



SHINAULT BAKER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

KERN COMMUNITY COLLEGE
DISTRICT

SAFETY, REPAIR AND IMPROVEMENT
DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007





SHINAULT BAKER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

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SHINAULT BAKER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Kern Community College District
Bakersfield, California

We have audited the accompanying financial statements of the Safety, Repair and Improvement District of Kern Community College District (the "District") as of June 30, 2007, as listed in the table of contents, and the accompanying supplementary information contained in the schedule of fund revenues and expenses, budget to actual which is presented for supplementary analysis purposes only. 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 standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 1, the financial statements present only the Safety, Repair and Improvement District and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2007, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Safety, Repair and Improvement District of the District as of June 30, 2007, and the changes in financial position thereof for the year 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 June 10, 2008 on our consideration of the Safety, Repair and Improvement District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Shinault Baker & Company
Certified Public Accountants
June 10, 2008

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
BALANCE SHEET
June 30, 2007

	BUILDING FUND	DEBT SERVICE FUND	ELIMINATION OF INTER FUND ACCOUNTS	COMBINED FUNDS
ASSETS				
Cash in County Treasury	\$ 86,183,282	\$ 5,392,258	\$ -	\$ 91,575,540
Accounts Receivable	1,097,528	67,333	-	1,164,861
Due From Other Funds	24,794	-	-	24,794
Total Assets	<u>\$ 87,305,604</u>	<u>\$ 5,459,591</u>	<u>\$ -</u>	<u>\$ 92,765,195</u>
LIABILITIES				
Accounts Payable	\$ 319,702	\$ -	\$ -	\$ 319,702
Total Liabilities	319,702	-	-	319,702
FUND BALANCES (DEFICIT)	<u>86,985,902</u>	<u>5,459,591</u>	<u>-</u>	<u>92,445,493</u>
Total Liabilities and Fund Balance	<u>\$ 87,305,604</u>	<u>\$ 5,459,591</u>	<u>\$ -</u>	<u>\$ 92,765,195</u>

See accompanying notes and accountants' report

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year ended June 30, 2007

	BUILDING FUND	DEBT SERVICE FUND	COMBINED FUNDS
REVENUES			
Interest	\$ 3,683,554	\$ 249,162	\$ 3,932,716
Other revenue	64,231	-	64,231
Total revenues	<u>3,747,785</u>	<u>249,162</u>	<u>3,996,947</u>
EXPENDITURES			
Capital outlay and expenditures	5,504,135	-	5,504,135
Bond principal payment	-	2,485,000	2,485,000
Bond interest expense	-	3,363,290	3,363,290
Other services and expenses	-	13,453	13,453
Total expenditures	<u>5,504,135</u>	<u>5,861,743</u>	<u>11,365,878</u>
Excess (deficiency) of revenues over expenses	(1,756,350)	(5,612,581)	(7,368,931)
OTHER FINANCING SOURCES			
Bond proceeds	49,999,533	2,518,634	52,518,167
Property taxes	-	4,610,435	4,610,435
Excess (deficiency) of revenues and other source over expenses	48,243,183	1,516,488	49,759,671
FUND BALANCES, JUNE 30, 2006	38,742,719	3,943,103	42,685,822
FUND BALANCES, JUNE 30, 2007	<u>\$ 86,985,902</u>	<u>\$ 5,459,591</u>	<u>\$ 92,445,493</u>

See accompanying notes and accountants' report

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
Year ended June 30, 2007

	BUILDING FUND	DEBT SERVICE FUND	COMBINED FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interest	3,249,248	236,311	\$ 3,485,559
Cash received from local revenues	64,231	-	64,231
Cash received from property taxes	-	4,610,435	4,610,435
Cash paid for capital outlays and expenditures	(6,084,798)	-	(6,084,798)
Cash bond debt reduction	-	(2,485,000)	(2,485,000)
Cash paid for bond interest	-	(3,363,290)	(3,363,290)
Cash paid for other services and expenses	-	(370,914)	(370,914)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(2,771,319)	(1,372,458)	(4,143,777)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from issuance of bonds	49,999,533	2,518,634	52,518,167
NET CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES	49,999,533	2,518,634	52,518,167
NET INCREASE (DECREASE) IN CASH	47,228,214	1,146,176	48,374,390
CASH AT BEGINNING OF YEAR	38,955,068	4,246,082	43,201,150
CASH AT END OF YEAR	\$ 86,183,282	\$ 5,392,258	\$ 91,575,540

