal Home Loan Bank		08/29/2012	10,000,000.00	10,000,200.00	9,998,250.00	0.125	Aaa	AA	122	05/03/2013
313380RB5	11877	Federal Home Loan Bank		09/14/2012	10,000,000.00	10,002,100.00	10,000,000.00	0.180	Aaa	AA	164	06/14/2013
313380EC7	11878	Federal Home Loan Bank		09/17/2012	10,000,000.00	9,987,700.00	9,954,175.01	0.750	Aaa	AA	1,711	09/08/2017
313380XB8	11881	Federal Home Loan Bank		10/17/2012	10,000,000.00	9,991,500.00	9,997,154.17	0.625	Aaa	AA	1,385	10/17/2016
3133803P0	11883	Federal Home Loan Bank		11/07/2012	10,000,000.00	10,004,500.00	10,003,214.04	0.250	Aaa	AA	199	07/19/2013
313370TW8	11888	Federal Home Loan Bank		12/05/2012	10,000,000.00	10,564,700.00	10,539,438.70	2.000	Aaa	AA	1,347	09/09/2016
313379Z36	11889	Federal Home Loan Bank		12/06/2012	10,000,000.00	10,004,900.00	10,003,785.65	0.250	Aaa	AA	185	07/05/2013
313380S40	11895	Federal Home Loan Bank		12/12/2012	10,000,000.00	10,000,700.00	10,001,620.65	0.190	Aaa	AA	261	09/19/2013
313381K46	11896	Federal Home Loan Bank		12/20/2012	10,000,000.00	9,999,300.00	10,000,000.00	0.170	Aaa	AA	262	09/20/2013
3134G3DZ0	11820	Federal Home Loan Mtg Corp		12/14/2011	10,000,000.00	10,028,300.00	10,000,000.00	1.250	Aaa	AA	1,260	06/14/2016
3137EACG2	11835	Federal Home Loan Mtg Corp		02/15/2012	10,000,000.00	10,002,400.00	10,002,622.22	1.375	Aaa	AA	8	01/09/2013

Portfolio INVT

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EXHIBIT B

Monterey County Portfolio Management Portfolio Details - Investments December 31, 2012

