

**Kern Community College District  
Proposition 39 and Measure G  
General Obligation Bonds  
Bakersfield, California**

FINANCIAL AND PERFORMANCE AUDITS

June 30, 2024



**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**

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June 30, 2024

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**FINANCIAL AUDIT SECTION**

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Citizens' Bond Oversight Committee  
Kern Community College District  
Bakersfield, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Measure G Fund for the Proposition 39 General Obligation Bonds of the Safety, Repair, and Improvement District (the Bonds) of the Kern Community College District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bonds of the District as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter*

As discussed in note 1, the financial statements present only the Bonds and do not purport to, and do not, present fairly the financial position of the District, as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Bonds. The accompanying supplementary information on pages 14 to 17, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

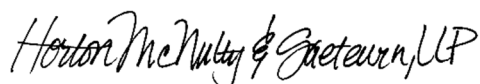
Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 14 to 17 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### ***Report on Other Legal and Regulatory Requirements***

In accordance with the requirements of Proposition 39, as incorporated in the California Constitution, Article 13A, we have also issued our performance audit report dated March 17, 2025, on our consideration of the Bonds' compliance with the requirements of Proposition 39. That report is an integral part of the Bonds for the year ended June 30, 2024, and should be considered in assessing the results of our financial audit.



March 17, 2025  
Chico, California

## **FINANCIAL SECTION**

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
BALANCE SHEET

June 30, 2024

<b>ASSETS</b>	
Cash and investments	\$ 4,859,445
Accounts receivable	42,186
Prepaid expenses	133
<b>TOTAL ASSETS</b>	<b>\$ 4,901,764</b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 55,447
Due to other funds	4
<b>Total Liabilities</b>	<b>55,451</b>
<b>Fund Balance</b>	
Restricted	4,846,313
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,901,764</b>

*The accompanying notes are an integral part of these financial statements.*



**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

Year Ended June 30, 2024

<b>Revenues</b>	
Interest income	\$ 166,888
<b>Expenditures</b>	
Supplies and materials	2,650
Rents and repairs	738
Professional and consulting	166,384
Salaries and benefits	14,298
Other expenses and services	287
Capital outlay	906,395
<b>Total Expenditures</b>	<b>1,090,752</b>
<b>Net Change in Fund Balance</b>	<b>(923,864)</b>
<b>Fund Balance - Beginning of Year</b>	<b>5,770,177</b>
<b>Fund Balance - End of Year</b>	<b>\$ 4,846,313</b>

*The accompanying notes are an integral part of these financial statements.*

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
NOTES TO THE FINANCIAL STATEMENTS

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Kern Community College District (the District) is a community college governed by an elected seven-member Board of Trustees. The District provides educational services in the counties of Kern, Tulare, San Bernardino, Inyo, and Mono in the state of California. The District currently operates three colleges located in Bakersfield, Porterville, and Ridgecrest, California, and satellite campuses in outlying areas.

The Kern Community College Safety, Repair, and Improvement District (SRID) was formed following a public hearing on August 1, 2002, pursuant to *California Education Code* and proceedings taken by the District. Measure G was placed on the ballot for November 5, 2002, and the electors of the SRID voted on whether \$180,000,000 in bonds should be issued on behalf of the District. More than 55% of the electors voting on the proposition voted in favor of such issuance.

The 2003 A Bonds were the first series of bonds issued under the authorization. The unrefunded net portion of the 2003 A Bonds of \$17,600,000, the net portion of the 2006 A Bonds of \$51,391,537, and the net portion of the 2013 C Bonds of \$54,805,000 will be used to finance the improvement, renovation, construction, equipping, and acquisition of the buildings and classrooms for Bakersfield, Cerro Coso, and Porterville Colleges of the District.

These financial statements present only the Measure G Fund of the SRID (the Bonds). These financial statements do not include financial information of the remainder of the District's funds, which accounting principles generally accepted in the United States of America require to be presented with the financial statements of the District.

