

WEST KERN COMMUNITY COLLEGE DISTRICT

AUDIT REPORT

JUNE 30, 2025

WEST KERN COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

Independent Auditors' Report	1
Management's Discussion and Analysis	4

FINANCIAL SECTION

Basic Financial Statements	
Primary Government	
Statement of Net Position	12
Statement of Revenues, Expenses, and Changes in Net Position	13
Statement of Cash Flows	14
Fiduciary Funds	
Statement of Fiduciary Net Position	16
Statement of Changes in Fiduciary Net Position	17
Discretely Presented Component Unit - Taft College Foundation	
Statement of Financial Position	18
Statement of Activities	19
Statement of Cash Flows	20
Notes to Financial Statements	21

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios	55
Schedule of Contributions - OPEB	57
Schedule of Proportionate Share of the Net Pension Liability	58
Schedule of Contributions - Pensions	60
Note to Required Supplementary Information	62

SUPPLEMENTARY INFORMATION

District Organization	63
Schedule of Expenditures of Federal Awards	64
Schedule of Expenditures of State Awards	65
Schedule of Workload Measures for State General Apportionment - Annual/Actual Attendance	66
Reconciliation of Education Code Section 84362 (50 Percent Law) Calculation	67
Proposition 30 Education Protection Account (EPA) Expenditure Report	68
Reconciliation of Governmental Funds to the Statement of Net Position	69
Reconciliation of Fund Equity to Net Position	70
Note to Supplementary Information	71

OTHER INDEPENDENT AUDITORS' REPORTS

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 <i>Government Auditing Standards</i>	73
Independent Auditors' Report on Compliance for Each Major Federal Program; and Report on Internal Control over Compliance Required by the Uniform Guidance	75
Independent Auditors' Report on State Compliance and on Internal Control over Compliance for State Programs	78

FINDINGS AND QUESTIONED COSTS SECTION

Summary of Audit Findings and Questioned Costs	82
Financial Statement Findings and Recommendations	83
Federal Award Findings and Questioned Costs	84
State Award Findings and Questioned Costs	85
Summary Schedule of Prior Year Audit Findings	87

UNAUDITED SUPPLEMENTARY INFORMATION

Governmental Funds	
Balance Sheets	90
Statements of Revenues, Expenditures, and Changes in Fund Balances	92
Note to Unaudited Supplementary Information	94

INDEPENDENT AUDITORS' REPORT

Board of Trustees
West Kern Community College District
Taft, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the fiduciary activities, and the discretely presented component unit of West Kern Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the fiduciary activities, and the discretely presented component unit of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences* which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 for 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is 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 to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the unaudited supplementary information section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2026, 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, 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.

San Diego, California

[REDACTED], 2026

**WEST KERN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Taft College/West Kern Community College District's (the "District") Annual Financial Report presents a narrative overview and analysis of the District's financial activities during the fiscal year just ended as well as the overall financial condition of the District at June 30, 2025. This analysis is presented with comparative information from the year ended June 30, 2024 to highlight changes between the fiscal years. This section is designed to focus on currently known facts, current activities, and the resulting changes, and is intended to be read in conjunction with the District's basic financial statements and the accompanying footnotes. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District's management.

USING THIS ANNUAL REPORT

The current financial statement format, which incorporates Governmental Accounting Standards Board (GASB) principles, consists of three basic financial statements that focus on the District as a whole: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The District's financial statements are designed to resemble corporate financial models whereby all District activities are consolidated into one set of totals. The focus of the Statement of Net Position is designed to be similar to bottom line results for the District and reflect its financial position at a certain date. This statement combines and consolidates current spendable financial resources with capital assets. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the gross costs and the net results of the District's operational activities which are supported mainly by student tuition and fees, as well as grant funded sources. Non-operating revenues such as property taxes and State apportionments make up the primary revenue source for the District. The Statement of Cash Flows provides an analysis of the District's sources and uses of the cash during the fiscal year. This approach is intended to summarize and simplify the user's analysis of costs of various District services to students and the public. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities in relation to its mission have been included.

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

The California Community College Chancellors Office (CCCCO) calculates total apportionment to be received by the District each year. Within FY 2024-25, Taft College and California Community Colleges across the State continued to phase in the State mandated Student-Centered Funding Formula that calculates the District's general apportionment. Total apportionment payment consists of tuition fees, property taxes and state apportionment revenues. The District experienced an increase in total apportionment based on the statewide funding formula and a statewide inflation adjustment. With the funding, the District was able to maintain a strong focus on curriculum offerings and ensure success within the guidance of the Educational Master Plan.

The district is still experiencing the effects of the pandemic on enrollment. The Federal funding for COVID-19 has been exhausted.

**WEST KERN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS OF THE PAST YEAR, continued

Analysis of Net Position

The System calculated the District FTES increased for fiscal year 2024-25 by 3 FTES in comparison to fiscal year 2023-24. Regular non-operating factors such as deferred pension contribution adjustments for compliance with the GASB led to a decrease in the District's assets. GASB Statement No. 68 addresses accounting and financial reporting for pensions, specifically, those provided to the employees of State and local governmental employers through pension plans that are administered through irrevocable trusts.

As a result of higher revenues and improved operational results, we have increased net position.

	2025	2024	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 32,199,037	\$ 25,171,047	\$ 7,027,990
Non-current assets	96,276,709	101,965,066	(5,688,357)
Deferred outflows of resources	12,310,219	10,503,263	1,806,956
Total Assets and Deferred Outflows of Resources	140,785,965	137,639,376	3,146,589
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	15,478,344	15,219,591	258,753
Non-current liabilities	72,561,795	76,450,798	(3,889,003)
Deferred inflows of resources	7,687,894	7,145,953	541,941
Total Liabilities and Deferred Inflows of Resources	95,728,033	98,816,342	(3,088,309)
NET POSITION			
Net investment in capital assets	36,012,657	35,729,024	283,633
Restricted	22,250,131	21,570,659	679,472
Unrestricted	(13,204,856)	(18,476,649)	5,271,793
Total Net Position	\$ 45,057,932	\$ 38,823,034	\$ 6,234,898

This statement is prepared from the District's Statement of Net Position which is presented on the accrual basis of accounting where capital assets are depreciated, and long-term obligations are recognized.

**WEST KERN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL HIGHLIGHTS OF THE PAST YEAR, continued

Analysis of Current Assets

The District's current assets increased by \$7.0 million due to higher revenues and improved operational results.

Analysis of Capital Assets

As of June 30, 2025, the District recorded \$128.8 million invested in capital assets, \$60.6 million in accumulated depreciation, totaling \$68.1 million recorded in net capital assets. In addition to these investments, the District also increased land and building improvements, and furniture and equipment for a total net amount of \$1.2 million as of June 30, 2025. The construction in progress represents the ongoing expenditures of the long-term capital improvement projects related to the District's Facilities Master Plan. As individual projects are completed, they are listed as capital assets and depreciated accordingly.

Analysis of Liabilities

Liabilities and deferred inflows decreased by \$3.1 million for the year just ended.

**WEST KERN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL ACTIVITIES OF THE DISTRICT

	2025	2024	Change
OPERATING REVENUES			
Tuition and fees, net	\$ 1,910,756	\$ 1,615,621	\$ 295,135
Federal and state grants and contracts, non-capital	25,253,508	25,982,232	(728,724)
Total Operating Revenues	27,164,264	27,597,853	(433,589)
OPERATING EXPENSES			
Salaries and employee benefits	38,227,233	37,200,617	1,026,616
Supplies, materials, and other operating expenses and services	9,603,314	8,649,627	953,687
Student aid	10,869,554	11,000,845	(131,291)
Depreciation	3,488,789	3,496,157	(7,368)
Total Operating Expenses	62,188,890	60,347,246	1,841,644
Operating Loss	(35,024,626)	(32,749,393)	(2,275,233)
NON-OPERATING REVENUES/(EXPENSES)			
State apportionments, non-capital	31,353,101	29,657,332	1,695,769
Property taxes	9,537,539	7,202,886	2,334,653
State taxes and other revenues	679,273	2,990,521	(2,311,248)
Investment income, non-capital	1,912,195	1,013,286	898,909
Interest expense on capital asset-related debt	(513,114)	1,467,782	(1,980,896)
Other financing sources/(uses)	(1,417,814)	(1,187,184)	(230,630)
Local grants and other non-operating revenues	2,865,194	2,836,872	28,322
Total Non-Operating Revenues/(Expenses)	44,416,374	41,294,677	3,121,697
CHANGES IN NET POSITION	9,391,748	8,545,284	846,464
NET POSITION, BEGINNING AS REPORTED	38,823,034	30,027,960	8,795,074
PRIOR PERIOD ADJUSTMENT (NOTE 17)	(3,156,850)	249,790	(3,406,640)
NET POSITION, BEGINNING AS RESTATED	35,666,184	30,277,750	5,388,434
NET POSITION, END OF YEAR	\$ 45,057,932	\$ 38,823,034	\$ 6,234,898

This statement is prepared from the District's Statement of Revenues, Expenses, and Changes in Net Position which is presented on the accrual basis of accounting, in which revenues and expenditures are recorded when incurred, regardless of the timing of the related cash flow.

Operating Results

COLA adjustments and staff variances during fiscal year 2024-25 resulted in an increase of \$1.0 million in salaries and employee benefits. Also, an increase in health and welfare costs.

**WEST KERN COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FUNCTIONAL EXPENDITURE CALCULATIONS

In accordance with requirements set forth by the California State System's Office, the District reports operating expenses by object code. Operating expenses by functional classifications are as follows but do not include the impact of the conversion entries posted to convert the modified accrual fund financial statements to the full accrual entity side financial statements except for reporting depreciation expense:

	Salaries and Employee Benefits	Supplies, Material and Other Expenses and Services	Student Aid	Depreciation	Total
Instructional activities	\$ 15,443,830	\$ 1,364,670	\$ 2,969,825	\$ -	\$ 19,778,325
Academic support	3,452,730	863,200	-	-	4,315,930
Student services	6,838,318	1,568,340	23,981	-	8,430,639
Plant operations and maintenance	1,414,959	3,124,792	-	-	4,539,751
Institutional support	5,832,574	2,577,158	(6,801)	-	8,402,931
Community services and economic development	186,630	66,248	-	-	252,878
Ancillary services and auxiliary operations	4,381,891	2,265,056	269,863	-	6,916,810
Physical property and other outgo	417,822	25,725	1,529,123	-	1,972,670
Student aid	-	-	10,823,092	-	10,823,092
Depreciation expense-unallocated	-	-	-	3,236,141	3,236,141
Total	\$ 37,968,754	\$ 11,855,189	\$ 15,609,083	\$ 3,236,141	\$ 68,669,167

SIGNIFICANT ACCOMPLISHMENTS

Capital Improvement Project

To date the District has issued all three series of bonds, for \$39.8 million, which were originally approved by the residents of the West Kern Community College District in March 2004. The funds have been used for architectural work, licensing and permits and the acquisition and construction of swing space to be used as temporary housing of personnel and classrooms, as well as the main construction projects across the campus.