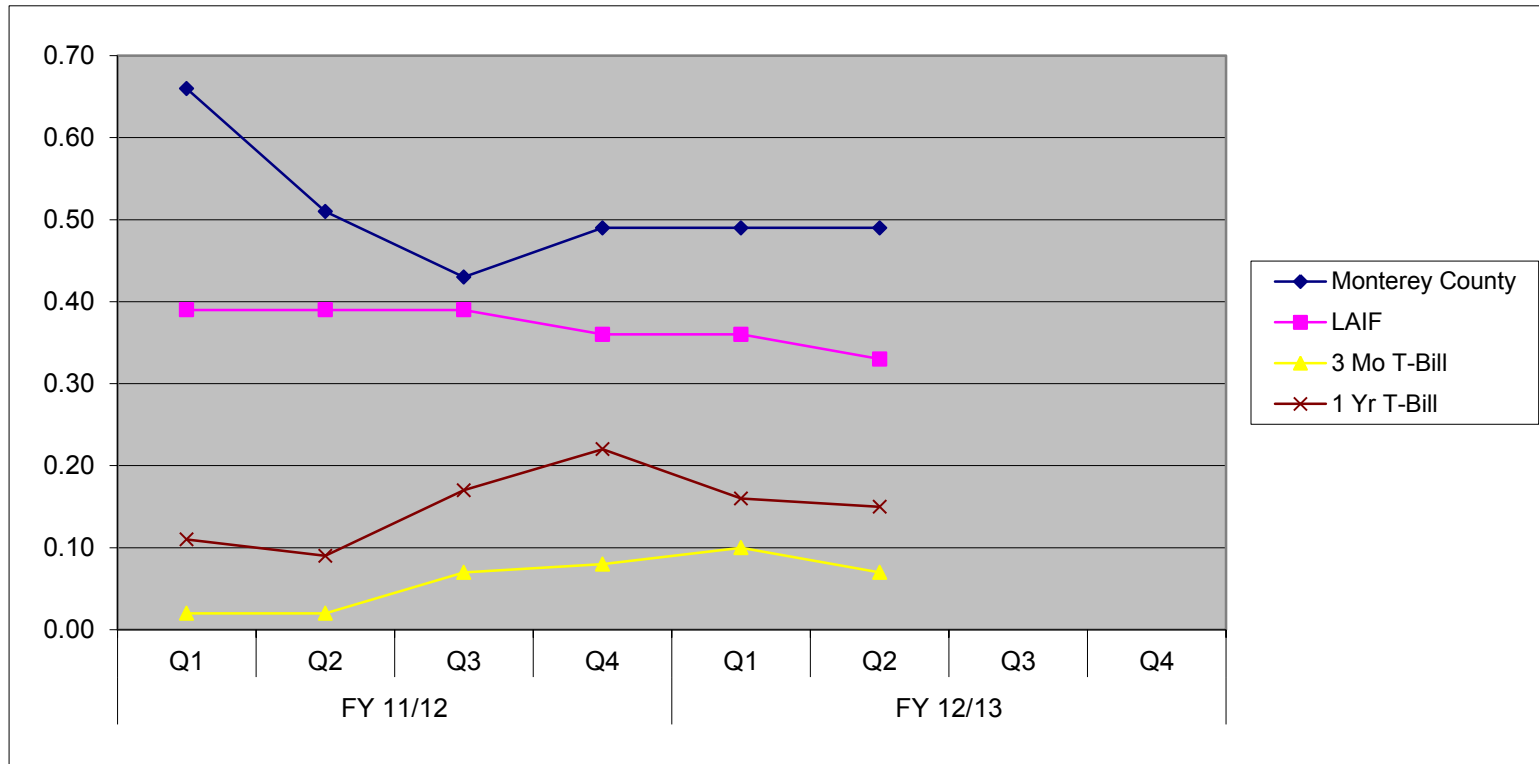
CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
Fed Agcy Coupon Sec - GC 53601(f)												
3134G3RV4	11838	Federal Home Loan Mtg Corp		03/21/2012	10,000,000.00	10,075,600.00	10,000,000.00	0.800	Aaa	AA	993	09/21/2015
3137EACS6	11851	Federal Home Loan Mtg Corp		04/18/2012	10,000,000.00	10,015,000.00	10,013,584.59	0.750	Aaa	AA	86	03/28/2013
3137EADC0	11852	Federal Home Loan Mtg Corp		04/18/2012	10,000,000.00	10,127,500.00	9,972,343.13	1.000	Aaa	AA	1,527	03/08/2017
3134G3WB2	11862	Federal Home Loan Mtg Corp		06/07/2012	10,000,000.00	10,041,100.00	10,000,000.00	1.300	Aaa	AA	1,618	06/07/2017
3137EACJ6	11866	Federal Home Loan Mtg Corp		08/02/2012	10,000,000.00	10,043,000.00	10,041,054.92	1.625	Aaa	AA	104	04/15/2013
3134G3H52	11871	Federal Home Loan Mtg Corp		09/12/2012	10,000,000.00	10,028,400.00	10,000,000.00	1.000	Aaa	AA	1,715	09/12/2017
3134G3K33	11875	Federal Home Loan Mtg Corp		09/27/2012	10,000,000.00	9,998,400.00	9,997,195.83	0.700	Aaa	AA	1,365	09/27/2016
3134G3S50	11887	Federal Home Loan Mtg Corp		11/30/2012	10,000,000.00	10,004,100.00	10,024,600.19	0.625	Aaa	AA	1,400	11/01/2016
3135G0HV8	11837	Federal National Mtg Assn		03/06/2012	10,000,000.00	10,005,700.00	9,974,916.67	1.200	Aaa	AA	1,525	03/06/2017
3135G0NX7	11870	Federal National Mtg Assn		09/13/2012	10,000,000.00	10,062,500.00	10,000,000.00	1.000	Aaa	AA	1,532	03/13/2017
3136G0B26	11874	Federal National Mtg Assn		09/27/2012	10,000,000.00	10,035,600.00	10,000,000.00	1.000	Aaa	AA	1,730	09/27/2017
3135G0NH2	11876	Federal National Mtg Assn		09/13/2012	10,000,000.00	10,031,800.00	9,994,364.04	0.950	Aaa	AA	1,695	08/23/2017
3136G04Q1	11884	Federal National Mtg Assn		11/20/2012	10,000,000.00	10,194,000.00	10,194,174.06	1.500	Aaa	AA	1,784	11/20/2017
3136G06Z9	11885	Federal National Mtg Assn		12/13/2012	10,000,000.00	9,974,600.00	10,000,000.00	0.650	Aaa	AA	1,442	12/13/2016
3135G0BR3	11893	Federal National Mtg Assn		12/12/2012	10,000,000.00	10,019,300.00	10,019,960.34	0.500	Aaa	AA	220	08/09/2013
31398AX31	11894	Federal National Mtg Assn		12/12/2012	10,000,000.00	10,065,800.00	10,068,515.32	1.250	Aaa	AA	231	08/20/2013
Subtotal and Average			525,379,023.01		510,000,000.00	511,669,000.00	511,024,210.26				672	
US Treasury Note-GC 53601(b)												
912828NN6	11771	U.S. Treasury		05/16/2011	10,000,000.00	10,046,100.00	10,020,607.81	1.000	Aaa	AA	195	07/15/2013
912828NH9	11880	U.S. Treasury		10/12/2012	10,000,000.00	10,045,300.00	10,042,968.75	1.125	Aaa	AA	165	06/15/2013
912828NN6	11882	U.S. Treasury		11/01/2012	10,000,000.00	10,046,100.00	10,043,441.77	1.000	Aaa	AA	195	07/15/2013
912828RD4	11891	U.S. Treasury		12/10/2012	10,000,000.00	9,997,700.00	9,996,777.35	0.125	Aaa	AA	242	08/31/2013
912828NU0	11892	U.S. Treasury		12/10/2012	10,000,000.00	10,037,500.00	10,036,665.20	0.750	Aaa	AA	226	08/15/2013
Subtotal and Average			30,331,416.17		50,000,000.00	50,172,700.00	50,140,460.88				205	
Federal Agency Step Up-GC 53601(f)												
3136FTA66	11829	Federal National Mtg Assn		01/25/2012	10,000,000.00	10,005,300.00	10,000,000.00	1.000	Aaa	AA	1,485	01/25/2017
3136G07K1	11886	Federal National Mtg Assn		12/06/2012	10,000,000.00	9,958,600.00	9,995,069.44	0.700	Aaa	AA	1,800	12/06/2017
Subtotal and Average			12,824,684.48		20,000,000.00	19,963,900.00	19,995,069.44				1,642	

EXHIBIT B

Monterey County Portfolio Management Portfolio Details - Investments December 31, 2012

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity
Total and Average			982,302,804.05		1,032,228,053.98	1,034,828,003.98	1,033,515,337.04				425

Exhibit C Monterey County Historical Yields vs. Benchmarks



Quarterly Yield	FY 11/12				FY 12/13			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Monterey County	0.66	0.51	0.43	0.49	0.49	0.49		
LAIF	0.39	0.39	0.39	0.36	0.36	0.33		
3 Mo T-Bill	0.02	0.02	0.07	0.08	0.10	0.07		
1 Yr T-Bill	0.11	0.09	0.17	0.22	0.16	0.15		

- The 3Mo and 1 Yr T-Bill yields are obtained from the B of A Merrill Lynch Global Bond Indices