The board of supervisors for Kern County are empowered and obligated to levy property taxes, without limitation as to rate or amount (except for certain property which is taxable at limited rates), for payment of principal and maturity value of, and interest on, the bonds.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP, and used by the District, are discussed below.

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**Measurement Focus** In the fund financial statements, governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as the measure of available spendable financial resources at the end of the period.

**Basis of Accounting** In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within one year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District’s Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District’s Governing Board satisfied these requirements.

The budget is revised by the District’s Governing Board during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures legally cannot exceed appropriations by major object account.

**Fund Balance Classifications**

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. Amounts for which constraints have been placed on the use of the resources either: (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are considered restricted. The fund balance of the Measure G Fund for the Proposition 39 General Obligation Bonds of the SRID is therefore classified as restricted.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Cash and Investments**

In accordance with *California Education Code*, Section 41001, the District maintains substantially all of its cash in the Kern County Treasury (the County) as part of the common investment pool. The County is restricted by *California Government Code*, Section 53635 pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The fair value of the District's investment in the pool is based on 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. Information regarding the amount of dollars invested in derivatives with the County was not available. The County investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by *California Government Code*, Section 27130. The District is considered to be an involuntary participant in the external investment pool. Interest earned is deposited quarterly into participating funds; any investment losses are proportionately shared by all funds in the pool.

**Accounts Receivable**

Accounts receivable represent amounts due from private persons, firms, or corporations based on contractual agreements or amounts billed, but not received, as of June 30, 2024. At June 30, 2024, no allowance for doubtful accounts was deemed necessary.

**Balance Due To/From Other Funds**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds.

**Prepaid Expenses**

Prepaid expenses consist of operating expenses for which payment is due in advance and which are expensed when the benefit is received.

**Capital Assets and Long-Term Debt**

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Measure G Fund for the Proposition 39 General Obligation Bonds of the SRID are determined by their measurement focus. The fund is accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of "available spendable resources". Thus, the capital assets and long-term liabilities associated with the Measure G Fund for the Proposition 39 General Obligation Bonds of the SRID are accounted for in the basic financial statements of the District.

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

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**2. CASH AND INVESTMENTS**

The following is a summary of cash and investments:

June 30, 2024

<b>Investments that Are Not Securities (1)</b>	
County treasurer's investment pool	\$ 4,859,445

**(1) Investments That Are Not Securities** A “security” is a transferable financial instrument that evidences ownership or creditorship, whether in physical or book-entry form. Investments that are not securities do not have custodial credit risk because they do not involve a transferable financial instrument. Thus, they are not categorized into custodial credit risk categories.

All cash and investments are restricted to expenditures for purposes authorized in the ballot measure.

**Investment Credit Risk**

*California Government Code*, Section 53601, limits investments in commercial paper to “prime” quality of the highest ranking, or of the highest letter and numerical rating as provided by nationally recognized statistical rating organizations (NRSRO), and limits investments in medium-term notes to a rating of A or better. The District does not have an investment policy that would further limit investment choices. The District’s investment in the County investment pool is unrated.

**Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2024:

- County treasurer’s investment pool of \$4,859,445 is valued using quoted prices for similar instruments in active markets and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

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Treasury Pool investments are accounted for in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires governmental entities to report certain investments at fair value in the balance sheet and the statement of net position and recognize the corresponding change in value of investments in the year in which the change occurred. The value of the participant’s shares in the Treasury Pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the participant’s position in the Treasury Pool. The fair value fluctuates with interest rates, and increasing rates could cause the value to decline below original cost; however, Kern County management believes the liquidity in the portfolio is more than adequate to meet cash flow requirements and to preclude Kern County from having to sell investments below original cost for that purpose.

