

**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 June 30, 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

December 8, 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 695 warrants were identified representing \$23,229,422 in expenditures from January 1, 2009 to June 30, 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 \$14,140,750. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented 7% of the total number of expenditures and 61% 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, 2009 through June 30, 2009

Warrant Number	Warrant Date	Description	Amount
81113	January 5, 2009	Di Giorgio Contracting Company	\$ 131,839
81323	January 7, 2009	Trison Construction, Inc.	39,150
81316	January 7, 2009	Statewide Educational Wrap Up	16,994
81316	January 7, 2009	Statewide Educational Wrap Up	322,885
81317	January 12, 2009	Swinerton Management and Consulting	28,276
81376	January 20, 2009	Kwan Henmi Architecture/Plan	36,812
81342	January 20, 2009	Alten Construction, Inc.	507,503
81548	January 29, 2009	Alten Construction, Inc.	351,943
81549	January 29, 2009	Alten Construction, Inc.	554,747
82041	February 11, 2009	Marcy Wong & Donn Logan Architects	66,240
82021	February 11, 2009	Di Giorgio Contracting Company	490,352
82102	February 18, 2009	Alten Construction, Inc.	238,294
82141	February 18, 2009	Kendall Young Associates, Inc.	35,033
82287	February 26, 2009	Fort Bragg Electric, Inc.	130,725
82240	February 27, 2009	Alten Construction, Inc.	448,409
82544	March 5, 2009	Sungard Sct, Inc.	235,707
82449	March 10, 2009	Alten Construction, Inc.	932,818
82609	March 17, 2009	Dick Emard Electric	185,588
82632	March 17, 2009	Marcy Wong & Donn Logan Architects	14,000
82732	March 24, 2009	Di Giorgio Contracting Company	43,260
82732	March 24, 2009	Di Giorgio Contracting Company	248,397
82949	March 31, 2009	LSA Associates, Inc.	25,100
82926	March 31, 2009	Davis Langdon	14,000
82400	March 31, 2009	Alten Construction, Inc.	168,490
83013	April 2, 2009	Alten Construction, Inc.	545,827
83150	April 8, 2009	Di Giorgio Contracting Company	1,649,058
83310	April 20, 2009	Hardison, Komatsu, Ivelich	58,664
83445	April 28, 2009	Dick Emard Electric	283,368
83726	May 11, 2009	Ghilotti Construction Company	196,593
83682	May 11, 2009	Alten Construction, Inc.	1,120,920
83681	May 11, 2009	Alten Construction, Inc.	344,398
83737	May 11, 2009	Kleinfelder, Inc.	15,068
83783	May 12, 2009	Swinerton Management and Consulting	63,333
84006	May 21, 2009	Di Giorgio Contracting Company	39,884
83968	May 21, 2009	Alten Construction, Inc.	257,037
84006	May 21, 2009	Di Giorgio Contracting Company	744,153
84015	May 22, 2009	Evisions, Inc.	17,545
83969	May 22, 2009	Alten Construction, Inc.	965,151
85018	May 22, 2009	Kleinfelder	32,768
84007	May 26, 2009	Dick Emard Electric	278,464
83970	May 26, 2009	Alten Construction, Inc.	289,477
84987	June 23, 2009	Alten Construction, Inc.	730,549
84889	June 30, 2009	Swinerton Management and Consulting	149,357
85117	June 30, 2009	Ghilotti Construction	96,976
85103	June 30, 2009	Dick Emard Electric	185,950
85005	June 30, 2009	ED2 International Architects/Planners	107,094
84984	June 30, 2009	4leaf Inc.	21,875
84988	June 30, 2009	Alten Construction, Inc.	381,124
85004	June 30, 2009	Di Giorgio Contracting Company	275,418
85149	June 30, 2009	Mobile Modular Management Corp.	24,137

Total expenditures tested

\$ 14,140,750

Board of Trustees and
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Committee for Measure C
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Novato, California

We have compiled the accompanying Schedule of Measure C General Obligation Bond Activity for the six months ended June 30, 2009 and for the period from inception through June 30, 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 June 30, 2009 and for the period from inception through June 30, 2009 and, accordingly, do not express an opinion or any other form of assurance on it.

Perry-Smith LLP

Sacramento, California
December 8, 2009

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

**For the Six Months Ended June 30, 2009
and for the Period from Inception through June 30, 2009**

	Activity for the Six Months Ended December 31, 2008	Six Months Ended June 30, 2009	Total Measure C Activity Since Inception through June 30, 2009
Revenues:			
Proceeds from the issuance of bonds		\$ 75,000,000	\$ 150,000,000
Interest and investment income	\$ 543,992	516,230	9,647,284
Total revenues	<u>543,992</u>	<u>75,516,230</u>	<u>159,647,284</u>
Expenditures:			
Salaries	137,325	116,699	1,100,421
Benefits	52,884	52,911	378,284
Supplies	1,047	1,309	22,508
Contract services	147,268	455,875	1,338,603
Capital outlay	<u>12,120,121</u>	<u>22,602,628</u>	<u>74,215,623</u>
	<u>12,458,645</u>	<u>23,229,422</u>	<u>77,055,439</u>
Net activity	<u>(11,914,653)</u>	<u>52,286,808</u>	<u>82,591,845</u>
Fund balance:			
Beginning of period	<u>42,219,690</u>	<u>30,305,037</u>	<u> </u>
End of period	<u>\$ 30,305,037</u>	<u>\$ 82,591,845</u>	<u>\$ 82,591,845</u>