**Exhibit D
Monterey County
Aging Report
As of January 1, 2013**

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	(01/01/2013 - 01/01/2013)	9 Maturities	377,228,053.98	36.55	377,228,053.98	377,228,053.98
Aging Interval:	1 - 30 days	(01/02/2013 - 01/31/2013)	6 Maturities	55,000,000.00	5.33	55,009,309.20	55,103,100.00
Aging Interval:	31 - 90 days	(02/01/2013 - 04/01/2013)	9 Maturities	90,000,000.00	8.72	90,056,462.98	90,146,300.00
Aging Interval:	91 - 180 days	(04/02/2013 - 06/30/2013)	13 Maturities	130,000,000.00	12.59	130,269,474.96	130,483,629.17
Aging Interval:	181 - 365 days	(07/01/2013 - 01/01/2014)	10 Maturities	100,000,000.00	9.69	100,194,588.13	100,238,752.02
Aging Interval:	366 - 730 days	(01/02/2014 - 01/01/2015)	2 Maturities	10,000,000.00	0.97	10,009,345.98	10,190,000.00
Aging Interval:	731 - 1095 days	(01/02/2015 - 01/01/2016)	5 Maturities	45,000,000.00	4.36	45,013,089.42	45,132,600.00
Aging Interval:	1096 days and after	(01/02/2016 -)	24 Maturities	225,000,000.00	21.80	225,735,012.39	226,795,336.56
Total for			78 Investments		100.00	1,033,515,337.04	1,034,828,003.98

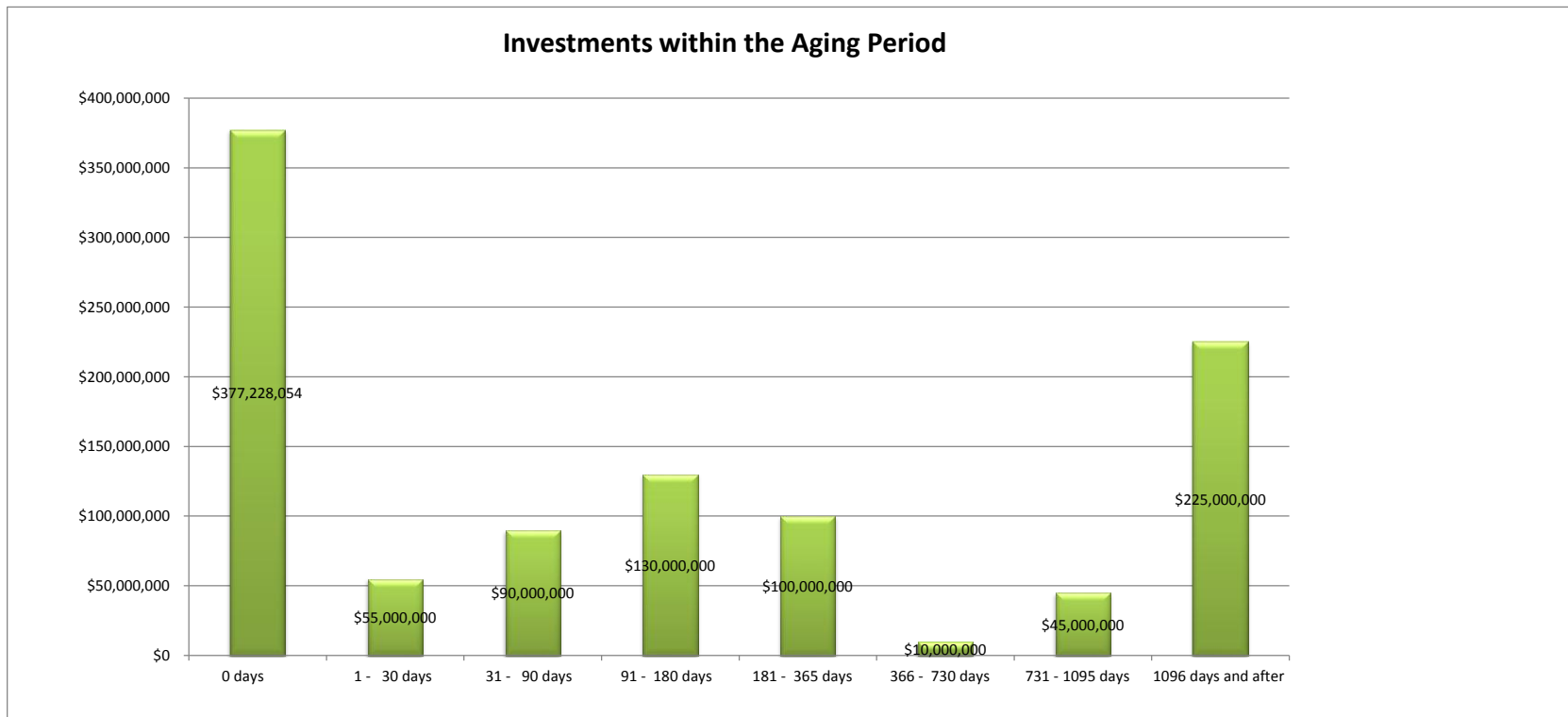
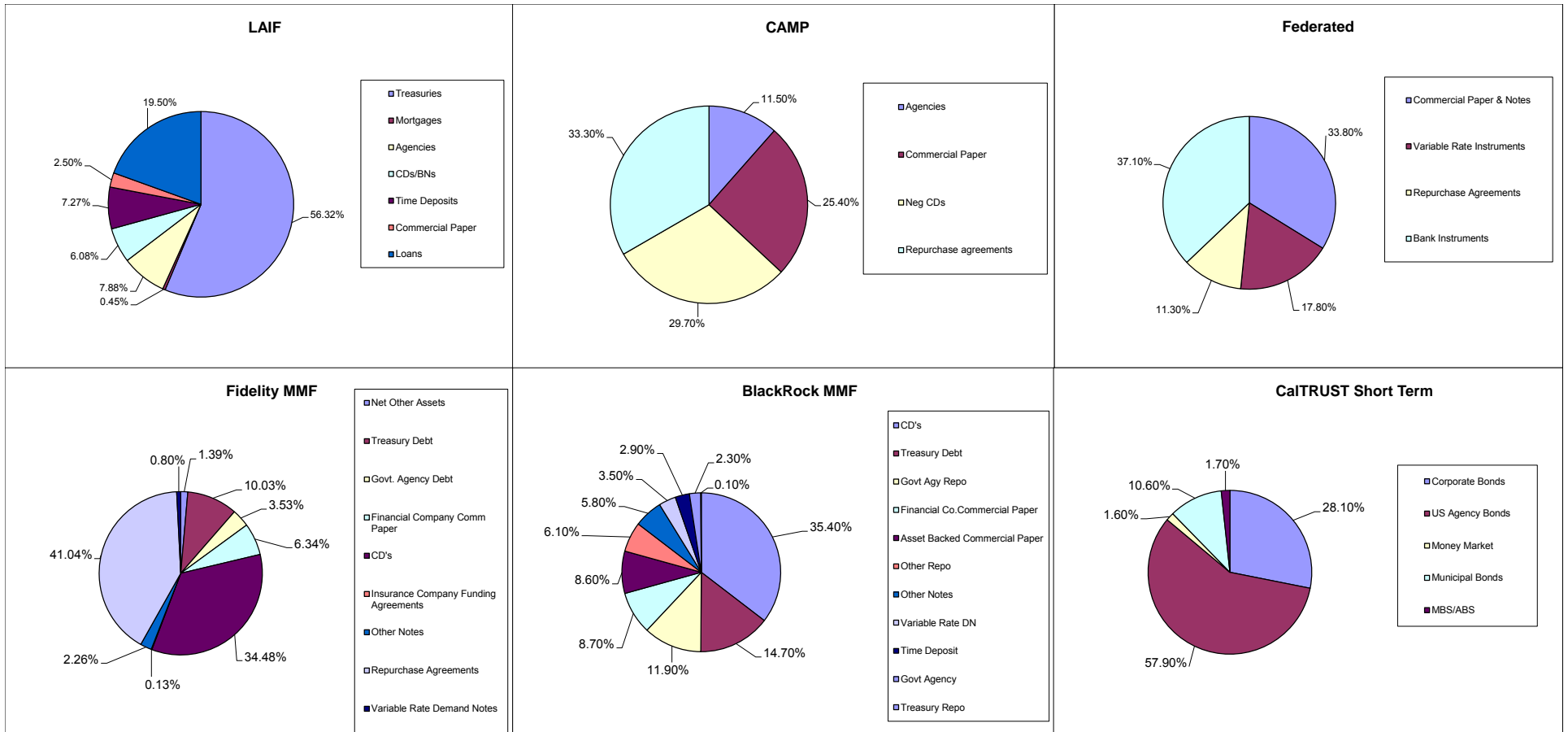