**Concentration of Credit Risk – Investments**

*California Government Code*, Section 53635, places the following concentration limits on the County investment pool:

No more than 40% may be invested in eligible commercial paper and no more than 10% may be invested in the outstanding commercial paper of any single issuer.

*California Government Code*, Section 53601, places the following concentration limits on the District’s investments:

No more than 10% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises and where otherwise noted; no more than 10% may be invested in any one mutual fund; no more than 25% may be invested in commercial paper; no more than 40% may be invested in bankers’ acceptances and no more than 30% may be invested in bankers’ acceptances of any one commercial bank; no more than 30% may be invested in negotiable certificates of deposit; no more than 20% may be invested in reverse repurchase agreements; no more than 30% may be invested in medium-term notes; no more than 20% may be invested in mortgage passthrough and related securities; and no more than 30% may be invested in certain unsecured, unsubordinated obligations.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following:

June 30, 2024

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Interest	\$	42,186
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**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

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**4. BALANCES DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds in the fund financial statements are as follows:

<b>Due From Other Funds</b>	<b>Due to Other Funds</b>	
General	Measure G	\$ 4

The specific purposes of the balances due to/from other funds are as follows:

General Fund interfund receivable from the Measure G Fund to reimburse the General Fund for expenditures from the General Fund that were determined to be expenditures of the Measure G Fund.

**5. ACCOUNTS PAYABLE**

Accounts payable consisted of the following:

June 30, 2024		
Vendors	\$	55,447

**6. FUND BALANCE COMPONENTS**

Fund balance is composed of the following:

June 30, 2024		
<b>Restricted</b>		
Restricted for capital projects	\$	4,846,313

**SUPPLEMENTARY INFORMATION SECTION**



**Kern Community College District**

**Proposition 39 and Measure G General Obligation Bonds**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE –  
BUDGET AND ACTUAL

June 30, 2024	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Interest income	\$ -	\$ 166,888	\$ 166,888
<b>Expenditures</b>			
Supplies and materials	20	2,650	(2,630)
Rents and repairs	1,124	738	386
Professional and consulting	121,618	166,384	(44,766)
Salaries and benefits	16,916	14,298	2,618
Other expenses and services	610	287	323
Capital outlay	3,509,217	906,395	2,602,822
<b>Total Expenditures</b>	<b>3,649,505</b>	<b>1,090,752</b>	<b>2,558,753</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,649,505)</b>	<b>\$ (923,864)</b>	<b>\$ 2,725,641</b>

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
 SCHEDULE OF LONG-TERM OBLIGATIONS  
 June 30, 2024

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**GENERAL OBLIGATION BONDS ISSUED MARCH 2003**

On November 5, 2002, the voters authorized the issuance and sale of general obligation bonds totaling \$180,000,000. On March 6, 2003, \$75,191,548 of general obligation bonds were sold under Measure G Proposition 39 by the Safety, Repair, and Improvement District which provides that proceeds of the bonds will generally be used for the acquisition, construction, furnishing, and equipping of Kern Community College District (the District) facilities. The bonds were partially refunded with the 2006 Measure G Refunding Bonds. Interest rates vary from 2.00% to 6.78%. The bonds mature March 2028.

The outstanding unrefunded bonds payable at June 30, 2024 are:

<b>Issue Date</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Amount of Original Issue</b>	<b>Outstanding July 1, 2023</b>	<b>Redeemed Current Year</b>	<b>Outstanding June 30, 2024</b>
<b>2002*</b>	2.00%-6.78%	2028	\$ 17,600,000	\$ -	\$ -	\$ -

*\*Does not include \$10,325,471 of accreted interest on capital appreciation bonds.  
 See the accompanying note to the supplementary information.*

The unrefunded bonds were issued at a premium of \$3,201,567 with issuance costs of \$1,163,019. The proceeds of the bond premium, less issuance costs, and the repayment of the debt related to the Measure G Proposition 39 General Obligation Bonds of the Safety, Repair, and Improvement District are accounted for in the District’s Measure G Fund, which is part of the District’s basic financial statements.

