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FOUNDATION FOR
GROSSMONT AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)

AUDIT REPORTS

FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
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JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Foundation for Grossmont and Cuyamaca Colleges
El Cajon, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Foundation for Grossmont and Cuyamaca Colleges, a California Nonprofit Organization, (the "Foundation"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for Grossmont and Cuyamaca Colleges as of June 30, 2025 and 2024, and the changes to its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation for Grossmont and Cuyamaca Colleges 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted 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 generally accepted auditing standards:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2026, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
March 2, 2026

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024**

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 45,180,650	\$ 47,363,517
Investments	5,524,703	4,114,534
Beneficial interest in CCCS endowment	1,133,720	1,061,716
Accounts receivable	672,260	604,778
Due from related entities	44,022	121,191
Total current assets	<u>52,555,355</u>	<u>53,265,736</u>
Noncurrent assets:		
Equipment	5,704	5,704
Less: accumulated depreciation	(5,704)	(5,704)
Total capital assets, net	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>
Total assets	<u>\$ 52,555,355</u>	<u>\$ 53,265,736</u>
LIABILITIES		
Accounts payable	\$ 7,604,235	\$ 3,458,133
Accrued payroll liabilities	190,848	191,075
Due to related entities	44,022	121,191
Accrued vacation	249,811	212,249
Total liabilities	<u>8,088,916</u>	<u>3,982,648</u>
NET ASSETS		
Net assets without donor restrictions	2,122,715	2,058,622
Net assets with donor restrictions	42,343,724	47,224,466
Total net assets	<u>44,466,439</u>	<u>49,283,088</u>
Total liabilities and net assets	<u>\$ 52,555,355</u>	<u>\$ 53,265,736</u>

See accompanying notes to financial statements

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Categorical allowances	\$ -	\$ 48,112,329	\$ 48,112,329
Contract education and services	-	50	50
Contributions	-	2,140,767	2,140,767
Interest income	-	1,109,734	1,109,734
Net investment income	-	530,923	530,923
Campus ticket sales	-	75,129	75,129
Other local revenue	189,327	-	189,327
Operational indirect offset	-	606,303	606,303
GCCCD support	-	334,697	334,697
Scholarships	-	169,154	169,154
Net assets released from restrictions	456,245	(456,245)	-
Total Support and Revenue	645,572	52,622,841	53,268,413
OPERATING EXPENSES			
Program services	565,826	56,985,204	57,551,030
Management and general	15,653	518,379	534,032
Total Operating Expenses	581,479	57,503,583	58,085,062
Change in Net Assets	64,093	(4,880,742)	(4,816,649)
Net Assets - Beginning of Year	2,058,622	47,224,466	49,283,088
Net Assets - End of Year	\$ 2,122,715	\$ 42,343,724	\$ 44,466,439

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Categorical allowances	\$ -	\$ 53,315,547	\$ 53,315,547
Contract education and services	-	14,403	14,403
Contributions	-	769,602	769,602
Interest income	-	1,004,274	1,004,274
Net investment income	-	437,674	437,674
Campus ticket sales	-	169,411	169,411
Other local revenue	84,072	-	84,072
Operational indirect offset	-	412,358	412,358
GCCCD support	-	334,697	334,697
Scholarships	-	157,015	157,015
Net assets released from restrictions	376,975	(376,975)	-
Total Support and Revenue	461,047	56,238,005	56,699,052
OPERATING EXPENSES			
Program services	565,826	39,464,857	40,030,683
Management and general	15,653	471,672	487,325
Total Operating Expenses	581,479	39,936,529	40,518,008
Change in Net Assets	(120,432)	16,301,476	16,181,044
Net Assets - Beginning of Year	2,179,054	30,922,990	33,102,044
Net Assets - End of Year	\$ 2,058,622	\$ 47,224,466	\$ 49,283,088

