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**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS**

FINANCIAL AND PERFORMANCE AUDITS

JUNE 30, 2025

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Kern Community College District's (the "District") Measure J General Obligation Bonds as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the Measure J General Obligation Bonds' 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 financial position of the Measure J General Obligation Bonds of the District as of June 30, 2025, and the respective changes in financial position 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the District's Measure J General Obligation Bonds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, and the changes in financial position for the year ended, in conformity with accounting principles generally accepted in the United States of America. 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 these 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 misstatement, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2026 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and other matters for the Measure J General Obligation Bonds. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance for the Measure J General Obligation Bonds. 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 for the Measure J General Obligation Bonds.

CWDL, Certified Public Accountants

San Diego, California
February 13, 2026

FINANCIAL SECTION

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2025**

ASSETS	
Cash and investments	\$ 140,649,610
Accounts receivable	1,721,204
Prepaid expenses	<u>14,661</u>
Total Assets	<u>\$ 142,385,475</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	<u>\$ 6,777,289</u>
Total Liabilities	<u>6,777,289</u>
 Fund Balance	
Restricted for capital projects	<u>135,608,186</u>
Total Liabilities and Fund Balance	<u>\$ 142,385,475</u>

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

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025**

REVENUES	
Interest and investment income	\$ 4,296,460
Unrealized gain/(loss) on cash in county treasury	1,844,174
Total Revenues	<u>6,140,634</u>
 EXPENDITURES	
Salaries and benefits	1,011,688
Supplies and materials	1,458
Other operating expenses and services	21,786,665
Capital outlay	31,601,536
Total Expenditures	<u>54,401,347</u>
 Net Change in Fund Balance	 (48,260,713)
Restricted Fund Balance, July 1, 2024	<u>183,868,899</u>
Restricted Fund Balance, June 30, 2025	<u>\$ 135,608,186</u>

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization

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

The Kern Community College Safety, Repair, and Improvement District (SRID) was formed following a public hearing on August 1, 2002, pursuant to *California Education Code* and proceedings taken by the District. Measure J was placed on the ballot for November 8, 2016, and the electors of the SRID voted on whether \$502,821,000 in bonds should be issued on behalf of the District. More than 55% of the electors voting on the proposition voted in favor of such issuance.

The 2016 A General Obligation Bonds were the first series of bonds issued under the authorization. The net proceeds of the 2016 A Bonds of \$40,225,000 will be used to finance the improvement, renovation, construction, and equipping of the District sites within the Facilities Improvement District No. 1, which includes Kern, San Bernardino, and Tulare Counties, California, and pay for costs of issuing bonds.

On August 23, 2018, the District issued the General Obligation Bonds, Election 2016, Series B in the amount of \$71,230,000 at a premium of \$7,117,643. The District paid \$250,000 of issuance costs from the proceeds. Bond proceeds will be used for the projects noted above.

On November 10, 2020, the District issued General Obligation Bonds, Election 2016, Series C in the amount of \$64,000,000 at a premium of \$6,083,543. The District paid \$320,517 of issuance costs from the proceeds. Bond proceeds will be used for the projects noted above.

On November 22, 2022, the District issued General Obligation Bonds, Election 2016, Series D in the amount of \$200,000,000 at a premium of \$18,788,155. The District paid \$698,770 of issuance costs from the proceeds. Bond proceeds will be used for the projects noted above.

On July 6, 2023, The District issued General Obligation Bonds, Election 2016, Series E in the amount of \$127,365,000 at a premium of \$18,502,374. The District paid \$552,889 of issuance costs from the proceeds. Bond proceeds will be used for the projects noted above.

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

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

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation

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

Measurement Focus and Basis of Accounting

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

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

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

Budgets and Budgetary Accounting

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

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

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

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balance Classifications

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

Estimates

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

Cash and Investments

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

Accounts Receivable

Accounts receivable represent amounts due from private persons, firms, or corporations based on contractual agreements or amounts billed, but not received, as of June 30, 2025. At June 30, 2025, no allowance for doubtful accounts was deemed necessary.

Balance Due To/From Other Funds

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

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES, continued

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items.

Capital Assets and Long-Term Debt

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

Interfund Transfers

Permanent reallocation of resources between funds of the District are classified as interfund transfers.

NOTE 2 - CASH AND INVESTMENTS

The following is a summary of cash and investments as of June 30, 2025:

Investments that are not securities (1)	
County treasurer's investment pool	\$ <u>140,649,610</u>

(1) Investments that are not securities A "security" is a transferable financial instrument that evidence ownership or creditorship, whether in physical or book-entry form. Investments that are not securities do not have custodial credit risk because they do not involve a transferable financial instrument. Thus, they are not categorized into custodial credit risk categories.