**GENERAL OBLIGATION BONDS ISSUED SEPTEMBER 2006**

On September 26, 2006, \$51,391,537 of general obligation bonds were sold under Measure G Proposition 39 by the Safety, Repair, and Improvement District which provides that proceeds of the bonds will generally be used for the acquisition, construction, furnishing, and equipping of District facilities. Interest rates vary from 4.25% to 5.00%. The bonds mature November 2030.

The outstanding related bonded debt for the District at June 30, 2024, is:

<b>Issue Date</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Amount of Original Issue</b>	<b>Outstanding July 1, 2023</b>	<b>Redeemed Current Year</b>	<b>Outstanding June 30, 2024</b>
<b>2006*</b>	4.25%-5.00%	2031	\$ 51,391,537	\$ 29,702,009	\$ 4,547,747	\$ 25,154,262

*\*Does not include \$25,171,300 of accreted interest on capital appreciation bonds.  
 See the accompanying note to the supplementary information.*

The bonds were issued at a premium of \$3,354,466 with issuance costs of \$835,832. The proceeds of the bond premium, less issuance costs, and the repayment of the debt related to the Measure G Proposition 39 General Obligation Bonds of the Safety, Repair, and Improvement District are accounted for in the District’s Measure G Fund, which is part of the District’s basic financial statements.

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**

SCHEDULE OF LONG-TERM OBLIGATIONS

June 30, 2024

(Continued)

**REFUNDED DEBT ISSUED JULY 2019**

On July 23, 2019, the District issued \$61,315,000 in 2019 Federally Taxable General Obligation Refunding Bonds. The 2019 refunding bonds were issued to refinance the outstanding Election of 2002 General Obligation Bonds, Series 2013C of the Safety, Repair, and Improvement District and pay the cost of issuing the bonds. Interest rates vary from 2.009% to 3.071%. The bonds mature November 2034.

The outstanding related refunded debt for the District at June 30, 2024, is:

<b>Issue Date</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Amount of Original Issue</b>	<b>Outstanding July 1, 2023</b>	<b>Redeemed Current Year</b>	<b>Outstanding June 30, 2024</b>
<b>2019</b>	2.009%-3.071%	2035	\$ 61,315,000	\$ 56,495,000	\$ 1,295,000	\$ 55,200,000

*See the accompanying note to the supplementary information.*

The bonds were issued at a discount of \$160,820 with issuance costs of \$250,169. The proceeds of the bond, less discount and issuance costs, and the repayment of the debt related to the Measure G Proposition 39 General Obligation Bonds of the Safety, Repair, and Improvement District are accounted for in the District's Measure G Fund, which is part of the District's basic financial statements.

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
 NOTE TO THE SUPPLEMENTARY INFORMATION  
 June 30, 2024

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**PURPOSE OF SCHEDULE**

**Schedule of Long-Term Debt Obligations**

This schedule summarizes the debt repayment associated with the bond proceeds received through issuance of Proposition 39 General Obligation Bonds.

**GENERAL OBLIGATION BONDS ISSUED SEPTEMBER 2006**

Year Ending June 30	Principal	Interest	Total
2025	\$ 4,360,840	\$ 6,239,160	\$ 10,600,000
2026	4,224,377	6,560,623	10,785,000
2027	4,283,101	7,201,899	11,485,000
2028	1,280,027	2,324,973	3,605,000
2029	2,704,480	5,295,520	8,000,000
2030-2031	8,301,437	18,138,563	26,440,000
<b>Total</b>	<b>\$ 25,154,262</b>	<b>\$ 45,760,738</b>	<b>\$ 70,915,000</b>