The District has completed several major projects to date. Completion of a new Child Development Center provides a permanent 9,400 square foot building that will support up to 75 children. It replaces portable buildings that were being used. It also serves as a base for future improvements to be focused around. The remodel of the Community Technology Center, complete as of December 2009 consists of the reconstruction of the current administration building and the addition of a new Library. In total the project provides 45,000 square feet of facilities that houses the library, the learning resources center (LRC), the student services center, and administrative offices. The modernization of the Science building and the courtyard renovation between the science building and administration building projects were completed for use in the 2009-10 school year. The Science building project modernized approximately 11,000 square feet of classroom space used primarily for the instruction of science and math courses as well as adding offices within the building for the science and math faculty. The courtyard adds updated landscaping and revitalization of areas for students to use between classes. The Tech Arts project was completed in late 2013 and modernized approximately 10,000 square feet of classroom space used primarily for the instruction of Liberal Arts and Business courses. The most recently completed projects were the Center for Independent Living Facility and a renovation of the dorm facilities. The Center for Independent Living project provides a 20,000 square foot live-in facility with offices and instructional space. Construction was completed in late 2014. Dorm renovations of current facilities began in November 2013 and were completed in early 2015. The renovations updated the dorm rooms and surrounding areas, improving the on-campus living experience. The District has completed construction on the Student Center project which now houses the District's food services, bookstore, and student union.

ECONOMIC FACTORS AFFECTING THE FUTURE

Economic Condition

The 735-square-mile West Kern CCD includes Taft, which is located about 40 miles southwest of Bakersfield. The District, which serves about 27,000 residents, operates Taft College, a comprehensive community college that offers a variety of general and specialized instructional programs. It also educates a significant number of students who commute from outside its boundaries. We consider Kern County's income levels good-to-adequate, with median household income 87.7% of the national levels. The county's unemployment rate has historically been higher than the nation. In June 2025, the county reported an unemployment rate of 9.6%, up from a revised 8.9% in June 2024, and greater than the nation's rate of 4.1%.

The District's tax and employment bases are highly concentrated in oil and gas production as well as in electricity generation, given that oil and natural gas deposits in the district are some of the nation's largest. The District's top 10 taxpayers account for about 80% of total AV, which we consider extremely concentrated, and are led by California Resources Elk Hills (24.4%) and Chevron USA Inc. (13.4%). Due to changes in output from these companies and to national oil prices, AV can significantly fluctuate. Over the past five years, the district's AV reached a high of \$9.1 billion in fiscal 2024, and a low of \$6.7 billion in fiscal year 2022. The estimated assessed value for the upcoming fiscal year is \$8.0 billion.

Prospects for the Future

Statewide the Governor predicts another deficit budget year. This type of deficit has resulted in cash-flow issues for the state which has delayed promised apportionment payments causing local cash-flow issues. Management will continue to monitor this situation and address delayed payments appropriately. Due to conservative stewardship of district funds, we have an adequate reserve that should mitigate the use of debt in managing any state level cash-flow problems.

In general, full-time equivalent student (FTES) counts in California community college systems are typically influenced by employment cycles and tuition rates, the latter of which are set by the state. West Kern CCD, however, is somewhat insulated from employment cycles affecting its FTES because, when the economy is doing well and the district's large petrochemical companies are hiring, the employers usually seek education and training opportunities provided by the college for its employees. And, similar to other community colleges and institutes of higher learning, there is also a demand for enrollment when the economy is in a downturn and unemployment rates are high. Although the 2025 FTES increased from 2024 FTES, the recovery is slow and ongoing. Management is continuing to monitor the state of the District's FTES funding level on a regular basis to address any potential funding concerns immediately. Continuing to improve budgetary modeling and forecasting methods along with a positive economic climate, the College remains committed to responding to increasing course demands by offering additional classes and educational options. Due to a change in the hold harmless provision in the Student Centered Funding Formula (SCFF), the District is currently in stability until the growth moves the District above the new threshold. The District will keep current funding levels but will not accumulate annual COLA adjustments to our funding level until this growth is achieved.

ECONOMIC FACTORS AFFECTING THE FUTURE, continued

Prospects for the Future, continued

The District’s fiscal outlook currently reflects one of stability within the educational industry. With the implementation of the state’s SCFF, the focus has shifted from solely a FTES emphasis approach in the funding calculation, to an increased emphasis on student demographics and performance (although FTES will still be the greatest factor of the calculation). Given the District’s demographics, the district has benefited from the change in the funding formula. While FTES levels are less significant to the funding formula, it still constitutes an essential part of the equation and the District expects to continue to monitor these trends for potential impacts. Furthermore, the near-term funding outlook for CCDs remains positive with recent increases in funding for higher education within the state. As a result of the positive state funding and continued support to provide free education, we believe enrollment and state funding in future years should demonstrate stability even in a time of slight FTES decline given the student success metrics remain steady.

The following table illustrates enrollment levels over the last five years:

	2020-21	2021-22	2022-23	2023-24	2023-24
Enrollment	2,136	1,811	1,796	2,259	2,262
% Increase (Decrease)	(1.34%)	(25.57%)	(15.22%)	(0.83%)	25.78%

5-year average decrease in enrollment year over year is -3.14%.

The College’s long-term educational and facilities master plans are focused on ensuring that the campus will continue to be able to meet the needs of its students now and in the future. The projected demographic changes in the area will mean continued growth and the facilities plan will enable Taft College to meet those needs. The plan involves a combination of constructing new buildings and modernizing the existing structures so that the College’s resources can be maximized.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the West Kern Community College District’s financial position and finances to the District’s citizens, taxpayers, students and to all others who need this information. Questions concerning this report or requests for additional financial information should be directed to Mike Giacomini, Vice President of Administrative Services or Nick Valsamides, Executive Director of Fiscal Services at Taft College, 29 Cougar Court, Taft, CA 93268.

FINANCIAL SECTION

WEST KERN COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 23,520,284
Accounts receivable, net	8,073,447
Inventory	260,311
Due from fiduciary funds, net	5,430
Prepaid expenses	339,565
Total Current Assets	<u>32,199,037</u>

Non-current Assets:

Restricted cash and cash equivalents	28,059,586
Right-of-use assets, net	109,266
Capital assets, net	68,107,857
Total Non-current Assets	<u>96,276,709</u>

TOTAL ASSETS

128,475,746

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to OPEB	1,895,465
Deferred outflows related to pensions	10,414,754

TOTAL DEFERRED OUTFLOWS OF RESOURCES

12,310,219

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 140,785,965

LIABILITIES

Current Liabilities:

Accounts payable	\$ 2,066,598
Unearned revenue	8,546,384
Compensated absences, current portion	1,933,476
Lease liabilities, current portion	111,857
Long-term debt, current portion	2,820,029
Total Current Liabilities	<u>15,478,344</u>

Non-current Liabilities:

Compensated absences, non-current portion	1,933,475
Net OPEB liability	11,412,793
Net pension liability	29,940,356
Long-term debt, non-current portion	29,275,171
Total Non-current Liabilities	<u>72,561,795</u>

TOTAL LIABILITIES

88,040,139

DEFERRED INFLOWS OF RESOURCES

Deferred charge on refunding	792,252
Deferred inflows related to pensions	3,098,504
Deferred inflows related to OPEB	3,797,138

TOTAL DEFERRED INFLOWS OF RESOURCES

7,687,894

NET POSITION

Net investment in capital assets	36,012,657
Restricted for:	
Debt service	3,641,664
Capital projects	14,256,944
Other special purposes	4,351,523
Unrestricted	<u>(13,204,856)</u>

TOTAL NET POSITION

45,057,932

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

\$ 140,785,965

WEST KERN COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES

Tuition and fees	\$ 3,704,079
Less: Scholarship discounts and allowances	(1,793,323)
Tuition and fees, net	<u>1,910,756</u>
Grants and contracts, non-capital	
Federal	7,992,664
State	<u>17,260,844</u>
TOTAL OPERATING REVENUES	<u>27,164,264</u>

OPERATING EXPENSES

Salaries	26,298,721
Employee benefits	11,928,512
Supplies, materials, and other operating expenses and services	9,603,314
Student aid	10,869,554
Depreciation and amortization	<u>3,488,789</u>
TOTAL OPERATING EXPENSES	<u>62,188,890</u>

OPERATING LOSS

(35,024,626)

NON-OPERATING REVENUES/(EXPENSES)

State apportionments, non-capital	31,353,101
Local property taxes	6,571,460
Taxes levied for other specific purposes	2,966,079
State taxes and other revenues	679,273
Investment income, non-capital	1,912,195
Interest expense on capital asset-related debt	(513,114)
Other financing sources/(uses)	(1,417,814)
Local grants and other non-operating income	<u>2,865,194</u>
TOTAL NON-OPERATING REVENUES/(EXPENSES)	<u>44,416,374</u>

CHANGE IN NET POSITION

9,391,748

NET POSITION, BEGINNING AS REPORTED

38,823,034

PRIOR YEAR ADJUSTMENT (SEE NOTE 17)

(3,156,850)

NET POSITION, BEGINNING AS RESTATED

35,666,184

NET POSITION, END OF YEAR

\$ 45,057,932

WEST KERN COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 1,001,331
Federal and state grants and contracts	19,890,042
Payments to students	(10,869,554)
Payments to or on behalf of employees	(37,777,237)
Payments to vendors	(8,706,844)
Net Cash Provided by/(Used in) Operating Activities	<u>(36,462,262)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State apportionments	31,353,101
Property taxes - non-debt related	6,571,460
State taxes and other apportionments	679,273
Local grants and other non-operating revenues	3,156,358
Contributions to trusts	(1,405,243)
Net Cash Provided by/(Used in) Non-capital Financing Activities	<u>40,354,949</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchase of capital assets	(4,559,940)
Local property taxes and other revenues for capital purposes	2,966,079
Principal paid on capital debt	(2,375,029)
Interest paid on capital debt	(1,141,383)
Net Cash Provided by/(Used in) Capital Financing Activities	<u>(5,110,273)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received from investments	<u>1,912,195</u>
Net Cash Provided by/(Used in) Investing Activities	<u>1,912,195</u>

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

	694,609
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>50,885,261</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 51,579,870</u>

WEST KERN COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

**RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED BY/(USED IN) OPERATING ACTIVITIES**

Operating loss	\$ (35,024,626)
Adjustments to Reconcile Operating Loss to Net Cash Provided by/ (Used in) Operating Activities:	
Depreciation and amortization	3,488,789
Changes in Assets and Liabilities:	
Accounts receivables, net	(3,142,370)
Inventory	7,858
Prepaid expenses	133,051
Deferred outflows of resources	(1,806,956)
Accounts payable	195,239
Compensated absences	3,245,304
Net pension liability	(272,070)
Net OPEB liability	(1,766,846)
Deferred inflows of resources	1,136,127
Total Adjustments	<u>(1,437,636)</u>
Net Cash Provided by/(Used in) Operating Activities	<u>\$ (36,462,262)</u>

CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:

Cash in banks	\$ 23,520,284
Cash equivalents, restricted	<u>28,059,586</u>
Total Cash and Cash Equivalents	<u>\$ 51,579,870</u>

WEST KERN COMMUNITY COLLEGE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 192,660
Accounts receivable, net	-
Total Assets	<u>\$ 192,660</u>
LIABILITIES	
Accounts payable	\$ 4,666
Total Liabilities	<u>4,666</u>
NET POSITION	
Unreserved	<u>187,994</u>
Total Net Position	<u>187,994</u>
Total Net Position and Liabilities	<u>\$ 192,660</u>

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

**WEST KERN COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	Agency Funds
OPERATING REVENUES	
Local revenue	\$ 232,666
Total Operating Revenues	<u>232,666</u>
OTHER FINANCING SOURCES/(USES)	
Operating transfers out	<u>(235,400)</u>
Total Other Financing Sources/(Uses)	<u>(235,400)</u>
Change in Net Position	(2,734)
Net Position - Beginning of Year	<u>190,728</u>
Net Position - End of Year	<u>\$ 187,994</u>

