

**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, 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

December 8, 2008

**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 410 warrants were identified representing \$13,517,259 in expenditures from January 1, 2008 to June 30, 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 \$6,959,503. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented approximately 51% 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, 2008 to June 30, 2008

<u>Warrant Number</u>	<u>Invoice Date</u>	<u>Description</u>	<u>Amount</u>
73672	January 11, 2008	Alfa Tech	\$ 46,000
73697	January 11, 2008	ED2 International Architects/Planners	215,763
73750	January 11, 2008	Swinerton Management and Consulting	63,883
74098	February 8, 2008	CSW Stuber-Stroeh Engineering Group	23,650
74965	February 13, 2008	ED2 International Architects/Planners	323,644
74965	February 13, 2008	ED2 International Architects/Planners	41,231
74336	February 26, 2008	Kwan Henmi Architecture/Planning, Inc.	12,597
74208	March 10, 2008	ED2 International Architects/Planners	323,644
75647	March 25, 2008	Swinerton Management and Consulting	21,129
75890	March 31, 2008	Hardison, Komatsu, Ivelich & Tucker	25,227
76027	April 7, 2008	Kwan Henmi Architecture/Planning, Inc.	30,231
76102	April 15, 2008	ED2 International Architects/Planners	323,644
76330	April 18, 2008	Quali-Con Enterprise, Inc.	1,480
76401	April 24, 2008	Kwan Henmi Architecture/Planning, Inc.	25,195
76402	April 24, 2008	Marcy Wong & Donn Logan Architects	136,036
76736	May 2, 2008	Swinerton Management and Consulting	25,856
76615	May 6, 2008	Trison Construction, Inc.	189,825
76748	May 9, 2008	Western Roofing Service	75,162
76931	May 14, 2008	Sungard Sct, Inc.	16,957
76924	May 19, 2008	Sensible Environmental Solutions, Inc.	30,951
77070	June 2, 2008	Keenan & Associates	64,055
77078	June 2, 2008	Marcy Wong & Donn Logan Architects	80,880
77136	June 2, 2008	Statewide Educational Wrap Up Program	286,607
77138	June 2, 2008	Statewide Educational Wrap Up Program	14,414
77138	June 2, 2008	Statewide Educational Wrap Up Program	45,538
77138	June 2, 2008	Sungard Sct, Inc.	63,486
77263	June 5, 2008	Trison Construction, Inc.	597,051
77263	June 5, 2008	Trison Construction, Inc.	467,108
77263	June 5, 2008	Trison Construction, Inc.	142,096
77263	June 5, 2008	Trison Construction, Inc.	304,260
77364	June 16, 2008	Swinerton Management and Consulting	21,902
77364	June 16, 2008	Swinerton Management and Consulting	41,370
77364	June 16, 2008	Swinerton Management and Consulting	2,177
77353	June 16, 2008	Quali-Con Enterprise, Inc.	8,920
77565	June 24, 2008	Kwan Henmi Architecture/Planning, Inc.	35,271
76055	June 25, 2008	Exp.trfr. Inv. 08-001-01, PO200933	5,330
77532	June 26, 2008	Alten Construction, Inc.	1,022,519
77815	June 30, 2008	Alten Construction, Inc.	600,854
77815	June 30, 2008	Alten Construction, Inc.	66,762
77645	June 30, 2008	VBN Architects	48,701
77778	June 30, 2008	Swinerton Management and Consulting	36,199
77778	June 30, 2008	Swinerton Management and Consulting	36,199
77743	June 30, 2008	Kwan Henmi Architecture/Planning, Inc.	35,271
77626	June 30, 2008	Sensible Environmental Solutions, Inc.	24,342
77837	June 30, 2008	CSW Stuber-Stroeh Engineering Group	27,948
78230	June 30, 2008	LSA Associates, Inc.	4,600
78184	June 30, 2008	Trison Construction, Inc.	741,536
78184	June 30, 2008	Trison Construction, Inc.	82,393
78150	June 30, 2008	Marcy Wong & Donn Logan Architects	91,800
78285	June 30, 2008	Transitions	7,809
Total expenditures tested			<u>\$ 6,959,503</u>

INDEPENDENT ACCOUNTANT'S REPORT

Board of Trustees and
Independent Citizens' Bond Oversight
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, 2007 and June 30, 2008 and for the period from inception through June 30, 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, 2007 and June 30, 2008 and for the period from inception through June 30, 2008 and, accordingly, do not express an opinion or any other form of assurance on it.

Perry-Smith LLP

Sacramento, California
December 8, 2008

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

**For the Six Months Ended December 31, 2007 and June 30, 2008
and for the Period from Inception through June 30, 2008**

	<u>Six Months Ended</u>		<u>Total Measure C Activity Since Inception through June 30, 2008</u>
	<u>December 31, 2007</u>	<u>June 30, 2008</u>	
Revenues:			
Proceeds from the issuance of bonds			\$ 75,000,000
Interest and investment income	\$ 1,562,802	\$ 969,526	<u>8,587,062</u>
Total revenues	<u>1,562,802</u>	<u>969,526</u>	<u>83,587,062</u>
Expenditures:			
Salaries	227,619	250,582	846,397
Benefits	66,416	69,252	272,489
Supplies	1,831	8,817	20,152
Contract services	8,831	458,738	735,460
Capital outlay	<u>7,358,295</u>	<u>12,729,870</u>	<u>39,492,874</u>
	<u>7,662,992</u>	<u>13,517,259</u>	<u>41,367,372</u>
Net activity	<u>(6,100,190)</u>	<u>(12,547,733)</u>	<u>42,219,690</u>
Fund balance:			
Beginning of period	<u>60,867,613</u>	<u>54,767,423</u>	<u> </u>
End of period	<u>\$ 54,767,423</u>	<u>\$ 42,219,690</u>	<u>\$ 42,219,690</u>