PLANNING & BUDGETING COMMITTEE
March 6, 2014
1:00 - 2:30 p.m.
Library 202

Facilitator: Rory K. Natividad   Notes: Linda M. Olsen

STATEMENT OF PURPOSE

The Planning and Budgeting Committee serves as the consultation committee for campus-wide planning and budgeting. The PBC assures that the planning and budgeting are interlinked and that the process is driven by the mission and strategic initiatives set forth in the Comprehensive Master Plan. The PBC makes recommendations to the President on all planning and budgeting issues and reports all committee activities to the campus community.

Members

- ☐ Alice Grigsby - Management/Supervisors
- ☐ Ken Key - ECCFT
- ☐ Liliana Lopez – ASO
- ☐ Rory K. Natividad - Chair (non-voting)
- ☐ Dipte Patel - Academic Affairs
- ☐ Dawn Reid - Student & Community Adv.
- ☐ Cheryl Shenefield - Administrative Services
- ☐ Dean Starkey – Campus Police
- ☐ Gary Turner - ECCE
- ☐ Lance Widman - Academic Senate

Attendees

- ☐ Francisco Arce – Support
- ☐ Linda Beam – Support
- ☐ David Brown – Alt. ECCE
- ☐ Janice Ely – Support
- ☐ Connie Fitzsimons - Alt., Ac. Affairs
- ☐ William Garcia – Alt. SCA
- ☐ Christina Gold – Support
- ☐ Irene Graff – Alt.Mgmt./Sup.
- ☐ Jo Ann Higdon – Support
- ☐ Jeanie Nishime – Support
- ☐ Emily Rader – Alt. Ac. Sen.
- ☐ Ericka Solarzano - Alt. Police
- ☐ Michael Trevis – Alt. Adm. Serv.
- ☐ John Wagstaff – Support
- ☐ Will Warren– Support
- ☐ Vacant – Alt. ECCFT
- ☐ Vacant – Alt. ASO

AGENDA

1.	Draft Minutes – January 16, 2013	R. Natividad	1:00 P.M.
2.	Budget Updates	J. Higdon	1:10 P.M.
3.	Foundation	K. Gleason	1:25 P.M.
4.	Planning Updates	J. Nishime	1:40 P.M.
5.	PBC Website	R. Natividad	1:55 P.M.
6.	Adjournment		

Next meeting – March 20, 2014 (Tentative, Spring Break)

EL CAMINO COLLEGE

Planning & Budgeting Committee
Minutes
Date: February 20, 2014

MEMBERS PRESENT

☒ Dean Starkey - Campus Police	☐ Dawn Reid - Student & Community Adv.
☐ Sean Donnell - ECCFT	☒ Cheryl Shenefield - Administrative Services
☐ Dipte Patel - Academic Affairs	☒ Rory K. Natividad - Chair (non-voting)
☒ Alice Grigsby - Management/Supervisors	☒ Gary Turner - ECCE
☐ Liliana Lopez - ASO	☒ Lance Widman - Academic Senate

Other Attendees: Members – David Brown, Connie Fitzsimons, William Garcia, Emily Rader, Michael Trevis **Support –** Francisco Arce, Janice Ely, Jo Ann Higdon, Jeanie Nishime, John Wagstaff

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The meeting was called to order at 1:04 p.m.

Approval of February 6, 2014 Minutes
The minutes were reviewed and approved as submitted. The minutes will be posted.

Budget Updates - Actuarial – J. Higdon (handout)

1. It was noted P1 has still not been posted.
2. The draft version of the actuarial study was presented to the committee. This is the study of El Camino district retiree health liabilities as of October of last year. The actuarial accrued liability (AAL) was listed at $22,214,690. The prior amount was noted as $22,355,715. The current report will not go on line until it is presented to the board.
3. A change in the expected life spans of individuals (PERS) is an item which will affect the next actuarial report (in two years). This will have a negative impact on our next actuarial study. El Camino has established a GASB 43 trust for future OPEB benefits. The actuarial value of plan assets as of September 2013 was $17,189,426. It is estimated the "pay-as-you-go" cost (cost of benefits for current retirees) of providing retiree health benefits in the year beginning October 1, 2013 to be $741,306. It was clarified the GASB 43 has to be fully funded as an irrevocable trust before it can be utilized.
4. It was noted that the State's recalculation of FY 2012-13 State revenue translated into additional apportionment funds of $534,473. However, the State will not pay ECC these funds until such time as other districts (who now owe funds to the State) pay those funds. This State recalculation is based upon receipts from income taxes, property taxes, student fees, RDA and EPA funding.
5. It was noted the "pay-as-you-go funding" for retiree benefits is showing a trend of more than doubling within a ten-year period. This presents good reasoning to get the GASB fully funded so expenditures could then be paid out of the trust fund.

