

**EL CAMINO COMMUNITY COLLEGE DISTRICT
LOS ANGELES COUNTY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



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**EL CAMINO COMMUNITY COLLEGE DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
El Camino Community College District
Torrance, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the El Camino Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the 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 and fiduciary activities 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.

Emphasis of a Matter

Regarding a Correction of an Error

During the fiscal year, the District identified capital assets that were acquired in prior periods but were not previously capitalized in the financial statements. As a result, the District reported a restatement for a correction of an error (see Note 1 to the financial statements). Our auditor's 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 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' 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, schedule of the District's proportionate share of the net pension liability, schedule of the District's pension contributions, schedule of changes in the net OPEB liability and related ratios, schedule of postemployment healthcare benefits contributions, schedule of postemployment healthcare benefits money-weighted rate of return on plan assets, and notes to the required supplementary information, 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 schedule of state financial assistance - grants, schedule of workload measures for state general and apportionment annual (actual) attendance, reconciliation of governmental funds to the statement of net position, reconciliation of 50 percent law calculation, and the education protection account (EPA) expenditure report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, schedule of state financial assistance - grants, schedule of workload measures for state general apportionment, reconciliation of governmental funds to the statement of net position, reconciliation of the 50 percent law calculation, and the education protection account expenditures report 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 history and organization 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 the 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 January 5, 2026, on our consideration of El Camino Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of El Camino Community College 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 El Camino Community College District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Ontario, California
January 5, 2026

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the El Camino Community College District (the District) for the year ended June 30, 2025. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

Officially established as of July 1, 1946, and located centrally in the South Bay, the District encompasses five unified and one high school districts, twelve elementary school districts, and nine cities, a population of almost one million. The District's primary service area includes the residents of Inglewood, Lennox, El Segundo, Hawthorne, Lawndale, Hermosa Beach, Manhattan Beach, Redondo Beach, and Torrance. We offer programs of the highest quality for El Camino students who continue on with their higher education studies; programs of remediation and re-entry; a leading community provider of programs for seniors; offer cultural and arts programs of national distinction; programs of exceptional depth in professional training, job training, and workforce development; and community service programs of personal interest.

FINANCIAL HIGHLIGHTS

This section provides an overview of the District's financial activities. The District was required to implement the reporting standards of Governmental Accounting Standards Board (GASB) Statements No. 34 and No. 35 during fiscal year 2002-2003 using the Business-Type Activity (BTA) model. The California Community Colleges Chancellor's Office, through its Fiscal and Accountability Standards Committee, recommended that all community college districts implement the new reporting standards under the BTA model. To comply with the recommendation of the Chancellor's Office and to report in a manner consistent with other California community college districts, the District has adopted the BTA reporting model for these financial statements. One years of prior data is presented in the Management's Discussion and Analysis.

The El Camino Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and No. 35, Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities. These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The government-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

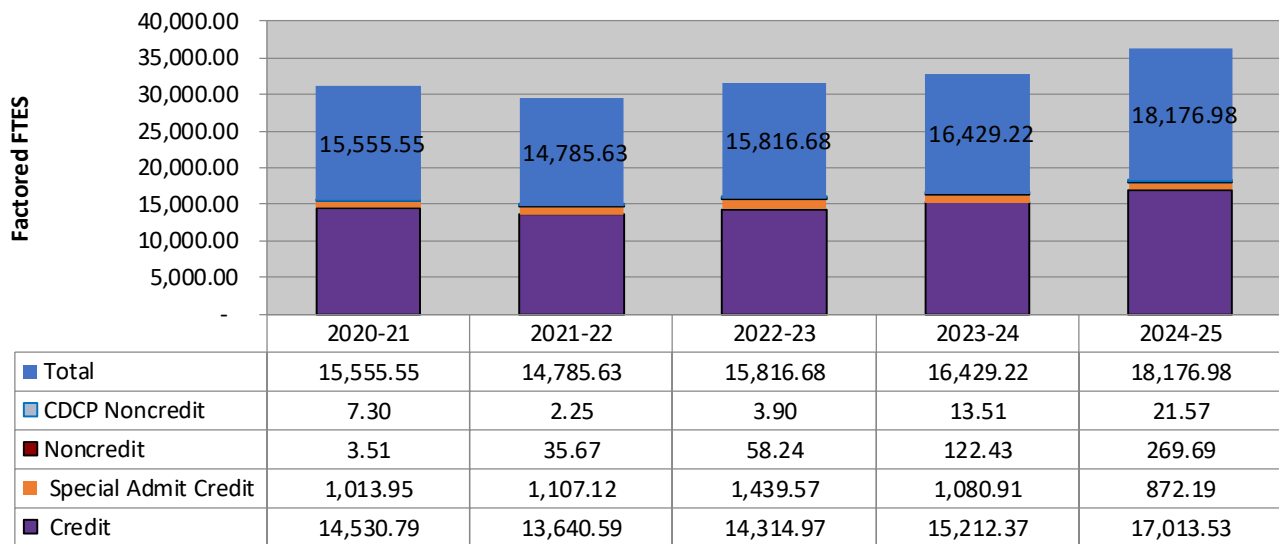
The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the BTA model for financial statement reporting purposes.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

SELECTED HIGHLIGHTS

- During 2024-2025, total full-time equivalent students (FTES) increased by 1,747.76 FTES, from prior year as reflected in the chart below. The increase in the District's FTES continues the reversal of cumulative FTES decline that began in Spring 2020 that was experienced by the District and many California Community College Districts that was, in large part, a result of the COVID-19 pandemic and the District's temporary conversion to a substantially online instruction model. Additionally, the district shifted a portion of Summer 2025 FTES into Fiscal Year 2024-25 as a trailing semester. As of Fiscal Year 2024-25, the district is 449.25 FTES below its pre-pandemic 2018-19 FTES of 18,626.23. Credit and noncredit FTES, along with other measures indicated in the Student-Centered Funding Formula (SCFF), are the basis for the District's General Apportionment Revenues.

**Annual Enrollment
Full-Time Equivalent Students (FTES)**



- In November 2002, the residents of the District passed a General Obligation Bond for \$394.5 million to improve the existing facilities, construct new facilities, purchase equipment, and purchase property. The first series of bonds were issued for \$63.7 million and spending, in accordance with the master facilities plan, was fully implemented in 2003-2004. The second series of bonds was issued for \$150.0 million in September 2006. The third series of bonds was issued in August 2012 for \$180.8 million.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

- In November 2012, the residents of the District passed a General Obligation Bond for \$350.0 million to improve the existing facilities, construct new facilities, and purchase equipment. The first series (2012-A) of bonds was issued in January 2016 for \$100.0 million. The second series (2012-B) was issued in August 2018 for \$50.0 million. The third series (2012-C) was issued in October 2020 for \$50.0 million. The fourth series (2012-D) for \$60.0 million was issued in August 2021. The fifth series (2012-E) for \$50.0 million was issued in October 2024.

FINANCIAL STATEMENT PRESENTATION AND BASIS OF ACCOUNTING GOVERNMENTAL FUNDS

The District's financial report includes three primary financial statements: The Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. Additional information regarding these financial statements is provided on the following pages.

The financial statements noted above are prepared in accordance with GASB Statements No. 34 and No. 35, which provides an entity wide perspective. Therefore, the financial data presented in these financial statements is a combined total of all District governmental funds including Student Financial Aid Programs, Proprietary Funds and a portion of the Retiree Benefits Fund deemed to be governmental in nature.

Also, in accordance with GASB Statements No. 34 and No. 35, the financial statements have been prepared under the full accrual basis of accounting, which requires that revenues are recognized when earned and expenses are recorded when an obligation has been incurred. A reconciliation between the fund balances reported on the June 30, 2025 Annual Financial and Budget Report (CCFS-311) based upon governmental accounting principles and the modified accrual basis of accounting and the total net position recorded on the full accrual basis of accounting is shown in the supplemental information of the audit report.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows, liabilities, deferred inflows and net position of the District as of the end of the fiscal year. It is prepared using the full accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a "point-in-time" financial statement. The purpose of this statement is to present the readers with a fiscal snapshot of the District on June 30, 2025.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the District. Readers are also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the net position and their availability for expenditure by the District.

The difference between total assets and total liabilities (net position) is one indicator of the current financial condition of the District. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allocation for depreciation expense.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Statement of Net Position (Continued)

The Net Position is divided into three major categories. The first category, net investment in capital assets, provides the equity amount in property, plant, and equipment owned by the District. The second category is expendable restricted net position; this net position is available for expenditure by the District, but must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position that is available to the District for any lawful purpose of the District.

The components of net position are investment in capital assets, restricted assets and unrestricted assets. Net investment in capital assets of \$39.7 million consists of \$494.6 million of capital assets, net of accumulated depreciation, less \$454.9 million in bond debt, including bond premiums and deferred outflows, plus any unspent bond proceeds.

This investment in capital assets consists of land, infrastructure, buildings, and equipment less any related debt still outstanding used to acquire those assets. The District uses these capital assets to provide educational, meeting, and athletic facilities to students and the community; consequently, these assets are not available for future spending. The resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

A summarized comparison of Statement of Net Position is presented herein as June 30:

	2025 (in thousands)	2024 As Restated (in thousands)	Percentage Change
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 112,342	\$ 132,396	(15.1)%
Receivables	27,212	22,281	22.1
Other Current Asset	250	677	(63.1)
Total Current Assets	<u>139,804</u>	<u>155,354</u>	(10.0)
NONCURRENT ASSETS			
Restricted Cash and Cash Equivalents	144,886	97,224	49.0
Capital Assets, Net of Depreciation	494,588	499,238	(0.9)
Total Noncurrent Assets	<u>639,474</u>	<u>596,462</u>	7.2
Total Assets	779,278	751,816	3.7
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	2,347	2,542	(7.7)
Deferred Outflows - Pensions	57,672	49,237	17.1
Deferred Outflows - OPEB	5,233	6,310	(17.1)
Total Deferred Outflows of Resources	<u>65,252</u>	<u>58,089</u>	12.3
Total Assets and Deferred Outflows of Resources	<u>\$ 844,530</u>	<u>\$ 809,905</u>	4.3

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Statement of Net Position (Continued)

	2025 (in thousands)	2024 As Restated (in thousands)	Percentage Change
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 30,936	\$ 31,952	(3.2)%
Unearned Revenue	21,970	37,016	(40.6)
Long-Term Liabilities - Current Portion	24,415	21,706	12.5
Total Current Liabilities	<u>77,321</u>	<u>90,674</u>	(14.7)
NONCURRENT LIABILITIES			
Long-Term Liabilities Less Current Portion	<u>738,651</u>	<u>691,529</u>	6.8
Total Noncurrent Liabilities	<u>738,651</u>	<u>691,529</u>	6.8
Total Liabilities	815,972	782,203	4.3
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pensions	13,260	11,534	15.0
Deferred Inflows - OPEB	3,040	3,910	(22.3)
Total Deferred Outflows of Resources	<u>16,300</u>	<u>15,444</u>	5.5
NET POSITION			
Net Investment in Capital Assets	39,671	38,544	2.9
Restricted	61,518	58,681	4.8
Unrestricted	(88,931)	(84,967)	(4.7)
Total Net Position	<u>12,258</u>	<u>12,258</u>	-
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 844,530</u>	<u>\$ 809,905</u>	4.3

This schedule has been prepared from the Statement of Net Position presented on pages 24 to 25.

Approximately 97.5% of the cash balance is cash deposited in the Los Angeles County Treasury. The Statement of Cash Flows contained within these financial statements provides greater detail regarding the sources and uses of cash during fiscal year 2024-2025.

- The accounts receivable balance consists of receivables from Federal and State sources for grant entitlement programs in the amount of \$6.5 million, apportionment receivable of \$8.0 million, debt related property taxes of \$3.1 million and miscellaneous receivables from local and other sources of \$4.9 million. Student receivables are \$4.7 million, net of allowance for doubtful accounts.
- Capital assets remained consistent with prior year. Depreciation expense of \$15.4 million was recognized during 2024-2025. The capital asset section of this discussion and analysis provides greater detail.
- Accounts payable are amounts due as of the fiscal year end for goods and services received as of June 30, 2025. Total accounts payable are \$7.9 million. Accrued liabilities of \$23.0 million are for amounts due to or on behalf of employees for wages and benefits.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Statement of Net Position (Continued)

- Long-term liabilities include 2024 General Obligation Bonds, Series E, that have been issued in the amount of \$50 million; 2021 General Obligation Bonds, Series D, that have been issued in the amount of \$60 million; 2020 General Obligation Bonds, Series C, that have been issued in the amount of \$50 million; 2018 General Obligation Bonds, Series C, that have been issued in the amount of \$50 million; 2016 General Obligation Bonds, Series A, that have been issued in the amount of \$100.0 million; 2016 General Obligation Refunding Bonds that have been issued in the amount of \$85.8 million; 2012 General Obligation Bonds, Series C that have been issued in the amount of \$180.8 million; and 2020 General Obligation Refunding Bonds that have been issued in the amount of \$40.5 million. The long-term liabilities section of this discussion and analysis provides greater detail.

Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the operating and nonoperating revenues earned, whether received or not, by the District, the operating and nonoperating expenses incurred, whether paid or not, by the District, and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this Statement presents the District's results of operations.