See accompanying notes and accountants' report

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 GENERAL INFORMATION

The Kern Community College District (the "District") provides higher education in the Counties of Kern, Tulare, San Bernardino, Inyo, and Mono in the State of California. The District consists of three community colleges located in Bakersfield, Porterville, and Ridgecrest, and has several outreach centers in outlying areas.

Safety, Repair and Improvement District is a facilities and equipment bond measure for the District adopted by the Board of Trustees and passed by voters on November 5, 2002. The District was authorized by Safety, Repair and Improvement District to issue \$180 million of general obligation bonds. The District has determined to issue the bonds in three series. On March 7, 2003, the first series was issued in the amount of \$75,191,548 and on September 26, 2006 the second series was issued in the amount of \$49,999,533. These bonds are financed over 25 years with principal and interest payments due each November 1 and March 1.

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

The District has established a separate capital project fund and debt service fund to account for the activities of the Safety, Repair and Improvement District bonds.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The accompanying financial statements include only the Safety, Repair and Improvement District (a capital project fund) of the District and the debt service fund.

MEASURE FOCUS AND BASIS OF ACCOUNTING

The District accounts for financial transactions in accordance with policies and procedures of the California Community Colleges Budget and Accounting Manual, 2007 edition. This manual, according to Section 84030 of the State of California Education Code, is to be followed by all California Community College districts.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Safety, Repair and Improvement District is a governmental fund type. Government fund types are presented using the flow of current financial resources measurement focus. With this measurement focus, operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets and unreserved fund balance as a measure of available spendable resources.

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASURE FOCUS AND BASIS OF ACCOUNTING (Continued)

The governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable" and "available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to pay liabilities of the current period. A one-year availability period is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

CASH AND CASH EQUIVALENTS

Funds invested in the county treasurer's investment pool are considered cash equivalents. GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, provides that amounts held in external investment pools be reported at fair value. However, cash in the county treasury is recorded at the value of the pool shares held, which approximates the fair value of the underlying cash and investments of the pool.

FUND BALANCE

The fund balance represents amounts reserved for expenditure on Safety, Repair and Improvement District approved projects.

ESTIMATES

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

NOTE 3 CASH

As provided for by Education Code, Section 41001, a significant portion of the District's cash balances of most funds is required to be deposited with the County Treasurer for the purpose of increasing interest earned through County investment activities.

The County is authorized by California Government Code Section 53468 et seq to deposit cash and invest excess funds. While The District is able to determine the value of its deposits with the County as of June 30, 2007, the County is unable to determine the carrying amount and bank balances of the District's total deposits with the County as of June 30, 2007, or under which categories the bank balances and/or investments apply. In addition, the District is unable to determine whether the County has invested directly or indirectly in any derivative instruments.

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 3 CASH (continued)

Copies of the Kern County's audited financial statements can be obtained from the Kern County Auditor Controller's Office, 1115 Truxtun Avenue, Bakersfield, California, 93301.

The pooled treasury has regulatory oversight from the Kern County Treasury Oversight Committee in accordance with California Government Code requirements.

The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an entity's deposits. California law also allows financial institutions to secure an entity's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an entity's total deposits.

NOTE 4 COMMITMENTS AND CONTINGENCIES

As part of tax laws surrounding tax-exempt bonds, investment earnings, with certain adjustments, on unexpended bond proceeds are limited to the interest rate paid on the bond debt. Arbitrage (i.e. excess investment earnings) is required to be rebated to the federal government every five years for as long as the bonds are outstanding. At June 30, 2007, no arbitrage liability was deemed necessary.