Exhibit E Overnight (Liquid) Asset Distribution

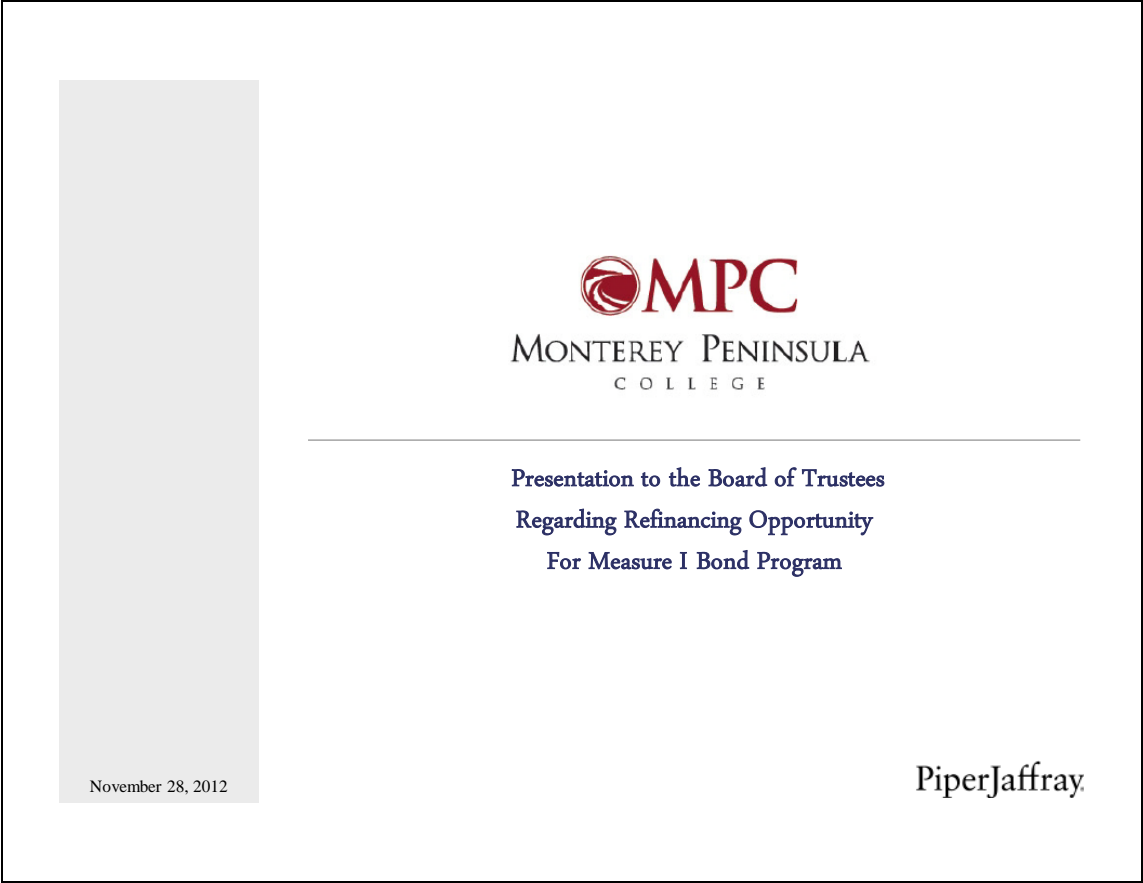


* Percent total may not equal 100 due to rounding

* Net Other Assets may include cash and receivables and payables related to open security or capital stock trades

	LAIF	CAMP	Federated MMF	Fidelity MMF	BlackRock	CalTRUST Short-Term
Credit Rating	NR	AAAm	AAAm	AAAm	NR	NR
Fund Assets	\$60 Billion	\$1.89 Billion	\$48.46 Billion	\$49.1 Billion	\$7.86Billion	\$646.65 Million
WAM	215 days	44 days	40 days	48 days	54 days	259 days
Percent of Portfolio Invested in Fund	7.73%	9.99%	0.77%	3.76%	9.45%	4.84%
Fund Quarterly Return	0.33%	0.15%	0.13%	0.15%	0.19%	0.34%

Title Slide



The title slide features the MPC logo (Monterey Peninsula College) at the top center. Below the logo, the text reads: "Presentation to the Board of Trustees Regarding Refinancing Opportunity For Measure I Bond Program". A horizontal line is positioned below this text. In the bottom left corner, there is a grey vertical bar with the date "November 28, 2012" written at its base. In the bottom right corner, the name "PiperJaffray" is displayed.