WEST KERN COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - TAFT COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 7,243,795
Prepaid expenses	<u>1,392</u>
Total current assets	<u>7,245,187</u>

Non-current assets:

FCCC - Bernard Osher Perpetuity	<u>81,000</u>
Total non-current assets	<u>81,000</u>

TOTAL ASSETS	\$ 7,326,187
---------------------	---------------------

NET ASSETS

Net assets without donor restrictions	652,851
Net assets with donor restrictions	<u>6,673,336</u>
Total net assets	<u>7,326,187</u>

TOTAL LIABILITIES AND NET ASSETS	\$ 7,326,187
---	---------------------

**WEST KERN COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - TAFT COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Special events	\$ 225,461	\$ -	\$ 225,461
Interest and dividends	269,643	1,703,165	1,972,808
Unrealized gain on investments	496,009	-	496,009
TOTAL SUPPORT AND REVENUE	991,113	1,703,165	2,694,278
EXPENSES			
Program	658,905	503,987	1,162,892
General and administrative	54,736	-	54,736
TOTAL EXPENSES	713,641	503,987	1,217,628
CHANGES IN NET ASSETS	277,472	1,199,178	1,476,650
NET ASSETS, BEGINNING	375,379	5,474,158	5,849,537
NET ASSETS, ENDING	\$ 652,851	\$ 6,673,336	\$ 7,326,187

**WEST KERN COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - TAFT COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 1,476,650
Reconciliation to net cash provided by/(used in) operating activities	
Effect on changes in:	
Other current assets	354
Accounts payable	(10,000)
Net Cash Provided by/(Used in) Operating Activities	<u>1,467,004</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,467,004
CASH AND CASH EQUIVLENTS, BEGINNING	<u>5,776,791</u>
CASH AND CASH EQUIVLENTS, ENDING	<u>\$ 7,243,795</u>

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – ORGANIZATION

West Kern Community College District (the "District") was established in 1922 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees (the "Board") form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one college with one campus located within Kern County in the City of Taft. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity and Component Units

The District has adopted GASB Statement No. 61, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, the District, and the following component units:

- Taft College Foundation

The Taft College Foundation (the "Foundation") is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. The board of the Foundation consists of community members, alumni, and other supporters of the Foundation. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District with the inclusion of the statements as a discretely presented component unit. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a not-for-profit organization under *Internal Revenue Code* (IRC) Section 501(c)(3) that reports its financial results in accordance with Financial Accounting Standards Codifications. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes to financial statements.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, and No. 39. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees and auxiliary activities through the bookstore and cafeteria.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain Federal and State grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as non-operating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as amended by GASB Statements No. 37, No. 38, and No. 39.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
 - Statement of Net Position - Primary Government
 - Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
 - Statement of Cash Flows - Primary Government
 - Financial Statements for the Fiduciary Funds including:
 - Statement of Fiduciary Net Position
 - Statement of Changes in Fiduciary Net Position
- Notes to Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2025, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent investments required by debt covenants and contributions to be set aside by the District for the purpose of satisfying certain requirements of the debt issuance and program funding requirements.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. Management has analyzed these accounts and believes most amounts are fully collectible.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Inventory

Inventory consist primarily of bookstore merchandise and cafeteria food and supplies held for resale to the students and faculty of the colleges. Inventories are stated at cost, utilizing the first-in, first-out method. The cost is recorded as an expense as the inventory is consumed.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services or contracts that will benefit periods beyond June 30.

Right-to-Use-Assets and Lease Liabilities

The District has recorded right-to-use assets as a result of implementing GASB 96, *Subscription-Based Information Technology Arrangements*. The right-to-use-assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease or subscription.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, land and building improvements, buildings, and furniture and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; land and building improvements, 25 to 50 years; furniture and equipment, 5 to 10 years.

Accounts Payable and Long-term Debt

All payables and long-term debt are reported in the District and fiduciary fund financial statements. In general, accounts payable that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the District. Long-term debt include bonds, lease liability, certificates of participation, pensions, and OPEB obligations with maturities greater than one year.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Payable and Long-term Debt, continued

Bonds, leases, certificate of participations and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs and Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method. Issuance costs are expended in the period incurred

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for pension related items, and for OPEB related items. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for refunding debt, for pension related items and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability/(asset) and OPEB expense/(benefit), information about the fiduciary net position of the District Plan and additions to/(deductions from) the District Plan have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absences liability is reported on the entity-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the entity-wide financial statements.

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Flow Assumption: When determining the amounts due within one year for sick leave, accumulated sick leave as of June 30, 2025 is assumed to be used before future sick leave accruals (i.e. First In, First Out). The amount due within one year for vacation leave is based on the expected accumulated vacation leave to be cashed out upon the end of employment in the following year.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent the difference between assets and liabilities. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

Net Investment in Capital Assets: consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component invested in capital assets.

Restricted: Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The entity-wide financial statements report \$38,823,034 of total net position.

Operating and Non-Operating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or non-operating. Certain significant revenue streams relied upon for operation are classified as non-operating as defined by GASB Statements No. 34 and No. 35. Classifications are as follows:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.

Non-operating revenues - Non-operating revenues include activities that have the characteristics of non-exchange transactions such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources defined in GASB Statements No. 34 and No. 35.

Classification of Expenses - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating according to the following criteria:

Operating expenses - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.

Non-operating expenses - Non-operating expenses include interest expense and other expenses not directly related to the services of the District.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Kern bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation Bonds for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the Board of Governors are included within the scholarships, discounts, and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Interfund Activity

Exchange transactions between funds of the District are reported as revenues and expenses within the Statement of Revenues, Expenses, and Changes in Net Position. Flows of cash or goods from one fund to another without a requirement for repayment are recognized as interfund transfers within the District's fund financial statements. Amounts owing between funds for both exchange and non-exchange transactions are recorded as interfund receivables and payables within the District's fund financial statements. Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the entity-wide financial statements.

Budget and Budgetary Accounting

By state law, the District's governing board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15th of each year. A hearing must be conducted for public comments prior to adoption. The District's governing board satisfied these requirements.

The budget is revised during the year to incorporate categorical funds that are awarded during the year and miscellaneous changes to the spending plans. The District's governing board approves revisions to the budget.

Foundation Financial Statement Presentation

The Foundation presents its financial statements in accordance with Statement of Financial Accounting Codifications. The Foundation's financial statements are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into two classes: net assets without donor restrictions and net assets with donor restrictions, as follows:

Net assets without donor restrictions are those resources that are currently available for operations.

Net assets with donor restrictions are those resources which are stipulated by donors for various scholarships or other programmatic uses.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Investments are reported at fair value in accordance with FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*.

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the IRC and related *California Franchise Tax Codes*.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ending June 30, 2025:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The financial impact of this Statement is reflected in Notes 11 and 17.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management has determined that the adoption of the foregoing accounting standard did not have any material impact in the financial statements of the District.

Upcoming GASB Pronouncements

The GASB has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for periods beginning after June 15, 2025.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also requires additional disclosures for capital assets held for sale. This Statement is effective for periods beginning after June 15, 2025.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND CASH EQUIVALENTS

Policies and Practices

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

Cash in County Treasury

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

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND CASH EQUIVALENTS, continued

Summary of Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2025, consisted of the following:

	Primary Government	Foundation
Cash on hand and in banks	\$ 43,966,998	\$ 12,539
Cash in revolving	2,407,079	-
Cash in county treasury	5,187,824	-
Investments	17,969	7,231,256
Total Cash and Cash Equivalents	<u>\$ 51,579,870</u>	<u>\$ 7,243,795</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and which also times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

California Government Code, Section 53601, limits the District's investments to maturities of five years. The weighted average days to maturity of the District's investment of cash in the County treasurer's investment pool is 668 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the *California Government Code*. Investments in any one issuer that represent five percent or more of the total investments are as follows:

Investment Type	Issuer	Reported Amount
Corporate Notes	US Bank	\$ 17,969
Corporate Notes	UBS (Foundation)	\$ 7,231,256

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH AND CASH EQUIVALENTS, continued

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, the carrying amount of the District cash accounts held in banks was \$43,716,998 of which \$250,000 was insured. This excess is exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The *California Government Code* and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

NOTE 4 – FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Kern County Treasury Investment Pool, Master Trusts, and Certificates of Deposit are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The following is a summary of accounts receivable for the fiscal year ended June 30, 2025:

	Primary Government
Federal Government	
Categorical aid	\$ 518,819
State Government	
Apportionment	130,033
Categorical aid	4,524,674
Local Sources	
Student receivables	1,945,910
Categorical aid	903,044
Other local sources	50,967
Total	<u>\$ 8,073,447</u>

NOTE 6 – RIGHT-TO-USE ASSETS

Right-to-use assets activity for the District for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Right-to-Use Assets:				
Leased software	\$ 614,206	\$ -	\$ -	\$ 614,206
Total Right-to-Use Assets	<u>614,206</u>	<u>-</u>	<u>-</u>	<u>614,206</u>
Less: Accumulated Amortization				
Leased software	252,470	252,470	-	504,940
Total Accumulated Amortization	<u>252,470</u>	<u>252,470</u>	<u>-</u>	<u>504,940</u>
Right-to-Use Assets, Net	<u>\$ 361,736</u>	<u>\$ (252,470)</u>	<u>\$ -</u>	<u>\$ 109,266</u>

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – CAPITAL ASSETS

Capital assets activity for the District for the fiscal year ended June 30, 2025, was as follows:

	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025
Capital Assets Not Being Depreciated				
Land	\$ 1,610,032	\$ -	\$ -	\$ 1,610,032
Construction in progress	555,668	-	102,068	453,600
Total Capital Assets Not Being Depreciated	2,165,700	-	102,068	2,063,632
Capital Assets Being Depreciated				
Land and building improvements	10,386,950	581,492	-	10,968,442
Buildings	103,223,947	-	-	103,223,947
Furniture and equipment	11,835,011	665,499	-	12,500,510
Total Capital Assets Being Depreciated	125,445,908	1,246,991	-	126,692,899
Total Capital Assets	127,611,608	1,246,991	102,068	128,756,531
Less: Accumulated Depreciation				
Land and building improvements	5,998,817	393,172	-	6,391,989
Buildings	41,135,059	2,372,346	-	43,507,405
Furniture and equipment	10,278,479	470,801	-	10,749,280
Total Accumulated Depreciation	57,412,355	3,236,319	-	60,648,674
Capital Assets, Net	\$ 70,199,253	\$ (1,989,328)	\$ 102,068	\$ 68,107,857

NOTE 8 – ACCOUNTS PAYABLE

The following is a summary of accounts payable for the fiscal year ended June 30, 2025:

	Primary Government
Vendors payable	\$ 1,229,630
Salaries and benefits	506,271
Accrued interest	330,697
Total	<u>\$ 2,066,598</u>

NOTE 9 – UNEARNED REVENUE

The following is a summary of unearned revenue for the fiscal year ended June 30, 2025:

	Primary Government
Federal financial assistance	\$ 548,124
State categorical aid	7,059,109
Local sources	939,151
Total	<u>\$ 8,546,384</u>

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process.