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

Investment Credit Risk

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

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 - CASH AND INVESTMENTS, continued

Fair Value Measurements

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

The District has the following recurring fair value measurements as of June 30, 2025:

- County treasurer's investment pool of \$140,649,610 is valued using quoted prices for similar instruments in active markets and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

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

Concentration of Credit Risk – Investments

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

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

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

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

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 consisted of the following:

Interest receivables	\$ 1,721,204
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NOTE 4 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2025 consisted of the following:

Vendors payable	\$ 6,777,289
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NOTE 5 - FUND BALANCE COMPONENTS

Fund balance at June 30, 2025 is composed of the following:

Restricted for capital projects	\$ 135,608,186
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NOTE 6 - CONSTRUCTION PROJECT COMMITMENTS

Construction project commitments are as follows:

	Remaining Construction Commitments
Bakersfield College Arvin Education Center	\$ 1,805,231
Bakersfield College Agrculture Building	30,652,526
Bakersfield College Combine Gym & Women's Field House	3,903,589
Bakersfield College Infrastructure	8,492,716
Bakersfield College Swing Space Measure J	108,478
Bakersfield College Lab Tech Bachelor	118,975
Bakersfield College Welcome Center Interior & Exterior Improvements	135,313
Bakersfield College Combined Gym & Field House-Pool Equipment Building	5,564,904
Delano Center Campus Monument Sign/Sidewalk & Landscape	2,461,510
Bakersfield College Soccer Field	11,848,075
Bakersfield College Infrastructure Campus Wide Rekeying	595,626
Bakersfield College Combined Gym & Fieldhouse Pool Administration Building	9,780,962
Cerro Coso College Physical Ed Outdoor-Complex Renovation	1,546,125
Porterville College Classroom Modernization	126,453
Porterville College HVAC Upgrades	822,664
Porterville College Baseball & Softball Fields	1,419,703
Porterville College College Avenue Re-alignment	422,717
Porterville College Allied Health Phase II	80,631
Total	\$ 79,886,198

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 13, 2026, the date on which the financial statements were available to be issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION SECTION

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
JUNE 30, 2025**

	Budget	Actual	Variance With Budget
Revenues			
Interest and investment income	\$ -	\$ 4,296,460	\$ 4,296,460
Unrealized gain/(loss) on cash in county treasury	-	1,844,174	1,844,174
Total Revenues	-	6,140,634	6,140,634
Expenditures			
Supplies and materials	1,980	1,458	522
Salaries and benefits	1,859,484	1,011,688	847,796
Other operating expenses and services	59,066,321	21,786,665	37,279,656
Capital outlay	118,397,820	31,601,536	86,796,284
Total Expenditures	179,325,605	54,401,347	(124,924,258)
Net Change in Fund Balance	\$ (179,325,605)	\$ (48,260,713)	\$ 131,064,892

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
SCHEDULE OF LONG-TERM DEBT OBLIGATIONS
JUNE 30, 2025**

GENERAL OBLIGATION BONDS ISSUED NOVEMBER 2020

On November 10, 2020, \$64,000,000 of general obligation bonds were sold under Measure J Proposition 39 by the Safety, Repair, and Improvement District which provides that proceeds of the bonds will generally be used for the acquisition, construction, furnishing, and equipping of the District facilities. Interest rates range from .40% to 4.00%. The bonds mature August 1, 2046.

The outstanding general obligation bonds payable at June 30, 2025, are:

Issue Date	Interest Rate	Maturity Date	Amount of Original Issue	Balance July 1, 2024	Addition	Deduction	Balance June 30, 2025
2020	.40% - 4.00%	8/1/2046	\$ 64,000,000	\$ 54,600,000	\$ -	\$ -	\$ 54,600,000

The bonds were issued at a premium of \$6,083,543 with issuance costs of \$320,517. The proceeds of the bond premium, less issuance costs, and the repayment of debt related to the Proposition 39 General Obligation Bonds of the Safety, Repair, and Improvement District are accounted for in the District's Measure J Fund, which is part of the District's basic financial statements.

GENERAL OBLIGATION BONDS ISSUED NOVEMBER 2022

On November 22, 2022, \$200,000,000 of general obligation bonds were sold under Measure J Proposition 39 by the Safety, Repair, and Improvement District which provides that proceeds of the bonds will generally be used for the acquisition, construction, furnishing, and equipping of the District facilities. Interest rate is 5.2%. The bonds mature August 1, 2041.

