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MARIN COMMUNITY COLLEGE DISTRICT MEASURE B GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT

Fiscal Year Ended June 30, 2022

**MARIN COMMUNITY COLLEGE DISTRICT
MEASURE B GENERAL OBLIGATION BONDS
TABLE OF CONTENTS
JUNE 30, 2022**

	<u>Page</u>
Independent Auditors' Report.....	1

BACKGROUND INFORMATION

Background Information.....	2
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PERFORMANCE AUDIT

Objectives, Scope, Methodology and Conclusion.....	3
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Schedule of Expenditures Tested.....	4
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INDEPENDENT AUDITORS' REPORT

Citizens' Bond Oversight Committee for
Measure B and the Board of Trustees
Marin Community College District
Kentfield, California

We have conducted a performance audit of the Marin Community College District (the "District") Measure B General Obligation Bonds for the year ended June 30, 2022.

The results of our tests indicated that, in all significant respects, Marin Community College District expended Measure B General Obligation Bond funds for the year ended June 30, 2022 only for specific projects developed by the District's Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

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.

Our audit was limited to the objectives listed on page 3 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Measure B General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for Marin Community College District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding 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.

CWDL, Certified Public Accountants

San Diego, California
December 5, 2022

BACKGROUND INFORMATION

**MARIN COMMUNITY COLLEGE DISTRICT
MEASURE B GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION
JUNE 30, 2022**

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.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

MARIN COMMUNITY COLLEGE DISTRICT MEASURE B GENERAL OBLIGATION BONDS

The Marin Community College District, Marin County, California Election of 2016 General Obligation Bonds, Measure B were authorized at an election of the registered voters of the Marin Community College District held on June 7, 2016 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$265,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the construction, rehabilitation and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from ad valorem property taxes. A summary of the text of the ballot language was as follows:

"To update and maintain College of Marin campuses that prepare students for 4-year universities and careers, shall Marin Community College District modernize classrooms, science, computer and biotechnology labs, repair, modernize and provide job-training classrooms, ensure classrooms meet earthquake, fire and safety codes, provide access for disabled students, and repair, construct, acquire, and equip classrooms, labs, sites and facilities by issuing \$265,000,000 in bonds, at legal rates, which cannot be taken by the State, with citizens' oversight and all funds staying local?"

PERFORMANCE AUDIT

**MARIN COMMUNITY COLLEGE DISTRICT
MEASURE B GENERAL OBLIGATION BONDS
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSIONS
JUNE 30, 2022**

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure B General Obligation Bond funds for the year ended June 30, 2022 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, 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 B General Obligation Bond project expenditures for the year ended June 30, 2022 (the "List"). The list of transactions represented \$14,415,707 in expenditures from July 1, 2021, through June 30, 2022.

METHODOLOGY

We performed the following procedures to the List of Measure B General Obligation Bond project expenditures for the year ended June 30, 2022:

- Interviewed District management related to controls over planning, bidding, contracting, expenditure of bond funds and financial reporting and determined that controls have been put in place and are working as documented.
- Documented District procedures and controls over planning, bidding, contracting, expenditure of bond funds and financial reporting.
- Performed tests to determine that the District controls over planning, bidding, contracting, expenditure of bond funds and financial reporting have been put in place and are working as documented.
- Verified the mathematical accuracy of the List.
- Reconciled the List to total bond expenditures as reported by the District in the District's audited financial statements for the year ended June 30, 2022, presented as the Measure B General Obligation Bond funds.
- We selected a sample of expenditures totaling \$7,157,994. The sample was selected to provide a representation across specific construction projects, vendors and payroll activity. The sample represented over 49% of the total expenditure value. Verified that the expenditures were for the approved projects and 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.

CONCLUSION

The results of our tests indicated that, in all significant respects, Marin Community College District expended Measure B General Obligation Bond funds for the year ended June 30, 2022 only for the specific projects developed by the District's Governing Board and approved by the voters, 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
MEASURE B GENERAL OBLIGATION BONDS
SCHEDULE OF EXPENDITURES TESTED
JUNE 30, 2022**

Warrant No.	Date	Vendor	Amount
212448	9/13/2022	Blach Construction Company	\$ 769,142
207166	8/3/2021	Rincon Consultants	46,841
207248	8/17/2021	Dyleski Family Construction	37,459
207896	10/12/2021	Battalion One Fire Protectio	40,221
207899	10/12/2021	Blach Construction Company	1,615,681
209213	1/11/2022	Cal-West Rentals	970
209248	1/11/2022	Joe Lunardi Electric, Inc	31,700
208263	11/9/2021	Blach Construction Company	920,780
208964	12/14/2021	Blach Construction Company	871,498
211266	6/8/2022	Blach Construction Company	804,342
209355	1/18/2022	Division of the State Architect	573,000
209877	3/8/2022	Blach Construction Company	481,687
210604	4/26/2022	Alten Construction, Inc	362,280
210270	3/29/2022	Group 4 Architecture Research	272,879
210912	5/17/2022	AMS.NET	231,903
209041	12/14/2022	SCP Distributors	55,070
208960	12/14/2021	AT&T	42,541
Total Expenditures Tested			<u>\$ 7,157,994</u>