Generally, operating revenues are earned for providing educational and programmatic services to students, customers and constituencies of the District. Operating expenses are those expenses incurred to provide services provided in return for the operating revenues used to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided to the entity providing the revenues. For example, state apportionments are nonoperating revenues because they are provided by the legislature to the District without the legislature directly receiving services for those revenues.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

A summarized comparison of the Statement of Revenues, Expenses, and Changes in Net Position is presented herein as of June 30:

	2025 (in thousands)	2024 As Restated (in thousands)	Percentage Change
OPERATING REVENUES			
Net Tuition and Fees	\$ 16,695	\$ 13,950	19.7 %
Grants and Contracts, Noncapital	76,873	70,614	8.9
Auxiliary Commissions and Stadium Concessions	15	499	97.0
Total Operating Revenues	<u>93,583</u>	<u>85,063</u>	10.0
OPERATING EXPENSES			
Salaries and Benefits	195,909	188,327	4.0
Supplies, Materials, and Other Operating Expenses and Services	38,155	44,042	(13.4)
Financial Aid	57,137	48,736	17.2
Depreciation	15,355	16,400	(6.4)
Total Operating Expenses	<u>306,556</u>	<u>297,505</u>	3.0
OPERATING LOSS	(212,973)	(212,442)	0.2
NONOPERATING REVENUES			
Grants and Contracts, Noncapital	40,313	32,284	24.9
State Apportionments, Noncapital	98,925	101,607	(2.6)
Local Property Taxes	48,301	44,591	8.3
State Taxes and Other Revenues	5,352	8,757	(38.9)
Investment Income, Net	3,084	5,409	43.0
Total Nonoperating Revenues	<u>195,975</u>	<u>192,648</u>	1.7
OTHER REVENUES, (EXPENSES), GAINS OR (LOSSES)			
Local Property Taxes and Other Revenues, Capital	33,528	31,934	5.0
Investment Income, Capital	4,380	5,047	(13.2)
Interest Expense and Costs of Issuing Capital Asset - Related Debt	<u>(20,910)</u>	<u>(20,344)</u>	(2.8)
Total Other Revenues, (Expenses), Gains or (Losses)	<u>16,998</u>	<u>16,637</u>	2.2
CHANGES IN NET POSITION	-	(3,157)	(100.0)
Net Position - Beginning of Year, As Restated	<u>12,258</u>	<u>15,415</u>	(20.5)
NET POSITION - END OF YEAR	<u>\$ 12,258</u>	<u>\$ 12,258</u>	-

This schedule has been prepared from the Statement of Revenues, Expenses, and Changes in Net Position on page 26.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

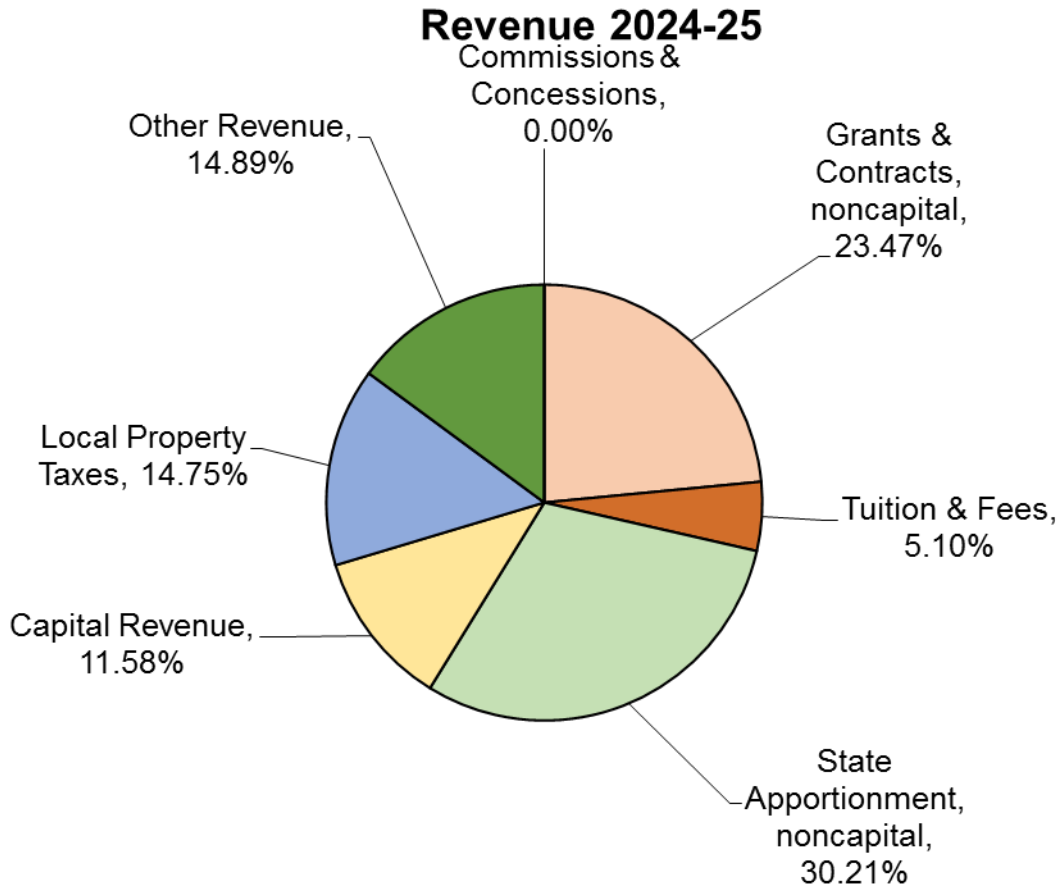
Statement of Revenues, Expenses, and Changes in Net Position (Continued)

- The increase in net position from fiscal year 2024 to 2025 includes: increased revenues from nonoperating Grants and Contracts, Noncapital and Local Property Taxes and Other Revenues, Capital. These increases, along with changes to costs for Salaries and Benefits, and Supplies, Materials and Other Operating Expenses and Services, Financial Aid and Depreciation, which increased compared to the prior fiscal year as a result of increased enrollment and collective bargaining settlements. The single largest factor with respect the District's change in net position from 2023-2024 to fiscal year 2024-2025 was in the categories of "Grants and Contracts, Noncapital" and "Salaries and Benefits."
- Tuition and fees are generated by the resident, nonresident, and foreign students attending El Camino Community College District, including fees such as health fees, parking fees, community services classes, and other related fees.
- Noncapital grants and contracts are primarily those received from Federal and State sources and used in the instructional program.
- Salaries and benefits make up 68.4% of total operating expenses as compared to other operating expenses (supplies, student financial aid, other services, capital outlay below the capitalization threshold, insurance, and utilities) which make up 31.6% of total expenses.
- Local property taxes for general purposes are received through the Auditor-Controller's Office for Los Angeles County. The amount received for property taxes is deducted from the total State general apportionment amount calculated by the State for the District.
- State apportionments, capital, are the amount of capital outlay, deferred maintenance, architectural barrier removal, and hazardous substance funding received from the State through the Department of Finance. Approved State capital outlay projects are typically funded 50% by the State.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

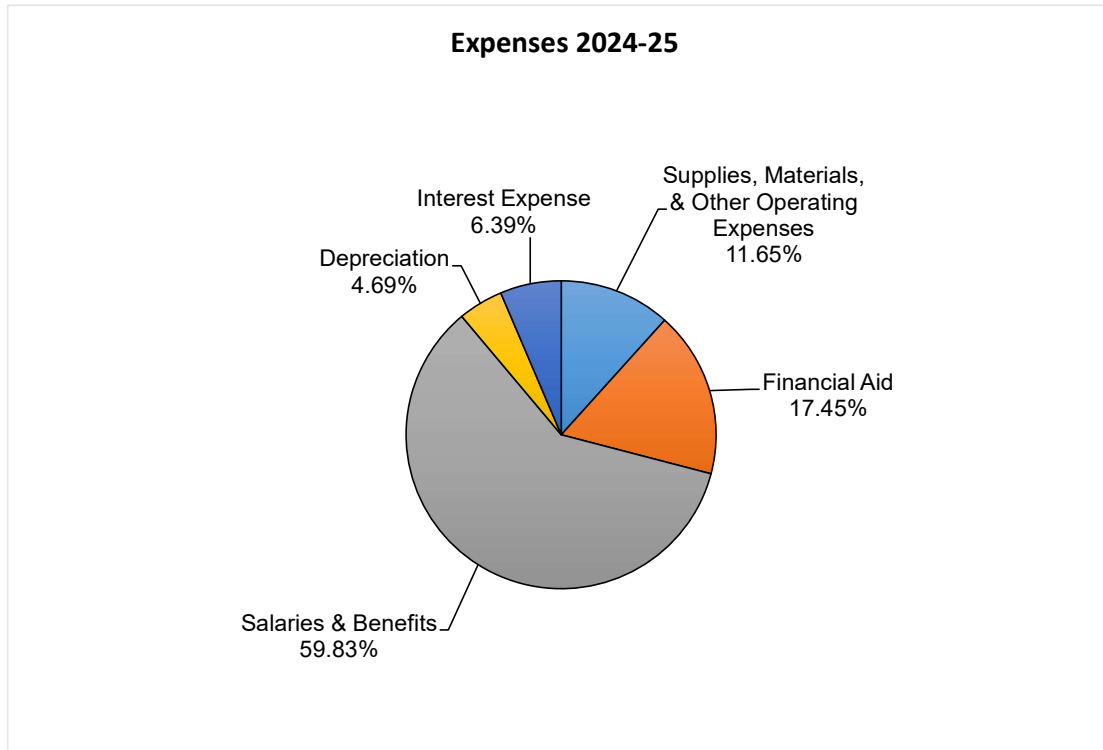
Statement of Revenues, Expenses, and Changes in Net Position (Continued)

The following chart shows the sources of revenue to the District. The largest sources are State apportionment, noncapital (30.21%) which is derived from the State's funding formula for Community Colleges; and Grants & Contracts, noncapital (23.47%).



**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The following chart shows where the District's money is spent. The largest category of expenses (59.83%) is for salaries and benefits. This reflects the college's reliance on faculty members and support staff to carry out its educational mission.



**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This Statement helps users assess the District's ability to generate positive cash flows, meet obligations as they come due, and the need for external financing.

The Statement of Cash Flows is divided into four parts: Cash Flows from Operating Activities, Cash Flows from Noncapital Financing Activities, Cash Flows from Capital and Related Financing Activities, and Cash Flows from Investing Activities. The first part reflects operating cash flows and shows the net cash used for the operating activities of the District. The second part details cash received for nonoperating, noninvesting and noncapital financial purposes. The third part shows net cash flows for capital projects and related financing activities. This part deals with the cash used for the construction and improvement of capital facilities and related items. The fourth part provides information from investing activities and the amount of interest received.

Operating activities – Cash receipts from operating activities are derived from a variety of sources, including from student fees, enterprise activities, and from Federal, State, local, and private grants. Uses of cash are salaries and benefits for employees, payments to vendors, and financial aid to students. Cash receipts and payments vary based on timing of the District receiving and disbursing cash; however, throughout the year, the District always maintained a positive cash position.

Noncapital financing activities – These cash sources include State apportionment, and local property taxes.

Capital and related financing – The cash used in this section includes purchases of capital assets and debt repayments related to the general obligation bond program.

Investing activities – The primary cash source is interest income from deposits with the County Treasury.

The net change in cash, considering all sources and uses, was an increase of \$27.6 million. This results in an end of year cash balance of \$257.2 million. As a matter of prudent financial management, the District maintains a positive cash position at all times.

A summarized comparison of the Statement of Cash Flows follows is presented herein as of June 30:

	2025	2024	Percentage
	(in thousands)	As Restated (in thousands)	Change
CASH PROVIDED (USED) BY			
Operating Activities	\$ (212,646)	\$ (239,971)	11.4 %
Noncapital Financing Activities	189,598	198,698	(4.6)
Capital and Related Financing Activities	47,704	5,110	833.5
Investing Activities	2,952	5,672	(48.0)
Net Increase (Decrease) in Cash and Cash Equivalents	27,608	(30,491)	(190.5)
Cash Balance - Beginning of Year	229,620	260,111	(11.7)
CASH BALANCE - END OF YEAR	<u>\$ 257,228</u>	<u>\$ 229,620</u>	12.0

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Statement of Cash Flows (Continued)

This schedule has been prepared from the Statement of Cash Flow presented on pages 24 and 25.

- Cash receipts from operating activities are from student tuition and auxiliary sales. Use of cash is payments to employees, vendors, and students related to the instructional program.
- State apportionment received based on the workload measures generated by the District accounts for 50.5% of noncapital financing. Cash received from property taxes accounts for 25.5% of the cash generated in this section.
- The primary use included in capital and related financing activities is the purchase of capital assets (building improvements and equipment).
- Cash from investing activities is interest earned on cash in bank and cash invested through the Los Angeles County pool and on investments with fiduciaries. Approximately \$3.0 million was received from the Los Angeles County pool.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District had \$494.6 million net investment in capital assets. Total capital assets of \$707.3 million consist of land, site and building improvements, construction in progress, and equipment; these assets have accumulated depreciation of \$212.7 million. Capital asset additions of \$10.7 million occurred during 2024-2025, and depreciation expense of \$15.4 million was recorded for the fiscal year.

