

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Trustees and
Independent Citizens' Bond Oversight
Committee for Measure C
Marin Community College District
Novato, California

We have performed the procedures enumerated in Attachment II, which were agreed to by Marin Community College District (the "District") and the Independent Citizens' Bond Oversight Committee for Measure C (the "Committee"), solely to assist the Committee in evaluating District management's assertions concerning disbursements of bond funds for the six months ended December 31, 2009. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District and the Committee. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment II either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and conclusions reached as a result of these procedures are identified in Attachment II. Attachment I contains background information about the Measure C Bonds. Attachment III is a listing of the expenditures tested. Attachment IV is the compiled Schedule of Measure C General Obligation Bond Activity.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed other procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Marin Community College District and the Independent Citizens' Bond Oversight Committee for Measure C and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Perry-Smith LLP

April 6, 2010

**MARIN COMMUNITY COLLEGE DISTRICT
BACKGROUND INFORMATION**

LEGISLATIVE HISTORY

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 real property for school facilities", upon approval by 55% of the electorate.

MARIN COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, MEASURE C

The Marin Community College District, Marin County, California Election of 2004 General Obligation Bonds, Measure C were authorized at an election of the registered voters of the Marin Community College District held on November 2, 2004 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$249,500,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. The text of the ballot language was as follows:

To repair and rehabilitate school buildings for student health and safety, qualify for State matching funds, upgrade inadequate plumbing, electrical, heating and ventilation systems, renovate restrooms, repair deteriorating roofs, repair dry rot, upgrade fire safety systems, provide needed classrooms and make other improvements to school sites and buildings, shall Marin Community College District issue \$249.5 million of bonds at any legally authorized interest rates, with annual audits and citizens oversight?

**MARIN COMMUNITY COLLEGE DISTRICT
PROCEDURES PERFORMED AND CONCLUSIONS**

PROCEDURES PERFORMED

Marin Community College District provided a list of all Measure C project expenditures (the "List"). An approximate total of 1,015 warrants were identified representing \$13,354,853 in expenditures from July 1, 2009 to December 31, 2009. We performed the following procedures to the List of Measure C bond expenditures:

- Verified the mathematical accuracy of the List.
- Selected a sample of 50 expenditures totaling \$8,592,431. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented 5% of the total number of expenditures and 64% of the total expenditure value.
- Agreed selected expenditures to vendor invoices and cancelled warrants noting the date and amount of the expenditure, and that the funds were expended for the construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and that funds were not spent for District administrative or instructional salaries or other administrative expenses.

CONCLUSIONS

- The List was mathematically accurate.
- Each of the 50 expenditures tested represented valid Bond expenditures, were properly charged to the location indicated, were properly coded as to the nature of the expenditure and were determined to represent construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and were not spent for District administrative or instructional salaries or other administrative expenses.