**REFUNDED DEBT ISSUED JULY 2019**

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,320,000	\$ 1,594,391	\$ 2,914,391
2026	1,350,000	1,563,474	2,913,474
2027	1,385,000	1,529,442	2,914,442
2028	1,420,000	1,493,044	2,913,044
2029	1,455,000	1,454,572	2,909,572
2030-2034	35,600,000	5,464,915	41,064,915
2035	12,670,000	194,547	12,864,547
<b>Total</b>	<b>\$ 55,200,000</b>	<b>\$ 13,294,385</b>	<b>\$ 68,494,385</b>

**OTHER REPORT SECTION**

**INDEPENDENT AUDITORS' 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**

To the Board of Trustees  
Citizens' Bond Oversight Committee  
Kern Community College District  
Bakersfield, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the Measure G Bond Fund for the Proposition 39 General Obligation Bonds of the Safety, Repair, and Improvement District (the Bonds) of Kern Community College District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated March 17, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**INDEPENDENT AUDITORS' 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**

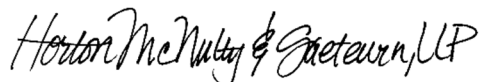
(Continued)

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Bonds' financial statements are free from 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 financial statements. 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*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 17, 2025  
Chico, California

## **FINDINGS AND RECOMMENDATIONS SECTION**



**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
SCHEDULE OF AUDIT FINDINGS  
June 30, 2024

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None.

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2024

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None.

## **PERFORMANCE AUDIT SECTION**

## INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

To the Board of Trustees  
Citizens' Bond Oversight Committee  
Kern Community College District  
Bakersfield, California

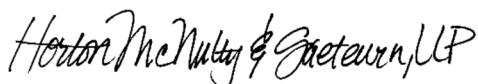
We have audited the Kern Community College District's (the District) compliance with the performance requirements for the Proposition 39 and Measure G General Obligation Bonds of the Safety, Repair, and Improvement District (the Bonds) for the year ended June 30, 2024.

We conducted this performance audit in accordance with *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 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.

Our audit was limited to the objectives listed on page 26 of this report, which includes determining the District's compliance with the performance requirements for the Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Sections 15264 and 15272–15286 of the *California Education Code* as they apply to the Bonds and the net proceeds thereof. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal control of the 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 and Sections 15264 and 15272–15286 of the *California Education Code*. Accordingly, we do not express any assurance on internal control.

The results of our tests indicated that, in all significant aspects, the District expended the Bonds for the year ended June 30, 2024, only for the specific projects developed by the District's Board of Trustees, as 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 and Sections 15264 and 15272–15286 of the *California Education Code*.



March 17, 2025  
Chico, California

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
PERFORMANCE AUDIT

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**OBJECTIVES**

The objectives of our performance audit were to document the expenditures charged to the voter-approved Proposition 39 and Measure G General Obligation Bonds of the Safety, Repair, and Improvement District (the Bonds); determine whether expenditures for the fiscal year ended June 30, 2024, charged to the capital outlay projects fund, have been made in accordance with project budgets and guidelines; note any incongruities or system weaknesses; provide recommendations for improvements; and to provide the District’s Board of Trustees and Citizens’ Oversight Committee with a performance audit as required under the California Constitution and Proposition 39.

**SCOPE OF THE AUDIT**

The scope of our performance audit covered the fiscal year ended June 30, 2024. The expenditures included all object and project codes associated with the Bonds’ projects. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2024, were not reviewed or included within the scope of our audit or in this report.

**BACKGROUND INFORMATION**

In November 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions.

On November 5, 2002, a general obligation bond proposition (Measure G) of the Safety, Repair, and Improvement District was approved by voters of the Kern Community College District (the District). Measure G authorized the District to issue up to \$180,000,000 of general obligation bonds to be used for the acquisition, construction, furnishing, and equipping of District facilities.

Pursuant to the requirements of Proposition 39, and related state legislation, the Board of Trustees of the District established a Citizens’ Oversight Committee and appointed its members. The principal purpose of the Citizens’ Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure G bond authorization. The Citizens’ Oversight Committee is required to issue a least one report annually as to its activities and findings.