Board of Governors Fee Waiver (BOGFW) – W. Garcia

1. Students receiving fee waivers will be required to meet minimum academic and progress standards to remain eligible for the financial assistance under new regulations adopted by the California Community Colleges Board of Governors. This policy takes effect in fall 2016. This is a key component of the Board of Governors' Student Success Initiative. The Student Success Act of 2012 - Initiative/SB1456 states we will now apply academic standards to BOG eligibility as well as income criteria.

2. The office of Intuitional Planning and Research will be helping to come up with a two-year study from 2011-12 and 2012-13 academic years to determine the effect if both ECC and the Compton Center had implemented this state mandate in the fall of 2011.
3. Under the new regulations, students would lose their BOGFW if they are on probation for not maintaining a 2.0 grade average for two consecutive semesters or not successfully completing half of their units attempted in that period. They can also lose it if they have more than 100 units completed. This excludes basic skills or English as a second language.
4. The first report reflects that in fall 2011, 52% of El Camino students were recipients of the BOGFW. If at that time this mandate would have gone into effect, approximately 15% of those students would have lost their eligibility based on the academic standards – not the income criteria.
5. The trends resulting from this research showed a potential disproportional impact on African-American and Latino students at both campuses. Enrollment management will continue to monitor the trend of disproportional impact on any student group.
6. It was clarified that a mandated group is a group the BOG has identified that should receive priority registration or may be eligible to be exempt from the state mandate. This information is being provided because some of the mandated groups want to know how their potential students would be impacted.
7. In spring 2012, 53% of El Camino students were recipients of the BOGFW with 19% who would have lost their BOG eligibility.
8. The research has shown that implementation of this mandate would negatively impact enrollment. It was noted the critical component at this stage is to plan how to raise awareness, intervene, and reduce the number of probationary students. The committee members were strongly encouraged to share this information with their constituents.
9. The second report reflects that in fall 2011, 71% of Compton Center students were recipients of the BOGFW with approximately 12% who would have lost their eligibility. In spring 2012, 73% of Compton Center students were recipients of BOGFW with 17% who would have lost their BOGFW eligibility.
10. It was noted before this mandate will be implemented; there should be a state-wide database to help the colleges in tracking their BOGFW students.
11. It was mentioned that the Counseling department currently intervenes with students who are second semester probation.

<u>FTEF/FTES Comparison Clarifications</u> – F. Arce

1. For clarification the funded FTES for this year is 18,470. Next year for 2014-15 the legislature is funding a 3% increase which would bring us to 19,024 FTES. An additional 1% growth will be added to this amount to give us 19,209 FTES. There is a possibility we will capture extra growth if there is FTES around the state that does not hit cap.

<u>PBC Goals Update</u>– R. Natividad

1. The development of a PBC website is in the works. A portal site has already been established.
2. The planning calendar was distributed with no changes. This will go forward to the board as an informational item. It was noted the academic calendar has shifted so another look at the calendars might be needed – unit plans and schedule development are being developed at the same time. It is suggested we stay with the current planning calendar for now through this cycle until there is more discussion. The committee was encouraged to give feedback on this issue.