Construction in progress of \$31.1 million at June 30, 2025, includes the construction of the Public Safety Training Center.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

Note 5 to the financial statements provides additional information on capital assets. A comparison of capital assets net of depreciation is summarized below as of June 30:

	2025	2024	Percentage
	(in thousands)	As Restated (in thousands)	Change
Land	\$ 1,050	\$ 1,050	- %
Construction in Progress	22,856	21,779	4.9
Site and Site Improvements	56,682	56,578	0.2
Buildings and Improvements	620,030	611,179	1.4
Equipment	6,656	5,983	11.2
Totals at Historical Cost	<u>707,274</u>	<u>696,569</u>	1.5
Less Accumulated Depreciation for:			
Site and Site Improvements	54,934	54,655	0.5
Buildings and Improvements	152,560	137,847	10.7
Equipment	5,192	4,829	7.5
Total Accumulated Depreciation	<u>212,686</u>	<u>197,331</u>	7.8
Capital Assets, Net	<u>\$ 494,588</u>	<u>\$ 499,238</u>	(0.9)

Long-Term Liabilities

As of June 30, 2025, the District had \$602.1 million in long-term debt. During the 2024-25 fiscal year, long-term debt increased by \$40.6 million. This is due to a \$50.0 million bond issuance during the year, offset by scheduled bond repayments. The District's bond rating is AA (S&P) and Aa2 (Moody's).

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities (Continued)

Notes 6 through 10 to the financial statements provide additional information on long-term liabilities. The reporting of pension liabilities for STRS and PERS is explained in Note 12 and in statements in the Required Supplementary Information (RSI) section of this report. The net OPEB liability is explained further in the footnotes and RSI. A comparison of long-term debt is summarized herein as of June 30:

	2025	2024	Percentage
	(in thousands)	As Restated (in thousands)	Change
General Obligation Bonds, Net	\$ 602,149	\$ 560,459	7.4 %
Compensated Absences	3,824	4,865	(21.4)
Net Other Postemployment Benefits (OPEB) -			
Medicare Premium Payment (MPP) Program	97	110	(11.8)
Net OPEB Liability - District Program	124	1,760	
Net Pension Liability	156,872	146,041	7.4
Total Long-Term Debt	763,066	713,235	7.0
Total Short-Term Portion	(24,415)	(21,706)	(12.5)
Total Long-Term Portion	\$ 738,651	\$ 691,529	6.8

DISTRICT'S FIDUCIARY RESPONSIBILITY

The El Camino Community College District Futuris Trust (the Retiree Benefit Trust) was established on February 7, 2012. The Retiree Benefit Trust is an irrevocable government trust for the purpose of funding postemployment health benefits. The District acts as the fiduciary of the Retiree Benefit Trust and the financial activity of the Retiree Benefit Trust has been presented in separate statements in the financial statements.

ECONOMIC FACTORS AFFECTING THE FUTURE OF EL CAMINO COMMUNITY COLLEGE DISTRICT

Enrollment for fiscal year 2024-2025 was recorded at 18,638.90 FTES.

During the 2023-2024 fiscal year, the District settled contract and salary negotiations with the Faculty and Classified bargaining units, which has had a significant impact on the district's cost structure and financials into future years. Additionally, the District offered a SRP which, along with other cost-reduction efforts including organizational restructuring, resolved a structural deficit with efforts that achieved a balanced budget. The Collective Bargaining Agreements in place for both the Faculty and Classified staff are scheduled to expire December 31, 2025.

In September 2014, the District celebrated the achievement of fully funding its Other Postemployment Benefits (OPEB) actuarially established accrued liability. More recent fluctuations in the market have resulted in changes to the Trust balance but have seen the Trust maintaining status at close to fully funded (109.3%). Our most recent statements for our Trust indicate that the present balance is less than the latest actuarial recommended balance of \$28.9 million by \$2.7 million.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

CONTACTING THE DISTRICT

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the District at: El Camino Community College District, 16007 Crenshaw Boulevard, Torrance, California 90506.

BASIC FINANCIAL STATEMENTS

**EL CAMINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 112,342,253
Accounts Receivable, Net	27,211,596
Inventories	249,820
Prepaid Expenses	250
Total Current Assets	<u>139,803,919</u>

NONCURRENT ASSETS

Restricted Cash and Cash Equivalents	144,885,751
Capital Assets, Net	494,588,403
Total Noncurrent Assets	<u>639,474,154</u>

Total Assets	779,278,073
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	2,346,784
Deferred Outflows - Pension	57,672,497
Deferred Outflows - Other Postemployment Benefits Plan	5,232,808
Total Deferred Outflows of Resources	<u>65,252,089</u>

Total Assets and Deferred Outflows of Resources	<u><u>\$ 844,530,162</u></u>
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See accompanying Notes to Basic Financial Statements.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025**

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$ 7,923,714
Accrued Interest Payable	5,182,487
Accrued Liabilities	17,829,772
Unearned Revenue	21,969,629
Current Portion of Long-Term Liabilities Other than OPEB and Pensions	24,415,324
Total Current Liabilities	<u>77,320,926</u>

NONCURRENT LIABILITIES

Long-Term Liabilities Other than OPEB and Pensions	581,558,299
Net OPEB Liability	220,850
Net Pension Liability	156,872,200
Total Noncurrent Liabilities	<u>738,651,349</u>

Total Liabilities	815,972,275
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows - Pensions	13,259,873
Deferred Inflows - Other Postemployment Benefits Plan	3,040,333
Total Deferred Inflows of Resources	<u>16,300,206</u>

NET POSITION

Net Investment in Capital Assets	39,671,157
Restricted for:	
Capital Projects	22,798,417
Debt Service	33,093,734
Scholarship and Loans	3,681,430
Other Special Purposes	1,944,393
Unrestricted Deficit	<u>(88,931,450)</u>
Total Net Position	<u>12,257,681</u>

Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 844,530,162</u></u>
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**EL CAMINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES

Tuition and Fees (Gross)	\$ 28,387,329
Less: Scholarship Discounts and Allowances	<u>(11,691,996)</u>
Net Tuition and Fees	16,695,333
Grants and Contracts, Noncapital:	
Federal	5,250,509
State	58,795,986
Local	12,826,073
Auxiliary Enterprise Sales and Charges	<u>15,114</u>
Total Operating Revenues	93,583,015

OPERATING EXPENSES

Salaries	137,402,838
Employee Benefits	58,506,646
Supplies, Materials, and Other Operating Expenses and Services	32,904,202
Financial Aid	57,137,051
Utilities	5,250,503
Depreciation	<u>15,354,648</u>
Total Operating Expenses	<u>306,555,888</u>

OPERATING LOSS (212,972,873)

NONOPERATING REVENUES

Federal Grants and Contracts	40,311,908
State Apportionments, Noncapital	98,925,258
Local Property Taxes	48,300,919
State Taxes and Other Revenue	5,352,247
Interest and Investment Income	<u>3,083,999</u>
Total Nonoperating Revenues	<u>195,974,331</u>

INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, AND LOSSES (16,998,542)

OTHER REVENUES, EXPENSES, GAINS, AND LOSSES

Local Property Taxes and Revenues, Capital	33,528,213
Interest and Investment Income, Capital	4,379,735
Interest Expense and Costs of Issuing Capital Asset-Related Debt	<u>(20,909,766)</u>
Total Other Revenues, Expenses, Gains, and Losses	<u>16,998,182</u>

CHANGE IN NET POSITION (360)

Net Position - Beginning of Year, As Restated 12,258,041

NET POSITION - END OF YEAR \$ 12,257,681

See accompanying Notes to Basic Financial Statements.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees (Net)	\$ 13,385,559
Federal Grants and Contracts	7,022,790
State Grants and Contracts	44,297,097
Local Grants and Contracts	12,252,314
Auxiliary Enterprise Sales and Charges	15,114
Payments to Suppliers	(41,216,600)
Payments to/on-Behalf of Employees	(191,282,165)
Payments to/on-Behalf of Students	(57,120,332)
Net Cash Used by Operating Activities	<u>(212,646,223)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Apportionments and Receipts	95,646,584
Federal Grants and Contracts	40,311,908
Local Property Taxes	48,300,919
State Taxes and Other Revenue	5,338,798
Net Cash Provided by Noncapital Financing Activities	<u>189,598,209</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Local Revenue for Capital Purposes	36,171,493
Proceeds of Debt Issuance	54,406,252
Interest and Investment Income, Capital	1,480,250
Net Purchase of Capital Assets	(11,062,195)
Principal Paid on Capital Related Debt	(17,058,990)
Interest Paid on Capital Related Debt	(16,233,123)
Net Cash Provided by Capital and Related Financing Activities	<u>47,703,687</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Investment Income, Capital	<u>2,952,388</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	27,608,061
Cash Balance - Beginning of Year	<u>229,619,943</u>
CASH BALANCE - END OF YEAR	<u><u>\$ 257,228,004</u></u>

See accompanying Notes to Basic Financial Statements.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	<u>Primary Government</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (212,972,873)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	15,354,648
Changes in Assets and Liabilities:	
Receivables, Net	(1,563,332)
Inventories	426,136
Prepaid Expenses	701
Deferred Outflows of Resources - Pensions	(8,435,444)
Deferred Outflows of Resources - OPEB	1,076,971
Accounts Payable	(3,472,013)
Accrued Liabilities	2,987,981
Unearned Revenue	(15,046,809)
Compensated Absences	(1,041,096)
Net Pension Liabilities	(1,648,561)
Other Postemployment Benefits Plan (OPEB)	10,831,215
Deferred Inflows of Resources - Pensions	1,726,275
Deferred Inflows of Resources - OPEB	(870,022)
Net Cash Used by Operating Activities	<u>\$ (212,646,223)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR TO AMOUNTS IN THE STATEMENT OF NET POSITION	
Cash and Cash Equivalents	\$ 112,342,253
Restricted Cash and Cash Equivalents	144,885,751
Total	<u>\$ 257,228,004</u>

See accompanying Notes to Basic Financial Statements.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	Retiree (OPEB) Trust
ASSETS	
Cash and Cash Equivalents	\$ 5,468,813
Investments	31,959,758
Due from Governmental Funds	45,401
Total Assets	<u>37,473,972</u>
NET POSITION	
Net Position - Restricted for Other Postemployment Benefits	<u><u>\$ 37,473,972</u></u>

See accompanying Notes to Basic Financial Statements.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025**

	Retiree (OPEB) Trust
ADDITIONS	
Employer Contributions	\$ 1,180,806
Investment Income:	
Interest and Investment Income	430,684
Realized Gain on Investments	232,017
Unrealized Gain on Investments	1,715,216
Investment Expense	(159,314)
Net Investment Income	<u>2,218,603</u>
Total Additions	<u>3,399,409</u>
NET INCREASE IN NET POSITION	3,399,409
Net Position - Restricted for Other Postemployment Benefits - Beginning of Year	<u>34,074,563</u>
NET POSITION - RESTRICTED FOR OTHER POSTEMPLOYMENT - END OF YEAR	<u><u>\$ 37,473,972</u></u>

See accompanying Notes to Basic Financial Statements.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The El Camino Community College District (the District) was established in 1946 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 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 located within Torrance, California. 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.

Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Trustees.

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB. The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the District's power and includes, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
- The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Based upon the application of the criteria listed above, the following potential component unit has been excluded from the District's reporting entity:

El Camino College Foundation – The Foundation is a separate nonprofit corporation created for the benefit of the District and its students and organized to provide support for the activities and programs of the District. The Foundation is not included as a component unit because the second criterion was not met: the District is not entitled to, nor has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. Separate financial statements for the Foundation can be obtained through the District.

Financial Statement 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 GASB. The financial statement presentation required by the GASB provides a comprehensive, entity-wide perspective of the District's financial activities. Fiduciary activities, including Retiree Benefit Trust activities, are excluded from the basic financial statements. Student Financial Aid programs and retiree benefit activities not included in the Retiree Benefit Trust are included in the basic financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

For financial reporting purposes, the District is considered a special-purpose government engaged in business-type activities. Accordingly, the District's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated with the exception of those between the District and its fiduciary funds.

The statements of fiduciary net position and changes in fiduciary net position of the Retiree Benefit Trust are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

For internal accounting purposes, the budgetary and financial accounts of the District have been recorded and maintained in accordance with the Chancellor's Office of the California Community College's *Budget and Accounting Manual*.

To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities.

By state law, the District's Governing Board must approve a budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with GAAP.

These budgets are 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. Expenditures cannot legally exceed appropriations by major object account.

Fiduciary Activities

El Camino Community College District Futuris Trust (the Retiree Benefit Trust) – The Retiree Benefit Trust is an irrevocable governmental trust pursuant to Section 115 of the Internal Revenue Code for the purpose of funding certain postemployment benefits. The El Camino Community College District Retirement Board of Authority (the Board of Authority) comprised of the Vice President of Business Services, the Director of Business Support and the Director of Fiscal Services provide oversight over the Retiree Benefit Trust investment and plan administration. As such, the District acts as the fiduciary of the Trust. Individually prepared financial statements are not prepared for the Retiree Benefit Trust.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash in the County Treasury is recorded at cost, which approximates fair value.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable consist primarily of amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grant and contracts. Material receivables are considered fully collectible. The District recognized for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

Accounts receivable from students for tuition and fees are recorded at gross amounts. Bad debts are accounted for by the direct write-off method for student receivables, which is not materially different from the allowance method.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are those amounts designated for acquisition or construction of noncurrent assets or that are segregated for the liquidation of long-term debt.

