

MARIN COMMUNITY COLLEGE DISTRICT

COUNTY OF MARIN

NOVATO, CALIFORNIA

MEASURE C GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT

FOR THE YEAR ENDED JUNE 30, 2010

AND

INDEPENDENT AUDITOR'S REPORT

MARIN COMMUNITY COLLEGE DISTRICT
MEASURE C GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT

For the Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

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

We have conducted a performance audit of the Marin Community College District (the "District") Measure C General Obligation Bond funds for the year ended June 30, 2010.

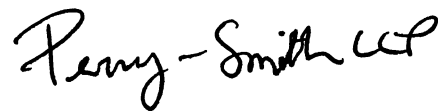
We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

The objective of our performance audit was to determine if Marin Community College District expended Measure C General Obligation Bond funds for the year ended June 30, 2010 in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution:

"A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed."

Solely to assist us in planning and performing our performance audit, we made a study and evaluation of the internal controls of Marin Community College District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on the internal controls.

In our opinion, Marin Community College District expended Measure C General Obligation Bond funds for the year ended June 30, 2010 in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.



November 8, 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
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSIONS**

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure C General Obligation Bond funds for the year ended June 30, 2010 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees and Independent Citizen's Bond Oversight Committee for Measure C, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

SCOPE

The District provided to us a list of all Measure C General Obligation Bond project expenditures for the year ended June 30, 2010 (the "List"). An approximate total of 2,438 transactions were identified, representing \$33,144,948 in expenditures from July 1, 2009 through June 30, 2010.

METHODOLOGY

We performed the following procedures to the List of Measure C General Obligation Bond project expenditures for the year ended June 30, 2010:

- Verified the mathematical accuracy of the List.
- Agreed the List to total bond expenditures as reported by the District in the District's audited financial statements for the year ended June 30, 2010, presented as the Measure C Construction Fund.
- Selected a sample of 90 expenditures totaling \$16,694,194, as shown in Attachment I. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. The sample represented 4% of the number of expenditures and 50% of the total expenditure value. Verified that the expenditures were for the approved projects and were to construct, upgrade, and improve classrooms and school facilities, including the furnishing and equipping of school facilities and that funds were not spent for District administrative or instructional salaries or other administrative expenses.

CONCLUSIONS

- Marin Community College District expended Measure C General Obligation Bond funds for the year ended June 30, 2010 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees and Impendent Citizen's Bond Oversight Committee for Measure C, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

**MARIN COMMUNITY COLLEGE DISTRICT
EXPENDITURES TESTED**

For the Year Ended June 30, 2010

Warrant Number	Description	Amount
85278	Di Giorgio Contracting Company	\$ 463,032
85545	Classic Plumbing	4,995
85614	Swinerton Management And Company	8,743
85664	Alten Construction, Inc.	670,609
85664	Alten Construction, Inc.	209,181
85665	Alten Construction, Inc.	510,464
85673	Alten Construction, Inc.	97,754
85699	Dick Emard Electric	119,833
85718	Kate Keating Associates	2,004
85720	Krueger International	26,807
85950	VBN Architects	9,635
86111	Di Giorgio Contracting Company	5,283
86134	Di Giorgio Contracting Company	541,016
86213	Statewide Educational Wrap Up	346,626
86272	Alten Construction, Inc.	126,504
86295	Dick Emard Electric	34,374
86379	Alten Construction, Inc.	237,603
86435	Mighty Tree Movers, Inc.	11,400
86618	Aquatic Design Group, Inc.	6,697
86623	Ballard & Watkins Construction	4,431
86624	Di Giorgio Contracting Company	4,227
86643	Di Giorgio Contracting Company	545,842
86643	Di Giorgio Contracting Company	112,113
86754	Consolidated Engineering Laboratories	8,168
86778	Ghilotti Construction Company	108,212
86788	Jeff Luchetti Construction	233,750
86788	Jeff Luchetti Construction	152,682
86789	Jeff Luchetti Construction	6,186
86854	Trison Construction, Inc.	297,857
86877	Alten Construction, Inc.	724,399
86978	Trison Construction, Inc.	700,625
86980	Trison Construction, Inc.	36,875
87105	Hardison, Komatsu, Ivelich & Tucker	43,248
87127	North Marin Water District	9,769
87310	Alten Construction, Inc.	74,907
87316	Alten Construction, Inc.	11,416
87372	Miller Brown & Dannis Attorneys	8,434
87661	Di Giorgio Contracting Company	309,192
87661	Di Giorgio Contracting Company	156,164
87661	Di Giorgio Contracting Company	87,534
87734	Royston, Hanamoto, Alley & Abey	1,060
87801	Jeff Luchetti Construction	142,838
87891	Alten Construction, Inc.	642,937

(Continued)

**MARIN COMMUNITY COLLEGE DISTRICT
EXPENDITURES TESTED
(Continued)
For the Year Ended June 30, 2010**

<u>Warrant Number</u>	<u>Description</u>	<u>Amount</u>
87982	Physical Enterprise, Inc.	\$ 5,614
88027	Alpha-Omega Enterprises, Inc.	21,310
88035	Ballard & Watkins Construction	23,317
88084	Jeff Luchetti Construction	239,160
88085	Jeff Luchetti Construction	26,573
88091	Krueger International	1,694
88193	Citadon, Inc.	33,680
88206	Di Giorgio Contracting Company	416,636
88253	MK Pipelines, Inc.	11,444
88634	Jeff Luchetti Construction	339,971
88882	ED2 International Architect	25,000
89140	Jeff Luchetti Construction	836,461
89176	Swinerton Management And Company	21,902
89250	Alten Construction, Inc.	514,781
89282	Di Giorgio Contracting Company	422,115
89319	Marcy Wong & Donn Logan Architecture	26,250
89749	Apple Computer, Inc.	5,395
89756	Asbestos Management Group	137,318
89888	Swinerton Management And Company	8,384
90001	Alten Construction, Inc.	482,237
90022	Di Giorgio Contracting Company	501,375
90053	LSA Associates, Inc.	7,953
90055	Marcy Wong & Donn Logan Architecture	16,827
90257	Transitions, Inc.	5,316
90279	Ghilotti Construction Company	10,922
90480	Unicorn Printing Specialist	879
90523	Gary Proctor Construction Company	20,320
90530	Jeff Luchetti Construction	528,852
90592	Sensible Environmental Solutions	14,187
90691	Ghilotti Construction Company	14,250
90792	ED2 International Architect	328,545
90792	ED2 International Architect	21,242
91101	Ford Graphics	8,926
91273	DecoTech Systems	3,630
91301	Jeff Luchetti Construction	860,497
91502	Royston, Hanamoto, Alley & Abey	1,560
91608	Dick Emard Electric	598,954
91765	Kate Keating Associates	9,802
91856	CSW Stuber-Stroeh Engineering	31,850
91949	Swinerton Management And Company	28,031
91976	4Leaf, Inc.	20,000
92317	TLCD Architecture	40,955
92366	Evisions, Inc.	20,687

(Continued)

**MARIN COMMUNITY COLLEGE DISTRICT
EXPENDITURES TESTED
(Continued)
For the Year Ended June 30, 2010**

<u>Warrant Number</u>	<u>Description</u>	<u>Amount</u>
92483	Di Giorgio Contracting Company	\$ 396,465
92483	Di Giorgio Contracting Company	902,777
92549	Statewide Educational Wrap-Up	843,896
92734	Ballard & Watkins Construction	828
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		\$ 16,694,194
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