TAMALPAIS UNION HIGH SCHOOL DISTRICT

GENERAL OBLIGATION BONDS
AGREED-UPON PROCEDURES
REPORT
DECEMBER 31, 2004

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Governing Board and
Citizens' Fiscal Oversight Committee
Tamalpais Union High School District
Larkspur, California

We have performed the agreed-upon procedures, which were agreed to by the management of the Tamalpais Union High School District and the Citizen's Fiscal Oversight Committee, to review 25% of the expenditures of 2001 General Obligation Bond funds for the period of July 1, 2004 to December 31, 2004 for the purpose of verifying if the use of the funds is within the scope of the published materials specifying the intended use of bond funds. We used election documents, District resolutions, the master plan and the revised master plan as the guidance for the intended use of the funds. For any expenditures in question, we recommended that the District obtain the opinion of legal counsel and we informed this committee as to the issues. Management is responsible for Tamalpais Union High School District's compliance with election documents, district resolutions, master plan, and the revised master plan. This engagement to perform agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and meets the compliance requirements to perform an "audit" as outlined in Subparagraph (C) of paragraph (3) of subdivision (b) of section 1 of Article XIII A of the California Constitution. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Financial Summary

1. The general obligation bond funds were authorized at an election of the registered voters of the District held on March 6, 2001. The bonds were authorized at an issuance of $121,000,000 principal amount for the purpose of financing the addition and modernization of school facilities. The first series of the bonds were issued in 2001 and sold in the amount of $20,820,000. The second series of the bonds were issued in 2002 and sold in the amount of $49,580,000. The third and final series was issued in 2004 and sold in the amount of $50,600,000.

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2. Total expenditures and commitments through December 31, 2004, were $102,117,883.

3. An analysis of expenditures is as follows:

Expenditures	Prior Periods	7/1/2004 to 12/31/04	Total
Salaries and benefits	$ 946,775	$ 249,994	$ 1,196,769
Supplies	73,927	27,649	101,576
Services	4,210,693	1,345,355	5,556,048
Capital outlay			
Architectural services	10,307,393	488,852	10,796,245
Permanent construction	38,914,286	17,503,621	56,417,907
Construction management	4,165,679	1,057,125	5,222,804
Other capital outlay	1,215,980	377,131	1,593,111
Total expenditures	$ 59,834,733	$ 21,049,727	80,884,460
Contract commitments, December 31, 2004			21,720,373
Total expenditures and commitments			$ 102,604,833

Available unspent funds from the bond as of December 31, 2004 are as follows:

General obligation bonds proceeds, series 1	$ 20,820,000
General obligation bonds proceeds, series 2	49,580,000
General obligation bonds proceeds, series 3	50,600,000
Interest earned in building fund	2,814,134
Bond project expenditures funded by federal repair and renovation grant	149,040
Bond project expenditures funded by state grants	13,928,505
Total expenditures and commitments	(102,604,833)
Amount available	$ 35,286,846

Agreed Upon Procedures Performed

1. Verify that the expenditure of funds were accounted for separately in the accounting records to allow for accountability.

2. Verify that the net funds from the sale of the General Obligation Bonds were deposited in total into the District's accounts by obtaining settlement statement for the new bond issue and verifying amounts deposited into the building and bond interest and redemption funds.

3. Select 25% of the expenditures at each location and verify that the funds expended complied with the purpose that was specified to the registered voters of the District through election materials, district resolutions, master plan, and revised master plan that were distributed to the voters. Focus on expenditures related to teacher stipends for moving, construction change orders exceeding $25,000, and time and materials contracts exceeding $100,000. See supplemental information for list of expenditures reviewed.

4. Verify that District's internal control procedures are operating according to District policies. See supplemental information for list of expenditures reviewed.

5. Verify that the State and District policies were followed in the awarding of bids and expenditure of the funds.

Results of Procedures

1. The general obligations bond fund expenditures were accounted for separately in the building fund of the District.

2. There were no proceeds from the sale of the general obligation bonds during the period from July 1, 2004 to December 31, 2004.

3. Our review of the expenditures for the period July 1, 2004, through December 31, 2004, did not reveal any items that were paid from the general obligation bond funds that did not comply with the purpose of the Bonds that were approved by the registered voters of the District on March 6, 2001. See supplemental information for list of expenditures reviewed.

   We did not request that management of the District obtain any legal opinions on expenditures for the period of July 1, 2004 to December 31, 2004.

   Approved change orders during the period were $3,653,024, of which 58% were reviewed for board approval, and which did not reveal any items that did not comply with the bond purpose. See supplemental information for list of change orders reviewed.

   Moving stipends for teachers and others during the period totaled $52,845, of which 51% were reviewed for move pay authorization and which did not reveal any items that did not comply with the bond purpose. See supplemental information for list of moving stipends reviewed.