Investments

Investments in the Retiree Benefit Trust are reported at fair value, which is determined by the most recent bid and asking price as obtained from dealers that make markets in such securities.

Inventories

Inventories consist primarily of bookstore merchandise and supplies held for resale to the students and faculty of the college. Inventories are stated at cost, utilizing the average cost method. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

Capital Assets

Capital assets are recorded at cost at the date of acquisition. Donated capital assets are recorded at their acquisition value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Buildings valued at \$5,000 or more as well as renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized.

To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. In determining the amount to be capitalized, interest costs were offset by interest earned on proceeds of the District's tax-exempt debt restricted to the acquisition of qualifying assets. During the fiscal year ending June 30, 2018, accounting standards determined this is no longer required and the interest cost incurred before the end of a construction period will no longer be included in the historical cost of a capital asset reported, prospectively.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is recorded as an operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 10 to 20 years for building and land improvements, and 5 to 20 years for equipment and vehicles.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Charge on Refunding: A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows/Inflows OPEB: The deferred outflows/inflows of resources related to OPEB benefits results from District contributions to OPEB plans subsequent to the measurement date of the actuarial valuations for the OPEB plans, and the effects of actuarially-determined changes to the OPEB plans. These amounts will be deferred and amortized as detailed in Note 8 to the financial statements.

Deferred Outflows/Inflows – Pensions: The deferred outflows/inflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans and the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 9 to the financial statements.

Accounts Payable and Accrued Liabilities

Accounts payable consist of amounts due to vendors for goods and services received prior to June 30. Accrued liabilities consist of salaries and benefits payable.

Unearned Revenue

Unearned revenue is recorded to the extent cash received on specific projects and programs exceeds qualified expenditures. Unearned revenue also includes Summer and Fall enrollment fees received but not earned.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability in the statement of net position when incurred.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave; therefore, accumulated employee sick leave benefits are not recognized as a liability of the District. The District's policy is to record sick leave as an operating expense in the period taken; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. All other bond issuance costs are expensed when incurred.

Medicare Premium Liability

For purposes of measuring the District's liability related to the Medicare Premium Payment (MPP) Program, the fiduciary net position of the MPP Program and additions to/deductions from the MPP Program fiduciary net position have been determined on the same basis as they are reported by the MPP Program. There are no significant deferred outflows of resources or deferred inflows of resources related to the MPP Program or for MPP Program expenses. For this purpose, the MPP Program recognizes benefit payments when due and payable in accordance with the benefit terms. The MPP Program reports its investments 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. The related liability for the District's proportionate share of the MPP Program is reported in the financial statements. The plan is not material and additional disclosures are not included.

Postemployment Benefits Other Than Pensions (OPEB)

The District's OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, OPEB expense, and information about the fiduciary net position have been determined on the same basis as they are reported by the Futuris Public Entity Investment Trust (the Retiree Benefit Trust). For this purpose, the Retiree Benefit Trust recognizes benefit payments when due and payable in accordance with the benefit terms. The Retiree Benefit Trust reports its investments 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.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Pension Liability

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 (collectively, the "Plans") and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, plan contributions are recognized in the payroll period in which they are earned and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net Investment in Capital Assets: This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – Expendable: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties or by enabling legislation adopted by the District. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Restricted Net Position – Nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The District had no restricted net position – nonexpendable.

Unrestricted Net Position: Unrestricted net position represents resources available to be used for transactions relating to the general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

State Apportionments

Certain current year apportionments from the state under the Student Centered Funding Formula are based upon various financial and statistical information of the previous year. Any prior year corrections due to the recalculation in February will be recorded in the year computed by the State.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Real and personal property tax revenues are reported in the same manner in which the County auditor records and reports actual property tax receipts to the Department of Education. This is generally on a cash basis. A receivable has not been recognized in the General Fund for property taxes due to the fact that any receivable is offset by a payable to the State for apportionment purposes. Property taxes for debt service purposes have been accrued in the basic financial statements.

The voters of the District passed a General Obligation Bond in November 2002 and in November 2012 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.

Classification of Revenues

The District has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as student fees, net of scholarship discounts and allowances, and Federal and most state and local grants and contracts.

Nonoperating Revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as State apportionments, taxes, and other revenue sources that are defined as nonoperating revenues by GASB.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the District, and the amount that is paid by students and/or third parties making payments on the students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as operating revenues in the District's financial statements.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government and the state of California. Financial aid provided to the student in the form of cash is reported as an operating expense in the statement of revenues, expenses, and changes in net position. Federal financial assistance 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*.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of the financial statements in conformity with GAAP 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.

Minimum Reserve Policy

The District has adopted a minimum reserve balance policy in order to protect against revenue short falls and unexpected one-time expenditures. The policy requires a reserve for contingencies consisting of unassigned amounts of no less than 5.5% of unrestricted general fund expenditures. This policy exceeds the minimum reserve balance recommended by the California Community College Chancellor's Office that districts provide for a minimum prudent reserve balance of 5% of unrestricted expenditures.

In accordance with the Chancellor's Office's Institutional Effectiveness Partnership Initiative (IEPI), the District has established minimum reserve goals in addition to the reserve policy. The short-term reserve goal is 12.5% and the long-term reserve goal is 15.0%.

Restatement to Beginning Net Position for Correction of an Error

During the fiscal year, the District identified capital assets that were acquired in prior periods but were not previously capitalized in the financial statements. As a result, the beginning net position of the basic financial statements has been restated by \$19,988,206.

Certain reclassification of amounts previously reported have been made to the Management Discussion and Analysis to maintain consistency between periods presented.

Adoption of New Accounting Standards

In June 2022, the Government Accounting Standards Board (GASB) issued GASB Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. The District adopted the requirements of the guidance effective July 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard did not affect beginning net position.

The District also implemented GASB Statement No. 102, *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024. This statement requires entities to disclose vulnerabilities arising from certain concentrations or constraints that could have a substantial impact on financial condition or service delivery. Upon evaluation, by management, of the specified criteria, it has been determined that the District has nothing to disclose for the current reporting period.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has established a policy for custodial risk that follows requirements as set forth in Government Code Section 53600 et seq. 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% of the total amount deposited by the public agency. As of June 30, 2025, \$6,235,259 of the District's bank balance of \$6,485,259 was 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.

Cash in County Treasury

In accordance with Title 5 and the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the Los Angeles County Treasury (the County) as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2025 is measured at 97.5% of carrying value and is based upon the District's pro rata share of the fair value for the entire portfolios (in relation to the amortized cost of the portfolio). The District's investment in the pool is considered to be highly liquid and is therefore reflected as cash and cash equivalents in the statement of net position.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635 and 53648. The county is restricted 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 funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds, except for the student financial aid fund and the restricted general fund, in which case interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follows. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the Los Angeles County Public Affairs Office, Kenneth Hahn Hall of Administration, 500 W. Temple St, Room 358, Los Angeles, California 90012.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Retiree (OPEB) Trust

Policies

Investments held by the Futuris Public Entity Investment Trust (the Retiree Benefit Trust) are limited to those within the terms of the trust agreement, any applicable plan documents and in accordance with California Government Code Section 53620 through 53622. The Retiree Benefit Trust did not violate any provisions of the investment policy during the fiscal year ended June 30, 2025. See Note 8.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments 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 Retiree Benefit Trust investment policy follows California Government Code Section 53601 and limits investment maturities to five years.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Retiree Benefit Trust's investments are in mutual funds which are not rated.

The Retiree Benefit Trust authorizes the use of a broad range of investment choices that have distinctly different risk and return characteristics, with the provision that all investments must continue to adhere to the underlying requirements of California Government Code Section 53600.5 and, in particular, its emphasis on preservation of capital.

Concentration of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. In accordance with GASB, the Retiree Benefit Trust is exposed to concentration of credit risk whenever investments in any one issuer exceed 5%. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

The Retiree Benefit Trust's investment policy limits investments in any single equity security to be not more than 5%. In addition, the Retiree Benefit Trust's investment policy prohibits investments in any mutual fund that holds more than 5% of its portfolio in any single issue or issuer. This limitation is not intended to apply to the percentage of the Retiree Benefit Trust assets invested in a single diversified mutual fund. Nor does the limitation apply to obligations of the U.S. Government and its agencies, U.S. agency mortgage-backed pass-through securities or to a mutual fund that invests in such obligations or securities.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Retiree (OPEB) Trust (Continued)

Concentration of Credit Risk (Continued)

As of June 30, 2025, the following investments represented 5% or more of the District's investment portfolio: Northern Funds Bonds Index (\$4,781,837 or 15.0%), Target Portfolio Trust TR PIGM CORE BD (\$4,383,151 or 13.7%), Allspring TF CORE Bond (\$4,379,330 or 13.7%), SSGA S&P Index Fund CL K (\$3,230,745 or 10.1%), Columbia Contrarian Core Institutional (\$2,907,985 or 9.1%), Community Capital Management Impact Bond Fund (\$2,380,714 or 7.5%), SSGA INSTL INVT TR GBL ALCP EQ K (\$2,317,166 or 7.3%) and Builder R6 (\$2,171,870 or 6.8%).

Custodial Credit Risk

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the Retiree Benefit Trust will not be able to recover the value of its investments that are in possession of an outside party. As of June 30, 2025, the District's investment balance of \$31,959,758 was exposed to custodial credit risk because it was uninsured, unregistered, and held by the brokerage firm which is also the counterparty for those securities. The Retiree Benefit Trust does not have a policy limiting the amount of securities that can be held by counterparties.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025 consist of the following:

Apportionment	\$ 7,969,644
Federal, State, and Local	6,496,254
Tuition and Fees, Net	4,726,950
Debt Related Property Taxes	3,103,230
Miscellaneous	2,135,957
Interest	1,480,557
Lottery	1,299,004
Total	<u><u>\$ 27,211,596</u></u>

NOTE 4 INTERFUND TRANSACTIONS

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund receivables and payables result when the interfund transfer is transacted after the close of the fiscal year. Interfund activity has been eliminated in the basic financial statements.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES

The following provides a summary of changes in capital assets for the fiscal year ended June 30, 2025:

	Balance June 30, 2024 As Restated	Additions	Transfers	Balance June 30, 2025
Capital Assets Not Being Depreciated:				
Land	\$ 1,050,000	\$ -	\$ -	\$ 1,050,000
Construction in Progress	21,778,977	9,322,952	(8,245,540)	22,856,389
Total Capital Assets Not Being Depreciated	22,828,977	9,322,952	(8,245,540)	23,906,389
Capital Assets Being Depreciated:				
Site Improvements	56,577,794	103,740	-	56,681,534
Buildings and Improvements	611,179,030	605,388	8,245,540	620,029,958
Vehicles and Equipment	5,983,209	673,204	-	6,656,413
Total Capital Assets Being Depreciated	673,740,033	1,382,332	8,245,540	683,367,905
Less Accumulated Depreciation for:				
Site Improvements	54,654,650	278,975	-	54,933,625
Buildings and improvements	137,847,779	14,712,605	-	152,560,384
Vehicles and Equipment	4,828,814	363,068	-	5,191,882
Total Accumulated Depreciation	197,331,243	15,354,648	-	212,685,891
Depreciable Assets, Net	476,408,790	(13,972,316)	8,245,540	470,682,014
Capital Assets, Net	\$ 499,237,767	\$ (4,649,364)	\$ -	\$ 494,588,403

NOTE 6 LONG-TERM LIABILITIES – SCHEDULE OF CHANGES

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amount Due in One Year
General Obligation Bonds					
(2002 Election):					
General Obligation Bonds	\$ 213,749,356	\$ -	\$ 13,203,990	\$ 200,545,366	\$ 13,910,637
Accreted Interest	91,169,603	6,132,694	-	97,302,297	5,299,363
Bond Premium	6,401,746	-	849,007	5,552,739	-
(2016 Election):					
General Obligation Bonds	233,355,000	50,000,000	3,855,000	279,500,000	4,885,000
Bond Premium	15,784,085	4,406,252	940,958	19,249,379	-
Compensated Absences	4,864,938	2,394,981	3,436,077	3,823,842	320,324
Total	\$ 565,324,728	\$ 62,933,927	\$ 22,285,032	\$ 605,973,623	\$ 24,415,324

General obligation bond liabilities are liquidated through property tax collections as administered by the County Controller's office through the Bond Interest and Redemption Fund.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 GENERAL OBLIGATION BONDS – MEASURE E (2002 AND 2012)

Measure E (2002)

On November 5, 2002, the District voters authorized through Measure E (2002) the issuance and sale of general obligation bonds totaling \$394,516,464 which provides that proceeds of the bonds will be used to finance the acquisition and improvement of real property.