<u>Closing Comments</u> – R. Natividad

1. A campus climate survey link will be sent out as a link for review and input from the committee.

<u>Adjournment</u> – R. Natividad

1. The meeting adjourned at 2:05 p.m. The next meeting will be **March 6 at 1:00 p.m.,** in Library 202.

EL CAMINO COLLEGE FOUNDATION

AUDIT REPORT

FOR THE YEARS ENDED
JUNE 30, 2013 AND 2012

San Diego

Los Angeles

San Francisco
Bay Area

christy white associates
A PROFESSIONAL
ACCOUNTANCY CORPORATION

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A PROFESSIONAL ACCOUNTANCY CORPORATION

Christy White, CPA
John Dominguez, CPA, CFE
Tanya M. Rogers, CPA, CFE
Michael Ash, CPA
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Licensed by the California State Board of Accountancy

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The El Camino Community College District Foundation (the "Foundation") which comprise the statement of financial position as of June 30, 2013 and June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

FINANCIAL SECTION

THE EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013 AND 2012

	2013				2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUES								
Contributions	$ 194,754	$ 971,202	$ 2,414,651	$ 3,580,607	$ 202,445	$ 859,488	$ 204,301	$ 1,266,234
Donated materials and services	254,350	6,195	-	260,545	243,269	24,511	-	267,780
Investment income, net	24,402	513,097	87,333	624,832	41,682	217,854	(26,177)	233,359
Other income	-	2,800	-	2,800	-	-	-	-
Support and revenues	473,506	1,493,294	2,501,984	4,468,784	487,396	1,101,853	178,124	1,767,373
Donor restrictions satisfied	1,162,051	(1,162,051)	-	-	1,182,646	(1,182,646)	-	-
Total Support and Revenues	1,635,557	331,243	2,501,984	4,468,784	1,670,042	(80,793)	178,124	1,767,373
EXPENSES								
Program services	1,328,492	-	-	1,328,492	1,107,252	-	-	1,107,252
General and administrative	207,238	-	-	207,238	209,951	-	-	209,951
Fundraising	234,887	-	-	234,887	181,131	-	-	181,131
Total Expenses	1,770,617	-	-	1,770,617	1,498,334	-	-	1,498,334
CHANGE IN NET ASSETS	(135,060)	331,243	2,501,984	2,698,167	171,708	(80,793)	178,124	269,039
Net Assets - Beginning	670,648	4,740,819	3,653,163	9,064,630	498,940	4,821,612	3,475,039	8,795,591
Net Assets - Ending	$ 535,588	$ 5,072,062	$ 6,155,147	$ 11,762,797	$ 670,648	$ 4,740,819	$ 3,653,163	$ 9,064,630

The notes to financial statements are an integral part of this statement.

THE EL CAMINO COMMUNITY COLLEGE DISTRICT FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,698,167	$ 269,039
Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities		
Realized and unrealized gain on investments, net	(631,587)	(255,930)
Change in value of split interest agreements	(188,538)	(20,060)
Increase in operating assets		
Accounts receivable	(1,998,324)	-
(Decrease)/increase in operating liabilities		
Accounts payable	(16,328)	62,052
Net cash (used in)/provided by operating activities	(136,610)	55,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment (appreciation)/depreciation on CCCS endowment	(87,333)	24,667
Osher contributions to CCCS endowment	(6,173)	(90,905)
Sale of investments	-	484,807
Contribution of capital asset - artwork	4,500	-
Purchase of investments	-	(506,090)
Net cash used in investing activities	(89,006)	(87,521)
NET DECREASE IN CASH	(225,616)	(32,420)
Cash and cash equivalents - Beginning	301,148	333,568
Cash and cash equivalents - Ending	$ 75,532	$ 301,148

The notes to financial statements are an integral part of this statement.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions. A contribution is recognized as income at the date the contribution is received or pledged.

Non-cash contributions of goods and materials are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills; are provided by someone who possesses those skills, and would have to be purchased by the organization if not donated.

F. Statement of Functional Expenses

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenditures have been allocated between program and supporting services based on management's estimates.

The statement of functional expenses is an optional statement for the Foundation because it is not classified as a voluntary health and welfare organization. The presentation of comparative totals for the year ended June 30, 2012 is not a complete presentation under generally accepted accounting principles. The results from 2012 should be read in conjunction with the audited financial statements for the year ended June 30, 2012 from which this information was derived. Some items may have been reclassified.

G. Income Taxes

The Foundation is a 509(a)(1) publicly supported nonprofit Foundation that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Foundation is also exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code and is registered with the California Attorney General as a charity.

The Foundation's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Foundation's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the Foundation prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Foundation has a legal claim to the resources, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2013 and June 30, 2012, consist of amounts held in interest bearing checking and money market accounts totaling $75,532 and $301,148, respectively.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. The FDIC insures 100% of non-interest bearing accounts and up to $250,000 of interest bearing accounts per depositor per insured bank. As of June 30, 2013, the Foundation's bank deposits were not exposed to custodial credit risk.

