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EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION

AUDIT REPORT

JUNE 30, 2026 AND 2025

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EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
El Camino Community College District Foundation
Torrance, California

Report on Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of El Camino Community College District Foundation (the "Foundation"), as of and for the years ended June 30, 2026 and 2025, and the related notes to financial statements, which collectively comprise the Foundation'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 financial position of the Foundation as of June 30, 2026, and 2025, and the changes to its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Foundation 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.

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 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 Foundation'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 Foundation'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.

CWDL, Certified Public Accountants

San Diego, California
October 28, 2026

FINANCIAL STATEMENTS

EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash and cash equivalents	$ 92,073	$ 88,089
Investments	27,288,092	23,317,278
Beneficial interest in CCCS Endowment	2,117,385	1,889,864
TOTAL ASSETS	$ 29,497,550	$ 25,295,231
LIABILITIES		
Accounts payable and accrued expenses	$ 395	$ 1,568
Accrued employee-related expenses	27,879	28,382
TOTAL LIABILITIES	28,274	29,950
NET ASSETS		
Net assets without donor restrictions	3,308,890	3,067,809
Net assets with donor restrictions	26,160,386	22,197,472
TOTAL NET ASSETS	29,469,276	25,265,281
TOTAL LIABILITIES AND NET ASSETS	$ 29,497,550	$ 25,295,231

See accompanying notes to financial statements

EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2026

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 571,793	$ 2,521,480	$ 3,093,273
In-kind contributions	856,522	267,092	1,123,614
Donated services and facilities	333,350	-	333,350
Other income	131,320	-	131,320
Investment income, net	60,714	594,083	654,797
Realized/unrealized gain/(loss) on investments	9,255	2,469,836	2,479,091
Change in value of CCCS Endowment	-	227,521	227,521
Net assets released from restriction	2,117,098	(2,117,098)	-
TOTAL SUPPORT AND REVENUE	4,080,052	3,962,914	8,042,966
EXPENSES			
Program services			
Program services	3,099,532	-	3,099,532
Supporting services			
Management and general	373,881	-	373,881
Fundraising	365,558	-	365,558
TOTAL EXPENSES	3,838,971	-	3,838,971
CHANGE IN NET ASSETS	241,081	3,962,914	4,203,995
NET ASSETS - BEGINNING OF YEAR	3,067,809	22,197,472	25,265,281
NET ASSETS - END OF YEAR	$ 3,308,890	$ 26,160,386	$ 29,469,276

See accompanying notes to financial statements

EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 607,537	$ 4,077,563	$ 4,685,100
In-kind contributions	7,877	75,780	83,657
Donated services and facilities	306,156	-	306,156
Other income	180,339	-	180,339
Investment income, net	62,490	476,755	539,245
Realized/unrealized gain/(loss) on investments	50,840	1,530,841	1,581,681
Change in value of CCCS Endowment	-	119,590	119,590
Net assets released from restriction	3,080,205	(3,080,205)	-
TOTAL SUPPORT AND REVENUE	4,295,444	3,200,324	7,495,768
EXPENSES			
Program services			
Program services	3,059,642	-	3,059,642
Supporting services			
Management and general	361,683	-	361,683
Fundraising	336,534	-	336,534
TOTAL EXPENSES	3,757,859	-	3,757,859
CHANGE IN NET ASSETS	537,585	3,200,324	3,737,909
NET ASSETS - BEGINNING OF YEAR	2,530,224	18,997,148	21,527,372
NET ASSETS - END OF YEAR	$ 3,067,809	$ 22,197,472	$ 25,265,281

EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026

	Program Services	Management and General	Fundraising	Total
Direct Program Support				
Scholarships and grants	$ 983,359	$ -	$ -	$ 983,359
Supporting Services				
Salaries and benefits	254,907	150,466	244,866	650,239
College program	30,469	-	-	30,469
Professional services	1,420	19,452	-	20,872
Program events	575,412	-	8,003	583,415
Maintenance	-	20,950	-	20,950
Supplies	-	211	59	270
Printing and postage	9,082	739	15,537	25,358
Publications and advertising	-	-	15,216	15,216
Travel, conferences, and meetings	43,615	1,951	-	45,566
In-kind contributions	1,196,698	177,885	81,877	1,456,460
Other expenses	4,570	2,227	-	6,797
TOTAL EXPENSES	$ 3,099,532	$ 373,881	$ 365,558	$ 3,838,971

EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Management and General	Fundraising	Total
Direct Program Support				
Scholarships and grants	$ 1,056,246	$ -	$ -	$ 1,056,246
Supporting Services				
Salaries and benefits	237,400	142,023	222,624	602,047
College program	85,328	-	-	85,328
Professional services	12,911	18,825	-	31,736
Program events	459,938	-	8,936	468,874
Equipment	1,058	-	-	1,058
Maintenance	-	26,163	-	26,163
Supplies	6,842	433	389	7,664
Printing and postage	3,084	1,283	12,694	17,061
Publications and advertising	-	-	14,250	14,250
Travel, conferences, and meetings	44,831	1,955	-	46,786
In-kind contributions	139,358	168,406	77,641	385,405
Transfer/distributions	1,005,336	-	-	1,005,336
Other expenses	7,310	2,595	-	9,905
TOTAL EXPENSES	$ 3,059,642	$ 361,683	$ 336,534	$ 3,757,859

EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND JUNE 30, 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 4,203,995	$ 3,737,909
Adjustments to reconcile change in net assets to net cash provided by operations:		
Realized/unrealized gain on investment	(2,479,091)	(1,581,681)
Contributions restricted to endowment	(1,115,410)	(1,002,986)
Change in valuation of split-interest agreements	-	(1,765,774)
Change in beneficial interest in CCCS endowment	(227,521)	119,590
Change in beneficial interest in Assets Held by Others	-	(85,873)
Change in operating assets and liabilities		
Accounts payable and accrued expenses	(1,173)	(763)
Accrued employee related expenses	(503)	921,338
Net Cash Provided by Operating Activities	380,297	341,760
CASH FLOWS FROM INVESTING ACTIVITES		
Purchase of investments	(6,394,534)	9,759,811
Proceeds from sale of investments	4,902,811	(11,163,185)
Net Cash (Used in) Investing Activities	(1,491,723)	(1,403,374)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment	1,115,410	1,002,986
Net Cash Provided by Financing Activities	1,115,410	1,002,986
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,984	(58,628)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	88,089	146,717
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 92,073	$ 88,089
SUPPLEMENTAL DATA FOR NONCASH INVESTING ACTIVITIES		
In-kind donations	$ 333,350	$ 306,156

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The El Camino Community College District Foundation (the "Foundation") is a California, nonprofit public benefit corporation founded on April 28, 1983, and organized to assist in the achievement and maintenance of a superior program of public education and community participation within the El Camino Community College District (the "College") by receiving contributions from the general public, raising funds, and making donations to educational, arts, cultural, athletic, and other programs of the College.

Basis of Presentation of Financial Statements

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP).

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information does not include sufficient detail to constitute a full comparison of operations year over year and should be read in conjunction with the audited financial statements for the fiscal year ended June 30, 2025 from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with an original maturity of three months or less when purchased, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Financial Instruments and Credit Risk

Deposit concentrations are managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with contributions receivable are considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from donors supportive of the mission. Investments are made by diversified investment managers whose performance is monitored by the Foundation and the board of directors. Although fair values of investments are subject to fluctuations on a year-to-year basis, the Foundation believes that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

Investments

Investments in marketable securities with readily determinable fair values are presented at their fair values in the statements of financial position. The amount of expenses netted with revenues was $84,204 and $71,575 for the years ended June 30, 2026 and 2025, respectively. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Beneficial Interests in Charitable Trusts Held by Others

The Foundation has been named as an irrevocable beneficiary of multiple charitable trusts held by and administered by independent trustees. These trusts were created independently by the donor and administered by outside agents designated by the donor. Therefore, the Foundation does not have possession nor control over the assets of the trust. At the date the Foundation received notice of a beneficial interest, a contribution with donor restrictions is recorded in the statements of activities, and a beneficial interest in charitable trust held by others is recorded in the statements of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Therefore, the beneficial interest in trust is reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor or grantor restrictions. The board of directors has designated, from net assets without donor restrictions, net assets for board-designated expenditures.

- Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

Receivables

Accounts receivable consists primarily of noninterest-bearing amounts due for services performed. The Foundation does not consider that the allowance for doubtful accounts is necessary as management believes all receivables are collectible. Uncollectible receivable will be written off in the year it deemed uncollectible. As of June 30, 2026 and 2025, no amounts were written off.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift. The Foundation records special events revenue equal to the fair value of direct benefits to donors and contribution income for the excess received when the event takes place. There was no special events revenue recorded for the years ended June 30, 2026 and 2025.