The outstanding general obligation bonds payable at June 30, 2025, are:

Issue Date	Interest Rate	Maturity Date	Amount of Original Issue	Balance July 1, 2024	Addition	Deduction	Balance June 30, 2025
2022	5.20%	8/1/2041	\$ 200,000,000	\$ 200,000,000	\$ -	\$ 16,105,000	\$ 183,895,000

The bonds were issued at a premium of \$18,788,155 with issuance costs of \$698,770. The proceeds of the bond premium, less issuance costs, and the repayment of debt related to the Proposition 39 General Obligation Bonds of the Safety, Repair, and Improvement District are accounted for in the District's Measure J Fund, which is part of the District's basic financial statements.

**KERN COMMUNITY COLLEGE DISTRICT
 MEASURE J GENERAL OBLIGATION BONDS
 SCHEDULE OF LONG-TERM DEBT OBLIGATIONS
 JUNE 30, 2025**

GENERAL OBLIGATION BONDS ISSUED JULY 2023

On July 6, 2023, \$127,365,000 of general obligation bonds were sold under Measure J Proposition 39 by the Safety, Repair, and Improvement District which provides that proceeds of the bonds will generally be used for the acquisition, construction, furnishing, and equipping of the District facilities. Interest rate is 5.00%. The bonds mature August 1, 2040.

The outstanding general obligation bonds payable at June 30, 2025, are:

Issue Date	Interest Rate	Maturity Date	Amount of Original Issue	Balance July 1, 2024	Addition	Deduction	Balance June 30, 2025
2023	5.00%	8/1/2040	\$ 127,365,000	\$ 123,270,000	\$ -	\$ 4,470,000	\$ 118,800,000

The bonds were issued at a premium of \$127,365,000 with issuance costs of \$19,702,621. The proceeds of the bond premium, less issuance costs, are accounted for in the District’s Measure J Fund, which is part of the District’s basic financial statements.

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULE

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

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

SCHEDULE OF LONG-TERM DEBT OBLIGATIONS

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

General Obligation Bonds Issued November 2020

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,065,000	\$ 1,798,350	\$ 2,863,350
2027	1,165,000	1,753,750	2,918,750
2028	1,270,000	1,705,050	2,975,050
2029	1,380,000	1,652,050	3,032,050
2030	1,500,000	1,594,450	3,094,450
2031-2035	9,455,000	6,932,150	16,387,150
2036-2040	13,210,000	4,881,850	18,091,850
2041-2045	17,355,000	2,586,075	19,941,075
2046-2047	8,200,000	247,800	8,447,800
Total	\$ 54,600,000	\$ 23,151,525	\$ 77,751,525

General Obligation Bonds Issued November 2022

Year Ending June 30,	Principal	Interest	Total
2026	\$ 12,090,000	\$ 9,191,013	\$ 21,281,013
2027	6,305,000	8,731,138	15,036,138
2028	6,095,000	8,421,138	14,516,138
2029	6,685,000	8,101,638	14,786,638
2030	7,275,000	7,752,638	15,027,638
2031-2035	47,385,000	32,273,706	79,658,706
2036-2040	70,285,000	17,067,094	87,352,094
2041-2042	27,775,000	1,276,406	29,051,406
Total	\$ 183,895,000	\$ 92,814,771	\$ 276,709,771

**KERN COMMUNITY COLLEGE DISTRICT
 MEASURE J GENERAL OBLIGATION BONDS
 NOTE TO SUPPLEMENTARY INFORMATION
 JUNE 30, 2025**

NOTE 1 - PURPOSE OF SCHEDULE, continued

SCHEDULE OF LONG-TERM DEBT OBLIGATIONS, continued

General Obligation Bonds Issued July 2023

Year Ending June 30,	Principal		Interest		Total
2026	\$	-	\$	5,940,000	\$ 5,940,000
2027		4,995,000		5,815,125	10,810,125
2028		3,075,000		5,613,375	8,688,375
2029		5,430,000		5,400,750	10,830,750
2030		5,915,000		5,117,125	11,032,125
2031-2035		37,125,000		20,473,375	57,598,375
2036-2040		53,015,000		9,306,875	62,321,875
2041		9,245,000		231,125	9,476,125
Total	\$	118,800,000	\$	57,897,750	\$ 176,697,750

OTHER 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

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

We have audited, in accordance with the 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 Measure J General Obligation Bonds of Kern Community College District (the "District") as of and for the year ended June 30, 2025, and the related notes to financial statements, and have issued our report thereon dated February 13, 2026.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the District's Measure J General Obligation Bonds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, and the changes in financial position for the year ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 over the Measure J General Obligation Bonds financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Measure J General Obligation Bonds.