NOTE 3 – INVESTMENTS

The Foundation maintains a portfolio of investments that are intended to provide investment income to be used for the Foundation's programs and services. As of June 30, 2013 and June 30, 2012, the Foundation's investments consisted of the following:

	2013	2012
Cash, money market held in brokerage accounts	$ 18,479	$ 138,994
Investments in equity securities	4,032,622	3,707,681
Investment in bonds	3,444,306	3,017,145
Total investments	$ 7,495,407	$ 6,863,820

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2013 and June 30, 2012 consist of pledges receivable of $2,000,000 and $1,676, respectively. On April 30, 2013, the Foundation entered into a contractual gift agreement for $2,000,000 to establish the Noble Endowed Chair for Business (see Note 6).

NOTE 6 – ENDOWMENTS (continued)

Named Endowments

The Foundation will establish a named endowment fund at the request of a donor for a minimum initial permanently restricted gift of $10,000. Following the creation of the fund, scholarships, grants, and/or awards will be disbursed from the earnings on the endowed funds and in keeping with the donor's designations. As of June 30, 2013, the Foundation held 29 separate named endowments totaling $4,827,719. Included in that amount is $1,446,391 held in the Ella Rose Madden Endowment Fund, the income from which is to be used for cancer education in the training of persons in the care and special needs of cancer patients. Also included in the total named endowments amount is $2,000,000 that was pledged on April 30, 2013 for the purpose of establishing the Noble Endowment, to support an endowed chair in the business department of the College.

The Foundation's Board of Directors is charged with the responsibility for management of the endowed assets. To assist in carrying out this duty, the Foundation has adopted an investment policy that prioritizes preservation of capital, long-term growth, and adherence to the prudent person investment philosophy. To enact this policy, the Foundation's investment strategy emphasizes total return, assuming a level of risk consistent with reasonable and prudent investment practices for such funds.

The Foundation has adopted an endowment spending policy in compliance with the regulation of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted by the State of California in 2009, to ensure the prudent management of endowed funds in the disbursement of current earnings in support of the College, and to meet future needs established by the donor. The Foundation has established a target annual spending policy of 5.5 percent of the most recent 36-month average market value of the endowed fund.

The Foundation classifies as permanently restricted net assets (a) the value of endowed gifts as of the date of the original donation, and (b) subsequent gifts to a named endowment fund, less distributions that draw the fund balance below its previously endowed balance when the Foundation deems it prudent to make such distributions. Earnings on endowed funds are classified as temporarily restricted net assets until such time as the Board of Directors adopts a resolution for appropriation.

NOTE 6 – ENDOWMENTS (continued)

California Community Colleges Scholarship (CCCS) Endowment (continued)

Based on the terms of the agreement between the Osher Foundation and the FCCC, as well as the agreement between the FCCC and the Foundation, all of the funds contributed to the CCCS Endowment, regardless of source, are irrevocable gifts to the FCCC. The Foundation has an irrevocable beneficial interest in the balance of funds contributed for the benefit of students at El Camino College and the accumulated earnings, which does not include any funds contributed by the Osher Foundation. As of June 30, 2013 and June 30, 2012, the Foundation's beneficial interest in the CCCS Endowment totaled $1,789,214 and $1,695,708, respectively; inclusive of the CCCS Endowment funds to benefits students of El Camino College Compton Education Center (see Note 9). When coupled with funds distributed but not yet disbursed, the Foundation's net assets attributable to the CCCS Endowment are $1,882,542 and $1,736,187 as of June 30, 2013 and June 30, 2012, respectively.