NOTE 11 – LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2025 fiscal year consisted of the following:

	Balance July 01, 2024	Adjustment Note 17	Adjusted Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due Within One Year
General obligation bonds	\$ 22,200,000	\$ -	\$ 22,200,000	\$ -	\$ 2,145,000	\$ 20,055,000	\$ 2,325,000
Unamortized bond premium	1,840,229	-	1,840,229	-	230,029	1,610,200	230,029
Certificates of participation	10,430,000	-	10,430,000	-	-	10,430,000	265,000
Software lease	370,024	-	370,024	-	258,167	111,857	111,857
Net OPEB liability	13,179,639	-	13,179,639	-	1,766,846	11,412,793	-
Net pension liability	30,212,426	-	30,212,426	-	272,070	29,940,356	-
Compensated absences	621,647	3,156,850	3,778,497	88,454	-	3,866,951	1,933,476
Total Long-Term Liabilities	<u>\$ 78,853,965</u>	<u>\$ 3,156,850</u>	<u>\$ 82,010,815</u>	<u>\$ 88,454</u>	<u>\$ 4,672,112</u>	<u>\$ 77,427,157</u>	<u>\$ 4,865,362</u>

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund and the Restricted Purpose Debt Service Fund with local property tax revenues. Payments on the certificates of participation are paid by the Restricted Purpose Debt Service Fund. The other postemployment benefit obligations are paid by the General Fund.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – LONG-TERM OBLIGATIONS, continued

Debt Maturity

General Obligation Bonds

Series	Issuance Date	Interest Yield	Maturity Date	Amount of Original Issue	Balance July 01, 2024	Additions	Redeemed	Balance June 30, 2025	Due Within One Year
2015 Series A Refunding	4/30/2015	1.89 - 3.51%	11/1/2031	\$ 16,995,000	\$ 13,185,000	\$ -	\$ 1,645,000	\$ 11,540,000	\$ 1,765,000
2019 Refunding	11/26/2019	1.16 - 2.06%	11/1/2032	9,865,000	9,015,000	-	500,000	8,515,000	560,000
Total General Obligation Bonds				\$ 26,860,000	\$ 22,200,000	\$ -	\$ 2,145,000	\$ 20,055,000	\$ 2,325,000

2015 A - Refunding

The bonds mature as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,765,000	\$ 465,500	\$ 2,230,500
2027	1,895,000	377,250	2,272,250
2028	1,000,000	282,500	1,282,500
2029	1,070,000	252,500	1,322,500
2030	1,160,000	199,000	1,359,000
2031-2032	4,650,000	246,225	4,896,225
Total	\$ 11,540,000	\$ 1,822,975	\$ 13,362,975

2019 - Refunding

The bonds mature as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 560,000	\$ 340,600	\$ 900,600
2027	615,000	318,200	933,200
2028	680,000	293,600	973,600
2029	745,000	266,400	1,011,400
2030	815,000	236,600	1,051,600
2031-2033	5,100,000	502,200	5,602,200
Total	\$ 8,515,000	\$ 1,957,600	\$ 10,472,600

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – LONG-TERM OBLIGATIONS, continued

Certificates of Participation

A schedule of changes in COPs for the year ended June 30, 2025 is shown below:

Series	Issuance Date	Interest Yield	Maturity Date	Amount of Original Issue	Balance July 01, 2024	Additions	Redeemed	Outstanding June 30, 2025	Due Within One Year
2020 COPs	1/9/2020	1.20 - 2.96%	11/1/2049	\$ 10,430,000	\$ 10,430,000	\$ -	\$ -	\$ 10,430,000	\$ 265,000
Total Certificates of Participation				\$ 10,430,000	\$ 10,430,000	\$ -	\$ -	\$ 10,430,000	\$ 265,000

The COPs mature as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 265,000	\$ 368,006	\$ 633,006
2027	270,000	359,981	629,981
2028	280,000	351,732	631,732
2029	285,000	343,969	628,969
2030	295,000	334,506	629,506
2031-2035	1,660,000	1,482,430	3,142,430
2036-2040	2,010,000	1,116,630	3,126,630
2041-2045	2,450,000	672,030	3,122,030
2056-2050	2,915,000	214,259	3,129,259
Total	\$ 10,430,000	\$ 5,243,543	\$ 15,673,543

Leases

The District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 96 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The general terms are as follows:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Lease Payment
Software	3	2.34%	7/1/2019 - 12/31/2025	\$ 244,860

Future minimum lease payments on non-cancellable leases at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 111,857	\$ 550	\$ 112,407
Total	\$ 111,857	\$ 550	\$ 112,407

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2025, the District reported net OPEB liability/(asset) and OPEB expense/(benefit) for the following plan:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 11,412,793	\$ 1,895,465	\$ 3,797,138	\$ (1,460,529)

Plan Description

The District's governing board administers the Postemployment Benefits Plan (the "Plan"). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

The Benefits Trust Company (BTC) administers the Plan. The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Financial information for BTC can be found on the BTC website at: <http://www.benefitstrust.org>.

Plan Membership

At June 30, 2024, the valuation date, the plan membership consisted of the following:

	Number of Participants
Inactive Employees Receiving Benefits	103
Active Employees	150
Total	253

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District, the faculty union, the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District and the groups. For fiscal year 2024-25, the District contributed \$2,210,248 to the Plan, of which \$1,241,320 was used for current premiums and \$968,928 was used to fund the OPEB Trust.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Net OPEB Liability/(Asset) of the District

The District's net OPEB liability/(asset) of \$11,412,793 was measured as of June 30, 2025, by an actuarial valuation as of June 30, 2024. The components of the net OPEB liability/(asset) of the District at June 30, 2025, were as follows:

Total OPEB liability	\$	25,444,377
Plan fiduciary net position		14,031,584
District's net OPEB liability/(asset)	\$	<u>11,412,793</u>

Plan fiduciary net position as a percentatge of the total OPEB liability	55.15%
---	--------

Actuarial Assumptions

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2024
Measurement date	June 30, 2025
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.50%
Investment rate of return	5.75%
Discount rate	5.75%
Healthcare cost trend rate	4.00%

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actual assumptions used in the June 30, 2024, valuation were based on the results of an actual experience study for the period July 1, 2024 to June 30, 2025.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance July 1, 2024 (Measurement Date)	\$ 24,873,509	\$ 11,693,870	\$ 13,179,639
Changes for the year:			
Service cost	405,977	-	405,977
Interest	1,406,211	-	1,406,211
Employer contributions*	-	968,928	(968,928)
Employee contributions as Benefit Payments	-	1,241,320	(1,241,320)
Expected investment income	-	698,089	(698,089)
Investment (gains)/losses	-	746,013	(746,013)
Administrative expense	-	(75,316)	75,316
Expected benefit payments*	(1,241,320)	(1,241,320)	-
Net changes	570,868	2,337,714	(1,766,846)
Balance June 30, 2024 (Measurement Date)	\$ 25,444,377	\$ 14,031,584	\$ 11,412,793

*Includes \$47,324 due to implied rate subsidy.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	Discount Rate 1% Lower (4.75%)	Current Discount Rate (5.75%)	Discount Rate 1% Higher (6.75%)
Net OPEB liability/(asset)	\$ 14,624,490	\$ 11,412,793	\$ 8,740,954

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

	Trend Rate 1% Lower (3.00%)	Current Trend Rate (4.00%)	Trend Rate 1% Higher (5.00%)
Net OPEB liability/(asset)	\$ 8,188,801	\$ 11,412,793	\$ 15,359,506

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 553,743	\$ 934,536
Differences between expected and actual experience	895,949	2,695,657
Change in assumptions	445,773	166,945
Total	\$ 1,895,465	\$ 3,797,138

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense/(benefit) as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (104,917)
2027	(658,657)
2028	(599,819)
2029	(526,468)
2030	(90,280)
Thereafter	78,468
Total	\$ (1,901,673)

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 – RISK MANAGEMENT

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2025, the District contracted with the Self Insured Schools of California II (SISC II) Joint Powers Authority for property and liability insurance coverage, health and welfare benefits as well as workers compensation coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2024-25, the District participated in the Self Insured Schools of California I (SISC I) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Employee Medical Benefits

The District has contracted with Self Insured Schools of California III (SISC III) to provide employee medical benefits. SISC III is a shared risk pool comprised of members of participating districts in California. Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of the claim's flow. The Board of Directors has the right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of California State Teachers' Retirement System (CalSTRS) and classified employees are members of California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2025, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 10,595,026	\$ 4,038,275	\$ 1,995,785	\$ 937,038
CalPERS	19,345,330	6,376,479	1,102,719	3,044,006
Total	<u>\$ 29,940,356</u>	<u>\$ 10,414,754</u>	<u>\$ 3,098,504</u>	<u>\$ 3,981,044</u>

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans. The STRP provisions and benefits in effect at June 30, 2025, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.21%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.83%	10.83%

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Contributions

The parameters for employer and state contribution rates for the DB Program are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were \$2,183,978.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of the net pension liability	\$	10,595,026
State's proportionate share of the net pension liability associated with the District		4,861,109
Total	\$	<u>15,456,135</u>

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.016 percent and 0.015 percent, resulting in a net increase in the proportionate share of 0.001 percent.

For the year ended June 30, 2025, the District recognized pension expense of \$937,038. In addition, the District recognized pension expense and revenue of \$443,643 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 43,287
Differences between expected and actual experience	1,198,567	463,607
Changes in assumptions	46,378	723,534
Net changes in proportionate share of net pension liability	609,352	765,357
District contributions subsequent to the measurement date	2,183,978	-
Total	<u>\$ 4,038,275</u>	<u>\$ 1,995,785</u>

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (1,000,990)
2027	717,214
2028	(13,057)
2029	101,912
2030	105,400
Thereafter	(51,967)
Total	<u>\$ (141,488)</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age actuarial cost method
Investment rate of return / discount rate	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2021) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2025, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
Total	100%		

*20- to 30-year geometric average.

**Real rates of return are net of assumed 2.75% inflation.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 18,845,084	\$ 10,595,026	\$ 3,705,885

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2025, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	26.68%	26.68%

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were \$3,046,282.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$19,345,330. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.054 percent and 0.052 percent, resulting in a net decrease in the proportionate share of 0.002 percent.

For the year ended June 30, 2025, the District recognized pension expense of \$3,044,006. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 751,453	\$ -
Differences between expected and actual experience	1,621,823	138,454
Changes in assumptions	427,597	-
Net changes in proportionate share of net pension liability	529,324	964,265
District contributions subsequent to the measurement date	3,046,282	-
Total	<u>\$ 6,376,479</u>	<u>\$ 1,102,719</u>

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 553,309
2027	1,658,958
2028	120,652
2029	(105,441)
Total	<u>\$ 2,227,478</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return / discount rate	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Actuarial Methods and Assumptions, continued

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 28,737,650	\$ 19,345,330	\$ 11,586,527

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Deferred Compensation

The District offers its employees a CalPERS administered 457 Deferred Compensation Program (the "Program"). The Program, available to all permanent employees, permits them to defer a portion of pre-tax salary into investment of an individual's own choosing until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The Board for the exclusive benefit of participating employees, which adds security, holds the assets in trust.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$981,545. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

NOTE 15 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Self-Insured Schools of California (SISC) Joint Powers Authority JPA. The District pays annual premiums for its workers' compensation, health and welfare, and property/liability coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

The JPA has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPAs and the District are included in these statements. Audited financial statements are available from the respective entities.

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

During the year ended June 30, 2025, the District made payments of \$209,747 and \$5,539,516 to SISC for its workers' compensation and health and welfare coverage, respectively. The District also made payments of \$93,434 to SWACC for its property/liability coverage and \$49,693 to Student Insurance for its student liability insurance coverage.