Between 2003 and 2012, the District issued bonds, Series A through C, totaling \$394,512,882. In 2005, the District issued refunding bonds to refund a portion of Series A bonds. In 2012, the District issued refunding bonds to refund a portion of Series B bonds. In 2016, the District issued refunding bonds to refund a portion of Series B bonds and the remaining portion of the 2005 refunding bonds. In 2020, the District issued refunding bonds to refund a portion of Series C bonds.

Measure E (2012)

On November 6, 2012, the District voters authorized through Measure E (2012) the issuance and sale of general obligation bonds totaling \$350,000,000 which provides that proceeds of the bonds will be used to finance the acquisition and improvement of real property.

Between 2016 and 2025, the District issued bonds, Series A through E, totaling \$310,000,000.

General obligation bonds outstanding at June 30, 2025 are as follows:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2025
Measure A (2002)					
Series C	8/23/2012	8/1/2038	4.0-5.0	\$ 180,812,882	\$ 119,570,366
2016 Refunding	1/28/2016	8/1/2031	2.0-5.0	85,825,000	49,020,000
2020 Refunding	10/20/2020	8/1/2037	0.29-2.42	40,465,000	31,955,000
Accreted Interest					97,302,297
Total Measure E (2002)					297,847,663
Measure E (2012)					
Series A	1/28/2016	8/1/2045	2.0-5.0	100,000,000	87,580,000
Series B	8/29/2018	8/1/2048	3.0-5.0	50,000,000	44,410,000
Series C	10/20/2020	8/1/2045	3.0-4.0	50,000,000	41,980,000
Series D	8/12/2021	8/1/2046	2.0-4.0	60,000,000	55,530,000
Series E	10/1/2024	8/1/2043	2.5-5.0	50,000,000	50,000,000
Total Measure E (2012)					279,500,000
Total General Obligation Bonds					<u>\$ 577,347,663</u>

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 GENERAL OBLIGATION BONDS – MEASURE E (2002 AND 2012) (CONTINUED)

The debt service requirements for the general obligation bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Interest</u>
2026	\$ 18,795,637	\$ 5,299,363	\$ 14,189,609
2027	20,831,817	6,253,183	13,830,860
2028	20,677,691	7,327,309	13,201,041
2029	17,542,119	8,492,881	12,658,860
2030	18,385,392	9,699,608	12,243,301
2031-2035	88,454,478	80,180,522	55,708,655
2036-2040	113,718,232	81,299,385	42,827,346
2041-2045	126,600,000	-	21,307,078
2046-2049	55,040,000	-	3,215,931
Total	480,045,366	<u>\$ 198,552,251</u>	<u>\$ 189,182,681</u>
Accretions to Date	97,302,297		
Total	<u>\$ 577,347,663</u>		

Capital appreciation bonds were issued as part of the 2005 Series C issuances. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Accreted interest accrued has been reflected in the long-term debt balance on the District's basic financial statements.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by \$4,576,059. Amortization of \$195,565 was recognized during the fiscal year ended June 30, 2025.

NOTE 8 POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The District established an Other Post Employment Benefit Plan (the Plan) which is a single-employer defined benefit healthcare plan administered by the El Camino Community College District Futuris Trust (the Retiree Health Benefit Trust). The Retiree Health Benefit Trust serves as an irrevocable trust, ensuring that funds contributed into its Investment Trust are dedicated to serving the needs of member districts, and their employees and retirees.

The Plan provides medical insurance benefits to eligible retirees. 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. The Retiree Health Plan does not issue a separate financial report.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Plan Description (Continued)

Membership of the plan consisted of the following at June 30, 2025:

<u>Participant Type</u>	<u>Number of Participants</u>
Inactive Participants Currently Receiving Benefits	391
Inactive Participants Entitled to But Not Yet Receiving Benefit Payments	-
Participating Active Employees	852
Total	<u><u>1,243</u></u>

Funding Policy

The contribution requirements of Plan members and the District are established and may be amended by the District, the El Camino College Federation of Teachers (ECCFT), the local California Service Employees Association (CSEA), and unrepresented groups. Voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by Management and the District's governing board. For the measurement period of June 30, 2024, the District contributed \$1,021,191 to the Plan, all of which was used for current premiums.

Net OPEB Liability

The following table shows the components of the net OPEB liability of the District as of June 30:

Total OPEB Liability	\$ 29,010,020
Plan Fiduciary Net Position	28,885,885
Medicare Premium Payment Program Liability	96,715
District's Net OPEB Liability	<u><u>\$ 220,850</u></u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	99.57%
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The deferred outflows of resources results from a change of assumptions and is amortized over the expected average remaining service life (EARS�) of the plan participants. The EARS� for the OPEB plan for June 30, 2025 is 8 years. The year of amortization is recognized in OPEB expense for the year the gain or loss occurs. The remaining amount is deferred and will be amortized over the remaining periods.

The deferred inflows of resources resulting from the net differences between investment gains and losses and changes in assumptions are amortized over a period of 5 years and 8 years, respectively, on a straight-line basis. One year of amortization is recognized in OPEB expense during the measurement period and the remaining amount is deferred and will be amortized over the remaining periods.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Net OPEB Liability (Continued)

At June 30, 2025, the District reported deferred inflows and outflows as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 3,128,039	\$ -
Experience Gains and Losses	58,057	1,230,785
Changes in Assumptions	671,035	1,809,548
Investments Gains and Losses	1,375,677	-
Total	<u>\$ 5,232,808</u>	<u>\$ 3,040,333</u>

At June 30, 2025, the deferred inflows and outflows will be amortized as shown herein:

<u>Year Ending June 30,</u>	<u>Amortization</u>
2026	\$ (349,039)
2027	328,962
2028	(579,196)
2029	(195,396)
2030	(76,947)
Thereafter	(63,948)
Total	<u>\$ (935,564)</u>

Investments

The Plan's policy for allocation of invested assets is established and may be amended by the Retirement Board of Authority (the RBA). It is the policy of the RBA to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of specific asset classes. Assets held in the Plan may be invested in accordance with California Government Code Sections 53600 through 53622, as applicable. The investment policy has a long-term focus, and, in particular, its emphasis is on preservation of capital. It discourages major shifts of asset class allocations over a short time span. The Retirement Board of Authority has established a target asset allocation of 50% equity securities and 50% fixed income securities. The following was the governing board's adopted asset allocation policy as of June 30, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic	23%
Fixed Income	50%
International	22%
Real Estate	5%

At June 30, 2025, all Plan investments were in mutual funds. The Plan held no investments in any one organization that represented 5% or more of fiduciary net position. For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 11.52%.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value.

The Plan's investment fair value measurements at June 30, 2025 are presented below:

	Cost	Fair Value Measurements Level 1
Mutual Fund - Fixed Income	\$ 15,826,748	\$ 15,925,031
Mutual Fund - Domestic Equity	9,485,467	11,897,742
Mutual Fund - Internal Equity	1,848,034	2,569,292
Mutual Fund - Real Estate	1,555,352	1,567,692
Total	<u>\$ 28,715,601</u>	<u>\$ 31,959,757</u>

Actuarial Methods and Assumptions

The District's net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The actuarial assumptions noted below were applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Discount Rate	5.60%
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	5.60%
Healthcare Care Trend Rate	4.00%

Mortality assumptions are based on the 2020 CalSTRS and 2021 CalPERS mortality for miscellaneous employees tables. CalSTRS and CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. These tables incorporate mortality projections as deemed appropriate based on CalSTRS and CalPERS analysis.

The long-term expected rate of return on 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2025 (see the discussion of the Plan's investment policy) are as summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
All Fixed Income	55.00%	4.25%
Real Estate Investment Trusts	4.00%	7.25%
All Domestic Equities	22.00%	7.25%
All International Equities	19.00%	7.25%

The discount rate was based on assumed long-term return on plan assets using historic 21-year real rates of return for each asset class along with an assumed long-term inflation assumption of 2.5%. Expected investment return was offset by investment expenses of 25 basis points. Contributions were assumed to be sufficient to fully fund the obligation over a period not to exceed 21 years. The long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
	(a)	(b)	(a) - (b)
Balances - June 30, 2024	\$ 27,834,382	\$ 26,074,643	\$ 1,759,739
Changes for the Year:			
Service Cost	986,003	-	986,003
Interest	1,555,660	-	1,555,660
Expected Investment Income	-	1,484,588	(1,484,588)
Expected Contributions as Benefit Payments	-	1,095,494	(1,095,494)
Employer Contributions	(1,095,494)	1,021,192	(2,116,686)
Minus Expected Benefit Payments	-	(1,095,494)	1,095,494
Experience (Gains)/Loss	(293,481)	-	(293,481)
Assumption Changes	22,950	-	22,950
Investment Gains/(Losses)	-	454,943	(454,943)
Administrative Expenses	-	(149,481)	149,481
Net Changes	1,175,638	2,811,242	(1,635,604)
Balances - June 30, 2025	\$ 29,010,020	\$ 28,885,885	\$ 124,135

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Changes in the Net OPEB Liability (Continued)

The following presents the District's net OPEB liability calculated using the discount rate of 5.60%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60%) or 1-percentage-point higher (6.60%) than the current rate:

	Discount Rate		
	1% Decrease (4.60%)	Current Rate (5.60%)	1% Increase (6.60%)
Net OPEB (Aset) Liability	<u>\$ 3,851,458</u>	<u>\$ 124,135</u>	<u>\$ (2,986,189)</u>

The following presents the District's net OPEB liability calculated using the current healthcare cost trend rate of 4.0%, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current rate:

	Healthcare Trend Rate		
	1% Decrease (3.00%)	Current Rate (4.00%)	1% Increase (5.00%)
Net OPEB (Aset) Liability	<u>\$ (3,687,797)</u>	<u>\$ 124,135</u>	<u>\$ 4,850,515</u>

OPEB Expense

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$855,347.

NOTE 9 EMPLOYEE RETIREMENT PLANS

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

As of June 30, 2025, the District's net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the retirement plans are as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS (STRP)	\$ 73,207,670	\$ 33,570,986	\$ 10,358,073	\$ 11,544,689
CalPERS (Schools Pool Plan)	83,664,530	24,101,511	2,901,800	13,833,816
Total	<u>\$ 156,872,200</u>	<u>\$ 57,672,497</u>	<u>\$ 13,259,873</u>	<u>\$ 25,378,505</u>

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

The details of each plan are as follows:

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.

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% 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 nonemployer contributing entity to the STRP.

The District contributes to the STRP Defined Benefit Program and STRP Defined Benefit Supplement 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:

Provisions and Benefits	STRP Defined Benefit Program and Supplement Program	
	On or Before December 31, 2012	On or After January 1, 2013
Hire Date		
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%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

Contributions

Required member, District, and state of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2025 are presented above and the total District contributions were \$9,978,631.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT PLANS (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

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:

	Balance June 30, 2025
District Proportionate Share of the Net Pension Liability	\$ 73,207,670
State's Proportionate Share of the Net Pension Liability Associated with the District	33,588,447
Total	<u>\$ 106,796,117</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. At June 30, 2024, the District's proportion was 0.0860% which is the same proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$8,487,057 and revenue and corresponding expense of \$3,057,362 for contributions provided by the state representing total pension expense of \$11,544,689. 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
Pension Contributions Subsequent to Measurement Date	\$ 9,978,631	\$ -
Differences Between Expected and Actual Experience	8,280,730	3,201,330
Changes of Assumptions	320,460	4,999,830
Changes in Proportion	14,991,165	1,861,523
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	295,390
Total	<u>\$ 33,570,986</u>	<u>\$ 10,358,073</u>

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 year ended June 30, 2026. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2024 measurement date is seven years.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT PLANS (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 remaining amount will be recognized to pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amortization</u>
2026	\$ (3,246,323)
2027	7,993,699
2028	1,337,245
2029	1,951,855
2030	3,142,485
2031	2,055,321
Total	<u>\$ 13,234,282</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. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. 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, 2015 through June 30, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.10%
Investment Rate of Return	7.00%
Consumer Price Inflation	2.75%
Wage Growth	3.50%

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% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2021) table, issued by the Society of Actuaries.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Actuarial Methods and Assumptions (Continued)

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 investment staff and investment consultants and adopted by the CalSTRS Board in January 2020. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	38 %	5.25 %
Real Estate	15	4.05
Private Equity	14	6.75
Fixed Income	14	2.45
Risk Mitigating Strategies	10	2.25
Inflation Sensitive	7	3.65
Cash/Liquidity	2	0.05

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that 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 of 7.10% and assume that contributions, benefit payments, and administrative expense occur 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 the 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 1% lower or higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Net Pension Liability	\$ 130,212,490	\$ 73,207,670	\$ 25,606,280

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Plan Fiduciary Net Position

Detailed information about the STRP's plan fiduciary net position is available in a separate annual comprehensive financial report on the CalSTRS website. Copies of the CalSTRS annual comprehensive financial report may be obtained from CalSTRS.

Medicare Premium Payment Program

The District participates in the Medicare Premium Payment (MPP) Program of the California State Teachers' Retirement Plan (the STRP). The District's proportionate share of the liability is 0.1440%. As the plan activity and the District's proportionate share of the total OPEB liability is not significant, additional disclosures regarding the plan are not included in these financial statements.

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law.