Section 1(b)(3)(c) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Measure G Bond Fund have been expended for only the authorized bond projects.

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
PERFORMANCE AUDIT  
(Continued)

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**AUDIT METHODOLOGY**

The methodologies used in planning and performing the audit include:

- We made inquiries of management regarding internal controls in place to prevent fraud or waste regarding projects, including budgetary controls, ensuring adequate separation of duties exist in the fiscal services department for funds, prevent material misstatement in the financial statements, and the ensuring of expenditures being allocated to the appropriate fund.
- We reviewed policies and procedures and evaluated significant internal controls relevant to the audit objectives.
- We reviewed the District’s bond project publicized list of intended projects.
- We compared total project expenditures to budgets to determine if there were any expenditures in excess of appropriation.
- We reviewed documentation, including the District’s website, that the Measure G Bond Oversight Committee reviewed project expenditures and issued reports on the results of its activities at least annually.
- We obtained the Measure G Fund general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2024. Within the year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with Proposition 39 and Measure G General Obligation Bonds funding. We performed the following procedures:
  - We reviewed invoices for evidence of proper approval in accordance with District policy.
  - We reviewed supporting documentation to ensure that funds were properly expended on the specific projects as outlined in the publicized list. This includes that the funds were expended for the construction, renovation, furnishing, and equipping of District facilities on specified projects included in the Measure G election documents.
  - We reviewed bid documentation to verify that bidding requirements were met, if applicable.
  - We verified that funding was not used for salaries of school administrators or other operating expenditures of the District.

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
 PERFORMANCE AUDIT  
 (Continued)

**RESULTS OF PROCEDURES**

The District utilized bond funds for 309 projects. The District incurred total expenditures of \$196,941,074 for the following projects:

June 30, 2024	Budget	Expenditures			Status
		Prior	Current	Total	
301 Projects completed in previous years	\$ 155,769,368	\$ 155,522,690	\$ -	\$ 155,522,690	Complete
Weill Institute second-floor energy reconfiguration	615,000	558,991	24,027	583,018	Complete
Weill Institute solar	224,000	14,607	177,417	192,024	In progress
District office second-floor upgrade & wayfinding signage	900,000	-	653,532	653,532	In progress
Facilities master plan	-	1,280,584	91,780	1,372,364	In progress
Facilities district office	-	9,151,668	16,144	9,167,812	In progress
Bakersfield campus student center/ABC	26,007,728	25,992,408	-	25,992,408	Complete
Porterville allied health building	2,469,561	2,246,902	127,852	2,374,754	Complete
Campus security upgrades phases 1-3	1,083,020	1,082,472	-	1,082,472	Complete
<b>Total</b>	<b>\$ 187,068,677</b>	<b>\$ 195,850,322</b>	<b>\$ 1,090,752</b>	<b>\$ 196,941,074</b>	

Each of the projects has been given a specific project identification number within the District's capital outlay projects fund. Budgets for each project are included in the financial reporting system, and actual expenditures are matched against this budget.

**Kern Community College District**  
**Proposition 39 and Measure G General Obligation Bonds**  
PERFORMANCE AUDIT  
(Continued)

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**CONCLUSION**

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures of the Measure G General Obligation Bonds and that such expenditures were made only for the specific projects developed by the District's Board of Trustees and approved by the voters. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures. In addition, the results of our tests indicated that, in all significant respects, the District complied with certain provisions of the *California Education Code* requirements for which the purpose of the Citizens' Oversight Committee is established. Our audit does not provide a legal determination on the District's compliance with the specific requirements.

**VIEW OF RESPONSIBLE OFFICIAL**

District management has reviewed the submitted draft final report for the performance audit dated March 17, 2025, of the Proposition 39 and Measure G General Obligation Bonds. District management agrees with the auditors' conclusion and has no additional comments.