WEST KERN COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

Related Party Transactions

WESTEC

Taft College and WESTEC share administrative and other costs and are considered to be related parties. Certain data processing, administrative services, and purchases are performed on behalf of, or for Taft College by WESTEC. WESTEC also has a relation with Taft College in that the North Kern Training Center (NKTC) was purchased by Taft College. In turn, WESTEC maintains the center and incurs costs such as betterments and improvements. As is the case with WESTEC's original Taft facility, NKTC use charges are based on a per student per class fee payable to Taft College.

Impounded Property Taxes

Each year several property tax assessments are protested. Accordingly, the District impounds monies in order to repay the assessments in the event the District should lose any of the protests.

NOTE 17 – PRIOR PERIOD ADJUSTMENTS

The District net position was restated as follows to reflect effect of GASB Statement No. 101:

Beginning Net Position - previously reported at June 30, 2024	\$	38,823,034
Prior Period Adjustment:		
Change in accounting principle (GASB 101)		(3,156,850)
Beginning Net Position - as restated at June 30, 2024	\$	<u>35,666,184</u>

NOTE 18 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through , 2026, the date the financial statements were available to be issued. No subsequent events occurred requiring accrual or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2024	2024	2023	2022
Total OPEB liability				
Service cost	\$ 405,977	\$ 460,797	\$ 448,464	\$ 654,325
Interest	1,406,211	1,363,197	1,327,267	1,567,793
Changes of assumptions	-	(129,395)	-	-
Experience gains/(losses)	-	286,508	-	(5,091,797)
Benefit payments	(1,241,320)	(1,169,933)	(1,144,123)	(1,276,784)
Net change in total OPEB liability	570,868	811,174	631,608	(4,146,463)
Total OPEB liability, beginning of year	24,873,509	24,062,335	23,430,727	27,577,190
Total OPEB liability, end of year (a)	\$ 25,444,377	\$ 24,873,509	\$ 24,062,335	\$ 23,430,727
Plan fiduciary net position				
Employer contributions	\$ 1,241,320	\$ 1,169,933	\$ 1,144,123	\$ 642,878
Employee contributions	968,928	390,244	484,464	1,276,784
Interest	-	-	-	-
Expected investment income	698,089	607,187	538,056	632,325
Investment (gains)/losses	746,013	366,757	294,187	(68,786)
Administrative expense	(75,316)	(69,937)	(64,695)	(2,768,727)
Expected benefit payments	(1,241,320)	(1,169,933)	(1,144,123)	(1,276,784)
Change in plan fiduciary net position	2,337,714	1,294,251	1,252,012	(1,562,310)
Fiduciary trust net position, beginning of year	11,693,870	10,399,619	9,147,607	10,709,917
Fiduciary trust net position, end of year (b)	\$ 14,031,584	\$ 11,693,870	\$ 10,399,619	\$ 9,147,607
Net OPEB liability/(asset), ending (a) - (b)	\$ 11,412,793	\$ 13,179,639	\$ 13,662,716	\$ 14,283,120
Covered payroll	N/A*	N/A*	N/A*	N/A*
Plan fiduciary net position as a percentage of the total OPEB liability	55%	47%	43%	39%
Net OPEB liability/(asset) as a percentage of covered payroll	N/A*	N/A*	N/A*	N/A*

*The District's OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 601,676	\$ 303,531	\$ 295,407	\$ 287,501
Interest	1,532,045	1,402,173	1,354,792	1,317,275
Changes of assumptions	823,548	(160,292)	-	-
Experience gains/(losses)	-	1,525,665	-	-
Benefit payments	(1,226,634)	(884,617)	(844,536)	(1,130,262)
Net change in total OPEB liability	1,730,635	2,186,460	805,663	474,514
Total OPEB liability, beginning of year	25,846,555	23,660,095	22,854,432	22,379,918
Total OPEB liability, end of year (a)	\$ 27,577,190	\$ 25,846,555	\$ 23,660,095	\$ 22,854,432
Plan fiduciary net position				
Employer contributions	\$ 641,650	\$ 542,001	\$ 1,388,436	\$ 1,747,490
Employee contributions	1,226,634	884,617	-	-
Interest	2,169,026	-	-	-
Expected investment income	-	439,186	390,716	382,281
Investment (gains)/losses	-	(38,595)	(70,464)	-
Administrative expense	(63,737)	(56,757)	(53,974)	(51,722)
Expected benefit payments	(1,226,634)	(884,617)	(844,536)	(1,130,262)
Change in plan fiduciary net position	2,746,939	885,835	810,178	947,787
Fiduciary trust net position, beginning of year	7,962,978	7,077,143	6,266,965	5,319,178
Fiduciary trust net position, end of year (b)	\$ 10,709,917	\$ 7,962,978	\$ 7,077,143	\$ 6,266,965
Net OPEB liability/(asset), ending (a) - (b)	\$ 16,867,273	\$ 17,883,577	\$ 16,582,952	\$ 16,587,467
Covered payroll	N/A*	N/A*	N/A*	N/A*
Plan fiduciary net position as a percentage of the total OPEB liability	39%	31%	30%	27%
Net OPEB liability/(asset) as a percentage of covered payroll	N/A*	N/A*	N/A*	N/A*

*The District's OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

**WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – OPEB
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022
Actuarially determined contribution	\$ 1,241,320	\$ 1,169,933	\$ 2,284,756	\$ 1,276,784
Contributions in relations to the actuarially determined contribution	1,241,320	1,169,933	2,284,756	1,276,784
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Contribution as a percentage of covered-employee payroll	N/A*	N/A*	N/A*	N/A*
	2021	2020	2019	2018
Actuarially determined contribution	\$ 1,226,634	\$ 884,617	\$ 844,536	\$ 1,130,262
Contributions in relations to the actuarially determined contribution	1,226,634	884,617	844,536	1,130,262
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Contribution as a percentage of covered-employee payroll	N/A*	N/A*	N/A*	N/A*

*The District's OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalSTRS					
District's proportion of the net pension liability	0.016%	0.015%	0.015%	0.016%	0.016%
District's proportionate share of the net pension liability	\$ 10,595,026	\$ 11,380,549	\$ 10,700,751	\$ 7,168,060	\$ 15,841,057
State's proportionate share of the net pension liability associated with the District	4,861,109	5,452,840	5,358,968	3,606,765	8,166,001
Total	\$ 15,456,135	\$ 15,456,135	\$ 16,059,719	\$ 10,774,825	\$ 24,007,058
District's covered-employee payroll	\$ 11,149,921	\$ 9,579,243	\$ 5,942,346	\$ 9,812,471	\$ 9,812,471
District's proportionate share of the net pension liability as percentage of covered-employee payroll	95%	119%	180%	73%	161%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	81%	87%	72%
	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalPERS					
District's proportion of the net pension liability	0.054%	0.052%	0.052%	0.053%	0.058%
District's proportionate share of the net pension liability	\$ 19,345,330	\$ 18,831,877	\$ 17,982,000	\$ 10,803,715	\$ 17,764,152
District's covered-employee payroll	\$ 10,795,798	\$ 10,219,764	\$ 8,065,408	\$ 7,626,130	\$ 7,626,130
District's proportionate share of the net pension liability as percentage of covered-employee payroll	179%	184%	223%	142%	233%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	70%	81%	70%

WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalSTRS					
District's proportion of the net pension liability	0.015%	0.015%	0.016%	0.016%	0.017%
District's proportionate share of the net pension liability	\$ 13,793,518	\$ 14,075,880	\$ 14,597,368	\$ 13,291,939	\$ 11,344,264
State's proportionate share of the net pension liability associated with the District	7,525,346	8,059,488	8,635,680	7,566,863	5,999,865
Total	\$ 21,318,864	\$ 22,135,368	\$ 23,233,048	\$ 20,858,802	\$ 17,344,129
District's covered-employee payroll	\$ 9,148,391	\$ 8,784,678	\$ 9,350,970	\$ 8,594,138	\$ 8,147,241
District's proportionate share of the net pension liability as percentage of covered-employee payroll	151%	160%	156%	155%	139%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalPERS					
District's proportion of the net pension liability	0.056%	0.057%	0.062%	0.065%	0.066%
District's proportionate share of the net pension liability	\$ 16,417,794	\$ 15,156,659	\$ 14,728,674	\$ 12,767,803	\$ 9,740,820
District's covered-employee payroll	\$ 7,742,769	\$ 6,972,049	\$ 7,947,379	\$ 7,744,982	\$ 7,357,701
District's proportionate share of the net pension liability as percentage of covered-employee payroll	212%	217%	185%	165%	132%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

**WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2024	2024	2023	2022	2021
Statutorily required contribution	\$ 2,183,978	\$ 2,129,635	\$ 1,620,808	\$ 1,005,445	\$ 1,584,714
District's contributions in relation to the statutorily required contribution	2,183,978	2,129,635	1,620,808	1,005,445	1,584,714
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 11,434,440	\$ 11,149,921	\$ 9,579,243	\$ 5,942,346	\$ 9,812,471
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	16.92%	16.15%

CalPERS	Reporting Fiscal Year				
	2024	2024	2023	2022	2021
Statutorily required contribution	\$ 3,046,282	\$ 2,880,319	\$ 2,341,348	\$ 1,847,785	\$ 1,578,609
District's contributions in relation to the statutorily required contribution	3,046,282	2,880,319	2,341,348	1,847,785	1,578,609
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 11,261,671	\$ 10,795,798	\$ 10,219,764	\$ 8,065,408	\$ 7,626,130
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	22.91%	22.91%	20.70%

**WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 1,688,012	\$ 1,489,358	\$ 1,267,629	\$ 1,176,352	\$ 922,151
District's contributions in relation to the statutorily required contribution	1,688,012	1,489,358	1,267,629	1,176,352	922,151
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 9,310,601	\$ 9,148,391	\$ 8,784,678	\$ 9,350,970	\$ 8,594,138
District's contributions as a percentage of covered-employee payroll	18.13%	16.28%	14.43%	12.58%	10.73%
CalPERS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 1,649,161	\$ 1,398,499	\$ 1,082,829	\$ 1,103,732	\$ 917,548
District's contributions in relation to the statutorily required contribution	1,649,161	1,398,499	1,082,829	1,103,732	917,548
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 8,362,461	\$ 7,742,769	\$ 6,972,049	\$ 7,947,379	\$ 7,744,982
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	15.53%	13.89%	11.85%

**WEST KERN COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability/(asset), including beginning and ending balances, the plan's fiduciary net position, and the net OPEB liability/(asset). In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms - There were no changes in benefit terms since the previous valuations.

Changes of Assumptions - The inflation rate changed from 2.75% to 2.50% since the previous valuation.

Schedule of Contributions – OPEB

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of the Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

Changes in Benefit Terms - The required employer contributions rate changed from 26.68% to 27.05% since the previous valuation for CalPERS. There were no changes in benefit terms since the previous valuation for CalSTRS.

Changes of Assumptions - Additional factors were considered in the actuarial valuation for CalSTRS namely the payroll growth rate and long-term expected rate of return based on 20 to 30 years geometric average. There were no changes in economic assumptions since previous valuation for CalPERS.

Schedule of Contributions – Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

SUPPLEMENTARY INFORMATION

WEST KERN COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATION
JUNE 30, 2025

The West Kern Community College District (the "District") was established in 1922 and is comprised of an area of approximately 735 square miles located in Kern County, in the City of Taft. There were no changes in the boundaries of the District during the current year. The District's one college is accredited by the Western Association of Schools and Junior Colleges.