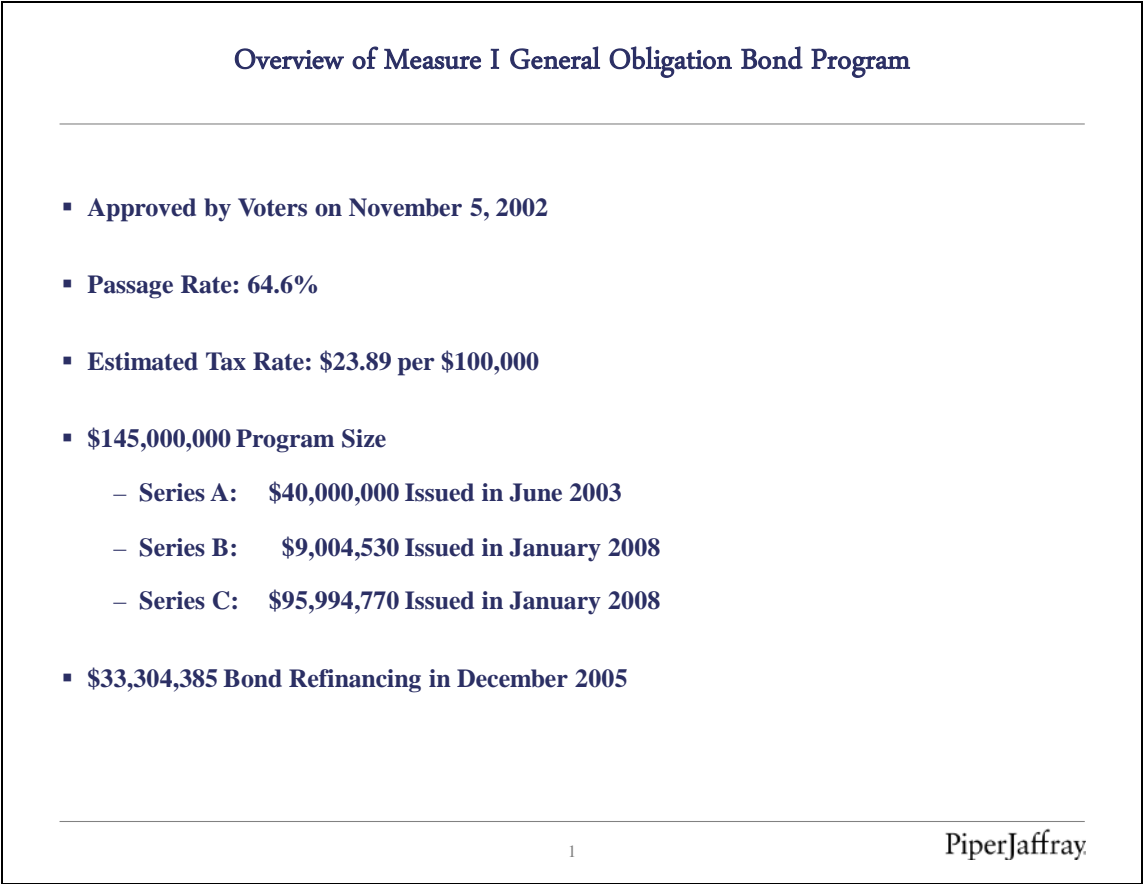
MPC
MONTEREY PENINSULA
COLLEGE

Presentation to the Board of Trustees
Regarding Refinancing Opportunity
For Measure I Bond Program

November 28, 2012

PiperJaffray

Slide 1



Slide 1 is titled "Overview of Measure I General Obligation Bond Program". It contains a bulleted list of key facts about the program. At the bottom right, the name "PiperJaffray" is visible.

Overview of Measure I General Obligation Bond Program

- **Approved by Voters on November 5, 2002**
- **Passage Rate: 64.6%**
- **Estimated Tax Rate: \$23.89 per \$100,000**
- **\$145,000,000 Program Size**
 - **Series A: \$40,000,000 Issued in June 2003**
 - **Series B: \$9,004,530 Issued in January 2008**
 - **Series C: \$95,994,770 Issued in January 2008**
- **\$33,304,385 Bond Refinancing in December 2005**

1

PiperJaffray

Updated Tax Rate Performance for Measure I

1	2	3	4	5	6	7	8
Tax Year Ending	Actual Total Assessed Value	Actual Growth Rate	Series 2003A \$40,000,000 Actual Debt Service	2005 Refinancing \$33,304,385 Actual Debt Service	Series 2008B \$9,004,530 Actual Debt Service	Series 2008C \$95,994,770 Actual Debt Service	Total Measure I Tax Rate
1993	\$9,516,736,649	-					
1994	\$9,638,271,285	1.28%					
1995	\$9,952,161,292	3.26%					
1996	\$10,228,446,549	2.78%					
1997	\$10,537,857,435	3.03%					
1998	\$11,040,207,927	4.77%					
1999	\$11,756,318,037	6.49%					
2000	\$12,738,352,555	8.35%					
2001	\$13,935,175,523	9.40%					
2002	\$15,667,361,678	12.43%					
2003	\$16,868,915,466	7.67%					
2004	\$18,125,154,225	7.45%	\$4,947,860				\$23.19
2005	\$19,460,145,401	7.37%	\$4,188,463				\$23.19
2006	\$21,509,251,504	10.53%	\$2,901,600	\$1,369,472			\$18.00
2007	\$23,781,766,865	10.57%		\$5,340,105			\$20.66
2008	\$25,612,928,017	7.70%		\$3,364,780	\$2,231,161	\$1,688,780	\$19.94
2009	\$27,053,324,926	5.62%		\$3,360,155	\$600,675	\$2,104,450	\$19.78
2010	\$27,159,682,114	0.39%		\$3,362,030	\$837,875	\$2,104,450	\$22.41
2011	\$26,055,273,348	-4.07%		\$3,364,430	\$1,090,075	\$2,104,450	\$21.46
2012	\$26,122,824,908	0.26%		\$3,362,830	\$1,355,514	\$2,104,450	\$23.57
2013	\$26,388,484,575	1.02%		\$3,362,830	\$1,661,966	\$2,104,450	\$22.37

Average tax rate has been \$21.46 as compared to Tax Rate Statement projection of \$23.89.