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 Measure J General Obligation Bonds 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 weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 for the Measure J General Obligation Bonds. 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 for the Measure J General Obligation Bonds. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
February 13, 2026

**SCHEDULE OF FINDINGS
AND
QUESTIONED COSTS**

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

This section identifies the deficiencies, 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*.

There were no financial statement findings or questioned costs identified during 2024-25.

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

There were no financial statement findings or questioned costs identified during 2023-24.

PERFORMANCE AUDIT



INDEPENDENT AUDITORS' REPORT ON PROPOSITION 39 COMPLIANCE

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

We have conducted a performance audit of the Kern Community College District's (the "District") Measure J General Obligation Bonds for the year ended June 30, 2025.

We conducted our performance audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 24 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure J General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of the District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that, in all significant respects, the District expended Measure J General Obligation Bonds for the fiscal year ended June 30, 2025 only for the specific projects developed by the District's Board of Education, and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

CWDL, Certified Public Accountants

San Diego, California
February 13, 2026

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
JUNE 30, 2025**

BACKGROUND INFORMATION

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

On November 8, 2016, a general obligation bond proposition (Measure J) of the Safety, Repair, and Improvement District was approved by voters of the Kern Community College District (the District). Measure J authorized the District to issue up to \$502,821,000 of general obligation bonds to be used for the acquisition, construction, furnishing, and equipping of District facilities.

On August 23, 2018, the District issued General Obligation Bonds, Election 2016, Series B, in the amount of \$71,230,000 at a premium of \$7,117,643. The District paid \$250,000 of issuance costs from the proceeds. Bond proceeds will be used for the projects noted above.

On November 10, 2020, the District issued General Obligation Bonds, Election 2016, Series C, in the amount of \$64,000,000 at a premium of \$6,083,543. The District paid \$320,517 of issuance costs from the proceeds. Bond proceeds will be used for the projects noted above.

On November 22, 2022, the District issued General Obligation Bonds, Election 2016, Series D in the amount of \$200,000,000 at a premium of \$18,788,155. The District paid \$698,770 of issuance costs from the proceeds. Bond proceeds will be used for the projects noted above.

On July 6, 2023, The District issued General Obligation Bonds, Election 2016, Series E in the amount of \$127,365,000 at a premium of \$19,702,621. The District paid \$552,889 of issuance costs from the proceeds. Bond proceeds will be used for the projects noted above.

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

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

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
JUNE 30, 2025**

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure J General Obligation Bonds for the year ended June 30, 2025 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

1. Determine the expenditures charged to the District's Measure J General Obligation Bonds have been made in accordance with the bond project list approved by the voters through the approval of Measure J.
2. Determine whether salary transactions, if any, charged to the Measure J General Obligation Bonds were in support of Measure J and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2024 to June 30, 2025. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2025, were not reviewed or included within the scope of our audit or in this report.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Section 1(b)(3)(C) of Article XIII A of the California Constitution but not for the purpose of expressing an opinion of the effectiveness of the District internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. We did not audit the District's financial statements. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

AUDIT METHODOLOGY

We obtained the general ledger and the project expenditure reports prepared by the District for the year ended June 30, 2025 for the Measure J General Obligation Bonds. Within the year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Measure J as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.

**KERN COMMUNITY COLLEGE DISTRICT
MEASURE J GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
JUNE 30, 2025**

AUDIT METHODOLOGY, continued

2. We selected a sample of expenditures using the following criteria:
 - a) We considered all expenditures recorded in all object codes.
 - b) We considered all expenditures recorded in all projects that were funded from July 1, 2024 through June 30, 2025 from Measure J General Obligation Bonds proceeds.
 - c) We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified based on our assessment of materiality.
 - d) For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2024 and ending June 30, 2025. The results can be projected to the intended population.

3. Our sample included transactions totaling \$34,537,836. This represents 63.49% of the total expenditures of \$54,401,347.

4. We reviewed the actual invoices and other supporting documentation to determine that:
 - a) Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b) Expenditures were supported by proper bid documentation, as applicable.
 - c) Expenditures were expended in accordance with voter-approved bond ballot language.
 - d) Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.

5. We determined that the District has met the compliance requirement of Measure J if the following conditions were met:
 - a) Supporting documents for expenditures were aligned with the voter-approved bond project list.
 - b) Supporting documents for expenditures were not used for salaries of school administrators or other operating expenses of the District.

The results of our tests indicated that the District expended Measure J General Obligation Bonds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Section 1(b)(3)(C) of Article XIII A of the California Constitution.

CONCLUSION

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures held in the Measure J General Obligation Bonds and that such expenditures were made for authorized bond projects.