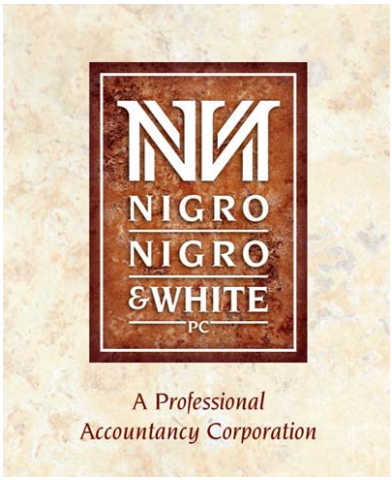
MEASURE "A" 2006 GENERAL OBLIGATION BOND BUILDING FUND OF TAMALPAIS UNION HIGH SCHOOL DISTRICT

AUDIT REPORT

For the Six Month Period Ended June 30, 2009



MEASURE "A" 2006 GENERAL OBLIGATION BOND BUILDING FUND OF TAMALPAIS UNION HIGH SCHOOL DISTRICT
AUDIT REPORT
June 30, 2009

CONTENTS

Page

Introduction and Citizens' Oversight Committee Member Listing 1
Independent Auditors' Report 2

FINANCIAL SECTION

Basic Financial Statements:
- Balance Sheet 4
- Statement of Revenues, Expenditures, and Changes in Fund Balance 5

Notes to Financial Statements 6

SUPPLEMENTARY INFORMATION

Schedule of Expenditures Tested 12
Schedule of Contracts Tested 13

OTHER INDEPENDENT AUDITORS' REPORTS

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 14
Independent Auditors' Report on Performance 16

MEASURE "A" 2006 GENERAL OBLIGATION BOND BUILDING FUND OF TAMALPAIS UNION HIGH SCHOOL DISTRICT
Introduction and Citizens' Oversight Committee Member Listing
June 30, 2009

Tamalpais Union High School District (the "District") consists of three comprehensive high schools and two alternative schools supported by a District Office and an operations center. The District serves approximately 4,000 students.

On June 6, 2006, the voters of the Tamalpais Union High School District approved by more than 55% Measure "A", authorizing the issuance and sale of $79,920,000 of general obligation bonds. On August 22, 2006, the District issued the entire amount of the 2006 General Obligation Bonds in one series.

Measure "A" was a Proposition 39 bond, issued pursuant to the provisions of the Education Code of the State of California and pursuant to a resolution adopted by the Board of Education of the District. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects.

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908 (Chapter 44, Statutes of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond Proposition pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

The Citizens' Bond Oversight Committee was comprised of the following members as of June 30, 2009:

Name	Title	Representation
George Yandell	Chairperson	Parent of Child in District
Loraine Berry	Member	Senior Organization
Grace Hughes	Member	Business Community Member
Dick Johnson	Member	Community Member
Nancy P. McCarthy	Member	Taxpayer Organization
Ellin Purdom	Member	Parent of Child in District
Larry Litvak	Member	Parent of Child in District
Paul Waszink	Member	Community Member
Bill Levinson	Member	Community Member

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The Board of Trustees and
The Citizens' Bond Oversight Committee
Tamalpais Union High School District
Larkspur, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheet of the Measure "A" 2006 General Obligation Bond Building Fund (the "Fund") of Tamalpais Union High School District (the "District") as of June 30, 2009, and the related statement of revenues, expenditures and changes in fund balance as of and for the six-month period ended June 30, 2009. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1A, the financial statements present only the individual Measure "A" 2006 General Obligation Bond Building Fund and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure "A" 2006 General Obligation Bond Building Fund of Tamalpais Union High School District, as of June 30, 2009, and the results of its operations for the six-month period then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2009 on our consideration of the Measure "A" 2006 General Obligation Bond Building Fund of Tamalpais Union High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Measure "A" 2006 General Obligation Bond Building Fund of Tamalpais Union High School District's basic financial statements. The other supplementary information, which includes the Schedule of Expenditures Tested and the Schedule of Contracts Tested, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Nigro Nigro & White, PC

Murrieta, California
October 4, 2009

Financial Section

MEASURE "A" 2006 GENERAL OBLIGATION BOND BUILDING FUND OF TAMALPAIS UNION HIGH SCHOOL DISTRICT

Balance Sheet

June 30, 2009

ASSETS		
Cash	$	20,612,852
Due from other funds		293,824
Total Assets	$	20,906,676
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$	1,111,487
Fund Balance		
Unreserved		19,795,189
Total Liabilities and Fund Balance	$	20,906,676

The notes to financial statements are an integral part of this statement.