The Safety, Repair and Improvement District has commitments in the form of construction contracts. As of June 30, 2007, the remaining unspent portion of these contractual commitments is approximately \$13,095,332 as follows:

Bakersfield College Fine Arts HVAC Replacement	\$	286,847
Bakersfield College Fine Arts Re-roof		207,750
Bakersfield College Language Arts HVAC Replacement		12,392
Bakersfield College Weight Room HVAC		66,015
Cerro Coso Community College Gym Re-roof		8,300
Cerro Coso Community College Security System		152,570
Porterville College Child Development Center Relocatables		112,702
Porterville College Library Expansion		<u>12,248,756</u>
	\$	<u>13,095,332</u>

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 5 BONDS ISSUED AND OUTSTANDING

On March 7, 2003, the Kern Community College Safety, Repair and Improvement District (Improvement District) of the Kern Community College District issued the first series of bonds in the principal amount of \$75,191,548 to be used for the purpose of financing college facilities. The bonds were issued in two types: Current Interest Bonds in the sum of \$72,690,000 and Capital Appreciation Bonds in the sum of \$2,501,548.

The Current Interest Bonds accrue interest at rates ranging from 2.00% to 4.60% with the interest payable semiannually on May 1 and November 1 of each year commencing November 1, 2003 and a maturity date of November 1, 2013.

The Capital Appreciation Bonds accrue interest at rates ranging from 5.38% to 5.40% payable on their dates of maturity. Said maturities begin on November 1, 2007 and end on March 1, 2028.

Both of these bonds represent a general obligation of the Improvement District. The payment of principal and interest is to be funded by property taxes assessed on real property within the Improvement District. The following table reflects the debt service schedule for both bonds.

Year Ended June 30,	Principal	Interest	Total
2005	\$ -	\$ 3,517,455	\$ 3,517,455
2005	1,860,000	3,139,215	4,999,215
2006	2,095,000	3,099,665	5,194,665
2007	2,345,000	3,055,265	5,400,265
2008	2,610,000	3,005,715	5,615,715
2009-2013	9,990,000	13,831,825	23,821,825
2014-2018	9,200,000	11,835,734	21,035,734
2019-2023	18,475,000	8,740,737	27,215,737
2024-2028	26,115,000	3,559,474	29,674,474
	<u>\$ 72,690,000</u>	<u>\$ 53,785,085</u>	<u>\$ 126,475,085</u>

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 5 BONDS ISSUED AND OUTSTANDING (continued)

The 2005 General Obligation Improvement Bonds were issued to refund the Improvement District. The District completed the refunding November 2, 2005, to reduce its debt service payments over the next 12 years by \$775,000 and obtain an economic gain of \$423,194. The District recognized a financial statement loss of \$1,739,101 on the refunding and it is being amortized over the life of the new debt. The following tables reflect the debt service and amortization schedules for the bond refunding.

<u>Year Ended June, 30</u>	<u>Bond Principal</u>	<u>Bond Refunding</u>	<u>Total</u>
2008	\$ 2,610,000	\$ 360,000	\$ 2,970,000
2009	2,890,000	400,000	3,290,000
2010	1,300,000	1,960,000	3,260,000
2011	1,610,000	2,060,000	3,670,000
2012	1,915,000	1,533,841	3,448,841
2013-2017	4,930,000	11,751,291	16,681,291
2018-2022		35,820,000	35,820,000
2023-2027			-
2028-2032	2,501,548		2,501,548
2033-2037			-
	<u>\$ 17,756,548</u>	<u>\$ 53,885,132</u>	<u>\$ 71,641,680</u>

<u>Year Ended June, 30</u>	<u>Bond Interest</u>	<u>Bond Refunding</u>
2008	\$ 560,080	\$ 2,305,500
2009	476,180	2,292,650
2010	385,880	2,251,350
2011	329,230	2,175,850
2012	257,205	2,755,559
2013-2017	200,245	17,961,646
2018-2022		4,689,288
2023-2027		
2028-2032	10,488,452	
2033-2037		
	<u>\$ 12,697,272</u>	<u>\$ 34,431,843</u>