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Dr. Kathy Garner Orrin	President	2028
Michael Eveland	Secretary	2028
Billy White	Member	2026
Dawn Cole	Member	2026
Jeremy Gregory	Member	2026

ADMINISTRATION

Dr. Leslie Minor
Interim Superintendent/President

Mike Giacomini
Vice-President of Administrative Services

Greg Bormann
Interim Vice-President of Instruction

Dr. Rashita Elize
Interim Vice-President of Student Services

Heather del Rosario
Vice-President of Human Resources

Nicolas Valsamides
Executive Director of Fiscal Services

AUXILIARY ORGANIZATIONS IN GOOD STANDING

AUXILIARY NAME	DIRECTOR'S NAME	ESTABLISHMENT AND MASTER AGREEMENT DATE
Taft College Foundation	Dr. Sheri Horn-Bunk Executive Director, Foundation and Institutional Advancement	Established as an auxiliary organization in 2002 and has a signed master agreement dated September 11, 2019

**WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Program Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through California Department of Education:</i>			
Child and Adult Care Food Programs-2021	10.558	13666	\$ 58,784
Subtotal U.S. Department of Agriculture			<u>58,784</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Programs:</i>			
Transition Programs for Students with Intellectual Disabilities (TPSID)	84.407A	*	764,369
Student Financial Assistance Cluster:			
Direct Student Loans	84.268	*	182,352
Federal Work Study	84.033	*	90,317
Pell Grants	84.063	*	6,539,386
Supplemental Educational Opportunity Grant (SEOG)	84.007	*	98,441
Subtotal Student Financial Assistance Cluster			<u>6,910,496</u>
<i>Passed Through California Community Colleges Chancellor's Office</i>			
Perkins, Title I-C	84.048	*	111,409
Subtotal U.S. Department of Education			<u>7,786,274</u>
Total Expenditures of Federal Awards			<u>\$ 7,845,058</u>

**Pass-through entity identifying number not applicable*

WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Program	Program Entitlements			Program Revenues				Total Program Expenditures
	Current Year	Prior Year	Total Entitlement	Cash Received	Accounts Receivable	Unearned Revenue	Total Revenue	
Adult Education Block Grant - AB104	\$ 999,080	\$ -	\$ 999,080	\$ 999,080	\$ -	\$ -	\$ 999,080	\$ 999,080
Adult Education ELL Healthcare Grant	164,788	-	164,788	164,788	-	-	164,788	164,788
Basic Needs Center	216,123	324,409	540,532	540,532	-	396,156	144,377	144,377
Cal Fresh Outreach	-	20,658	20,658	20,658	-	20,658	-	-
Cal Works	138,824	178,188	317,012	317,012	-	161,871	155,141	155,141
CARE	116,018	81,482	197,500	197,500	-	90,227	107,272	107,272
CCAP-GPAP (Extension Phase III)	38,853	16,761	55,614	41,761	13,853	-	55,614	55,614
CCC Equitable Placement & Completion	341,905	-	341,905	328,052	13,853	282,174	59,731	59,731
CDTC	21,160	22,393	43,553	43,553	-	42,641	912	912
CDC - Child Care General Fund	371,352	-	371,352	364,291	7,061	-	371,352	371,352
CDC - Child Care Preschool Grant	1,130,793	60,309	1,191,102	929,014	262,088	636,046	555,056	555,056
CDC - Migrant Education Grant	576,749	-	576,749	368,199	208,550	-	576,749	576,749
CDC - Migrant Bilingual Education	167,787	-	167,787	167,787	-	57,561	110,227	110,227
Classified Professional Development	-	21,659	21,659	21,659	-	18,762	2,898	2,898
CTE - Strong Workforce Regional SW7	457,789	46,550	504,339	-	504,339	-	504,339	504,339
CTE - Strong Workforce Local SW6	-	185,460	185,460	185,460	-	-	185,460	185,460
CTE - Strong Workforce Local SW7	-	290,070	290,070	290,070	-	-	290,070	290,070
CTE - Strong Workforce Regional SW6	-	292,223	292,223	-	292,223	-	292,223	292,223
CTE - RERP	35,814	-	35,814	35,814	-	32,622	3,192	3,192
Culturally Competent Faculty PD	-	45,365	45,365	45,365	-	45,365	-	-
DSPS	457,142	116,524	573,666	573,666	-	175,359	398,307	398,307
EEO Best Practices	-	208,333	208,333	208,333	-	208,333	-	-
EOPS	732,068	306,208	1,038,276	1,038,276	-	329,093	709,183	709,183
Faculty / Staff Diversity / EEO	138,888	242,237	381,125	381,125	-	259,095	122,030	122,030
Financial Aid + 2% Admin	202,673	85,352	288,025	288,025	-	54,982	233,043	233,043
Financial Aid Cal Grants	1,024,858	-	1,024,858	1,024,858	-	-	1,024,858	1,024,858
Financial Aid California College Promise	175,311	102,918	278,229	278,229	-	79,554	198,675	198,675
Financial Aid Technology	44,557	13,058	57,615	57,615	-	8,927	48,688	48,688
Guided Pathways	-	288,462	288,462	288,462	-	230,992	57,470	57,470
Kern K-16 Collaborative	29,440	20,490	49,930	20,490	29,440	-	-	-
LGBTQI Plus	44,149	61,327	105,476	105,476	-	96,565	8,911	8,911
Library Services Platform	-	1,510	1,510	1,510	-	-	1,510	1,510
Lottery (Restricted)	432,814	14,859	447,674	441,297	6,377	222,039	225,634	225,634
Mental Health Services	142,333	304,198	446,531	446,531	-	217,973	228,558	228,558
MESA Grant	865,258	-	865,258	837,258	28,000	567,829	297,428	297,428
NextUp	241,148	-	241,148	241,148	-	183,318	57,831	57,831
Retention & Enroll Outreach (SB 85)	182,363	(99,888)	82,475	82,475	-	(77,122)	159,597	159,597
Scheduled Maintenance	-	1,192,642	1,192,642	1,192,642	-	-	1,192,642	1,192,642
Student Equity & Achievement Program	1,792,012	619,038	2,411,050	2,411,050	-	20,849	2,390,201	2,390,201
Student Food & Housing Support	218,320	271,421	489,741	489,741	-	250,206	239,535	239,535
Student Success Completion Grant	1,117,932	-	1,117,932	1,117,932	-	-	1,117,932	1,117,932
Student Transfer Reform	565,217	-	565,217	565,217	-	565,217	-	-
Systemwide Technology & Data Security	475,000	288,497	763,497	763,497	-	530,905	232,592	232,592
Supplemental Emergency Fin Aid	-	43,893	43,893	43,893	-	-	43,893	43,893
TANF / Needy Families	28,300	-	28,300	21,508	6,792	-	28,300	28,300
Transfer Ed and Articulation Seamle	48,695	-	48,695	48,695	-	48,695	-	-
Undocumented Resources Liaison	68,704	152,044	220,748	220,748	-	209,849	10,899	10,899
Veteran Resource Center	30,343	71,594	101,937	101,937	-	54,339	47,598	47,598
Zero Textbook	425,000	200,000	625,000	625,000	-	614,116	10,884	10,884
TOTAL	\$ 14,259,560	\$ 6,090,244	\$ 20,349,805	\$ 18,977,230	\$ 1,372,575	\$ 6,635,196	\$ 13,664,678	\$ 13,664,678

**WEST KERN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2023 only)			
1. Noncredit	-	-	-
2. Credit	15.69	-	15.69
B. Summer Intersession (Summer 2024 - Prior to July 1, 2024)			
1. Noncredit	-	-	-
2. Credit	342.31	-	342.31
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	736.53	-	736.53
(b) Daily Census Contact Hours	6.61	-	6.61
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	0.19	-	0.19
(b) Credit	131.00	-	131.00
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	736.78	-	736.78
(b) Daily Census Contact Hours	292.68	-	292.68
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	2,261.79	-	2,261.79
Supplemental Information (subset of above information)			
E. In-service Training Courses	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Credit	2,261.60	-	2,261.60
2. Noncredit	0.19	-	0.19
Total Basic Skills FTES	2,261.79	-	2,261.79

WEST KERN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025

		Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSE) ECS 84362 B Total CEE AC 0100-6799		
	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 6,547,532	\$ -	\$ 6,547,532	\$ 6,547,532	\$ -	\$ 6,547,532
Other	1300	3,091,859	-	3,091,859	3,091,859	-	3,091,859
Total Instructional Salaries		9,639,391	-	9,639,391	9,639,391	-	9,639,391
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	2,470,042	-	2,470,042
Other	1400	-	-	-	213,094	-	213,094
Total Non-Instructional Salaries		-	-	-	2,683,136	-	2,683,136
Total Academic Salaries		9,639,391	-	9,639,391	12,322,527	-	12,322,527
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	5,633,363	-	5,633,363
Other	2300	-	-	-	431,455	-	431,455
Total Non-Instructional Salaries		-	-	-	6,064,818	-	6,064,818
Instructional Aides							
Regular Status	2200	297,114	-	297,114	297,114	-	297,114
Other	2400	7,453	-	7,453	7,453	-	7,453
Total Instructional Aides		304,567	-	304,567	304,567	-	304,567
Total Classsified Salaries		304,567	-	304,567	6,369,385	-	6,369,385
Employee Benefits	3000	5,949,436	-	5,949,436	10,544,844	-	10,544,844
Supplies and Materials	4000	-	-	-	202,155	-	202,155
Other Operating Expenses	5000	886,675	-	886,675	3,928,634	-	3,928,634
Equipment Replacement	6420	-	-	-	389	-	389
Total Expenditures Prior to Exclusions		16,780,069	-	16,780,069	33,367,934	-	33,367,934
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff-Retirees' Benefits and Incentives	5900	794,962	-	794,962	794,962	-	794,962
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	27,821	-	27,821
Non-instructional Staff-Retirees' Benefits and Incentives	6740	-	-	-	707,345	-	707,345
Object to Exclude							
Rents and Leases	5060	-	-	-	47,561	-	47,561
Lottery Expenditures		-	-	-	-	-	-
Academic Salaries	1000	-	-	-	345,523	-	345,523
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-instructional Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	-	-	-
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ 794,962	\$ -	\$ 794,962	\$ 1,923,212	\$ -	\$ 1,923,212
Total for ECS 84362, 50% Law		\$ 15,985,107	\$ -	\$ 15,985,107	\$ 31,444,722	\$ -	\$ 31,444,722
Percent of CEE (Instructional Salary Cost/Total CEE)		50.84%	0.00%	50.84%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 15,722,361	\$ -	\$ 15,722,361

**WEST KERN COMMUNITY COLLEGE DISTRICT
PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

EPA Revenue	\$ 3,952,570
-------------	--------------

Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	Total
Instructional Activities	0100-5900	\$ 3,961,866	\$ -	\$ -	\$ 3,961,866
Total		\$ 3,961,866	\$ -	\$ -	\$ 3,961,866

**WEST KERN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2025.

WEST KERN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF FUND EQUITY TO NET POSITION
JUNE 30, 2025

Total Fund Equity - District Funds Included in the Reporting Entity

General Fund	\$ 28,336,985	
Debt Service Fund	3,641,664	
Internal Service Fund	2,550,966	
Impounds Fund	448,534	
Capital Projects Funds	13,880,492	
Student Financial Aid Fund	44,515	
Other Funds	<u>217,468</u>	\$ 49,120,624

Assets recorded within the statements of net position not included in the fund financial statements:

Capital assets	128,756,531	
Right-of-use asset	614,206	
Accumulated amortization	(504,940)	
Fair Market Value - Cash in County Investments	68,022	
Accumulated depreciation	<u>(60,648,674)</u>	68,285,145

Unmatured Interest (330,697)

Deferred outflows recorded within the statement of net position not included in the District fund financial statements:

Deferred outflows related to OPEB	1,895,465
Deferred outflows related to pensions	10,414,754

Liabilities recorded within the statements of net position not recorded in the District fund financial statements:

General obligation bonds	20,055,000	
Certificates of participation	10,430,000	
Unamortized bond premium	1,610,200	
Compensated absences	3,079,259	
Lease liabilities	111,857	
Net OPEB liability	11,412,793	
Net pension liability	<u>29,940,356</u>	(76,639,465)

Deferred inflows recorded within the statement of net position not included in the District fund financial statements:

Deferred charge on refunding	(792,252)
Deferred inflows related to OPEB	(3,797,138)
Deferred inflows related to pensions	<u>(3,098,504)</u>

Net Position Reported Within the Statement of Net Position \$ 45,057,932

**WEST KERN COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

Schedule of Expenditures of State Awards

The accompanying Schedule of Expenditures of State Awards includes the State grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

Schedule of Workload Measures for State General Apportionment – Annual/Actual Attendance

FTES is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

Reconciliation of Education Code Section 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

**WEST KERN COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULES, continued

Reconciliation of Governmental Funds to the Statement of Net Position

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the District's internal fund financial statements.