MEASURE "A" 2006 GENERAL OBLIGATION BOND BUILDING FUND OF TAMALPAIS UNION HIGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Six Month Period Ended June 30, 2009

REVENUES		
Interest earnings	$	223,186
Net increase (decrease) in the Fair Value of Investment		(162,707)
Total Revenues		60,479
EXPENDITURES		
Classified salaries		173,312
Benefits		55,653
Materials and supplies		13,904
Services and other operating expenditures		52,009
Capital outlay		12,575,469
Total Expenditures		12,870,347
Excess (Deficiency) of Revenues Over (Under) Expenditures		(12,809,868)
OTHER FINANCING SOURCES (USES)		
Interfund transfer out		(525,300)
Net Change in Fund Balance		(13,335,168)
Fund Balance, January 1, 2009		33,130,357
Fund Balance, June 30, 2009	$	19,795,189

The notes to financial statements are an integral part of this statement.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On June 6, 2006 the District voters authorized $79,920,000 in General Obligation Bonds (Measure "A") to complete District-wide facility modernization programs, including technology upgrades and classroom renovation and reconstruction, and to bring all facilities up to District standards. In response, an advisory committee to the District's Governing Board and Superintendent, the Measure "A" 2006 Bond Oversight Committee, was established. The Committee's oversight goals include: informing the public concerning the expenditures of bond revenues, ensuring that the bond revenues are expended only for the purposes described in the Measure "A" ballot language, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.

The bond proceeds and uses are accounted for in the District's Building Fund, using sub-fund 24. The statements presented are for the individual Measure "A" 2006 General Obligation Bond Building Fund and are not intended to be a complete presentation of the District's financial position or results of operations.

B. Accounting Policies

The Tamalpais Union High School District accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements of the Measure "A" 2006 General Obligation Bond Building Fund are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Cash in County Treasury – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

NOTE 2 – CASH AND INVESTMENTS (continued)

General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its web site. The table below identifies some of the investment types permitted in the investment policy:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The Fund maintains investments with the Marin County Pooled Investment with a fair value of approximately $20,753,638 and a book value of $20,612,852. The average weighted maturity for this pool is 174 days.

NOTE 2 – CASH AND INVESTMENTS (continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the Marin County Investment Pool is rated AAA/V1+ by Fitch ratings.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

NOTE 3 – INTERFUND ACTIVITY

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

A. Due From Other Funds

Building Fund due from General Fund for the Marin Transit Grant	$	250,000
Building Fund due from General Fund for the Red Hill Park JPA Project legal fees		43,824
Total	$	293,824

B. Interfund Transfers

Building Fund transfer to General Fund for the Red Hill Community Park Project	$	525,300

NOTE 4 – MEASURE "A" 2006 GENERAL OBLIGATION BONDS

The bonds were authorized at an election of the registered voters of the District held on June 6, 2006, at which more than 55% of the voters authorized the issuance and sale of $79,920,000 general obligation bonds. The bonds are general obligations of the District. The County is obligated to levy ad valorem taxes upon all property within the District for the payment of interest on and principal of the bonds. The bonds were issued to complete District-wide facility modernization programs, including technology upgrades and classroom renovation and reconstruction, and to bring all facilities up to District standards.

Series 2006

On August 22, 2006, the District issued the entire bond authorization of $79,920,000 to acquire, construct, renovate, and equip certain District facilities. The bonds were issued as $69,425,000 Current Interest Serial Bonds having interest rates ranging between 4.0% - 5.0% and maturing from August 1, 2008 through 2029 and a Term Bond of $10,495,000 with a stated interest rate of 4.375% and maturing on August 1, 2031. At June 30, 2009, the outstanding balance on the bonds was $77,980,000.

