

**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, 2008. 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

March 30, 2009

**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 860 warrants were identified representing \$12,458,645 in expenditures from July 1, 2008 to December 31, 2008. 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 \$8,720,014. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented 6% of the total number of expenditures and 70% 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, 2008 through December 31, 2008

Warrant Number	Warrant Date	Description	Amount
77842	July 10, 2008	Division of the State Architect	\$ 72,640
78411	August 18, 2008	Alten Construction, Inc.	461,068
78437	August 18, 2008	Di Giorgio Contracting	117,784
78440	August 18, 2008	ED2 International Architects	237,763
78463	August 18, 2008	Marcy Wong & Donn Logan	91,800
78484	August 19, 2008	Swinerton Management and Consulting	58,345
78554	August 26, 2008	Miller Brown & Dannis	2,851
78582	August 26, 2008	Amy Skewes-Cox	2,278
78591	August 26, 2008	Trison Construction, Inc.	1,407,846
78620	August 27, 2008	Classic Plumbing	1,800
78630	September 2, 2008	Dick Emard Electric	40,764
78642	September 2, 2008	Kate Keating Associates	1,801
79104	September 16, 2008	Alten Construction, Inc.	526,509
79133	September 16, 2008	Di Giorgio Contracting	293,764
79141	September 16, 2008	Ford Graphics	2,421
79150	September 16, 2008	Di Giorgio Contracting	2,382
79191	September 16, 2008	Perfect Timing, Inc.	403
79212	September 16, 2008	Swinerton Management and Consulting	72,880
79328	September 23, 2008	Marcy Wong & Donn Logan	91,800
79445	September 26, 2008	Dick Emard Electric	67,950
79447	September 26, 2008	ED2 International Architects	215,763
79614	October 6, 2008	Royston, Hanamoto, Alley	2,150
79688	October 9, 2008	Bay Pacific Pipelines, Inc.	250,128
79871	October 14, 2008	Swinerton Management and Consulting	8,745
79871	October 20, 2008	Alfa Tech	29,761
79874	October 20, 2008	Alten Construction, Inc.	251,426
79901	October 20, 2008	Dick Emard Electric	393,075
79906	October 20, 2008	ED2 International Architects	105,395
79987	October 20, 2008	Statewide Educational Wrap Up	92,543
80036	October 24, 2008	Division of the State Architect	63,970
80089	October 24, 2008	Statewide Educational Wrap Up	103,401
80090	October 24, 2008	Sungard Sct. Inc.	1,600
80104	October 24, 2008	Trison Construction, Inc.	193,692
80209	November 4, 2008	Trison Construction, Inc.	156,427
80362	November 13, 2008	Alten Construction, Inc.	625,509
80362	November 13, 2008	Alten Construction, Inc.	567,552
80371	November 13, 2008	Alten Construction, Inc.	69,501
80409	November 14, 2008	Krueger International	71,278
80448	November 14, 2008	Statewide Educational Wrap Up	187,618
80544	November 21, 2008	Dick Emard Electric	359,100
80547	November 24, 2008	ED2 International Architects	107,881
80820	December 8, 2008	Ford Graphics	429
80935	December 12, 2008	Alfa Tech	526
80939	December 12, 2008	Alten Construction, Inc.	625,578
80940	December 12, 2008	Alten Construction, Inc.	84,435
80951	December 12, 2008	Alten Construction, Inc.	69,509
80977	December 12, 2008	Dick Emard Electric	295,593
80978	December 12, 2008	ED2 International Architects	107,881
81001	December 15, 2008	Kwan Henmi Architecture/Planners	91,855
81347	December 15, 2008	Dick Emard Electric	32,844

Total expenditures tested

\$ 8,720,014

Board of Trustees and
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Committee for Measure C
Marin Community College District
Novato, California

We have compiled the accompanying Schedule of Measure C General Obligation Bond Activity for the six months ended December 31, 2008 and for the period from inception through December 31, 2008 (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, 2008 and for the period from inception through December 31, 2008 and, accordingly, do not express an opinion or any other form of assurance on it.

Perry-Smith LLP

Sacramento, California
March 30, 2009

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

**For the Six Months Ended December 31, 2008
and for the Period from Inception through December 31, 2008**

	Activity for the Six Months Ended December 31, 2008	Total Measure C Activity Since Inception through December 31, 2008
Revenues:		
Proceeds from the issuance of bonds		\$ 75,000,000
Interest and investment income	\$ 543,992	<u>9,131,054</u>
Total revenues	<u>543,992</u>	<u>84,131,054</u>
Expenditures:		
Salaries	137,325	983,722
Benefits	52,884	325,373
Supplies	1,047	21,199
Contract services	147,268	882,728
Capital outlay	<u>12,120,121</u>	<u>51,612,995</u>
	<u>12,458,645</u>	<u>53,826,017</u>
Net activity	<u>(11,914,653)</u>	<u>30,305,037</u>
Fund balance:		
Beginning of period	<u>42,219,690</u>	<u> </u>
End of period	<u>\$ 30,305,037</u>	<u>\$ 30,305,037</u>