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

The change in the Foundation's beneficial interest in the CCCS Endowment balance by net asset classification during the year ended June 30, 2013 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance - July 1, 2012	$ -	$ 40,479	$ 1,695,708	$ 1,736,187
Contributions	-	147,000	6,173	153,173
Investment income	-	3,669	-	3,669
Appreciation (depreciation) of investments, net	-	-	87,333	87,333
Appropriated for expenditure	-	(97,820)	-	(97,820)
Balance - June 30, 2013	$ -	$ 93,328	$ 1,789,214	$ 1,882,542

NOTE 7 – FAIR VALUE MEASUREMENT (continued)

Assets measured at fair value on the recurring basis as of June 30, 2012 were as follows:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Investments					
Cash/money market funds	$ 138,994	$ -	$ -	$ -	$ -
Equity securities	3,707,681	3,707,681	3,707,681	-	-
Bond funds	3,017,145	3,017,145	3,017,145	-	-
Total investments	6,863,820	6,724,826	6,724,826	-	-
Contributions receivable from split interest agreements	270,034	270,034	-	-	270,034
Beneficial interest in CCCS endowment	1,695,708	1,695,708	-	-	1,695,708
	$ 8,829,562	$ 8,690,568	$ 6,724,826	$ -	$ 1,965,742

Contributions Receivable from split interest agreements

The Foundation has an irrevocable beneficial interest in several split interest agreements forming charitable trust annuities, which are managed and administered by an unrelated third party (see Note 5). During the year ended June 30, 2013, it was determined that measurement of the contributions receivable from split interest agreements is a fair value measurement on the recurring basis. The measurement is considered to be a Level 3 input within the fair value hierarchy because even though that measurement is based on the fair value of underlying assets and the present value of annuity payments discounted using factors published by the Internal Revenue Service, the inputs are reported to the Foundation by the third party administrator and are therefore deemed unobservable to the Foundation's management.

Beneficial interest in CCCS Endowment

The Foundation classifies its agreement with the FCCC and the CCCS Endowment as a perpetual trust held by an unrelated third party. The Foundation's beneficial interest in the CCCS Endowment is required to be measured on a recurring basis at fair value. Generally accepted accounting principles indicate that the fair value of the beneficial interest can be approximated by the fair value of the portion of the CCCS Endowment upon which the Foundation has an irrevocable beneficial interest, unless specific circumstances indicate otherwise. The Foundation's Board of Directors believes that no such circumstances exist. During the year ended June 30, 2013, the Foundation's beneficial interest in the CCCS Endowment was reclassified from Level 2 to Level 3 input within the fair value hierarchy because even though that measurement is based on the unadjusted fair value of assets held at the FCCC, the Foundation will never receive those assets nor have the ability to direct the FCCC to redeem them.

NOTE 9 – RELATED PARTIES

El Camino Community College District

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

In exchange for support that the Foundation provides to the campus programs, the College contributes to the Foundation some portion of salaries and related expenses incurred and paid by the College on behalf of the Foundation. For the years ended June 30, 2013 and June 30, 2012, the College contributed $254,350 and $243,269, respectively, to the Foundation for personnel-related costs and $17,100 per year in contributed use of facilities.

In August 2012, the Foundation disbursed $188,567 to the Friends In Support of Improved Facilities at El Camino College in support of the College's 2012 Measure E general obligation bonds, which management has calculated as lower than the allowable expenditure to influence public opinion under the Foundation's election to participate in lobbying under Internal Revenue Code Section 501(h). A portion of this contribution was refunded to the Foundation in January 2013 in the amount of $49,707. Of this amount, the Board elected to expend $40,000 toward a sculpture, which is considered an in-kind distribution to the College.

El Camino College Compton Education Center

In August 2006, Compton Community College lost their accreditation and began operating under El Camino College's accreditation as a center of the El Camino Community College District. The purpose of the relationship is to allow for educational and related support services to remain available to residents of Compton while the campus is in the multi-year process of seeking accreditation as a two-year public college. The agreement between the entities provides for the eventual separation of the campus. As the CCCS Endowment (see Note 6) was formed after the center was established, the agreement with the Foundation for California Community Colleges names the Foundation as the recipient entity for CCCS Endowment distributions benefiting the Compton Education Center's students. The Foundation manages the CCCS endowment assets as a separate fund permanently designated for scholarships to students of Compton Education Center, which is valued at roughly fourteen percent (14%) of the CCCS endowment. When separation of the campus takes place, the reallocation of funds by the FCCC will be considered an extraordinary event under generally accepted accounting principles.

NOTE 10 - SUBSEQUENT EVENTS

The Foundation's management has evaluated subsequent events for the period from June 30, 2013 through September 6, 2013, the date the financial statements were available to be issued. In July 2013, the Board elected to transfer the full balance of $420,000 held for the Center for the Arts to the College relieving the Foundation of all future responsibilities over such funds. Management did not identify any other transactions that require disclosure or that would have an impact on these financial statements.