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services	Management and General	Total
Operating Expenses			
Salaries	\$ 5,964,363	\$ 336,274	\$ 6,300,637
Student Aid	480,464	-	480,464
Benefits	2,305,932	161,495	2,467,427
Supplies	484,491	5,013	489,504
Contract services	47,200,019	31,250	47,231,269
Travel and conferences and mileage	141,651	-	141,651
Fees	90,578	-	90,578
Equipment	184,308	-	184,308
Utilities	20,973	-	20,973
Operational Indirect	606,303	-	606,303
Contract maintenance	772	-	772
Rental and leases	525	-	525
Transportation and repair	6,067	-	6,067
Printing and binding	32,482	-	32,482
Advertising and promotion	4,103	-	4,103
Other miscellaneous expenses	27,999	-	27,999
Total Operating Expenses	\$ 57,551,030	\$ 534,032	\$ 58,085,062

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services	Management and General	Total
Operating Expenses			
Salaries	\$ 5,562,298	\$ 313,605	\$ 5,875,903
Benefits	2,215,587	129,477	2,345,064
Supplies	500,776	5,181	505,957
Contract services	30,551,502	31,250	30,582,752
Travel and conferences and mileage	166,066	7,812	173,878
Fees	74,330	-	74,330
Equipment	21,821	-	21,821
Utilities	430,918	-	430,918
Contract maintenance	8,817	-	8,817
Advertising and promotion	41,852	-	41,852
Student Aid	455,756	-	455,756
Intrafund Transfers Out	960	-	960
Total Operating Expenses	\$ 40,030,683	\$ 487,325	\$ 40,518,008

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

Year Ended June 30,	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (4,816,649)	\$ 16,181,044
Reconciliation to net cash provided by operating activities:		
(Increase) decrease in operating assets:		
Due from related entities	77,169	(84,795)
Effect on changes in:		
Accounts payable	4,146,102	(51,643)
Accrued payroll	(227)	34,657
Accrued vacation	37,562	(10,759)
Due to related entities	(77,169)	84,461
Net Cash Provided by Operating Activities	<u>(633,212)</u>	<u>16,152,965</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (gains) losses on investments	(1,477,651)	1,256,024
Net losses on FCCC endowment	(72,004)	(67,115)
Net cash provided (used) by Investing Activities	<u>(1,549,655)</u>	<u>1,188,909</u>
Net Increase in Cash and Cash Equivalents	(2,182,867)	17,341,874
Cash and Cash Equivalents - Beginning of Year	<u>47,363,517</u>	<u>30,021,643</u>
Cash and Cash Equivalents - End of Year	<u>\$ 45,180,650</u>	<u>\$ 47,363,517</u>

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES

Reporting Entity: The Foundation for Grossmont and Cuyamaca Colleges (the "Foundation") was incorporated in the State of California on March 1, 2000 for the purpose of promoting and assisting the Grossmont-Cuyamaca Community College District (the "District"). The Foundation was formed by the District and is authorized to operate as a Foundation organization of the District under the provisions of California Education Code and the District's implementing regulations. The Foundation's primary role is to raise funds for the District and administer various federal and state grants and programs for the District.

Basis of Accounting: The Foundation's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received, and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

Basis of Presentation: The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organization (the "Guide"). ASC Topic 958-205 was effective January 1, 2018.

Support and Revenues: Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as net assets without donor restrictions support unless explicit donor stipulations specify how the donated assets must be used. Equipment donated for the use of either the Grossmont or Cuyamaca College is passed through to the Grossmont-Cuyamaca Community College District. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as net assets without donor restrictions.

Financial Statement Presentation: The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts maintained by and directly under the control of the Foundation.

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Foundation is required to present the statements of cash flow. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the District are financial interrelated organizations as defined by Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others. The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES, continued

Revenue Recognition: Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of any donor restrictions. Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give (contributions receivable) that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. Event revenues received in advance are deferred and recognized in the period as the events occur. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are recorded as contributions based on the estimated fair value at the date of donation. Donated services are recorded as contributions at their estimated fair value only in those instances where the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation.