2

PiperJaffray

- ### Overview of Bond Refinancing Opportunity
- Similar to Refinancing a Home Mortgage (High Interest Rates → Low Interest Rates)
 - Average Interest Rate: **4.92%** on Old Bonds vs. **1.90%** on New Bonds
 - Does **NOT** Increase Length of Old Bonds (No Extension of Bond Term)
 - Amount of Existing Bonds Eligible to be Refinanced: **\$28,685,000**
 - Estimated Savings to Local Taxpayers (Net of Costs): **\$600,000 - \$800,000**
 - All Transaction Fees are Contingent
 - Length of Time Required to Complete: **45-60 Days**
 - Administrative Burden on District Staff: **3-5 Hours**
- 3
- PiperJaffray

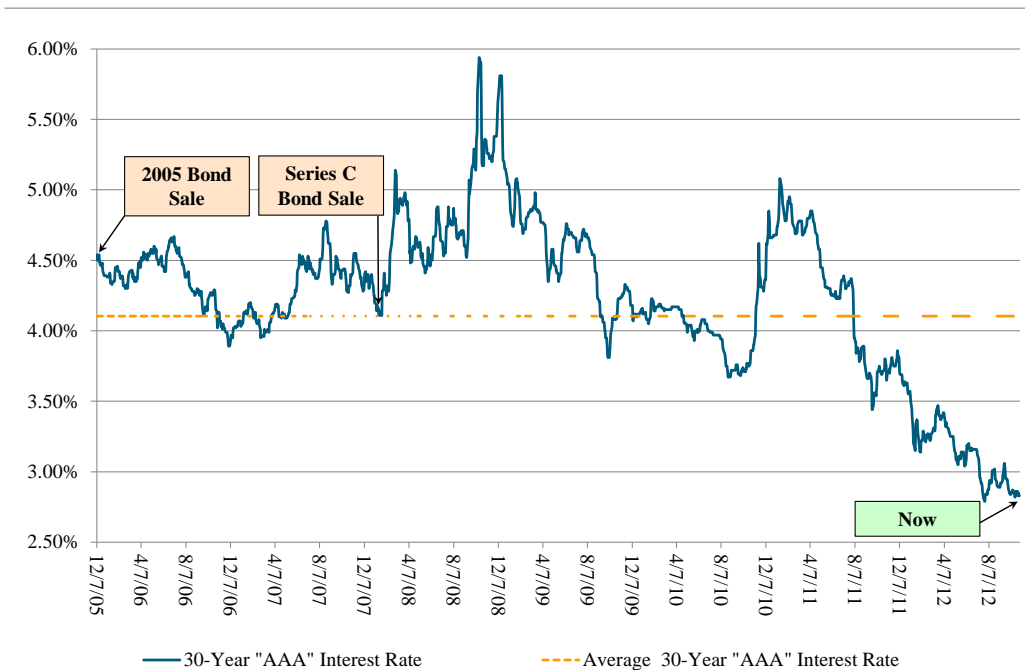
Overview of Outstanding District Debt

Outstanding Bond Issues (Principal) As of October 2012				
As of October 2012	Sale Date	Name of Bond Issue	Savings Availability	Notes
\$0	June 4, 2003	Election of 2002 General Obligation Bonds, Series A	Bonds Paid-Off	1
\$17,531,386	December 6, 2005	2005 General Obligation Refunding Bonds	8/1/2016 through 8/1/2020 Maturities Prepayable	2
\$4,079,530	January 10, 2008	Election of 2002 General Obligation Bonds, Series B	Not Prepayable	3
\$95,409,770	January 10, 2008	Election of 2002 General Obligation Bonds, Series C	8/1/2019 through 8/1/2034 Maturities Prepayable	4

Notes

1. Bonds Have been Paid-Off.
2. Bonds are Prepayable on 8/1/2015. Savings Available by Prepaying a Portion of the Prepayable Maturities.
3. Bonds are Not Prepayable Due to Legal Limitations.
4. Bonds are Prepayable on 8/1/2018. Savings Available by Prepaying a Portion of the Prepayable Maturities.

Historical Interest Rates Since Issuance of 2005 Bonds



Interest Rate Comparisons

Interest Rate Comparison		
Maturity Date	Old Interest Rates Bonds To Be Refinanced	Current Market Interest Rates
2013	NA	0.42%
2014	NA	0.57%
2015	NA	0.75%
2016	NA	1.08%
2017	4.10%-5.00%	1.26%
2018	5.000%	1.57%
2019	4.50%-5.00%	1.85%
2020	5.000%	2.20%
2021	5.000%	2.44%
Average	4.92%	1.90%

6 PiperJaffray

Debt Service Comparison & Estimated Savings (Proportionate Annual Savings)

Tax Year	Old Bonds Debt Service	Estimated New Bonds Debt Service	Estimated Savings To Taxpayers	Estimated Tax Rate Savings Per \$100,000
2012-2013	\$703,128	\$699,613	-	-
2013-2014	\$1,406,255	\$1,363,356	\$46,413	\$0.18
2014-2015	\$1,406,255	\$1,366,319	\$39,936	\$0.15
2015-2016	\$1,406,255	\$1,363,703	\$42,552	\$0.16
2016-2017	\$4,181,255	\$4,139,793	\$41,462	\$0.16
2017-2018	\$4,180,650	\$4,139,511	\$41,139	\$0.16
2018-2019	\$8,150,400	\$7,979,683	\$170,717	\$0.65
2019-2020	\$8,509,250	\$8,337,026	\$172,224	\$0.65
2020-2021	\$8,688,750	\$8,562,750	\$126,000	\$0.48
Total	\$38,632,198	\$37,951,754	\$680,444	\$2.58