Donated Assets, Services, and Facilities

The District provides personnel services and office space to the Foundation. In addition, the Foundation benefits from contributions of time and service of individuals in an effort to advance the programs and services of the Foundation. Since the District meets the criteria for an affiliate organization, the Foundation is required to recognize the direct personnel costs incurred by the affiliate at the fair market value of services provided. Donated services received from an affiliate during the fiscal years ended June 30, 2026 and 2025 totaled $333,350 and $306,156, respectively. Donated office space used during the fiscal years ended June 30, 2026 and 2025 amounted to $19,200 in each year.

The Foundation also receives contributions of goods and services which are recognized at estimated fair market value as of the date of donation. Donated goods received during the fiscal years ended June 30, 2026 and 2025 totaled $1,123,614 and $83,657, respectively. All donated goods and services were used for programmatic activities.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural and functional classification detail of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, and payroll taxes, professional services, supplies, maintenance and equipment, printing and postage, travel, conferences, and meetings, other administrative expenses, and donated salaries, benefits, and payroll taxes, and donated facilities, which are allocated on the basis of estimates of time and effort.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes

The Foundation is a nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and classified by the Internal Revenue Service (IRS) as a supporting organization as provided in Section 509(a)(3). It is also exempt from state franchise and income taxes under Section 23701(d) of the *California Revenue and Taxation Code*. Accordingly, no provision for income taxes has been reflected in these financial statements.

United States Generally Accepted Accounting Principles (U.S. GAAP) requires management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if an uncertain position has been taken that more likely than not would not be sustained upon examination. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of June 30, 2026, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The primary tax positions evaluated are related to the Foundation's continued qualification as a tax-exempt organization. The statute of limitations for federal and California purposes is generally three and four years, respectively.

Use of Estimates

The preparation of financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the reporting date, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2026	2025
Total Financial Assets	$ 29,497,550	$ 25,295,231
Less:		
Donor-restricted assets:		
Funds subject to time restrictions	(8,658,371)	(7,499,985)
Endowments	(17,502,015)	(14,697,487)
Board-designated assets:		
Challenge grant program	(864,413)	(764,381)
Reserve	(2,064,630)	(1,840,564)
Total Financial Assets Available for General Expenditures	$ 408,121	$ 492,814

As part of the liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments, certificates of deposit, and money market funds. All funds are unencumbered by restrictions and are available for general use.

NOTE 3 – NET ASSETS

Net assets without donor restrictions were as follows as of June 30:

	2026	2025
Board-designated assets:		
Challenge grant program	$ 864,413	$ 764,381
Reserve	2,064,630	1,840,564
Total board designated	$ 2,929,043	$ 2,604,945
Undesignated	379,847	462,864
Total net assets without donor restriction	$ 3,308,890	$ 3,067,809

Net assets with donor restrictions are restricted for the following purposes or periods:

	2026	2025
Subject of expenditure for specific purpose:		
Distributable portion of endowments	$ 5,965,625	$ 5,034,872
Other scholarships and programs	2,692,746	2,465,113
Subject to spending policy and appropriation:		
Named endowments	15,384,630	12,807,623
CCCS endowments	2,117,385	1,889,864
Net assets with donor restrictions	$ 26,160,386	$ 22,197,472

NOTE 3 – NET ASSETS, continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the years ended June 30:

	2026	2025
Satisfaction of purpose restrictions:		
Grants, program and operating support	$ 1,736,866	$ 2,697,528
Stewardship fees	380,232	382,677
Total net assets released from donor restriction	$ 2,117,098	$ 3,080,205

NOTE 4 – FAIR VALUE MEASUREMENT

The Foundation applies Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurement of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to measurements involving significant unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets that the Foundation has the ability to access at the measurement date.

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 – inputs are unobservable for the asset.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair values of assets held under split interest agreements, net, which are managed and administered by an unrelated third party, are based on the fair value of underlying assets and the present value of annuity payments discounted, using factors published by the IRS. These are considered Level 3 investments.

The fair value of the beneficial interest in CCCS Endowment, which is held by an unrelated third party, is based on the fair value of fund investments, as reported by the third party. The fair value of the beneficial interest in charitable trust held by others is based on the fair value of fund investments held in an irrevocable charitable trust, as reported by the investment manager. These are considered Level 2 investments.