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 5 BONDS ISSUED AND OUTSTANDING (continued)

Year Ended	Premium		Discount
	Bond	Bond Refunding	Bond Refunding
6/30/2008	\$ 78,196	\$ 541,411	\$ (108,694)
6/30/2009	78,196	541,411	(108,694)
6/30/2010	78,196	541,411	(108,694)
6/30/2011	78,196	541,411	(108,694)
6/30/2012	78,196	541,411	(108,694)
6/30/2013	78,196	541,411	(108,694)
6/30/2014	78,196	541,411	(108,694)
6/30/2015	78,196	541,411	(108,694)
6/30/2016	78,196	541,411	(108,694)
6/30/2017	78,196	541,411	(108,694)
6/30/2018	78,196	541,411	(108,694)
6/30/2019	78,196	541,411	(108,694)
6/30/2020	78,196	541,411	(108,694)
6/30/2021	78,196	541,411	(108,694)
6/30/2022	78,196	180,470	(36,229)
6/30/2023	78,196		
6/30/2024	78,196		
6/30/2025	78,196		
6/30/2026	78,196		
6/30/2027	78,196		
6/30/2028	78,196		
	<u>\$ 1,642,113</u>	<u>\$ 7,760,227</u>	<u>\$ (1,557,945)</u>

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 5 BONDS ISSUED AND OUTSTANDING (continued)

On September 26, 2006, the Kern Community College Safety, Repair and Improvement District (Improvement District) of the Kern Community College District issued the second series bond in the principal amount of \$49,999,533 to be used for the purpose of financing college facilities.

This bond represents a general obligation of the Improvement District. The payment of principal and interest is to be funded by property taxes assessed on real property within the Improvement District. The following table reflects the debt service schedule for the bond and the amortization of the premium.

Year Ended June 30,	Principal	Interest	Total
2008	\$ -	\$ 746,138	\$ 746,138
2009	-	746,138	746,138
2010	400,000	737,637	1,137,637
2011	200,000	724,887	924,887
2012	260,000	715,113	975,113
2013-2017	4,320,000	3,188,919	7,508,919
2018-2022	10,375,000	1,426,987	11,801,987
2023-2027	22,158,588	31,686,412	53,845,000
2028-2032	12,285,945	25,759,055	38,045,000
	<u>\$ 49,999,533</u>	<u>\$ 65,731,286</u>	<u>\$ 115,730,819</u>

KERN COMMUNITY COLLEGE DISTRICT
SAFETY, REPAIR AND IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 5 BONDS ISSUED AND OUTSTANDING (continued)

<u>Year Ended</u>	<u>Premium Bond</u>
6/30/2008	\$ 139,286
6/30/2009	139,286
6/30/2010	139,286
6/30/2011	139,286
6/30/2012	139,286
6/30/2013	139,286
6/30/2014	139,286
6/30/2015	139,286
6/30/2016	139,286
6/30/2017	139,286
6/30/2018	139,286
6/30/2019	139,286
6/30/2020	139,286
6/30/2021	139,286
6/30/2022	139,286
6/30/2023	139,286
6/30/2024	139,286
6/30/2025	139,286
6/30/2026	139,286
6/30/2027	139,286
6/30/2028	139,286
6/30/2029	139,286
6/30/2030	139,286
6/30/2031	46,424
	<u>\$ 3,250,002</u>

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

Board of Trustees
Kern Community College District
Bakersfield, California

We have audited the basic financial statements of the Safety, Repair and Improvement District of Kern Community College District (the District) as of and for the year ended June 30, 2007, and have issued my report thereon dated June 10, 2008. We conducted our audit 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 and standards prescribed by the State Department of Finance.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Safety, Repair and Improvement District of Kern Community College 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 Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity'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.