Range Could be \$600,000 to \$800,000

Estimated Total Savings to District Taxpayers
(Net of All Fees): \$680,444


7 PiperJaffray

Preliminary Refinancing Schedule


November 28, 2012	Presentation to Board Regarding Bond Refinancing Opportunity
December 12, 2012	District Board Meeting to Approve Bond Refinancing Resolution
March 15, 2013	Presentations to Bond Credit Rating Agencies
March 26, 2013	Receipt of Bond Ratings
April 4, 2013	Sale of Refunding Bonds
April 25, 2013	Closing of Refunding Bonds Press Release to Community

Slide 1

Facilities Master Plan Update



STUDENT CENTER

 **MPC** | MONTEREY PENINSULA COLLEGE

Administrative Services
November 2012

Slide 2

Status of Bond Program / Proceeds

• Completed Projects	\$64.70 M
• In Process or Under Const.	\$65.25 M
• In Planning or Design	<u>\$19.28 M</u>
Total Bond Proceeds	\$149.23M

2

Revised Budget

Projects		Board Approved	Forecasted	Variance
In Process				
1	Furniture & Equipment	\$4,000,000	\$5,685,000	(\$1,685,000)
2	Swing Space / Interim Housing	\$4,600,000	\$5,800,000	(\$1,200,000)
3	Infrastructure - Phase III / Miscellaneous	\$6,466,000	\$6,466,000	\$0
4	Human/Bus-Hum/Old StudntServ	\$3,845,000	\$3,296,000	\$549,000
5	Life Science / Physical Science	\$14,500,000	\$10,800,000	\$3,700,000
6	PE Phase II - Gym/Locker Room Renov.	\$3,940,128	\$4,010,000	(\$69,872)
7	Theater	\$9,305,016	\$10,500,000	(\$1,194,984)
8	New Ed Center at Marina	\$9,100,000	\$8,300,000	\$800,000
9	New Student Services Bldg.	\$9,500,000	\$9,700,000	(\$200,000)
Total in Process		\$65,256,144	\$64,557,000	\$699,144
Future Projects				
10	Student Center Renovation	\$4,000,000	\$5,000,000	(\$1,000,000)
11	Pool/Tennis Courts Renovation	\$2,000,000	\$2,000,000	\$0
12	Art Studio/Art Ceramics/AD/IC/Drafting (total)	\$4,387,987	\$5,724,000	(\$1,336,013)
13	PSTC Parker Flats	\$6,000,000	\$6,000,000	\$0
14	Music	\$1,200,000	\$1,200,000	\$0
General Contingency		\$1,689,496	\$52,627	\$1,636,869
Total Future Projects		\$19,277,483	\$19,976,627	(\$699,144)
Total Completed Projects through 8/31/12		\$64,705,724	\$64,705,724	\$0
Total All Projects		\$149,239,351	\$149,239,351	\$0

3

- ## Art Complex - \$5.7M
- Art Studio and Art Ceramics buildings will undergo major renovation similar to old student services bldg.
 - Art Dimension’s scope of work will depend on bids on Studio and Ceramics
 - Architect has prioritized AD work as follows:
 - ✓ Mechanical and electrical systems
 - ✓ New roof and exterior paint
 - ✓ Improve courtyard space
 - Other possible improvements could also include new roof for Graphic Arts and Nursing depending on bids
 - Timeline - Bid in Spring 2013 w/ construction starting in June 2013
- 4

Student Center - \$5.0M

- Plans for major renovation of Student Center building
 - Major functions (food service, bookstore, TRIO, ASMPC, Security, student space) will be relocated within space
 - Renovation will bring new energy to area and will re-establish the Student Center as a “hub” on campus
 - Developing plans for interim services (food, bookstore, ASMPC)
 - Timeline - Bid in Spring 2013 w/ construction starting in June 2013

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NEW FLOOR PLAN
Student Center-Monterey Peninsula College

MDR, Architects and Planners
November 2012

6

Slide 7



Slide 8

Pool / Tennis Courts - \$2.0M

- Swimming pool will undergo major renovation this summer.
- Budget for Pool / Tennis Courts is tight
 - Tennis courts will be bid as alternate – gives district flexibility depending on bid environment
- Timeline - Bid in Spring 2013 w/ construction starting in June 2013

Music Facility

- Planning committee consisting of faculty, staff, community interests worked with architect to develop schematic plans for
 - Renovation of existing music space
 - Development of a new (270 to 370 seat) recital / performance hall
- Plan is intended to be phased as well as scalable depending on funding
 - Funding sources could include local bond, state bond, and private donations