In Kind Donations: During the year, many individuals donate significant amounts of time and services to the District in an effort to advance the programs and objectives of the Foundation. These services have not been recorded in the financial statements because the criteria for recognition of such volunteer effort have not been satisfied.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Net Assets: The financial statements report amounts separately by class of net assets as follows:

- Net assets without donor restrictions are those resources that are currently available for operations.
- Net assets with donor restrictions are those resources which are stipulated by donors for various scholarships or other programmatic uses.

Allowance for Uncollectible Receivables: The Foundation computes the allowance for doubtful accounts base on the actual uncollectible accounts receivable. Uncollectible accounts over the history of the Foundation have been considered immaterial and inconsistent. Therefore, no amounts have been included for an allowance for doubtful accounts.

Capital Assets: Due to the nature and requirements of the foundation grant, funds must be expensed in the fiscal year received or in adherence to the grant guidelines. All large equipment is currently purchased through the District. The District manages inventory and depreciation schedules. The equipment allocation of expenses passes through to the Foundation and paid in full.

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES, continued

Donated Services, Goods, and Facilities: A substantial number of volunteers have donated their time and experience to the Foundation’s program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

The Foundation supports and improves community interaction with the Grossmont-Cuyamaca Community College District. In its capacity as community liaison, the Foundation procures public support for the Grossmont-Cuyamaca Community College District, which is recorded in the Foundation’s accounting records. Materials and other assets received as donations recorded and reflected in the financial statements at their fair values on the date of receipt.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Foundation considers an original maturity of less than ninety days to be cash equivalents. The Foundation’s method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities and changes in net assets.

Income Taxes: The Foundation is a 509(a)(1) publicly supported nonprofit organization 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 organization. The Foundation is also exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code.

Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state income taxes. The Foundation did not have any net unrelated business income for the years ended June 30, 2025 and 2024.

The Foundation has adopted FASB ASC Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities.

Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES, continued

Leases: Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of operations. On June 30, 2025, the Foundation had no leases requiring recognition under ASC Topic 842.

Allocation of Functional Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs are allocated based on time and effort. The financial statements also report categories of expenses that are attributed to program service activities or supporting services activities. These expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

Evaluation of Subsequent Events: The Foundation has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through December 11, 2025, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact, on the current year financial statements.

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 – MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES

Effective July 1, 2008, the Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

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

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S.

Government and agency mortgage-backed securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, residential MSRs, asset-backed securities (ABS), highly structured or long-term derivative contracts and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for program services that could be drawn upon if the Board of Directors approves that action.

	<u>2025</u>	<u>2024</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 45,180,650	\$ 47,363,517
Due from related entities	44,022	121,191
Total Financial assets, at year-end	<u>\$ 45,224,672</u>	<u>\$ 47,484,708</u>
Restrictions for specific purposes:		
Donor restrictions for specific purposes	<u>\$ (42,343,724)</u>	<u>\$ (47,224,466)</u>
Total contractual or donor-imposed restrictions	<u>(42,343,724)</u>	<u>(47,224,466)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,880,948</u>	<u>\$ 260,242</u>

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2025 and 2024, consist of cash in checking and money market accounts in the amount of \$51,839,073 and \$50,891,510, respectively.

Custodial credit risk is the risk that in the event of a bank failure, the Foundation’s deposits may not be returned to it. The Foundation does not have a policy for custodial credit risk of deposits. The Federal Deposit Insurance Corporation insures up to \$250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2025 and 2024, the Foundation is exposed to \$51,589,073 and \$50,641,510 of custodial credit risk, respectively.

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 5 – DUE FROM RELATED PARTIES

As described in Note 1, the Foundation's purpose is to support the District; therefore, transactions between the Foundation, the District, and other affiliate agencies of the District, are expected. Per the terms of its implementing regulations and master agreement, the Foundation is authorized to use facilities and property of the District and is covered under the District's insurance. The Foundation has not recognized the coverage of these expenses by the District as non-cash contributions.

The Foundation is governed by a Board of Directors separate from that of the District Trustees; however, the Foundation's Board of Directors is comprised of the Chancellor of the District, and other representatives of the District, the colleges and its affiliates.