**MARIN COMMUNITY COLLEGE DISTRICT
EXPENDITURES TESTED**

July 1, 2009 through December 31, 2009

<u>Warrant Number</u>	<u>Warrant Date</u>	<u>Description</u>	<u>Amount</u>
85278	August 3, 2009	Di Giorgio Contracting Company	\$ 463,032
85545	August 25, 2009	Classic Plumbing	4,995
85664	September 1, 2009	Alten Construction, Inc.	670,609
85665	September 1, 2009	Alten Construction, Inc.	510,464
85664	September 1, 2009	Alten Construction, Inc.	209,181
85699	September 1, 2009	Dick Emard Electric	119,833
85673	September 1, 2009	Alten Construction, Inc.	97,754
85720	September 1, 2009	Krueger International	26,807
85718	September 1, 2009	Kate Keating Associates	2,004
85950	September 8, 2009	VBN Architects	9,635
86134	September 15, 2009	Di Giorgio Contracting Company	541,016
86213	September 15, 2009	Statewide Educational Wrap Up	346,626
86111	September 15, 2009	Di Giorgio Contracting Company	5,283
86272	September 22, 2009	Alten Construction, Inc.	126,504
86295	September 22, 2009	Dick Emard Electric	34,374
86379	September 29, 2009	Alten Construction, Inc.	237,603
86435	September 29, 2009	Mighty Tree Movers, Inc.	11,400
86643	October 6, 2009	Di Giorgio Contracting Company	545,842
86643	October 6, 2009	Di Giorgio Contracting Company	112,113
86618	October 6, 2009	Aquatic Design Group, Inc.	6,697
86623	October 6, 2009	Ballard & Watkins Construction	4,431
86624	October 6, 2009	Di Giorgio Contracting Company	4,227
86854	October 13, 2009	Trison Construction, Inc.	297,857
86788	October 13, 2009	Jeff Luchetti Construction	233,750
86788	October 13, 2009	Jeff Luchetti Construction	152,682
86778	October 13, 2009	Ghilotti Construction Company	108,212
86754	October 13, 2009	Consolidated Engineering Laboratories	8,168
86789	October 13, 2009	Jeff Luchetti Construction	6,186
86877	October 20, 2009	Alten Construction, Inc.	724,399
86978	October 20, 2009	Trison Construction, Inc.	700,625
86980	October 20, 2009	Trison Construction, Inc.	36,875
87105	October 27, 2009	Hardison, Komatsu, Ivelich & Tucker	43,248
87127	October 27, 2009	North Marin Water District	9,769
87310	November 10, 2009	Alten Construction, Inc.	74,907
87316	November 10, 2009	Alten Construction, Inc.	11,416
87372	November 10, 2009	Miller Brown & Dannis Attorneys	8,434
87661	November 23, 2009	Di Giorgio Contracting Company	309,192
87661	November 23, 2009	Di Giorgio Contracting Company	156,164
87661	November 23, 2009	Di Giorgio Contracting Company	87,534
87734	November 23, 2009	Royston, Hanamoto, Alley & Abey	1,060
87801	December 1, 2009	Jeff Luchetti Construction	142,838
87891	December 8, 2009	Alten Construction, Inc.	642,937
87982	December 8, 2009	Physical Enterprise, Inc.	5,614
88084	December 15, 2009	Jeff Luchetti Construction	239,160
88085	December 15, 2009	Jeff Luchetti Construction	26,573
88035	December 15, 2009	Ballard & Watkins Construction	23,317
88027	December 15, 2009	Alpha-Omega Enterprises, Inc.	21,310
88091	December 15, 2009	Krueger International	1,694
88206	December 22, 2009	Di Giorgio Contracting Company	416,636
88253	December 22, 2009	MK Pipelines, Inc.	11,444
Total expenditures tested			<u>\$ 8,592,431</u>

Board of Trustees and
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We have compiled the accompanying Schedule of Measure C General Obligation Bond Activity for the six months ended December 31, 2009 and for the period from inception through December 31, 2009 (Attachment IV), in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying Schedule of Measure C General Obligation Bonds for the six months ended December 31, 2009 and for the period from inception through December 31, 2009 and, accordingly, do not express an opinion or any other form of assurance on it.

Peny-Smith LLP

Sacramento, California
April 6, 2010

**MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF MEASURE C GENERAL OBLIGATION BOND ACTIVITY**

**For the Six Months Ended December 31, 2009
and for the Period from Inception through December 31, 2009**

	Activity for the Six Months Ended December 31, 2009	Total Measure C Activity Since Inception through December 31, 2009
Revenues:		
Proceeds from the issuance of bonds		\$ 150,000,000
Interest and investment income	<u>\$ 609,514</u>	<u>10,256,798</u>
Total revenues	<u>609,514</u>	<u>160,256,798</u>
Expenditures:		
Salaries	113,362	1,213,783
Benefits	52,693	430,977
Supplies	835	23,343
Contract services	106,977	1,445,580
Capital outlay	<u>13,080,986</u>	<u>87,296,609</u>
	<u>13,354,853</u>	<u>90,410,292</u>
Net activity	<u>(12,745,339)</u>	<u>69,846,506</u>
Fund balance:		
Beginning of period	<u>82,591,845</u>	<u> </u>
End of period	<u>\$ 69,846,506</u>	<u>\$ 69,846,506</u>