   Time and materials contracts exceeding $100,000 during the period totaled $1,064,226, of which 100% were reviewed for board approval, and which did not reveal any items that did not comply with the bond purpose.

4. Our review of the internal control procedures followed on selected invoices revealed no exceptions to the internal control policies of the District. We noted that two of ten invoices selected for review were not processed for payment within 30 days of receipt, however all invoice cover forms contained explanations on delays. One of the two delays was due to invoice was not received in time. The other one was due to delay in receiving certified payroll.

5. Our review of the awarding of contracts and the disbursement of funds revealed no exceptions to the policies of the State and the District.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Tamalpais Union High School District and the Citizen's Fiscal Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavinek, Trine, Day & Co LLP

Pleasanton, California
February 11, 2005

SUPPLEMENTAL INFORMATION

TAMALPAIS UNION HIGH SCHOOL
BUILDING FUND EXPENDITURES
JULY 1, 2004 TO DECEMBER 31, 2004

Check Date	Object Code	Vendor	Description as indicated by invoice	Amount	District - wide 001	Corp Yard 007	District Office 051	Tamalpais 052	Drake 053	Redwood 054	San Andreas 055	Tamiscal 056
09/03/04	6240	Arntz Builders	Increment II-campus wide improvements	755,856	-	-	-	-	-	755,856	-	-
11/03/04	6240	Arntz Builders	Modernization	497,214	-	-	-	497,214	-	-	-	-
11/10/04	6240	Arntz Builders	Increment III project	1,135,405	-	-	-	1,135,405	-	-	-	-
10/06/04	5849	Davillier-Sloan Inc.	Labor Compliance Program Administration	7,208	7,208	-	-	-	-	-	-	-
10/27/04	5849	Davillier-Sloan Inc.	Labor Compliance Program Administration	6,791	6,791	-	-	-	-	-	-	-
09/20/04	5849	GCCI INC	Tamalpais HS Modernization Phase IV-Mill Valley	45,905	-	-	-	45,905	-	-	-	-
08/11/04	5840	Install Office Services Inc	Deliver Haworth systems furniture	1,400	-	-	1,400	-	-	-	-	-
08/16/04	6240	Interstate Grading & Paving	Athletic field renovation, increments 1& 2	541,181	-	-	-	541,181	-	-	-	-
02/07/05	6240	Kline & Son Security Systems	Security System Installation	4,090	-	-	4,090	-	-	-	-	-
11/09/04	6240	M & O Reimbursement	Painting and installing alarms	2,450	-	-	2,450	-	-	-	-	-
02/07/05	5829	Miller, Brown & Dannis	Legal services	16,437	16,437	-	-	-	-	-	-	-
10/27/04	5625	Mobile Kitchens USA INC	Container kitchen rental	7,850	-	-	-	-	7,850	-	-	-
10/18/04	5625	Mobile Modular Management Corp	Rent 8/25/04 - 8/24/05	14,236	-	-	-	14,236	-	-	-	-
11/22/04	6240	Motech Inc	Purchase of modular building	23,269	-	-	-	-	-	-	-	23,269
11/22/04	6240	Motech Inc	Purchase of modular building	20,229	-	-	-	-	-	-	-	20,229
10/18/04	4300	Parco Scientific Company	Microscope with mechanical stage	4,875	4,875	-	-	-	-	-	-	-
09/30/04	2910	Payroll	Linda Mcallister & Wubitu's monthly salary	8,432	8,432	-	-	-	-	-	-	-
11/30/04	2990	Payroll	V-Ann's monthly salary	9,453	9,453	-	-	-	-	-	-	-
10/29/04	2900	Payroll	Salaries	6,763	6,763	-	-	-	-	-	-	-
12/17/04	6210	Quattrocchi Kwok Architects	San Andreas HS Architect service	25,061	-	-	-	-	-	-	25,061	-
09/03/04	6240	Robert A. Bothman Inc	Athletic fields renovation	528,747	-	-	-	-	-	528,747	-	-
07/16/04	5829	School & College Legal Service	services associated with Bond Modernization	4,620	4,620	-	-	-	-	-	-	-
10/27/04	5803	SF Chronicle	Advertisement	4,165	4,165	-	-	-	-	-	-	-
12/17/04	6220	TDM INC	Inspection Services for Redwood HS Increment 2 Mod	31,760	-	-	-	-	-	31,760	-	-

