

**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 as of June 30, 2007. 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

December 4, 2007

**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 267 warrants were identified representing \$7,891,408 in expenditures from January 1, 2007 to June 30, 2007. 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 \$1,798,962. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented 19% of the total number of expenditures and 23% 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**

January 1, 2007 through June 30, 2007

Warrant Number	Date	Description	Amount
65033	January 10, 2007	Maggiora & Ghilotti, Inc.	\$ 29,511
65035	January 10, 2007	Aaron Osheroff	168
65044	January 10, 2007	Marin Sanitary Service	1,056
65046	January 10, 2007	Sungard Sct Inc.	42,749
65213	January 24, 2007	Alfa Tech	3,920
65219	January 24, 2007	Ford Graphics	3,620
65222	January 24, 2007	Swinerton Management & Consulting	109,102
65333	January 31, 2007	Community College Service Group	1,444
65515	February 7, 2007	De Lage Landen	590
65521	February 7, 2007	Office Depot	184
65527	February 7, 2007	Pacific Sun	1,606
65536	February 13, 2007	VBN Architects	30,000
65646	February 21, 2007	Kwan Henmi Architecture/Planning	144,994
65809	February 27, 2007	Ghilotti Bros., Inc.	1,467
66338	March 13, 2007	Bay Pacific Pipelines, Inc.	7,111
66342	March 13, 2007	Kleinfelder, Inc.	5,000
66347	March 13, 2007	Hewlett-Packard Company	11,915
66574	March 20, 2007	College Net	6,826
66583	March 20, 2007	Al Heffley, Inc.	3,533
66587	March 20, 2007	Perfect Timing Personnel Service	1,308
66711	March 27, 2007	Maggiora & Ghilotti, Inc.	551
66835	April 3, 2007	CSW Stuber-Stroeh Engineering	83,886
66843	April 3, 2007	Treemasters	24,621
66908	April 10, 2007	Marcy Wong & Donn Logan Architects	20,311
66912	April 10, 2007	V-Anne Chernock	59
67051	April 17, 2007	Omnipro Systems, Inc.	13,479
67052	April 17, 2007	Sehi Computer Products	397
67057	April 17, 2007	CSW Stuber-Stroeh Engineering	17,256
67156	April 17, 2007	Ghilotti Bros., Inc.	30,693
67326	April 24, 2007	Perfect Timing Personnel Service	1,839
67336	May 1, 2007	Steinberg Architects	397
67457	May 8, 2007	American Draft Source	91
67461	May 8, 2007	Amy Skewes-Cox	32,102
67463	May 8, 2007	Kingsborough Atlas Tree Surger	10,192
67471	May 8, 2007	Royston, Hanamoto, Alley & Abe	700
67577	May 15, 2007	Apple Computer, Inc.	8,084
67580	May 15, 2007	Sungard Higher Education	217,921
67588	May 15, 2007	Nextel Communications	105
67973	May 29, 2007	Geotech Utility Locating	1,840
67975	May 29, 2007	Marcy Wong & Donn Logan Architects	36,190
67978	May 29, 2007	Smile Business Products	579
67984	June 4, 2007	Amy Skewes-Cox	49,342
68098	June 11, 2007	Sehi Computer Products	45,283
68194	June 13, 2007	Division of the State Architects	83,860
68199	June 18, 2007	Marcy Wong & Donn Logan Architects	200,690
68202	June 18, 2007	Sehi Computer Products	6,805
68208	June 18, 2007	Swinerton Management & Consulting	187,174
68342	June 25, 2007	Anixter, Inc.	55
68346	June 25, 2007	Fugro West, Inc.	210
68349	June 25, 2007	Kwan Henmi Architecture/Planning	318,146
Total expenditures tested			<u>\$ 1,798,962</u>

Board of Trustees and
Independent Citizens' Bond Oversight
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Novato, California

We have compiled the accompanying Schedule of Measure C General Obligation Bond Activity for the six months ended December 31, 2006 and June 30, 2007 and for the period from inception through June 30, 2007 (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, 2006 and June 30, 2007 and for the period from inception through June 30, 2007 and, accordingly, do not express an opinion or any other form of assurance on it.

Perry-Smith LLP

Sacramento, California
December 4, 2007

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

For the Six Months Ended December 31, 2006 and June 30, 2007
and for the Period from Inception through June 30, 2007

	<u>Six Months Ended</u>		<u>Total Measure C Activity Since Inception through June 30, 2007</u>
	<u>December 31, 2006</u>	<u>June 30, 2007</u>	
Revenues:			
Proceeds from the issuance of bonds			\$ 75,000,000
Interest and investment income	\$ 3,019	\$ 3,188,327	<u>6,054,734</u>
	<u>3,019</u>	<u>3,188,327</u>	<u>81,054,734</u>
Expenditures:			
Salaries	145,662	181,576	368,196
Benefits	52,636	64,397	136,821
Supplies	2,125	4,978	9,504
Contract services	38,273	170,601	267,891
Capital outlay	<u>3,921,982</u>	<u>7,469,856</u>	<u>19,404,709</u>
	<u>4,160,678</u>	<u>7,891,408</u>	<u>20,187,121</u>
Net activity	<u>(4,157,659)</u>	<u>(4,703,081)</u>	<u>60,867,613</u>
Fund balance:			
Beginning of period	<u>69,728,353</u>	<u>65,570,694</u>	<u> </u>
End of period	<u>\$ 65,570,694</u>	<u>\$ 60,687,613</u>	<u>\$ 60,687,613</u>