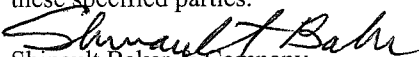
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies or material weakness. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weakness, as defined above

Compliance

As part of obtaining reasonable assurance about whether the Safety, Repair and Improvement District of Kern Community College District's basic 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 material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Trustees, District management and the District's federal and state awarding and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Shinault Baker & Company
Certified Public Accountants
June 10, 2008

Board of Trustees
Kern Community College District
Bakersfield, California

Audit Objective, Scope and Methodology

The performance audit of the Safety, Repair and Improvement District is required under Proposition 39 (Prop 39), passed by California voters in the November 7, 2000 general election, which amended the California Constitution. Provisions of Prop 39 require an annual, independent performance audit to ensure that the proceeds from the sale of school facilities bonds have been expended on specified projects, and not for teacher and administrator salaries and other school operating expenses. On November 5, 2002, the voters of Kern County approved Measure G, a facilities and equipment bond measure for the Kern Community College District (the "District"). Based on the requirement of Prop 39, we identified the following objectives:

Identify all school facility projects authorized under Prop 39 and approved by the passing of Safety, Repair and Improvement District to determine bond funds were expended only for these authorized projects.

Review the administration of the Safety, Repair and Improvement District, including the development and maintenance of internal controls and procedures to ensure compliance with both Prop 39 and Safety, Repair and Improvement District provisions.

During the period May 20, 2008 through May 29, 2008, we conducted our fieldwork for the audit of the basic financial statements of the District. The scope of the audit encompassed the District's Safety, Repair and Improvement District established within the financial reporting system of the District.

To achieve the performance audit objectives, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to performance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The following audit procedures were performed:

Review of Prop 39 provisions, Article 13A, Section 1(b)(3) of the California Constitution, Safety, Repair and Improvement District bond literature and any other documents deemed necessary.

Interview District staff and document the internal controls and procedures established for the administration of Safety, Repair and Improvement Districts. Review a sample of vendor invoices paid with Safety, Repair and Improvement Districts to ensure expenditures were properly authorized and processed according to established internal control procedures and recorded under an approved project.

Findings and Recommendations

Our audit disclosed no instances that we determined were instances of noncompliance with the terms of Prop 39 or Safety, Repair and Improvement District. Nothing came to our attention to indicate that the District didn't implement appropriate management controls to ensure the bond proceeds are administered economically, efficiently and effectively. In addition, nothing came to our attention that teacher and administrative salaries were paid from Safety, Repair and Improvement District funds.



Shinault Baker & Company
Certified Public Accountants
June 10, 2008

SUPPLEMENTAL INFORMATION



KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FUND EXPENSES, BUDGET TO ACTUAL
AS OF JUNE 30, 2007

BOND IMPLEMENTATION / CAPITAL OUTLAY PROJECTS	PROJECT STATUS 6/30/2007	BUDGET	ACCUMULATED EXPENDITURES TO JUNE 30, 2007	TO DATE UNSPENT FUNDS
<u>DISTRICT OPERATIONS:</u>				
DO Backend Systems Infrastructure	On going	585,000	726,653	(141,653)
DO Move - Weil Center Center Construction	Complete	293,614	602,350	(308,736)
DO IT Furniture	Complete	-	162,401	(162,401)
DO Replacement UPS System Data Center	On going	80,000	55,574	24,426
DO Telephone System Replacement	On going	872,000	1,117,357	(245,357)
DO WAN-LAN Infrastructure	On going	1,313,000	896,598	416,402
DO Weil Center Backup Generator - Data Center	Complete	59,321	59,986	(665)
DO Weil Center HR Remodel	Complete	920	938	(18)
DO Weil Center Multi-purpose Room (Construction)	Complete	44,294	44,294	-
DO Weil Center PC and Related Equipment	Complete	55,552	153,497	(97,945)
DO District-wide EIR	On going	150,000	90,680	59,320
DO Master Planning/Training	On going	-	2,545	(2,545)
DO FDO	On going	7,200,000	2,923,501	4,276,499