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2009, are as follows:

Fiscal Year	Principal	Interest	Total
2009-10	$ 2,015,000	$ 3,537,950	$ 5,552,950
2010-11	2,095,000	3,455,750	5,550,750
2011-12	2,180,000	3,370,250	5,550,250
2012-13	2,270,000	3,281,250	5,551,250
2013-14	2,360,000	3,185,700	5,545,700
2014-19	13,390,000	14,281,306	27,671,306
2019-24	16,890,000	10,659,689	27,549,689
2024-29	21,395,000	6,084,297	27,479,297
2029-32	15,385,000	1,045,484	16,430,484
	$ 77,980,000	$ 48,901,676	$ 126,881,676

NOTE 5 – CONSTRUCTION COMMITMENTS

As of June 30, 2009, the District had commitments with respect to unfinished capital projects of approximately $5.5 million to be paid from the Measure "A" funds:

Description	Site	Amount	Expected Completion Date
VOIP, Wireless Internet Back up Generator	District Wide	$ 74,906	Summer 2009
Six Plex	Drake	1,036,588	Fall 2009
Pool	Drake	332,025	Complete
Carlisle - Modular Classroom and Restroom	Redwood	229,995	Fall 2009
Gym upgrades	Redwood	11,245	Complete
Tennis and Basketball	Redwood	7,838	Complete
Pool and Gym	Redwood	231,441	Complete
Solar Shed	Redwood	39,711	Complete
Field House	Tamalpais	319,742	Summer 2009
Parking and Hardscape	Tamalpais	228,766	Fall 2009
Pool and Weight Room	Tamalpais	2,697,378	Fall 2009
Landscaping and Elevator	Tamalpais	71,020	Fall 2009
Tech Classrooms	Tamalpais	196,777	Fall 2009
Keyser Hall	Tamalpais	30,000	Complete
		$ 5,507,432	