Reconciliation of Fund Equity to Net Position

This schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements, prepared on a modified accrual basis, to the entity-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

OTHER INDEPENDENT AUDITORS' REPORTS

**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**

Board of Trustees
West Kern Community College District
Taft, 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, the financial statements of the business-type activities, the fiduciary activities, and the discretely presented component unit of West Kern Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated [REDACTED] 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

West Kern Community College District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

San Diego, California

 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
West Kern Community College District
Taft, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited West Kern Community College District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District 's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.


Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

San Diego, California
 2026

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Board of Trustees
West Kern Community College District
Taft, California

Report on State Compliance

Opinion on State Compliance

We have audited West Kern Community College District's (the "District") compliance with the types of compliance requirements as identified in the *2024-25 California Community Colleges Contracted District Audit Manual*, published by the California Community Colleges Chancellor's Office, for the year ended June 30, 2025. The applicable state compliance requirements are identified in the table below.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements described in the *2024-25 California Community Colleges Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. Our responsibilities under those standards and the compliance requirements are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's compliance with the requirements described in the *2023-24 California Community Colleges Contracted District Audit Manual*.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance 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 over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance with the requirements listed in the table below that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *2024-25 California Community Colleges Chancellor's Office Contracted District Audit Manual*, published by the California Community Colleges Chancellor's Office, and which is described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003. Our opinion on each state program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with State laws and regulations applicable to the following:

Section 411 – SCFF Data Management Control Environment
Section 412 – SCFF Supplemental Allocation Metrics
Section 413 – SCFF Success Allocation Metrics
Section 421 – Salaries of Classroom Instructors (50 Percent Law)
Section 423 – Apportionment for Activities Funded From Other Sources
Section 424 – Student Centered Funding Formula Base Allocation: FTES
Section 425 – Residency Determination for Credit Courses
Section 426 – Students Actively Enrolled
Section 427 – Dual Enrollment (CCAP)
Section 430 – Scheduled Maintenance Program
Section 431 – Gann Limit Calculation
Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475 – Disabled Student Programs and Services (DSPS)
Section 490 – Propositions 1D and 51 State Bond Funded Projects
Section 491 – Education Protection Account Funds
Section 492 – Student Representation Fee
Section 494 – State Fiscal Recovery Fund
Section 498 – COVID-19 Response Block Grant Expenditures

Report on Internal Control over Compliance


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003 that we consider to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the *2024-25 California Community Colleges Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

San Diego, California
, 2026

FINDINGS AND QUESTIONED COSTS SECTION

WEST KERN COMMUNITY COLLEGE DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the auditor's report?	No
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, <i>Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards</i>	
Identification of major programs:	No

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.407A	Transition Programs for Students with Intellectual Disabilities (TPSID)
84.268, 84.033, 84.063, 84.007	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for State programs:	Unmodified

**WEST KERN COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2025**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINDING #2025 – 001 – FINANCIAL CLOSING PROCESS

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Criteria Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP in a timely manner.

Condition / Context The District was unable to complete its closing process in a timely manner due to key management turnover. This turnover created difficulties in closing the fund financial statements and reporting of audited financial statements to all required agencies by statutory deadlines and has continued to impact the financial reporting process for fiscal year 2024-25.

Effect The errors resulted in significant delays to the completion of the District's audited financial statements and the potential for misstatements in the closing process.

Cause Implementation of new processes for closing the District's books in a timely manner including all financial adjustments.

Recommendation To ensure policies and procedures are in place for all key management roles, so that, in the case of significant employee turnover, employees can be trained and ready for fiscal operations including closing, internal controls and financial reporting within a timely manner and within all required statutory deadlines.

Corrective Action Plan/District Response The District acknowledges this finding. During the fiscal year 2024-25 close, management identified differences requiring additional analysis and resolution. To ensure the financial statements were accurate and complete, the District made the decision to delay final closing rather than risk issuing financial information that was potentially misstated.

While management turnover contributed to timing challenges, the District's priority was the preparation of reliable financial statements in accordance with U.S. GAAP. Subsequent to year-end, the District has strengthened documentation of closing procedures, improved cross-training, and enhanced internal review processes to support timely and accurate financial reporting in future years.

**WEST KERN COMMUNITY COLLEGE DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs identified during 2024-25.

**WEST KERN COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

FINDING #2025-002 – STATE COMPLIANCE (ANNUAL CCFS-311 REPORTING)

Criteria The California Community Colleges Chancellor's Office requires that each Community College District report the financial activity of the General Fund on a quarterly basis via the CCFS-311Q report and the districts' total revenues and expenditures for the fiscal year via the CCFS-311 by October 10 of each year. This report is also required to include the adopted budget for the subsequent fiscal year.

Condition/Context In our testing of the District annual CCFS-311 for the fiscal year 2024-25, we noted that the certification and filing did not occur by October 10, 2025.

Questioned Costs No questioned costs noted.

Effect Noncompliance with submission requirements for the annual CCFS-311.

Cause The annual CCFS-311 report was certified to the State Chancellor's Office after October 10, 2025.

Recommendation We recommend that in accordance with the instructions of the State Chancellor's Office for the Annual Financial and Budget Report requirements, the annual activity of all funds of the District be made available to the public on or before September 30 of each year and be submitted to the Chancellor's Office no later than October 10 of each year.

Corrective Action Plan/District Response The District acknowledges the untimely submission of the annual CCFS-311 report. The delay resulted from the District's decision to resolve identified variances prior to certification to ensure the report reflected the most accurate and reliable financial information.

The District has since reinforced internal reporting timelines, clarified staff responsibilities, and improved coordination to ensure future CCFS-311 reports are both accurate and submitted in accordance with Chancellor's Office deadlines.

**WEST KERN COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2025-003 – APPORTIONMENT FOR ACTIVITIES FUNDED FROM OTHER SOURCES

Criteria Per applicable sections of the Education Code, Title 5, and guidelines for instructional service agreement guidelines for community college districts and public agencies (Legal Advisory 04-01.5), the following elements are required to ensure proper apportionment for activities funded by other sources:

- d. The courses are open to all admitted students who meet approved prerequisites for the course as published in the official general college catalog and/or the schedules of classes and/or addenda.
- h. The college and/or district certifies it did not receive full compensation for the direct education costs of the class from any public or private agency, individual, or group of individuals.
- i. The public or private agency, individual, or group of individuals with whom the district has a contract and/or instructional agreement did not receive full compensation from another source for the direct education costs for the conduct of the class.
- j. When claiming classes for apportionment purposes not fully funded under contracts described in item i, the district must require the contracting entity to certify that the direct education costs of the activity are not now and are not going to be funded through other sources.

Per applicable sections of the Education Code, Title 5, and guidelines for instructional service agreement guidelines for community college districts and public agencies (Legal Advisory 04-01.5), the following elements are required to ensure proper apportionment for activities funded by other sources:

- e. The courses are open to all admitted students who meet approved prerequisites for the course as published in the official general college catalog and/or the schedules of classes and/or addenda.
- k. The college and/or district certifies it did not receive full compensation for the direct education costs of the class from any public or private agency, individual, or group of individuals.
- l. The public or private agency, individual, or group of individuals with whom the district has a contract and/or instructional agreement did not receive full compensation from another source for the direct education costs for the conduct of the class.
- m. When claiming classes for apportionment purposes not fully funded under contracts described in item i, the district must require the contracting entity to certify that the direct education costs of the activity are not now and are not going to be funded through other sources.

Condition Upon review of the District's contracts and instructional agreements, we have noted that some of the required elements were not explicitly included. Specifically:

- There is no certification that courses are open to all qualified students.
- There is no statement confirming that the district did not receive full compensation for direct education costs.
- There is no certification from the contracting entity regarding funding from other sources.
- There is no certification addressing future funding of direct education costs when claiming apportionment.

Cause The agreements did not include all the required elements because they were based on the District's standard agreements, which may need to be redrafted to incorporate the missing elements required by Education Code, Title 5, and the instructional service agreement guidelines.

**WEST KERN COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2025-003 – APPORTIONMENT FOR ACTIVITIES FUNDED FROM OTHER SOURCES

Effect The absence of these required elements creates a risk of noncompliance with Title 5 and Education Code requirements. It may result in over-claiming apportionment funding for courses partially or fully funded by external sources and exposes the District to potential audit exceptions, funding adjustments, or repayment.

Recommendation It is recommended that the District review and update its agreements to include the missing elements required to comply with Education Code and Title 5 requirements. A standardized template incorporating all apportionment-related certifications should be implemented.

Corrective Action Plan/District Response We believe our practices and apportionment claims comply with Education Code and Title 5; the issue identified concerns explicit contract wording, not substantive noncompliance. To improve clarity, we will add the referenced certifications in upcoming renewals or through mid-cycle amendments as appropriate. These changes are prospective and do not indicate a change in practice.

**WEST KERN COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024 – 001 – FINANCIAL CLOSING PROCESS

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Criteria Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP in a timely manner.

Condition / Context The District was unable to complete its closing process in a timely manner due to key management turnover. This turnover created difficulties in closing the fund financial statements and reporting of audited financial statements to all required agencies by statutory deadlines and has continued to impact the financial reporting process for fiscal year 2023-24.

Effect The errors resulted in significant delays to the completion of the District's audited financial statements and the potential for misstatements in the closing process.

Cause Implementation of new processes for closing the District's books in a timely manner including all financial adjustments.

Recommendation To ensure policies and procedures are in place for all key management roles, so that, in the case of significant employee turnover, employees can be trained and ready for fiscal operations including closing, internal controls and financial reporting within a timely manner and within all required statutory deadlines.

Management Response The management will create redundancies to ensure that in the event of turnover tasks can be accomplished during the transition.

Current Status See Finding 2025-001.

**WEST KERN COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2024-002 – STATE COMPLIANCE (ANNUAL CCFS-311 REPORTING)

Criteria The California Community Colleges Chancellor's Office requires that each community college district report the financial activity of the General Fund on a quarterly basis via the CCFS-311Q report and the Districts' total revenues and expenditures for the fiscal year via the CCFS-311 by October 10 of each year. This report is also required to include the adopted budget for the subsequent fiscal year.