DISTRICT OPERATIONS TOTALS		10,653,701	6,836,373	3,817,328
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BOND IMPLEMENTATION / CAPITAL OUTLAY PROJECTS	PROJECT STATUS 6/30/2007	BUDGET	ACCUMULATED EXPENDITURES TO JUNE 30, 2007	TO DATE UNSPENT FUNDS
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BAKERSFIELD COLLEGE:

Capital Outlay

BC AST Modernization	On going	1,351,000	2,906,122	(1,555,122)
BC Athletic Fields Facilities - Women's Club House	Cancelled	1,457,518	189,905	1,267,613
BC Athletic Fields Facilities - Base/Softball Bleachers	On going	761,118	33,834	727,284
BC Field House Ramp	Latent Expense	-	190	(190)
BC Autotect Modernization	Cancelled	787,500	2,775	784,725
BC Campus Wide Emergency Phones	Cancelled	-	43	(43)
BC Child Development Center	Cancelled	100	-	100
BC Library Technology	On going	617,060	486,300	130,760
BC Maintenance and Operations Building	On going	104,440	45,000	59,440
BC SAM Building Health Safety	On going	50,000	55,981	(5,981)
BC Planetarium Modernization	On going	300,000	1,600,360	(1,300,360)
BC Student Services Modernization	On going	1,492,760	194,911	1,297,849
DC Land Acquisition/HS JV	Complete	5,734,800	5,734,800	-
DC Delano Science Center (Lab Bldg)	Complete	2,565,000	2,562,721	2,279
NWC Site Acquisition/Initial Buildings	On going	16,926,709	13,228,677	3,698,032
SC Site Acquisition/Initial Buildings	On going	9,300,000	44,571	9,255,429
SWC Miscellaneous Improvements	On going	-	12,422	(12,422)
SWC Weil Center Modernization	On going	2,159,000	4,600,337	(2,441,337)

Scheduled Maintenance

BC Bus Turnaround	Complete	58,082	57,122	960
BC Chiller Loop	On going	519,800	13,469	506,331
BC Electrical Distribution Phase I, II, III	Complete	399,200	398,844	356
BC Fine Arts HVAC Replacment/Reroof	On going	206,834	159,947	46,887
BC Fire Hydrant	Complete	17,500	19,278	(1,778)
BC LCR Elevator Replacement	Canceled	49,512	20,362	29,150
BC Miscellaneous SM Projects	On going	100,000	46,417	53,583
BC Mt.Vernon Demo	Complete	-	124,563	(124,563)

**KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FUND EXPENSES, BUDGET TO ACTUAL
AS OF JUNE 30, 2007**

BC Press Box	Canceled	-	-	-
BC Soccer Fields	Complete	3600	3,600	-
BC Stadium Seating	Canceled	0	20,700	(20,700)
BC Student Services LRC Elevator Replacement	Canceled	144,000	400	143,600
BC Tecogen engine replacement	On going	20,000	18,670	1,330
BC Welding Lab Air Conditioner	Canceled	261,500	-	261,500
DC Property easement	On going	25,000	3,565	21,435
DC Retention Basin Upgrade	On going	25,000	3,200	21,800
SWC Reroof	On going	530,000	525,702	4,298

Master Planning

BC Master Environmental Impact Report (EIR)	Completed	168,000	512	167,488
BC HM Survey	On going	150,000	850	149,150
BC Master Planning	On going	450,000	16,256	433,744
BC Vertical Access Survey	Canceled	70,000	155,963	(85,963)

BAKERSFIELD COLLEGE TOTALS

46,805,033 33,288,369 13,516,664

BOND IMPLEMENTATION / CAPITAL OUTLAY PROJECTS	PROJECT STATUS 6/30/2006	BUDGET	ACCUMULATED EXPENDITURES TO JUNE 30, 2007	TO DATE UNSPENT FUNDS
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CERRO COSO COLLEGE:

Capital Outlay

CC Childcare Facility Expansion/Cal City Shade Structure	Completed	361,442	12,677	348,765
CC Fine Arts Modernization	On going	4,699,800	128,518	4,571,282
CC ITV Sites in 7 Sierra Cities (Accord Video Bridge)	Completed	700,000	383,649	316,351
CC Library	Completed	1,200,000	1,078,923	121,077
CC Library Supp Improvements and Equip	Completed	-	10,563	(10,563)
CC Main Bldg Modernization	On going	3,684,420	581,613	3,102,807
CC 3rd Floor Modernization	Cancelled	-	29,836	(29,836)
CC Performing Arts/Theater Upgrade	Cancelled	5,250,000	266,866	4,983,134
CC Photo Voltaics	Completed	5,800,000	5,876,669	(76,669)
CC Science Modernization	On going	2,988,880	52,437	2,936,443
CC Lecture Hall Safety Repairs	On going	250,000	1,249	248,751
CC Well and Water Distribution	Cancelled	250,000	10,773	239,227
CC Student Services	Cancelled	1,107,000	34,750	1,072,250
CC Vocational Art Bldg	On going	4,227,000	-	4,227,000

Scheduled Maintenance

CC Gym Reroof	On going	142,917	42,741	100,176
CC Irrigation System	Complete	200,000	54,009	145,991
CC Kern River Center	Complete	50,000	49,875	125
CC Maintenance & Operations New Vechicles (New Autos)	Complete	50,000	50,000	-
CC Security System	On going	208,938	45,996	162,942
CC Small SM Projects	On going	52,500	23,244	29,256
CC Spray Fireproofing Abatement, Phase 3	On going	36,691	-	36,691

Master Planning

CC ADA Planning	On going	25,000	8,960	16,040
CC Survey	On going	10,000	516	9,484
CC Master Planning/ADA Study	On going	215,000	47,728	167,272

CERRO COSO COLLEGE TOTALS

31,509,588 8,791,591 22,717,997

**KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FUND EXPENSES, BUDGET TO ACTUAL
AS OF JUNE 30, 2007**

BOND IMPLEMENTATION / CAPITAL OUTLAY PROJECTS	PROJECT STATUS 6/30/2006	BUDGET	ACCUMULATED EXPENDITURES TO JUNE 30, 2007	TO DATE UNSPENT FUNDS
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PORTERVILLE COLLEGE:

Capital Outlay

PC Allied Health Relocatables	On going	1,767,926	1,962,164	(194,238)
PC Wellness Center	On going	3,706,880	145,881	3,560,999
PC Allied Health Facilities	On going	2,854,760	36,234	2,818,526
PC Childcare Facility (temporary space)	On going	1,277,850	1,170,391	107,459
PC Library Expansion (includes Remodel for Efficiency)	On going	10,502,000	1,967,258	8,534,742
PC Science/Math Modernization	On going	2,704,000	299,721	2,404,279

Scheduled Maintenance

PC Electrical, Mechanical, Plumbing & Repair, Phase I	On going	148,550	13,726	134,824
PC Campus Alarm System	Complete	100,000	2,136	97,864
PC Parking Lots and Roads	Ongoing	-	2,700	(2,700)
PC Chemical Storage	On going	25,600	29,448	(3,848)
PC Small SM Projects	On going	52,500	1,890	50,610
PC Toxic Pool Chemical Storage	On going	66,200	-	66,200

Master Planning

PC HM Survey	On going	75,000	67,498	7,502
PC Environmental Impact Report (EIR)	On going	50,000	5,631	44,369
PC Master Planning	On going	175,000	30,052	144,948

PORTERVILLE COLLEGE TOTALS		23,506,266	5,734,730	17,771,536
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BOND IMPLEMENTATION / CAPITAL OUTLAY PROJECTS	PROJECT STATUS 6/30/2006	BUDGET	ACCUMULATED EXPENDITURES TO JUNE 30, 2007	TO DATE UNSPENT FUNDS
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EASTERN SIERRA CAMPUSES:

ESCC Site Acquisition	Cancelled	-	(3,105)	3,105
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EASTERN SIERRA TOTALS		-	(3,105)	3,105
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DISTRICT TOTAL EXPENSES RECORDED		112,474,588	54,647,958	57,826,629
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