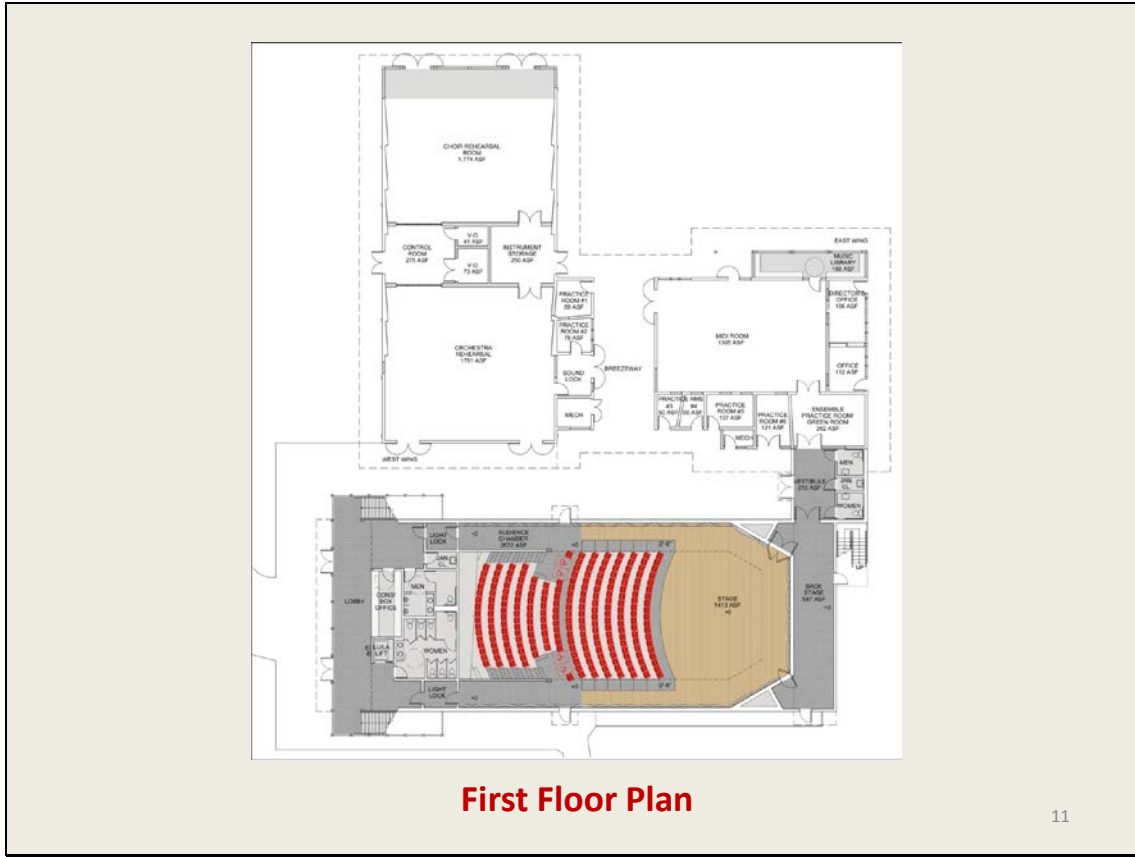
9

Music Facility

- Phase 1 (Renovate existing buildings)
 - Local Bond \$1.2M
 - State Bond (IPP submitted) \$1.2M
 - \$2.4M**
- Phase 2 (New recital hall)
 - Plan A (370 seat) \$4.1M **donations**
 - Plan B (270 seats) \$3.2M **donations**

10

Slide 11



11

Slide 12



12

Questions

MPC
Active Bond/Facility Projects Update
February 11, 2013

Humanities / Old Student Services / Business Humanities – The project is receiving State matching funds. Phase 1 (Old Student Services Building) construction has been completed. Construction on Phase 2 (Humanities Building) has begun with completion scheduled for November of 2013. Interior demolition has been completed. Electrical, mechanical and plumbing rough-in have begun.

Theatre – Work is progressing as scheduled and completion is still scheduled for the spring of 2013. Cabinets and countertops have been installed. The elevator has been installed. The bathrooms and interior painting have been completed. The rigging work is almost finished. Work on the audio systems continues. Auditorium carpeting has been completed, and the seats are being installed. The main entrance ramp has been reconstructed to better allow access into the main doors of the theatre.

Life Science / Physical Science Buildings – There are two phases in this project with the First Phase being the Life Science building which has been completed. At the Physical Science building, the metal stud framing has been completed. Electrical and plumbing rough-in work is almost complete, and drywall installation has begun. The Physical Science building is expected to be completed in the summer of 2013.

Gym First Floor – Construction is complete and the Athletic Department has occupied the building.

Swing Space – The “Swing Space Village” is located adjacent to and south of the Theatre, and classes are being conducted in the building. The General Classrooms Building has been modified and is accommodating the Physical Science department. The Swing Space that the Athletic department has vacated has been converted to classrooms for Humanities. Planning continues on Swing Space to accommodate the Student Center and the Art Complex.

Infrastructure – Site work (lighting, parking lots, sidewalks) will be ongoing for the next few years.

Pool/ Tennis Courts – The Architect has finished the construction drawings and specifications which will be submitted to DSA in February of 2013.

Student Center – The Architect has completed construction drawings and submitted them to DSA in December of 2012. It is anticipated the project will bid in the spring of 2013 with construction commencing in June of 2013. Completion is scheduled for the summer of 2014.

Arts Complex – The Arts Complex project is comprised of the major renovation of the Art Studio and Art Ceramics Buildings and minor modifications to the Art Dimensional Building. Construction drawings have been submitted to DSA for review and approval. It is anticipated this project will bid in the spring of 2013.

Music Building – At the September Board meeting, the Architect presented a proposed plan that included construction of a new Music building. MPC is also applying for matching State funding for the renovation of some of the existing Music buildings.

Facilities Committee – The Committee meets on a regular basis to review project budgets and schedules.

Description	Early Start	Early Finish	2010			2011			2012			2013			2014			2015			2016			2017			2018			2019		
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Old Student Services/Humanities/Bus Humanities																																
Old Student Services Construction	JUL052011 A	FEB242012 A																														
Humanities Construction	JAN292013 A	NOV072013																														
Demo Business Humanities	DEC302013	MAY262014																														
Theater																																
Theater Construction	OCT032011 A	APR022013																														
Music																																
Music Construction	OCT092014	JUL242015																														
Life and Physical Science																																
Life Science Construction	SEP072011 A	JUN012012 A																														
Physical Science Construction	OCT022012 A	MAY302013																														
Pool and Tennis Courts																																
Pool Construction	JUL302013	FEB262014																														
Tennis Courts Construction	SEP242013	FEB262014																														
Student Center																																
Student Center Construction	SEP272013	JUN232014																														
Art Studio/Ceramics/dimensional/Inter. Center																																
Art Studio Constuction	SEP232013	JUL012014																														
Art Ceramics Construction	SEP232013	JUL012014																														
Art Dimensional Construction	JUN182014	AUG132014																														

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Start date	JUN082010
Finish date	JUL242015
Data date	FEB042013
Run date	FEB082013
Page number	1A
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**Monterey Peninsula College
MPC Master Project Schedule**

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point