NOTE 4 – FAIR VALUE MEASUREMENT, continued

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2026:

	Level 1	Level 2	Level 3	Total
Funds invested in:				
Equities	$ 4,499,061	$ 5,621,284	$ -	$ 10,120,345
Exchange-traded funds	8,455,283	-	-	8,455,283
Bonds	1,171,043	6,219,625	-	7,390,668
Alternative investment	-	-	568,456	568,456
Subtotal	$ 14,125,387	$ 11,840,909	$ 568,456	26,534,752
Cash held in investment				753,340
Total Investment				$ 27,288,092
Beneficial interest in:				
Beneficial interest in CCCS Endowment	$ -	$ 2,117,385	$ -	$ 2,117,385
Total	$ -	$ 2,117,385	$ -	$ 2,117,385

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2025:

	Level 1	Level 2	Level 3	Total
Funds invested in:				
Equities	$ 3,697,134	$ 4,596,847	$ -	$ 8,293,981
Exchange-traded funds	6,936,323	-	-	6,936,323
Bonds	935,192	5,495,810	-	6,431,002
Alternative investment	-	-	518,778	518,778
Subtotal	$ 11,568,649	$ 10,092,657	$ 518,778	22,180,084
Cash held in investment				1,137,194
Total investment				$ 23,317,278
Beneficial interest in:				
Beneficial interest in CCCS Endowment	$ -	$ 1,889,864	$ -	$ 1,889,864
Total	$ -	$ 1,889,864	$ -	$ 1,889,864

NOTE 5 – ENDOWMENTS

The Foundation's board of directors is charged with the responsibility for management of the endowed assets. To assist in carrying out this duty, the Foundation has adopted an investment policy that prioritizes preservation of capital, long-term growth, and adherence to the prudent person investment philosophy. To enact this policy, the Foundation's investment strategy emphasizes total return, assuming a level of risk consistent with reasonable and prudent investment practices for such funds. Additionally, the endowment spending policy is in compliance with the regulation of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted by the state of California in 2009, to ensure the prudent management of endowed funds in the disbursement of current earnings in support of the College, and to meet future needs established by the donor. The Foundation has established a target annual spending policy of 5.5% of the most recent 36-month average market value of the endowed fund.

The Foundation classifies net assets with donor restrictions in perpetuity as (a) the value of endowed gifts as of the date of the original donation, and (b) subsequent gifts to a named endowment fund, less distributions that draw the fund balance below its previously endowed balance when the Foundation deems it prudent to make such distributions. Earnings on endowed funds are classified as net assets with donor restrictions subject to the passage of time or appropriation until such time as the board of directors adopts a resolution for appropriation.

The Foundation's endowed funds, by net asset classification, are as follows as of June 30:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Named Endowments	$ -	$ 15,384,630	$ 15,384,630
CCCS Endowments	-	2,187,346	2,187,346
Total	$ -	$ 17,571,976	$ 17,571,976

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Named Endowments	$ -	$ 12,807,623	$ 12,807,623
CCCS Endowments	-	1,939,111	1,939,111
Total	$ -	$ 14,746,734	$ 14,746,734

Named Endowments

The Foundation established a named endowment fund at the request of a donor for a minimum initial gift of $25,000 that will be held in perpetuity. Following the creation of the fund, scholarships, grants, and/or awards will be disbursed from the earnings on the endowed funds and in keeping with the donor's designations. As of June 30, 2026, the Foundation held sixty-seven (67) separate named endowments totaling $15,384,630. Included in that amount is $2,478,010 held in the Ella Rose Madden Endowment Fund, the income from which is to be used for education in the training of persons in the care and special needs of allied healthcare.