CALIFORNIA COMMUNITY COLLEGES
2013-14 FIRST PRINCIPAL APPORTIONMENT
EL CAMINO COMMUNITY COLLEGE DISTRICT

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Workload Restoration	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,564.825103	4,636.490000	18,145.600	317.880	0.000	0.000	0.000	18,463.460	0.000	18,463.460
Noncredit FTES	2,788.053637	2,788.053637	14.400	-7.860	0.000	0.000	0.000	6.540	0.000	6.540
Noncredit - CDCP FTES	3,282.811061	3,282.811061	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			18,160.000	310.000	0.000	0.000	0.000	18,470.000	0.000	18,470.000

I Base Revenues +/- Restore or Decline

A Basic Allocation		$8,857,454
B Basic FTES Revenue Before Workload Reduction	$82,871,018	
C Workload Reduction	$0	
D Revised Base FTES Revenue		$82,871,018
1 Credit Base Revenue	$82,831,491	
2 Noncredit Base Revenue	$39,527	
3 Career Development College NonCr	$0	
E Current Year Decline		$0
Total Base Revenue Less Decline		$91,728,472

II Inflation Adjustment

A Statewide Inflation Adjustment	1.57%	
B Inflation Adjustment	$1,440,137	
C Current Year Base Revenue + Inflation Adjustment		$93,168,609

III Basic Allocation & Restoration

A Basic Allocation Adjustment	$0	
B Basic Allocation Adjustment COLA		$0
C Stability Restoration		$0
D Restoration of 09-10 Workload Reduction		$47,181
E Restoration of 11-12 Workload Reduction		$1,404,660
Total Basic Allocation & Restoration		$1,451,841

IV Growth

A Unadjusted Growth Rate	$0.00%	
B Constrained Growth Rate	0.00%	
C Constrained Growth Cap	$0	
D Actual Growth	$0	
E Funded Credit Growth Revenue	$0	
F Funded Noncredit Growth Revenue	$0	
G Funded Noncredit CDCP Growth Revenue	$0	
Total Growth Revenue		$0

V Other Revenues Adjustments

A Revenue Adjustment	$1,107,182
Total Revenue Adjustments	$1,107,182

VI Stability Adjustment $0

VII Total Computational Revenue $95,727,632

(sum of II, III, IV, V, & VI)

should have earned.

VIII District Revenue Source

A1 Property Taxes		$28,713,534
A2 Less Property Taxes Excess		$0
B Student Enrollment Fees		$7,931,215
C State General Apportionment		$44,484,990
D June Estimated EPA		$12,423,708
Available Revenue		$91,553,447
E Revenue Shortfall	0.9563951921	$4,174,185
Total Revenue Plus Shortfall		$95,727,632

IX Other Allowances and Total Apportionments

A State General Apportionment	$44,484,990
B Statewide Average Replacement Cost	$60,289
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	$0
Net State General Apportionment	$44,484,990

X Unrestored Decline as of July 1st of Current Year

A 1st Year	$0
B 2nd Year	$0
C 3rd Year	$0
Total	$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

Basic Allocation Calculation
College/Center Base Funding Rates:

	Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES				
	>18,472	>9,236	<=9,236	Rural	>18,472	>9,236	<=9,236	
	$5,535,909	$4,428,727	$3,321,545	$551,591	$4,428,727	$3,875,136	$3,321,545	Total Colleges
FTES:	1	0	1	0	0	0	0	2
Revenue:	$5,535,909	$0	$3,321,545	$0	$0	$0	$0	Total Colleges Rev: $8,857,454

State Approved Center: Funding Rates		Total State Approved Centers	Total State Approved Centers Revenue
0	$1,107,182	0	$0

Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels

	>924	>693	>462	>231	<=231	Total Grandfathered or Previously Approved Centers
Rate	$1,107,182	$830,386	$553,591	$276,795	$138,398	
Number of Grandfathered or Previously Approved Centers: @ Total FTES	0	0	0	0	0	0
Grandfathered or Previously Approved Center Revenue:	$0	$0	$0	$0	$0	Total Grandfathered or Approved Center: $0

Total Basic Allocation Revenue
$8,857,454