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 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for nonduty 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.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Benefits Provided (Continued)

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

<u>Provisions and Benefits</u>	<u>Schools Pool Plan (CalPERS)</u>	
	<u>On or Before December 31, 2012</u>	<u>On or After January 1, 2013</u>
Hire Date		
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%	8.00%
Required Employer Contribution Rate	26.68%	26.68%

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 determined 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 as presented above and the total District contributions were \$9,395,891.

Pension Liabilities, Pension Expense, 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 \$83,664,530. 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. At June 30, 2024, the District's proportion was 0.2341% which is an increase of 0.0116% from its proportion measured as of June 30, 2023.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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

For the year ended June 30, 2025, the District recognized pension expense of \$13,833,816. 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
Pension Contributions Subsequent to Measurement Date	\$ 9,395,891	\$ -
Differences Between Expected and Actual Experience	7,014,048	598,784
Changes of Assumptions	1,849,269	-
Changes in Proportion	2,592,419	2,303,016
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	3,249,884	-
Total	<u>\$ 24,101,511</u>	<u>\$ 2,901,800</u>

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 year ended June 30, 2026. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARS�) of the plan participants. The EARS� for the CalPERS Schools Pool Plan for the June 30, 2024 measurement date is 3.9 years.

The remaining amount will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amortization</u>
2026	\$ 3,481,501
2027	7,727,745
2028	1,622,886
2029	(1,028,312)
Total	<u>\$ 11,803,820</u>

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool Plan 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. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. 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	2000 through 2019
Actuarial Cost Method	Entry Age Normal
Discount Rate	6.90%
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by Entry Age and Service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those rates include generational mortality improvements 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. The target 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	Long-Term Expected Real Rate of Return
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)

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%, which was unchanged from the prior fiscal year. This rate reflects the long-term expected rate of return for the Schools Pool Plan net of investment expenses and without reduction for administrative expenses. 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 Schools Pool Plan fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on plan investments 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 1% lower or higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	\$ 124,284,358	\$ 83,664,530	\$ 50,109,319

Plan Fiduciary Net Position

Detailed information about CalPERS Schools Pool Plan fiduciary net position is available in a separate annual comprehensive financial report available on the CalPERS website. Copies of the CalPERS annual comprehensive financial report may be obtained from CalPERS.

NOTE 10 JOINT POWERS AGREEMENTS

The District participates in three Joint Powers Agreements (JPA) entities: School's Association for Excess Risk (SAFER), Southern California Community College District (SCCCD - JPA), and the Statewide Association of Community Colleges (SWACC).

SAFER provides excess insurance coverage for liability losses from \$1,000,000 to \$50,000,000 and \$5,000,000 to \$250,000,000 for excess property coverage.

SCCCD-JPA provides workers' compensation coverage for its seven member districts for workers' compensation self-insured run-off claims dated prior to 1995. Payments transferred to funds maintained under the JPA are expensed when made. SCCCDD has self-funded their workers' compensation coverage since inception as a joint banking pool, and accordingly, does not transfer risk between members. District administrators are of the opinion that the procedures for accumulating and maintaining reserves are sufficient to cover future contingencies under potential workers' compensation claims.

EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 JOINT POWERS AGREEMENTS (CONTINUED)

SWACC provides liability and property insurance for forty-eight community colleges. SWACC is governed by a Board comprised of a member of each of the participating districts. The board controls the operations of SWACC, including selection of management and approval of members beyond their representation on the Board. Each member shares surpluses and deficits proportionately to its participation in SWACC.

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the District beyond the District's representation on the governing boards.

Each JPA is independently accountable for its fiscal matters. All JPAs maintains their own accounting records. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA. The relationships between the District and the JPAs are such that neither JPA is a component unit of the District for financial reporting purposes.

Separate financial statements for the JPAs can be obtained through the District.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

State and Federal Allowances, Awards, and Grants

The District has received state and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

Purchase Commitments

As of June 30, 2025, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$13.3 million. Projects will be funded through bond proceeds, state funds and general funds.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 FUNCTIONAL EXPENSE

Operating expenses are reported by natural classification in the statement of revenues, expenses, and changes in net position. A schedule of expenses by function is shown below:

Functional Expense	Salaries	Employee Benefits	Supplies, Materials, and Other Operating Expenses and Services	Financial Aid	Depreciation	Total
Instructional	\$ 67,832,416	\$ 25,884,233	\$ 2,343,421	\$ -	\$ -	\$ 96,060,070
Academic Support	14,339,577	6,379,087	1,551,564	-	-	22,270,228
Student Services	27,659,521	11,145,618	2,659,157	-	-	41,464,296
Operation and						
Maintenance of Plant	7,625,342	4,321,180	5,261,956	-	-	17,208,478
Institutional Support	14,517,797	8,642,448	10,134,143	-	-	33,294,388
Community Services and						
Economic Development	2,706,386	1,156,039	3,502,409	-	-	7,364,834
Ancillary Services						
Auxiliary Operations	2,721,799	978,041	12,702,055	-	-	16,401,895
Student Aid	-	-	-	57,137,051	-	57,137,051
Depreciation Expense	-	-	-	-	15,354,648	15,354,648
Total	<u>\$ 137,402,838</u>	<u>\$ 58,506,646</u>	<u>\$ 38,154,705</u>	<u>\$ 57,137,051</u>	<u>\$ 15,354,648</u>	<u>\$ 306,555,888</u>

REQUIRED SUPPLEMENTARY INFORMATION

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2025**

CalSTRS - STRP	2025	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
District's Proportion of the Net Pension Liability (NPL)	0.109%	0.086%	0.086%	0.087%	0.090%
District's Proportionate Share of the NPL	\$ 73,207,670	\$ 65,498,460	\$ 59,757,960	\$ 39,591,960	\$ 87,585,901
State's Proportionate Share of the NPL Associated with the District	33,588,447	31,382,721	29,926,961	19,921,554	45,150,543
Total	<u>\$ 106,796,117</u>	<u>\$ 96,881,181</u>	<u>\$ 89,684,921</u>	<u>\$ 59,513,514</u>	<u>\$ 132,736,444</u>
District's Covered Payroll	\$ 75.0	\$ 54.7	\$ 52.1	\$ 50.1	\$ 49.6
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	98%	120%	115%	79%	177%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84%	81%	81%	87%	72%
	2020	2019	2018	2017	2016
Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's Proportion of the NPL	0.088%	0.088%	0.090%	0.091%	0.096%
District's Proportionate Share of the NPL	\$ 79,354,233	\$ 81,236,698	\$ 83,145,064	\$ 73,514,277	\$ 64,887,512
State's Proportionate Share of the NPL Associated with the District	43,293,032	46,511,809	49,187,917	41,850,366	34,318,341
Total	<u>\$ 122,647,265</u>	<u>\$ 127,748,507</u>	<u>\$ 132,332,981</u>	<u>\$ 115,364,643</u>	<u>\$ 99,205,853</u>
District's Covered Payroll	\$ 44.1	\$ 44.6	\$ 41.0	\$ 43.7	\$ 41.5
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	180%	182%	203%	168%	156%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73%	71%	69%	70%	74%

See accompanying Note to Required Supplementary Information.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (CONTINUED)
YEAR ENDED JUNE 30, 2025**

CalPERS - Schools Pool Plan	2025	2024	2023	2022	2021
Measurement Period	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
District's Proportion of the Net Pension Liability (NPL)	0.2341%	0.2225%	0.2364%	0.2431%	0.2451%
District's Proportionate Share of the NPL	\$ 83,664,530	\$ 80,524,525	\$ 81,343,077	\$ 49,433,004	\$ 75,216,962
District's Covered Payroll	\$ 49.1	\$ 38.7	\$ 36.4	\$ 35.0	\$ 35.3
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	170%	208%	223%	141%	213%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72%	70%	70%	81%	70%
	2020	2019	2018	2017	2016
Measurement Period	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's Proportion of the NPL	0.2559%	0.2606%	0.2575%	0.2650%	0.2834%
District's Proportionate Share of the NPL	\$ 74,593,130	\$ 69,475,373	\$ 61,477,017	\$ 52,345,935	\$ 41,777,449
District's Covered Payroll	\$ 35.1	\$ 34.6	\$ 32.4	\$ 31.5	\$ 31.7
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	213%	201%	190%	166%	132%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70%	71%	72%	74%	79%

See accompanying Note to Required Supplementary Information.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2025**

CalSTRS - STRP	2025	2024	2023	2022	2021
Contractually Required Contribution	\$ 9,978,631	\$ 14,320,069	\$ 10,450,696	\$ 8,818,653	\$ 8,095,248
Contributions in Relation to the					
Contractually Required Contribution	9,978,631	14,320,069	10,450,696	8,818,653	8,095,248
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ -	\$ 75.0	\$ 54.7	\$ 52.1	\$ 50.1
Contributions as a Percentage					
of Covered Payroll	19.10%	19.10%	19.10%	16.92%	16.15%
	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 8,481,266	\$ 7,176,305	\$ 6,438,464	\$ 5,163,237	\$ 4,688,258
Contributions in Relation to the					
Contractually Required Contribution	8,481,266	7,176,305	6,438,464	5,163,237	4,688,258
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 49.6	\$ 44.1	\$ 44.6	\$ 41.0	\$ 43.7
Contributions as a Percentage					
of Covered Payroll	17.10%	16.28%	14.43%	12.58%	10.73%

See accompanying Note to Required Supplementary Information.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT PENSION CONTRIBUTIONS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

CalPERS - Schools Pool Plan	2025	2024	2023	2022	2021
Contractually Required Contribution	\$ 9,395,891	\$ 13,100,907	\$ 9,818,851	\$ 8,338,399	\$ 7,243,870
Contributions in Relation to the					
Contractually Required Contribution	9,395,891	13,100,907	9,818,851	8,338,399	7,243,870
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ -	\$ 49.1	\$ 38.7	\$ 36.4	\$ 35.0
Contributions as a Percentage of Covered Payroll	27.05%	26.68%	25.37%	22.91%	20.70%
	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 6,962,278	\$ 6,341,508	\$ 5,373,273	\$ 4,497,542	\$ 3,726,406
Contributions in Relation to the					
Contractually Required Contribution	6,962,278	6,341,508	5,373,273	4,497,542	3,726,406
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 35.3	\$ 35.1	\$ 34.6	\$ 32.4	\$ 31.5
Contributions as a Percentage of Covered Payroll	19.72%	18.06%	15.53%	13.89%	11.85%

See accompanying Note to Required Supplementary Information.

EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Total OPEB Liability:			
Service Cost	\$ 986,003	\$ 959,614	\$ 1,030,954
Interest	1,555,660	1,476,677	1,484,985
Differences Between Projected and Actual			
Earnings on OPEB Plan Investments	-	-	-
Experience (Gains) Losses	(293,481)	68,165	(1,413,714)
Assumption Changes	22,950	-	(176,668)
Benefit Payments	(1,095,494)	(1,050,816)	(1,093,858)
Net Change in Total OPEB Liability	1,175,638	1,453,640	(168,301)
Total OPEB Liability - Beginning	27,834,382	26,380,742	26,549,043
Total OPEB Liability - Ending (a)	29,010,020	27,834,382	26,380,742
Plan Fiduciary Net Position:			
Contributions - Employer	2,116,686	1,050,816	1,715,703
Expected Investment Income	1,939,531	1,830,152	1,675,063
Differences Between Projected and Actual	-	-	(7,122,206)
Earnings on OPEB Plan Investments	-	-	(1,715,703)
Benefit Payments	(1,095,494)	(1,050,816)	(157,385)
Administrative Expense	(149,481)	(141,508)	-
Reimbursement of Benefits Previously Paid	2,811,242	1,688,644	(5,604,528)
Plan Fiduciary Net Position - Beginning	26,074,643	24,385,999	29,990,527
Plan Fiduciary Net Position - Ending (b)	28,885,885	26,074,643	24,385,999
Net OPEB Liability- Ending (a) - (b)	\$ 124,135	\$ 1,759,739	\$ 1,994,743
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	99.57%	93.68%	92.44%
Covered Employee Payroll	\$ 138,443,743	\$ 143,781,998	\$ 111,210,320
Net OPEB Liability as a Percentage of Covered-Employee Payroll	0.09%	1.22%	1.79%

See accompanying Note to Required Supplementary Information.

EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service Cost	\$ 952,432	\$ 1,559,394	\$ 1,311,390	\$ 1,174,679	\$ 1,242,133
Interest	1,423,727	1,157,377	1,193,368	1,036,220	1,162,707
Differences Between Projected and Actual					
Earnings on OPEB Plan Investments	-	(4,644)	-	-	-
Experience (Gains) Losses	-	-	(2,382,661)	-	-
Assumption Changes	748,541	(5,113,520)	165,241	2,342,431	-
Benefit Payments	(873,326)	(868,673)	(957,261)	(800,455)	(763,687)
Net Change in Total OPEB Liability	2,251,374	(3,270,066)	(669,923)	3,752,875	1,641,153
Total OPEB Liability - Beginning	24,297,669	27,567,735	28,237,658	24,484,783	22,843,630
Total OPEB Liability - Ending (a)	26,549,043	24,297,669	27,567,735	28,237,658	24,484,783
Plan Fiduciary Net Position:					
Contributions - Employer	891,154	868,673	957,261	800,455	763,687
Expected Investment Income	1,432,803	986,620	956,653	937,126	1,380,019
Differences Between Projected and Actual	4,140,767	159,128	(107,452)	(337,208)	-
Earnings on OPEB Plan Investments	(891,154)	(868,673)	(957,261)	(800,455)	(763,687)
Benefit Payments	(150,806)	(137,880)	(133,523)	(136,501)	(137,668)
Administrative Expense	-	-	-	-	(2,089,577)
Reimbursement of Benefits Previously Paid	5,422,764	1,007,868	715,678	463,417	(847,226)
Plan Fiduciary Net Position - Beginning	24,567,763	23,559,895	22,844,217	22,380,800	23,228,026
Plan Fiduciary Net Position - Ending (b)	29,990,527	24,567,763	23,559,895	22,844,217	22,380,800
Net OPEB Liability- Ending (a) - (b)	\$ (3,441,484)	\$ (270,094)	\$ 4,007,840	\$ 5,393,441	\$ 2,103,983
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	112.96%	101.11%	85.46%	80.90%	91.41%
Covered Employee Payroll	\$ 105,426,144	\$ 84,901,926	\$ 79,190,165	\$ 79,190,165	\$ 73,427,594
Net OPEB Liability as a Percentage of Covered-Employee Payroll	-3.26%	-0.32%	5.06%	6.81%	2.87%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Note to Required Supplementary Information.

EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFIT CONTRIBUTIONS
YEAR ENDED JUNE 30, 2025

OPEB Contributions	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ -	\$ -	\$ -	\$ 891,154	\$ 868,673	\$ 957,261	\$ 800,455	\$ 763,687
Contributions in Relation to the ADC	-	-	-	891,154	868,673	957,261	800,455	763,687
Contribution (Excess) Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 138,443,743	\$ 143,781,998	\$ 111,210,320	\$ 105,426,144	\$ 84,901,926	\$ 79,190,165	\$ 79,215,683	\$ 73,427,594
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.85%	1.02%	1.21%	1.01%	1.04%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Note to Required Supplementary Information.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS
MONEY-WEIGHTED RATE OF RETURN ON PLAN ASSETS
YEAR ENDED JUNE 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.52%	11.39%	6.75%	-18.69%	4.64%	3.73%	26.64%	5.72%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Note to Required Supplementary Information.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 PURPOSE OF SCHEDULES

Schedules of District's Proportionate Share of the Net Pension Liability – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the District for the last 10 years.

Benefit changes – None

Changes of Assumptions:

June 30, 2024 Measurement Period:
There were no assumption changes.

June 30, 2023 Measurement Period:
There were no assumption changes.

June 30, 2022 Measurement Period
CalPERS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 2.50% to 2.30%. A new discount rate was applied decreasing the rate from 7.15% to 6.90%.

June 30, 2020 Measurement Period
CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates.

June 30, 2019 Measurement Period
CalPERS Board adopted new mortality assumptions for the plan. Assumption for inflation rate was reduced from 2.75% to 2.50%. Assumption for individual salary increases and overall payroll growth was reduced from 3.00% to 2.75%.

June 30, 2018 Measurement Period
CalSTRS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 3.00% to 2.75%. Assumption for payroll growth was reduced from 3.75% to 3.50%. CalPERS applied a new discount rate decreasing the rate from 7.65% to 7.15%.

June 30, 2016 Measurement Period
CalPERS applied a new discount rate increasing the rate from 7.50% to 7.65%.

Schedules of District Contributions – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution for the last 10 years.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Changes in the Net OPEB Liability and Related Ratios

The schedule is intended to show trends about the changes in the District's actuarially determined liability for postemployment benefits other than pensions.

Benefit changes – None.

Changes of Assumptions:

2023-24

There were no assumption changes.

2022-23

There were no assumption changes.

2021-22

The discount rate and expected rate of return on assets was changed from 3.31% to 5.6%.

2020-21

The discount rate and expected rate of return on assets was changed from 3.7% to 3.31%.

2019-20

The discount rate and expected rate of return on assets was changed from 5.8% to 3.7%.

2018-19

The discount rate and expected rate of return on assets was changed from 4.5% to 5.8%.

Schedule of Postemployment Healthcare Benefits Employer Contributions

The schedule is intended to show trends about the amounts contributed in relation to the actuarially determined contribution.

Actuarially determined contribution rates are calculated as of July 1, 2024 12 months prior to the end of the fiscal year in which contributions are reported.

Methods of assumptions used to determine contribution rates are:

Actuarial Cost Method	Entry age normal
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	5.60%
Health Care Trend Rate	4.00%

Mortality rates were based on the 2020 rates used by CalSTRS and the 2021 rates used by CalPERS for pension valuations.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Postemployment Healthcare Benefits Money-Weighted Rate of Return on Plan Assets

The schedule is intended to show trends about the rate of return on plan assets.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
HISTORY AND ORGANIZATION (UNAUDITED)
YEAR ENDED JUNE 30, 2025**

The El Camino Community College District was established in July 1946 and is comprised of an area of approximately 50 square miles located in Los Angeles County. There were no changes in the boundaries of the District during the current year. The District is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

The Board of Trustees and the District Administrators for the fiscal year ended June 30, 2025 were as follows:

BOARD OF TRUSTEES

Member	Office	Term Expires
Trisha Murakawa	President	2024
Nilo Vega Michelin	Vice President	2026
Cliff Numark	Member	2026
Brett C.S. Roberts	Member	2026
Katherine Steinbronner Maschler	Secretary	2028

DISTRICT ADMINISTRATORS

Brenda Thames, PH.D.	Superintendent and President
Loic Audusseau	Interim Vice President of Administrative Services
Carlos Lopez, M.S.	Vice President of Academic Affairs
Jeff Stephenson	Vice President of Student Services
Jane Miyashiro	Vice President of Human Resources

Auxiliary Name	Auxiliary Director's Name	Establishment and Master Agreement Date
El Camino College Foundation	Andrea Sala, Executive Director	Organized as an independent organization in April 1983 and has a signed master agreement dated April 2021.

SUPPLEMENTARY INFORMATION

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE – GRANTS
YEAR ENDED JUNE 30, 2025**

Program Name	Program Revenues				Total Program Expenditures
	Cash Received	Accounts Receivable/ (Payable)	Unearned Revenue	Total	
State Categorical Aid Programs:					
Access to Print and Electronic Info and Def and Hearing	\$ 436,503	\$ -	\$ 20,618	\$ 415,885	\$ 415,885
Adult Education Block Grant Data and Accountability	491,544	-	136,498	355,046	355,046
Asian American, Native Hawaiian and Pacific Island	381,600	-	180,696	200,904	200,904
Basic Needs Centers	1,657,782	-	1,012,201	645,581	645,581
CA College Promise Implementation	2,094,717	-	1,020,078	1,074,639	1,074,639
CalWORKs	939,800	-	299,648	640,152	640,152
Cooperative Agencies Resources for Education (CARE)	829,305	-	135,302	694,003	694,003
Disabled Students Program and Services (DSPS)	3,069,909	-	990,992	2,078,917	2,078,917
Extended Opportunity Program and Services (EOPS)	4,429,684	-	351,419	4,078,265	4,078,265
Foster Care Education Program	73,404	-	-	73,404	73,404
Guided Pathways	69,692	-	-	69,692	69,692
Mental Health Program	475,345	-	36,875	438,470	438,470
Nextup	1,009,254	-	296,531	712,723	712,723
Retention and Enrollment Outreach	520,150	-	442,929	77,221	77,221
Strong Workforce Program	3,776,187	841,698	1,244,773	3,373,112	3,373,112
Student Equity and Achievement	9,131,593	-	2,296,217	6,835,376	6,835,376
Student Food and Housing Support	652,929	-	598,655	54,274	54,274
Zero Textbook Cost Program - (One-Time Funds)	158,093	-	94,618	63,475	63,475
Zero Textbook Cost Program	339,000	-	308,472	30,528	30,528
Total State Categorical Aid Programs	\$ 30,536,491	\$ 841,698	\$ 9,466,522	\$ 21,911,667	\$ 21,911,667

See accompanying Note to Supplementary Information.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL
APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE
YEAR ENDED JUNE 30, 2025**

Categories	Annual - Factored FTES			
	Annual Reported Data	Revised Annual Adjustments	Audit Adjustments	Revised Reported Data
A. Summer Intersession (Summer 2024 only)				
1. Noncredit ¹	13.85	-	-	13.85
2. Credit ¹	1,863.99	-	-	1,863.99
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)				
1. Noncredit ¹	-	-	-	-
2. Credit ¹	768.90	-	-	768.90
C. Primary Terms (Exclusive of Summer Intersession)				
1. Census Procedure Courses				
(a) Weekly Census Contact Hours	6,406.73	-	-	6,406.73
(b) Daily Census Contact Hours	926.54	-	-	926.54
2. Actual Hours of Attendance Procedure Courses				
(a) Noncredit ¹	144.02	-	-	144.02
(b) Credit ¹	368.49	-	-	368.49
3. Independent Study/Work Experience				
(a) Weekly Census Contact Hours	5,613.61	-	-	5,613.61
(b) Daily Census Contact Hours	2,228.72	-	-	2,228.72
(c) Noncredit Independent Study/Distance Education Courses	111.82	-	-	111.82
D. Total FTES	<u>18,446.67</u>	<u>-</u>	<u>-</u>	<u>18,446.67</u>
Supplemental Information (subset of above information)				
E. In-service Training Courses (FTES)	-	-	-	-
H. Basic Skills Courses and Immigrant Education				
(a) Noncredit ¹	190.36	-	-	190.36
(b) Credit ¹	326.73	-	-	326.73
CCFS 320 Addendum				
CDCP Noncredit FTES	-	-	-	-
Centers FTES				
(a) Credit ¹	18,176.98	-	-	18,176.98
(a) Noncredit ¹	269.69	-	-	269.69

Including Career Development and College Preparation (CDCP) FTES

See accompanying Note to Supplementary Information.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2025**

The audit resulted in no adjustments to the fund balances reported on the June 30, 2025 Annual Financial and Budget Report (CCFS-311) based upon governmental accounting principles.

	Governmental Funds
Unrestricted General Fund Balance	\$ 52,600,449
Restricted General Fund Balance	22,464,614
Bond Interest and Redemption Fund Balance	35,172,991
Capital Projects Fund Balance	34,260,995
Bond Construction Fund Balance (2012 Election)	74,003,631
Bookstore	(94,818)
Self Insurance Fund Balance	2,183,941
Other Internal Services Fund	39,159,359
Associated Student Government	1,682,898
Student Representation Fee	261,497
Student Financial Aid and Trust Fund Balance	3,681,430
Other Trust Funds	9,588,496
Total Fund Balances as Reported on the Annual Financial and Budget Report (CCFS-311)	<u>274,965,483</u>
Plus Payroll Clearance Fund - Not included on CCFS-311	<u>(3,436,026)</u>
Total Ending Fund Balance	<u><u>\$ 271,529,457</u></u>

In accordance with Governmental Accounting Standards Board Statements No. 34 and No. 35, the financial statements have been prepared under the full accrual basis of accounting which requires that revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Additional entries were made to comply with the governmental reporting requirements. These entries are not considered audit adjustments for purposes of this reconciliation.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2025**

A reconciliation between the fund balances reported on the June 30, 2025 Annual Financial and Budget Report (CCFS-311), based upon the modified accrual basis of accounting, and total net position recorded on the full accrual basis of accounting, is shown below:

Total fund balances as reported on the Annual Financial and Budget Report (CCFS-311)	\$ 271,529,457
Capital assets used for governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets, net of accumulated depreciation are added to total net assets. Net capital assets of \$1,318 are already reported in the Bookstore Fund.	494,588,403
Amounts for 2024-25 property taxes levied for debt service not received as of June 30, 2025 are accrued on the statement of net position which increases the total net assets reported.	2,911,070
Deferred outflows associated with advanced refunding of debt increases total net position reported.	2,346,784
Deferred outflows associated with pension costs result from pension contributions made during the fiscal year and from actuarially determined adjustments. These amounts will be recognized as a reduction of the net pension liability or amortized to pension expense, as applicable, in subsequent periods.	57,672,497
Deferred outflows associated with other postemployment retirement benefits costs result from contributions made during the fiscal year and from actuarially determined adjustments. These amounts will be recognized as a reduction of the net other postemployment retirement benefits liability or amortized to benefits expense, as applicable, in subsequent periods.	5,232,808
Compensated absences and load banking are not due and payable in the current period and therefore are not reported in the governmental funds.	(3,823,842)
Interest expense related to bonds incurred through June 30, 2025 is accrued as a current liability on the statement of net position which reduces the total net assets reported.	(5,182,487)
Liabilities related to bonds are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Bond related liabilities are added to the statement of net position which reduces the total net assets reported.	(602,149,781)
The liability of employers and nonemployers contributing to employees for benefits provided through a defined benefit pension plan is recorded as net pension liabilities.	(156,872,200)
The liability associated with other postemployment benefits (OPEB), including the Medicare Premium Payment (MPP) Program of the California State Teachers' Retirement Plan (the STRP), is recognized as a liability, which reduces the total net position reported.	(220,850)
Deferred inflows of resources associated with pensions result from actuarially determined adjustments. These amounts will be amortized to pension expense in subsequent periods.	(13,259,873)
Deferred inflows of resources associated with other postemployment retirement benefits result from actuarially determined adjustments. These amounts will be amortized to other postemployment retirement benefits expense in subsequent periods.	(3,040,333)
Amounts held in an irrevocable trust for other postemployment retirement benefits are reported in the trust statement of net position.	<u>(37,473,972)</u>
Total Net Position	<u>\$ 12,257,681</u>