The Foundation's primary source of income are federal and state grant awards passed through the District to the Foundation. During the years ended June 30, 2025 and 2024, these awards totaled \$48,051,918 and \$53,272,689, respectively. In turn, the Foundation provides support for various programs of the District. Awards due to District programs, departments, and affiliates totaled \$4,080,525 and \$198,583 at the years ended June 30, 2025 and 2024, respectively.

Amounts due to and from the District for cost reimbursement are generated through the normal course of operation. As of June 30, 2025 and 2024, \$395,223 and \$529,729 respectively, was receivable from the District for federal and state pass-through grants.

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2025 and 2024 consist of employee reimbursements and vendor payables of \$6,650,095 and \$3,458,133 respectively.

NOTE 7 – ACCRUED VACATION

Compensated absences at June 30, 2025 and 2024 of \$249,811 and \$212,249, respectively, consist of employee benefits and salaries earned but not yet paid.

NOTE 8 – PENSION PLANS

Plan Description: The Foundation contributes to the School Employer Pool 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 Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 8 – PENSION PLANS, continued

Benefits Provided: The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions: Active plan members who entered the plan prior to January 1, 2013, are required to contribute 7% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.75% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The Foundation is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2025 and 2024 was 11.94% and 11.84% of annual payroll, respectively. Contributions to the plan from the Foundation were \$462,256 and \$439,617 for the years ended June 30, 2024 and 2023, respectively.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Foundation 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 reimbursements would not be material.

Under current law on multiemployer defined benefit plans, the Organization's voluntary withdrawal from any underfunded multiemployer defined benefit plan would require the Organization to make payments to the plan, which would approximate the Organization's proportionate share of the multiemployer plan's unfunded vested liabilities. Also, as of June 30, 2025 and 2024, CalPERS has estimated the Organization's share of withdrawal liability to be \$230,384 and \$178,964 respectively. The Foundation does not currently intend to withdraw from CalPERS. Refer to Note 8 for additional information on employee retirement plans.

NOTE 10 – SUBSEQUENT EVENTS

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through March 2, 2026 which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact, on the current year financial statements.



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 Directors
Foundation for Grossmont and Cuyamaca Colleges
El Cajon, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the Foundation for Grossmont and Cuyamaca Colleges (the Foundation) 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 March 2, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
March 2, 2026



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

Board of Directors
Foundation for Grossmont and Cuyamaca Colleges
El Cajon, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Foundation for Grossmont and Cuyamaca Colleges (the Foundation) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Foundation's major Federal programs for the year ended June 30, 2025. The Foundation's major Federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation for Grossmont and Cuyamaca College's compliance based on our audit

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 Foundation for Grossmont and Cuyamaca College's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation for Grossmont and Cuyamaca College'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 Foundation for Grossmont and Cuyamaca College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation for Grossmont and Cuyamaca College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

CWDL, Certified Public Accountants

San Diego, California
March 2, 2026

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
East County Educational Opportunity Center (TRIO)	84.006A	*	\$ 229,365
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
California Dept. of Public Health Bi National Border	93.069	*	743,934
Foster Care Education (Federal & State)	93.658	*	334,040
Headstart	93.600	*	34,089
Total			\$ 1,341,428

*Pass-Through number is either not available or not applicable

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

The accompanying schedule of federal expenditures of federal awards included the federal grant activity of the Foundation and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2025**

Section I – Summary of Auditors' Results

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Is a going concern emphasis-of-matter paragraph included in the auditor's report	<u>No</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>Assistance Listing Number</u>	<u>Name of Federal Program of Cluster</u>
<u>93.069</u>	<u>California Dept. of Public Health Bi National Border</u>

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

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
FINANCIAL STATEMENT FINDINGS
JUNE 30, 2025**

Section II – Financial Statement Findings

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

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

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

Section III – Federal Award Findings and Questioned Costs

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

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

**FOUNDATION FOR GROSSMONT
AND CUYAMACA COLLEGES
(A CALIFORNIA NONPROFIT ORGANIZATION)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

There were no findings and questioned costs during fiscal year 2023-24.