Supplementary Information Section

MEASURE "A" 2006 GENERAL OBLIGATION BOND BUILDING FUND OF TAMALPAIS UNION HIGH SCHOOL DISTRICT

Schedule of Expenditures Tested

For the Six Month Period Ended June 30, 2009

Date	Vendor	Warrant	Description	Amount	Program	Corp Yard	District	Tamalpais	Drake	Redwood	Carlisle
01/28/09	AMS. NET	843940	Keyser IDF Equipment	$ 74,068	$ -	$ -	$ -	$ 74,068	$ -	$ -	$ -
06/26/09	Bay Area Air Quality	860134	Emergency Generator	3,229	3,229	-	-	-	-	-	-
01/30/09	C Overaa & Co.	844325	Lease Lease Back Developer	104,081	-	-	-	104,081	-	-	-
01/30/09	C Overaa & Co.	844325	Lease Lease Back Developer	588,242	-	-	-	588,242	-	-	-
01/30/09	C Overaa & Co.	844325	Field House Construction	87,353	-	-	-	87,353	-	-	-
02/18/09	C Overaa & Co.	846214	Parking and Hardscape	88,080	-	-	-	88,080	-	-	-
02/18/09	C Overaa & Co.	846214	Pool and Weight Room	497,808	-	-	-	497,808	-	-	-
04/08/09	C Overaa & Co.	851360	Parking and Hardscape	147,733	-	-	-	147,733	-	-	-
04/08/09	C Overaa & Co.	851360	Pool and Weight Room	834,957	-	-	-	834,957	-	-	-
04/08/09	C Overaa & Co.	851360	Field House Construction	123,991	-	-	-	123,991	-	-	-
04/22/09	C Overaa & Co.	852727	Parking and Hardscape	87,764	-	-	-	87,764	-	-	-
04/22/09	C Overaa & Co.	852727	Pool and Weight Room	496,022	-	-	-	496,022	-	-	-
06/17/09	C Overaa & Co.	858857	Pool and Weight Room	426,381	-	-	-	426,381	-	-	-
06/26/09	C Overaa & Co.	860159	Pool and Weight Room	71,018	-	-	-	71,018	-	-	-
06/26/09	C Overaa & Co.	860159	Pool and Weight Room	401,376	-	-	-	401,376	-	-	-
06/26/09	C Overaa & Co.	860173	Pool and Weight Room	771,495	-	-	-	771,495	-	-	-
06/26/09	C Overaa & Co.	860173	Field House Construction	114,566	-	-	-	114,566	-	-	-
06/30/09	C Overaa & Co.	Pending	Retention (District Held)	108,520	-	-	-	108,520	-	-	-
06/30/09	C Overaa & Co.	Pending	Retention (District Held)	78,026	-	-	-	78,026	-	-	-
06/30/09	C Overaa & Co.	Pending	Retention (District Held)	612,978	-	-	-	612,978	-	-	-
01/21/09	California Pacific Bank	843247	Keyser Hall New Construction	72,154	-	-	-	72,154	-	-	-
03/20/09	Colbi Technologies	849552	Annual Support Fee - Web User Fee	9,500	9,500	-	-	-	-	-	-
01/21/09	Enterprise Roofing Services	843216	Solar Bracing: part of the re-roof project	41,659	-	-	-	-	-	41,659	-
05/06/09	ERA Construction	854267	Redwood back-up generator project	23,556	-	-	23,556	-	-	-	-
06/12/09	ERA Construction	858490	Redwood back-up generator project	29,724	-	-	29,724	-	-	-	-
02/18/09	Flinn Sci	846215	Furniture and room equipment for Keyser Hall	32,687	-	-	-	32,687	-	-	-
03/11/09	Gary Proc	848435	Auto CAD Plotting - Egress, Pathways, & FACP	7,540	-	-	7,540	-	-	-	-
02/13/09	Gary Proc	845792	Site Wide IOR Services	8,080	-	-	-	8,080	-	-	-
03/06/09	Gary Proc	847878	Site Wide IOR Services	10,807	-	-	-	10,807	-	-	-
04/08/09	GECO Inc	851412	Corp Storage Construction Contract	36,405	-	36,405	-	-	-	-	-
02/18/09	Mastic E&C, Inc.	846216	Pool Construction	18,677	-	-	-	18,677	-	-	-
06/24/09	Nor Cal Construction	859525	20/20 Classroom	120,294	-	-	-	120,294	-	-	-
06/30/09	Nor Cal Construction	Pending	District Held Retention	13,366	-	-	13,366	-	-	-	-
04/29/09	Nor Cal Construction	853427	New Classroom	109,716	-	-	-	-	-	-	109,716
06/19/09	Nor Cal Construction	859263	New Classroom	95,552	-	-	-	-	-	-	95,552
06/26/09	Nor Cal Construction	859264	New Classroom	85,137	-	-	-	-	-	-	85,137
06/26/09	Real Good	860139	Solar Shade Structure	189,260	-	-	-	-	-	189,260	-
02/23/09	Roebbelen	846504	Six Plex	41,240	-	-	-	-	41,240	-	-
02/23/09	Roebbelen	846504	Pool	76,543	-	-	-	-	76,543	-	-
03/20/09	Roebbelen	849577	Pool	121,157	-	-	-	-	121,157	-	-
06/24/09	Roebbelen	859540	Pool	286,124	-	-	-	-	286,124	-	-
06/26/09	Roebbelen	860081	Six Plex	96,969	-	-	-	-	96,969	-	-
06/26/09	Roebbelen	860081	Pool	180,086	-	-	-	-	180,086	-	-
06/26/09	Roebbelen	860084	Pool	274,097	-	-	-	-	274,097	-	-
02/13/09	Roebbelen	845795	Pool and Gym	236,759	-	-	-	-	-	236,759	-
03/20/09	Roebbelen	849518	Pool and Gym	263,713	-	-	-	-	-	263,713	-
03/20/09	Roebbelen	849518	Pool and Gym	287,255	-	-	-	-	-	287,255	-
03/06/09	Van Pelt Construction Services	847883	Site Wide Construction Management	69,650	-	-	-	69,650	-	-	-
04/01/09	Van Pelt Construction Services	850677	Site Wide Construction Management	58,046	-	-	-	58,046	-	-	-
04/08/09	Van Pelt Construction Services	851414	Project Management	28,950	28,950	-	-	-	-	-	-
01/21/09	West Bay Builders, Inc.	843248	Keyser Hall New Construction	136,539	-	-	-	136,539	-	-	-
01/21/09	West Bay Builders, Inc.	843248	Keyser Hall New Construction	649,389	-	-	-	649,389	-	-	-
02/23/09	West Bay Builders, Inc.	846557	Keyser Hall New Construction	86,283	-	-	-	86,283	-	-	-
02/23/09	West Bay Builders, Inc.	846557	Keyser Hall New Construction	355,803	-	-	-	355,803	-	-	-
02/23/09	West Bay Builders, Inc.	846557	Keyser Hall New Construction	82,223	-	-	-	82,223	-	-	-
05/06/09	West Bay Builders, Inc.	854250	Keyser Hall New Construction	52,756	-	-	-	52,756	-	-	-
03/25/09	WLC Architects Accounting	849917	Drop-off, Tennis and courts, utilities landscape	55,887	-	-	-	55,887	-	-	-
04/03/09	WLC Architects Accounting	851086	Field House	60,175	-	-	-	60,175	-	-	-
04/03/09	WLC Architects Accounting	851086	Pool, Weight Room, Storage and Parking	57,775	-	-	-	57,775	-	-	-
06/17/09	WLC Architects Accounting	858790	Fee Adjustment	10,350	-	-	-	10,350	-	-	-
06/30/09	WLC Architects Accounting	Pending	Professional Services Fees (Not due Yet)	50,000	-	-	-	50,000	-	-	-
			Invoices Tested	$ 10,239,571	$ 41,679	$ 36,405	$ 74,186	$ 7,702,034	$ 1,076,216	$ 1,018,646	$ 290,405
			Total Expenditures	12,870,347							
			Percent Tested	80%							