NOTE 5 – ENDOWMENTS, continued

Changes in endowment net assets are as follows for the fiscal years ended June 30:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - beginning of year	$ -	$ 12,807,623	$ 12,807,623
Contributions	-	1,099,651	1,099,651
Investment return:			
Investment income, net of expenses	-	1,647,998	1,647,998
Appropriated for expenditure	-	(170,642)	(170,642)
Endowment net assets - end of year	$ -	$ 15,384,630	$ 15,384,630

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - beginning of year	$ -	$ 11,851,119	$ 11,851,119
Contributions	-	30,358	30,358
Investment return:			
Investment income, net of expenses	-	1,130,455	1,130,455
Appropriated for expenditure	-	(204,309)	(204,309)
Endowment net assets - end of year	$ -	$ 12,807,623	$ 12,807,623

California Community Colleges Scholarship (CCCS) Endowment

In May 2008, the California Community Colleges Scholarship Endowment (the CCCS Endowment) was launched via a gift of $25 million from the Bernard Osher Foundation (the Osher Foundation) to the Foundation for California Community Colleges (the FCCC). The FCCC and California's community colleges were challenged with raising an additional $50 million through June 2011, for which the Osher Foundation agreed to provide a 50% match of up to $25 million. The purpose of the CCCS Endowment is to provide scholarships for students in California's community college system.

Based on the terms of the agreement between the Osher Foundation and the FCCC, as well as the agreement between the FCCC and the Foundation, all of the funds contributed to the CCCS Endowment, regardless of source, are irrevocable gifts to the FCCC. The Foundation has an irrevocable beneficial interest in the balance of funds contributed for the benefit of students at El Camino College and the accumulated earnings, which does not include any funds contributed by the Osher Foundation.

As of June 30, 2026 and 2025, the Foundation's beneficial interest in the CCCS Endowment totaled $2,117,385 and $1,889,864, respectively. When coupled with funds distributed but not yet disbursed, the Foundation's net assets attributable to the CCCS Endowment are $2,187,346 and $1,939,111 as of June 30, 2026 and 2025, respectively.

NOTE 5 – ENDOWMENTS, continued

In relation to the CCCS Endowment, this interpretation extends to the earnings on the fund, less distributions for scholarships made in conformance with the aforementioned agreements as determined by the FCCC. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions in perpetuity (a) the value of endowed gifts as of the date of the donation, and (b) net earnings less allowable distributions. Scholarship distributions made from the fund are classified as net assets with donor restrictions subject to the passage of time or appropriation upon receipt of notification from the FCCC as to the amount and date of scheduled distributions.

The changes in the Foundation's beneficial interest in the CCCS Endowment balance by net asset classification were as follows:

	2026	2025
CCCS Endowment - beginning of year	$ 1,889,864	$ 1,770,274
Investment income, net of expenses	49,893	44,556
Distributions	(84,800)	(82,650)
Realized/unrealized gain/(loss) on investments, net	262,428	157,684
Change in value, CCCS Endowment	227,521	119,590
CCCS Endowment - end of year	$ 2,117,385	$ 1,889,864

NOTE 6 – CHARITABLE REMAINDER UNITRUST (CRUT)

During 2019, the Foundation was named as the Trustee of an irrevocable charitable remainder unitrust (CRUT). The trust agreement requires the Foundation to make annual payments to the trust donor based on a stipulated payment rate of 5%, applied to the fair value of the trust assets, as determined annually, not to exceed the annual earnings of the trust. Upon the death of the donor, the Foundation will distribute the remaining trust assets, 50% to itself and 50% to the second named beneficiary. A liability has been recognized for the estimated present value of the annuity obligation and the assets are recorded at their gross market value with the Foundation as the named trustee. The discount rate and actuarial assumptions used in calculating the annuity obligation are those provided in Social Security Administration life expectancy guidelines and actuarial tables. Accordingly, the Foundation has recorded a liability for the projected future benefits to be paid to the donor and the estimated present value of the distribution expected to be paid to the second named beneficiary.

NOTE 7 – RELATED PARTIES

El Camino Community College District

As described in Note 1, the Foundation's purpose is to support the District's students and programs; therefore, transactions between the Foundation and the District, District personnel, students at the District, and programs of the College, are expected. Per the Foundation's Bylaws, certain District personnel serve as Ex-Officio members of the Foundation's board of directors by virtue of their position at the District.

NOTE 7 – RELATED PARTIES, continued

El Camino Community College District, continued

In exchange for the support that the Foundation provides to the campus programs, the District contributes to the Foundation some portion of salaries and related expenses incurred and paid by the District on behalf of the Foundation. For the fiscal years ended June 30, 2026 and 2025, the District contributed $333,350 and $306,156, respectively, to the Foundation for personnel-related costs. For the fiscal years ended June 30, 2026 and 2025, the College contributed $19,200 in contributed use of facilities in each year.

NOTE 8 – SUBSEQUENT EVENTS

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through October 28, 2026, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year's financial statements.