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08/16/04	6240	Valleycrest Landscape Development	Sir Francis Drake HS Field Renovation	720,183	-	-	-	-	720,183	-	-	-
02/04/05	9/2/04	Vanir Construction Management	Construction management - August	132,257	53,908	-	-	40,098	38,251	-	-	-
02/04/05	10/5/04	Vanir Construction Management	Construction management - September	191,143	62,361	-	-	39,156	38,044	51,582	-	-
02/04/05	11/30/04	Vanir Construction Management	Construction management - October	189,404	62,649	-	-	40,387	39,621	46,747	-	-
02/04/05	12/9/04	Vanir Construction Management	Construction management - November	175,472	64,132	-	-	35,670	37,835	37,835	-	-
02/04/05	1/12/05	Vanir Construction Management	Construction management - December	148,663	54,173	-	-	35,000	32,357	27,133	-	-
12/03/04	5625	Vanir Rent & Utility	Annual Rent/Utility Expense	16,763	16,763	-	-	-	-	-	-	-
09/13/04	6240	Vila Construction Co	Modernization	243,081	-	-	-	-	243,081	-	-	-
10/01/04	6240	Vila Construction Co	Drake Increment 4	261,328	-	-	-	-	261,328	-	-	-
11/22/04	6240	Vila Construction Co	Modernization	346,111	-	-	-	-	346,111	-	-	-
08/16/04	6240	Western Roofing Service	Gym Re-roofing	251,904	-	-	-	-	-	251,904	-	-
			Total Invoices Tested	6,379,707	382,731	-	7,940	2,424,252	1,764,659	1,731,564	25,061	43,498
			Total Expenditures	21,049,727	732,761	-	15,770	7,224,694	6,872,455	6,106,771	53,594	43,682
			Percent Tested	30.3%	52.2%	0.0%	50.3%	33.6%	25.7%	28.4%	46.8%	99.6%

TAMALPAIS UNION HIGH SCHOOL

SUPPLEMENTAL INFORMATION
FOCUS AREAS
DECEMBER 31, 2004

Change Orders Contractor	Location	Increment/project	Change Order #	Amount	Approved by Board
Arntz Construction	Redwood	Increment 2	12	$ 30,054	7/13/2004
Arntz Construction	Redwood	Increment 2	13	70,984	8/10/2004
Arntz Construction	Redwood	Increment 2	15	48,778	8/10/2004
Arntz Construction	Redwood	Increment 2	16	122,439	8/10/2004
Arntz Construction	Redwood	Increment 2	17	223,086	8/24/2004
Arntz Construction	Redwood	Increment 2	18	151,950	9/14/2004
Arntz Construction	Redwood	Increment 2	19	162,219	10/12/2004
Arntz Construction	Redwood	Increment 2	20	106,301	10/12/2004
Arntz Construction	Redwood	Increment 2	21	155,684	12/7/2004
Arntz Construction	Redwood	Increment 2	22	33,742	12/7/2004
Bothman Inc.	Redwood	F-1B Main Fields	2	61,812	7/13/2004
Bothman Inc.	Redwood	F-1B Main Fields	3	52,380	10/12/2004
Bothman Inc.	Redwood	F-1B Main Fields	4	54,679	11/9/2004
Bothman Inc.	Redwood	F-1B Main Fields	5	28,521	11/23/2004
Interstate Grading & Paving	Tamalpais	Main Field	1	113,419	10/12/2004
Interstate Grading & Paving	Tamalpais	Main Field	2	128,909	12/7/2004
Valley Crest	Drake	F-1 Main Fields	1	30,869	8/10/2004
Valley Crest	Drake	F-1 Main Fields	2	39,226	10/12/2004
Valley Crest	Drake	F-1 Main Fields	3	76,811	11/9/2004
Valley Crest	Drake	F-1 Main Fields	4	65,456	12/7/2004
Vila Construction	Drake	Increment 3	9	60,474	8/24/2004
Vila Construction	Drake	Increment 3	10	86,052	10/26/2004
Vila Construction	Drake	Increment 3	13	79,167	12/7/2004
Vila Construction	Drake	Increment 4	1	66,241	8/24/2004
Vila Construction	Drake	Increment 4	2	53,462	10/26/2004
Total tested				2,102,715	
Total approved during period				3,653,024	
Percent tested				58%	

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SUPPLEMENTAL INFORMATION
FOCUS AREAS
DECEMBER 31, 2004

Moving Stipends

Payee	Location	Description	Amount	Matches move pay authorization
Various	Redwood	October moving stipends	$ 15,039	Yes
Various	Drake	October moving stipends	11,791	Yes
Total tested			26,830	
Total moving stipend expense during period			52,845	
Percent tested			51%	

Time and Materials Contract Expenditures Exceeding $100,000

Consultants	Location	Increment/project	Amount	Approved by Board
GCCI Inc.	Tamalpais	Increment 4	$ 126,560	7/13/2004
TDM	Redwood	Increment 2	166,656	9/28/2004
Vanir Construction Managemen	All	Modernization Consulting	651,000	12/7/2004
VBN Architects	Tamalpais	Increment 2	120,010	10/26/2004
Total tested			1,064,226	
Total new or modified contracts over $100,000 during period			1,064,226	
Percent tested			100%	