MEASURE "A" 2006 GENERAL OBLIGATION BOND BUILDING FUND OF TAMALPAIS UNION HIGH SCHOOL DISTRICT

Schedule of Contracts Tested

For the Six Month Period Ended June 30, 2009

Vendor	Description	Contract Amount	Change Order $	Final Amount	Billed Total	Change Order %	Work Completed
C. Overaa & Co.	Tamalpais Lease Lease Back	$ 11,700,000	$ 1,426,896	$ 13,126,896	$ 9,435,743	10.9%	71.9%
ERA Construction Inc	Redwood Generator	134,106	-	134,106	59,200	0.0%	44.1%
Roebbelen Contracting, Inc.	Redwood Project	9,642,579	1,068,814	10,711,393	10,460,869	10.0%	97.7%
Van Pelt Construction Services	Tamalpais Site Wide	2,394,900	179,410	2,574,310	1,280,450	7.0%	49.7%

Other Independent Auditors' Reports

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The Board of Trustees and
The Citizens' Bond Oversight Committee
Tamalpais Union High School District
Larkspur, California

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the accompanying balance sheet of the Measure "A" 2006 General Obligation Bond Building Fund of Tamalpais Union High School District (the "District") as of June 30, 2009, and the related statement of revenues, expenditures and changes in fund balance for the six-month period then ended. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tamalpais Union High School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tamalpais Union High School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tamalpais Union High School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Measure "A" 2006 General Obligation Bond Building Fund of Tamalpais Union High School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Measure "A" 2006 Bond Oversight Committee, the District Governing Board, management, and the taxpayers of Tamalpais Union High School District and is not intended to be and should not be used by anyone other than the specified parties.

Nigro Nigro & White, PC

Murrieta, California
October 4, 2009

NIGRO NIGRO &WHITE PC

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INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

We have audited the financial statements of the Measure "A" 2006 Bond Building Fund of the Tamalpais Union High School District (the "District") as of and for the six-month period ended June 30, 2009 and have issued our report thereon dated October 4, 2009. Our audit was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In connection with our audit, we also performed an audit for compliance as required in the performance requirements for the Proposition 39 Measure "A" 2006 General Obligation Bond for the six-month period ended June 30, 2009. The objective of the examination of compliance applicable to the District is to determine with reasonable assurance that:

- The proceeds from the sale of the Measure "A" 2006 Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrator salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure, evaluated the remodeling, new construction and renovation of items which will relieve overcrowding, repair local schools and improve student safety conditions of the District.

To meet our objectives, audit tests were performed and included, but were not limited to the following:

1. We verified that bond proceeds were deposited in the District's name and invested in accordance with applicable legal requirements.

2. We sampled four contracts and verified compliance with the Public Contract Code bid requirements, board approvals, that invoices paid were within the contract terms and change orders were approved.

3. We tested approximately $10.2 million in bond fund invoices paid, as of January 1, 2009 through June 30, 2009 and approximately $1.0 million in payments on liabilities accrued as of June 30, 2009, and paid in 2009 testing for validity, allowability and accuracy. Expenditures sampled in our test included payments made to the subcontractors and other vendors.

4. We inspected three school sites where 2008-09 construction work was performed (Tamalpais High, Redwood High, and Sir Frances Drake High) and verified that the construction work performed was in accordance with Measure "A" purposes.

Our audit of compliance made for the purposes set forth in the preceding paragraph of this report above would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied with the compliance requirements for the Measure "A" 2006 Bond proceeds listed and tested above.

This report is intended for the information of the Governing Board, management and the Citizens' Oversight Committee; however, this report is a matter of public record.

Nigro Nigro & White, PC

Murrieta, California
October 4, 2009