See accompanying Note to Supplementary Information.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF 50 PERCENT LAW CALCULATION
YEAR ENDED JUNE 30, 2025**

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) 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	\$ 34,141,505	\$ -	\$ 34,141,505	\$ 34,141,505	\$ -	\$ 34,141,505
Instructional Salaries - Other	1300	30,097,939	-	30,097,939	30,100,345	-	30,100,345
Total Instructional Salaries		64,239,444	-	64,239,444	64,241,850	-	64,241,850
Non-Instructional Salaries - Contract or Regular	1200	-	-	-	10,789,419	-	10,789,419
Non-Instructional Salaries - Other	1400	-	-	-	2,329,487	-	2,329,487
Total Non-Instructional Salaries		-	-	-	13,118,906	-	13,118,906
Total Academic Salaries		64,239,444	-	64,239,444	77,360,756	-	77,360,756
<u>Classified Salaries</u>							
Non-Instructional Salaries - Regular Status	2100	-	-	-	30,302,170	-	30,302,170
Non-Instructional Salaries - Other	2300	-	-	-	2,810,863	-	2,810,863
Total Non-Instructional Salaries		-	-	-	33,113,033	-	33,113,033
Instructional Aides - Regular Status	2200	959,042	-	959,042	1,618,470	-	1,618,470
Instructional Aides - Other	2400	-	-	-	-	-	-
Total Instructional Aides		959,042	-	959,042	1,618,470	-	1,618,470
Total Classified Salaries		959,042	-	959,042	34,731,503	-	34,731,503
Employee Benefits	3000	27,806,252	-	27,806,252	46,451,760	-	46,451,760
Supplies and Materials	4000	-	-	-	1,189,261	-	1,189,261
Other Operating Expenses	5000	-	-	-	11,315,831	-	11,315,831
Equipment Replacement	6420	-	-	-	30,328	-	30,328
Total Expenditures Prior to Exclusions		93,004,738	-	93,004,738	171,079,439	-	171,079,439
<u>Exclusions</u>							
<u>Activities to Exclude</u>							
Instructional Staff--Retirees' Benefits & Retirement Incentives	5900	-	-	-	-	-	-
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-instructional Staff-Retirees' Benefits & Retirement Incentives	6740	-	-	-	-	-	-
<u>Objects to Exclude</u>							
Rents and Leases	5060	-	-	-	322,897	-	322,897
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	2,951,510	-	2,951,510
Employee Benefits	3000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Noninstructional, Supplies & Materials	4400	-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	-	-	-
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		-	-	-	3,274,407	-	3,274,407
Total for ECS 84362, 50% Law		\$ 93,004,738	\$ -	\$ 93,004,738	167,805,032	-	167,805,032
Percent of CEE (Instructional Salary Cost/Total CEE)		55.42%	0.00%	55.42%	100.00%	0.00%	100.00%
50% of Current Expense of Education					\$ 83,902,516	\$ -	\$ 83,902,516

See accompanying Note to Supplementary Information.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
EDUCATION PROJECTION ACCOUNT (EPA) EXPENDITURE REPORT
YEAR ENDED JUNE 30, 2025**

[illegible]

**EL CAMINO COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 PURPOSE OF SCHEDULES

Schedule of State Financial Assistance – Grants

The Schedule of State Financial Assistance was prepared on the full accrual basis of accounting.

**Schedule of Workload Measures for State General Apportionment Annual (Actual)
Attendance**

The Schedule of Workload Measures for State General Apportionment represents the basis of apportionment of the District's annual source of funding.

**Reconciliation of Annual Financial and Budget Report with Audited Financial
Statements**

This schedule reports any audit adjustments made to the fund balances reported on the June 30, 2025 Annual Financial and Budget Report (CCFS-311). This schedule is prepared to show a reconciliation between the governmental fund balances reported on the June 30, 2025 Annual Financial and Budget Report (CCFS-311), based upon the modified accrual basis of accounting, and the total net position reported on the audited financial statements based on the full accrual basis of accounting.

Reconciliation of 50 Percent Law Calculation

This schedule reports any audit adjustments made to the 50 percent law calculation (Education Code Section 84362).

Education Protection Account Expenditure Report

This schedule reports how funds received from the passage of Propositions 55 Education Protection Act were expended.

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
El Camino Community College District
Torrance, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of El Camino Community College District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 5, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

El Camino Community College District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the El Camino Community College District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. El Camino Community College 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.



CliftonLarsonAllen LLP

Ontario, California
January 5, 2026



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
El Camino Community College District
Torrance, California

We have audited El Camino Community College District's (the District) compliance with the types of compliance requirements described in the *2024-25 Contracted District Audit Manual*, published by the California Community Colleges Chancellor's Office for the fiscal year ended June 30, 2025. The District's state compliance requirements are identified in the table provided.

In our opinion, the District complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2025.

Basis for Opinion on State Compliance

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 *2024-25 Contracted District Audit Manual*, published by the California Community Colleges Chancellor's Office. Our responsibilities under those standards and the Audit Manual are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of El Camino Community College 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 state compliance. Our audit does not provide a legal determination of El Camino Community College 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 with the types of compliance requirements described in the *2024-25 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 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 *2024-25 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 types of compliance requirements described in the *2024-25 Contracted District Audit Manual* as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 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 and to test and report on internal control over compliance in accordance with the with the types of compliance requirements described in the *2024-25 Contracted District Audit Manual*, 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.

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 the laws and regulations applicable to the following items:

<u>Section</u>	<u>Description</u>	<u>Procedures Performed</u>
411	SCFF Data Management Control Environment	Yes
412	SCFF Supplemental Allocation Metrics	Yes
413	SCFF Success Allocation Metrics	Yes
421	Salaries of Classroom Instructors (50 Percent Law)	Yes
423	Apportionment for Activities Funded from Other Sources	Yes
424	Student Center Funding Formula Base Allocation: FTES	Yes
425	Residency Determination for Credit Courses	Yes
426	Students Actively Enrolled	Yes
427	Dual Enrollment – College and Career Access Pathways (CCAP)	Yes
430	Scheduled Maintenance Program	Yes
431	Gann Limit Calculation	Yes
444	Apprenticeship Related and Supplemental Instruction (RSI) Funds	Not applicable
475	Disabled Student Programs and Services (DSPS)	Yes
490	Proposition 1D and 51 State Bond Funded Projects	Not applicable
491	Education Protection Account (EPA) Funds	Yes
492	Student Representation Fee	Yes
494	State Fiscal Recovery Fund Emergency Grants	Yes
499	COVID-19 Response Block Grant Expenditures	Yes

Other Matters

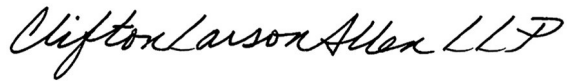
The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *2024-25 Contracted District Audit Manual*, published by the California Community College Chancellor's Office, and which is described in the accompanying schedule of findings and questioned costs as items 2025-003 and 2025-004. 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.

Board of Trustees
El Camino Community College District

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2024-25 Contracted District Audit Manual*, published by the California Community College Chancellor's Office. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Ontario, California
January 5, 2026

FINDINGS AND QUESTIONED COSTS

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors' Results

Financial Statements

- | | | |
|--|-----------------------|---------------------------------|
| 1. Type of auditors' report issued: | Unmodified | |
| 2. Internal control over financial reporting: | | |
| • Material weakness(es) identified? | <u> x </u> yes | <u> </u> no |
| • Significant deficiency(ies) identified? | <u> x </u> yes | <u> </u> none reported |
| 3. Noncompliance material to financial statements noted? | <u> </u> yes | <u> x </u> no |

State Awards

- | | | |
|--|-----------------------|--------------------------------|
| 1. Internal control over state programs: | | |
| • Material weakness(es) identified? | <u> </u> yes | <u> x </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> x </u> none reported |
| 2. Type of auditors' report issued on compliance for state programs: | Unmodified | |
| Any audit findings disclosed that are required to be reported in accordance with the 2024-25 Contracted District Audit Manual? | | |
| | <u> x </u> yes | <u> </u> no |

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

2025 – 001: Weaknesses in Internal Controls Over Accounts Receivable, Capital Asset Additions and Accrued Liabilities

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or Specific Requirement: Sound internal control practices require adequate oversight, documentation, and review of financial processes to ensure accurate reporting and compliance with applicable accounting standards.

Condition: As a result of audit procedures, we identified weaknesses in internal controls related to the management of accounts receivable, capital asset additions and accrued liabilities. Specifically, processes lacked sufficient oversight and review and these deficiencies contributed to errors that required passed adjustments and a restatement of beginning net position.

Effect: The absence of adequate controls increases the risk of misstatements in the financial statements, delays in error detection, and potential noncompliance with accounting standards.

Cause: Oversight by District employees.

Repeat Finding: No.

Recommendation: We recommend the District establish and implement formal review procedures for accounts receivable, capital asset additions and accrued liabilities and provide training to staff responsible for these processes to reinforce internal control requirements.

Views of Responsible Officials: Management concurs with the finding

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

2025 – 002: SEFA/SESA Preparation

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

Criteria or Specific Requirement:

SEFA

The District's responsibility per the Uniform Guidance, Section 200.508 Part B, is to "prepare appropriate financial statements, including the schedule of expenditures of awards." This includes determining the correct amount of expenditure that need to be reported on the schedule of expenditures of federal awards.

The SEFA, while not part of the basic financial statements, is audited in relation to the basic financial statements, in accordance with the requirements of the Uniform Guidance. The Uniform Guidance requires auditors to determine major programs and perform risk assessments based on information reported on the SEFA.

SESA

The Contracted District Audit Manual (CDAM), Section 340, requires the Schedule of State Financial Assistance to accurately present all state-funded programs and amounts received and expended during the fiscal year.

The SESA, while not part of the basic financial statements, is audited in relation to the basic financial statements, in accordance with the CDAM.

Condition: The District adjusted the SEFA and SESA by a material amounts in response to our audit findings.

Effect: The District's total expenditures reported on the SEFA and SESA were initially understated by approximately \$17.0 million and \$15.5 million, respectively.

Cause: Oversight by District employees.

Repeat Finding: No.

Recommendation: We recommend the District provides additional training for staff involved in the preparation of these schedules to understand the reporting requirements.

Views of Responsible Officials: Management concurs with the finding.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO STATE AWARDS
YEAR ENDED JUNE 30, 2025**

Section II – Findings and Questioned Costs – State Awards

2025 – 003: Student Centered Funding Formula Base Allocation: FTES

Criteria: Education Code section 58003.1, Full-time Equivalent Student; Computation of Units, the District is responsible for accurately reporting contact hours for classes. Contact hours are to be computed in accordance with California Code of Regulations, title 5 Regulations and the Student Attendance Accounting Manual.

Condition: During our testing of 15 courses, which is a statistically valid sample, we noted four instances where the District incorrectly reported contact hours and one instance where the District incorreccted reported a census date.

Questioned Costs: None.

Context: During our audit procedures, we identified the instances of noncompliance noted below:

- three instances where the District input the wrong amount of contact hours from the course detail on the apportionment detail report.
- one instance where the District entered the wrong census date.
- one instance where a course was taught by a non-faculty member of the District was claimed on the apportionment report.

Cause: The District's internal controls did not identify the errors for compliance with the criteria mentioned above.

Effect: Contact hours were incorrectly reported.

Repeat Finding: Yes, 2024-003.

Recommendation: We recommend the District review its reporting procedures to ensure that contact hours are properly calculated and reported.

Views of Responsible Officials: Management concurs with the finding.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO STATE AWARDS
YEAR ENDED JUNE 30, 2025**

2025 – 004: Errors in CCFS-311 Annual Financial and Budget Report

Criteria: CCFS-311 requires Districts to submit annual financial and budget information in accordance with:

- California Community Colleges Chancellor's Office (CCCCO) CCFS-311 reporting instructions and definitions.
- California Code of Regulations, Title 5, and Education Code applicable to community college financial reporting.

Condition: During our audit procedures over the District's Annual Financial and Budget Report (CCFS-311), we noted that the District misclassified liabilities and fund balance within the Bond Interest and Redemption Fund.

Questioned Costs: None.

Context: During our audit procedures, we noted errors on the originally submitted CCFS-311.

Cause: District oversight.

Effect: The CCFS-311 originally submitted did not fairly present the District's financial position for fiscal year 2025.

Repeat Finding: No.

Recommendation: We recommend the District reconcile CCFS-311 line items to the final trial balance prior to submission.

Views of Responsible Officials: Management concurs with the finding.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

FINDINGS—STATE AWARDS

2024 – 003: Student Centered Funding Formula Base Allocation: FTES

Recommendation: We recommend the District review its reporting procedures to ensure that contact hours are properly calculated and reported.

Status: Repeat finding, see 2025-003.