Condition/Context In our testing of the District annual CCFS-311 for the fiscal year 2023-24, we noted that the certification and filing did not occur by October 10, 2024.

Questioned Costs No questioned costs noted.

Effect Noncompliance with submission requirements for the annual CCFS-311.

Cause The annual CCFS-311 report was certified to the State Chancellor's Office after October 10, 2024.

Recommendation We recommend that in accordance with the instructions of the State Chancellor's Office for the Annual Financial and Budget Report requirements, the annual activity of all funds of the District be made available to the public on or before September 30 of each year and be submitted to the Chancellor's Office no later than October 10 of each year.

Management Response The management will ensure that state compliance deadline is met by reevaluation of internal timelines to allow for contingencies.

Current Status See Finding 2025-002.

UNAUDITED SUPPLEMENTARY INFORMATION

WEST KERN COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2025

	General Unrestricted	General Restricted	Bond Interest and Redemption	Restricted Purpose Debt Service	Bookstore	Cafeteria	Child Development	Revenue Bond Capital Projects	Balance Forward
ASSETS									
Cash and cash equivalents	\$ 17,806,336	\$ 7,994,777	\$ 2,991,463	\$ 633,778	\$ 1,392,247	\$ 1,617,253	\$ 2,070,981	\$ 1,096,570	\$ 35,603,405
Accounts receivable, net	4,431,283	1,837,795	20,308,481	-	350,072	181,816	415,280	99,606	27,624,333
Inventory	-	-	-	-	229,257	31,054	-	-	260,311
Prepaid expenses	206,304	132,944	-	-	317	-	-	-	339,565
Due from other funds	14,111,627	2,375,840	-	-	23,518	22,008	-	67,354	16,600,347
Total Assets	\$ 36,555,550	\$ 12,341,356	\$ 23,299,944	\$ 633,778	\$ 1,995,411	\$ 1,852,131	\$ 2,486,261	\$ 1,263,530	\$ 80,427,961
LIABILITIES									
Accounts payable	\$ 861,613	\$ 349,797	\$ -	\$ -	\$ 82,116	\$ 44,390	\$ 78,572	\$ 10,659	\$ 1,427,147
Unearned revenue	61,641	7,811,445	-	-	-	-	673,001	-	8,546,087
Compensated absences	617,027	77,100	20,292,058	-	5,789	9,131	37,945	9,728	21,048,778
Due to other funds	9,416,938	1,364,360	-	-	581,518	2,187,189	83,186	721,152	14,354,343
Total Liabilities	10,957,219	9,602,702	20,292,058	-	669,423	2,240,710	872,704	741,539	45,376,355
FUND EQUITY									
Restricted	-	2,738,654	3,007,886	633,778	-	-	1,613,557	521,991	8,515,866
Unassigned	25,598,331	-	-	-	1,325,988	(388,579)	-	-	26,535,740
Total Fund Equity	25,598,331	2,738,654	3,007,886	633,778	1,325,988	(388,579)	1,613,557	521,991	35,051,606
Total Liabilities and Fund Equity	\$ 36,555,550	\$ 12,341,356	\$ 23,299,944	\$ 633,778	\$ 1,995,411	\$ 1,852,131	\$ 2,486,261	\$ 1,263,530	\$ 80,427,961

WEST KERN COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2025

	Balance Forward	Parking Fund	Independent Living (TIL)	Impounds	Capital Outlay Projects	General Obligation Bond	Student Financial Aid	Associated Students	Student Representation Trust	Total
ASSETS										
Cash and cash equivalents	\$ 35,603,405	\$ 490	\$ 988,585	\$ 448,534	\$ 13,272,017	\$ 862,384	\$ 116,289	\$ 192,660	\$ 27,484	\$ 51,511,848
Accounts receivable, net	27,624,333	-	262,789	-	279,108	1,183	191,102	-	6,990	28,365,505
Inventory	260,311	-	-	-	-	-	-	-	-	260,311
Prepaid expenses	339,565	-	-	-	-	-	-	-	-	339,565
Due from other funds	16,600,347	-	284,859	-	-	-	-	-	431	16,885,637
Total Assets	\$ 80,427,961	\$ 490	\$ 1,536,233	\$ 448,534	\$ 13,551,125	\$ 863,567	\$ 307,391	\$ 192,660	\$ 34,905	\$ 97,362,866
LIABILITIES										
Accounts payable	\$ 1,427,147	\$ 1,178	\$ 27,775	\$ -	\$ 7,125	\$ -	\$ 262,579	\$ 4,666	\$ 5,431	\$ 1,735,901
Unearned revenue	8,546,087	-	-	-	-	-	297	-	-	8,546,384
Compensated absences	21,048,778	-	30,972	-	-	-	-	-	-	21,079,750
Due to other funds	14,354,343	-	1,853,250	-	-	672,614	-	-	-	16,880,207
Total Liabilities	45,376,355	1,178	1,911,997	-	7,125	672,614	262,876	4,666	5,431	48,242,242
FUND EQUITY										
Restricted	8,515,866	(688)	-	-	13,544,000	190,953	44,515	187,994	29,474	22,512,114
Unassigned	26,535,740	-	(375,764)	448,534	-	-	-	-	-	26,608,510
Total Fund Equity	35,051,606	(688)	(375,764)	448,534	13,544,000	190,953	44,515	187,994	29,474	49,120,624
Total Liabilities and Fund Equity	\$ 80,427,961	\$ 490	\$ 1,536,233	\$ 448,534	\$ 13,551,125	\$ 863,567	\$ 307,391	\$ 192,660	\$ 34,905	\$ 97,362,866

**WEST KERN COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	General Unrestricted	General Restricted	Bond Interest and Redemption	Restricted Purpose Debt Service	Bookstore	Cafeteria	Child Development	Revenue Bond Capital Projects	Balance Forward
REVENUES									
Federal	\$ 71,954	\$ 1,036,320	\$ -	\$ -	\$ -	\$ -	\$ 58,784	\$ -	\$ 1,167,058
State	32,880,139	10,456,732	10,722	-	1,729	-	1,812,894	-	45,162,216
Local	8,639,763	861,978	3,026,238	720	1,053,636	1,047,825	15,898	426,511	15,072,569
Total Revenues	41,591,856	12,355,030	3,036,960	720	1,055,365	1,047,825	1,887,576	426,511	61,401,843
EXPENDITURES									
Academic salaries	12,890,172	1,284,158	-	-	24,323	-	41,300	-	14,239,953
Classified salaries	7,001,986	2,435,519	-	-	334,014	493,167	815,080	155,021	11,234,787
Employee benefits	11,006,975	1,887,486	-	-	172,854	233,463	536,198	65,755	13,902,731
Supplies and materials	299,734	553,489	-	-	516,123	693,440	106,737	47,833	2,217,356
Other operating expenses	4,360,335	1,688,536	-	-	62,874	(2,584)	183,710	50,575	6,343,446
Capital outlay	201,056	1,103,365	-	-	8,865	-	32,535	(13,148)	1,332,673
Debt service - principal	580,910	-	3,003,138	-	42,060	-	161,929	-	3,788,037
Total Expenditures	36,341,168	8,952,553	3,003,138	-	1,161,113	1,417,486	1,877,489	306,036	53,058,983
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,250,688	3,402,477	33,822	720	(105,748)	(369,661)	10,087	120,475	8,342,860
OTHER FINANCING SOURCES/(USES)									
Operating transfer in	-	-	-	-	-	-	-	-	-
Operating transfer out	(343,355)	(1,212,360)	-	-	-	-	-	-	(1,555,715)
Other uses	(2,263)	(1,821,470)	-	-	-	-	-	-	(1,823,733)
Total Other Financing Sources/(Uses)	(345,618)	(3,033,830)	-	-	-	-	-	-	(3,379,448)
NET CHANGE IN FUND BALANCE	4,905,070	368,647	33,822	720	(105,748)	(369,661)	10,087	120,475	4,963,412
FUND BALANCE - BEGINNING	20,693,261	2,370,007	2,974,064	633,058	1,431,736	(18,918)	1,603,470	401,516	30,088,194
FUND BALANCE ADJUSTMENTS	-	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	\$ 25,598,331	\$ 2,738,654	\$ 3,007,886	\$ 633,778	\$ 1,325,988	\$ (388,579)	\$ 1,613,557	\$ 521,991	\$ 35,051,606

WEST KERN COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Balance Forward	Parking Fund	Independent Living (TIL)	Impounds	Capital Outlay Projects	General Obligation Bond	Student Financial Aid	Associated Students	Student Representation Trust	Total
REVENUES										
Federal	\$ 1,167,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,825,606	\$ -	\$ -	\$ 7,992,664
State	45,162,216	-	1,464,881	-	-	-	2,222,478	-	-	48,849,575
Local	15,072,569	19	156,619	-	481,245	3,183	-	232,668	12,094	15,958,397
Total Revenues	61,401,843	19	1,621,500	-	481,245	3,183	9,048,084	232,668	12,094	72,800,636
EXPENDITURES										
Academic salaries	14,239,953	-	-	-	-	-	-	-	-	14,239,953
Classified salaries	11,234,787	-	823,981	-	-	-	-	-	-	12,058,768
Employee benefits	13,902,731	-	369,474	-	-	-	-	-	-	14,272,205
Supplies and materials	2,217,356	2,100	11,669	-	-	-	-	-	-	2,231,125
Other operating expenses	6,343,446	-	213,500	-	5,667	-	(98,566)	-	13,869	6,477,916
Capital outlay	1,332,673	-	-	-	332,278	-	-	-	-	1,664,951
Debt service - principal	3,788,037	-	-	-	-	-	-	-	(13,458)	3,774,579
Total Expenditures	53,058,983	2,100	1,418,624	-	337,945	-	(98,566)	-	411	54,719,497
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,342,860	(2,081)	202,876	-	143,300	3,183	9,146,650	232,668	11,683	18,081,139
OTHER FINANCING SOURCES/(USES)										
Operating transfer in	-	1,500	-	-	-	371,801	-	-	-	373,301
Operating transfer out	(1,555,715)	-	-	-	-	-	-	(235,400)	-	(1,791,115)
Other uses	(1,823,733)	-	-	-	-	(371,982)	(9,048,084)	-	-	(11,243,799)
Total Other Financing Sources/(Uses)	(3,379,448)	1,500	-	-	-	(181)	(9,048,084)	(235,400)	-	(12,661,613)
NET CHANGE IN FUND BALANCE	4,963,412	(581)	202,876	-	143,300	3,002	98,566	(2,732)	11,683	5,419,526
FUND BALANCE - BEGINNING	30,088,194	(107)	(578,640)	448,534	13,400,700	187,951	(54,051)	190,726	17,791	43,701,098
FUND BALANCE ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	\$ 35,051,606	\$ (688)	\$ (375,764)	\$ 448,534	\$ 13,544,000	\$ 190,953	\$ 44,515	\$ 187,994	\$ 29,474	\$ 49,120,624

**WEST KERN COMMUNITY COLLEGE DISTRICT
NOTE TO UNAUDITED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULES

Governmental Fund Financial Statements

The accompanying financial statements report the governmental activities of the District and are presented on the modified accrual basis of accounting. Therefore, some amounts presented in these financial statements may differ from amounts presented in, or used in, the preparation of the basic financial statements. The information is not a required component of the financial statements in accordance with GASB Statements No. 34 and No. 35 and is presented at the request of the District management.