



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2018 AND 2017**

**JAMES MARTA &
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COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

JUNE 30, 2018

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COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

JUNE 30, 2018 AND 2017

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community College League of California
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Community College League of California (League), which comprise the statements of financial position as of June 30, 2018 and 2017, the related statements of activities 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 audits. We conducted our audits 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 from 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 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.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the League as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Required Reporting

In accordance with auditing standards generally accepted in the United States of America, we have also issued our report dated November 9, 2018 on our consideration of the League's internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on internal control over financial reporting. That report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the League's internal control over financial reporting.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
November 9, 2018

FINANCIAL STATEMENTS

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,572,977	\$ 3,385,975
Cash held for future library consortium	802,575	1,189,061
Cash held on behalf of others	617,900	216,048
Investments held for future library consortium	1,433,212	1,879,703
Accounts receivable	1,932,337	243,987
Prepaid expenses and deposits	160,481	191,651
Total Current Assets	6,086,270	7,106,425
Noncurrent Assets		
Property & equipment, net	298,111	302,328
Gift annuity investments	4,847,515	5,015,958
Total Noncurrent Assets	6,578,838	5,318,286
Total Assets	\$ 12,665,108	\$ 12,424,711
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 292,603	\$ 127,582
Accrued liabilities	158,866	88,764
Deferred revenue	108,926	153,566
Amounts held for future library consortium	2,235,787	3,068,764
Cash held on behalf of others	617,900	216,048
Current portion of gift annuity liabilities	437,231	461,178
Total Current Liabilities	3,851,313	4,115,902
Noncurrent Liabilities		
Gift annuity liabilities, net	4,410,284	4,554,780
Total Noncurrent Liabilities	4,410,284	4,554,780
Total Liabilities	8,261,597	8,670,682
Net Assets		
Unrestricted		
Invested in property & equipment	298,111	302,328
Undesignated	4,105,400	3,451,701
Total Net Assets	4,403,511	3,754,029
Total Liabilities And Net Assets	\$ 12,665,108	\$ 12,424,711

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

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

STATEMENTS OF ACTIVITIES

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Membership dues	\$ 2,633,725	\$ 2,485,479
District services	1,966,734	1,794,396
Championships, conventions, conferences, and workshops	1,440,068	1,260,660
Corporate partners	59,960	148,375
Interest and investment income	85,402	47,161
Publications	4,864	7,792
Miscellaneous	90,556	55,427
Total Revenues	<u>6,281,309</u>	<u>5,799,290</u>
Expenses		
Program services:		
Conventions, conferences, and workshops	1,529,565	1,463,434
District services	1,063,360	1,121,517
Legislative	404,424	397,428
Championships	510,109	448,903
Publications	111,941	62,181
Operations	397,468	244,562
Development	199,269	317,776
Total program services	<u>4,216,136</u>	<u>4,055,800</u>
General and administration	1,415,691	1,198,297
Total Expenses	<u>5,631,827</u>	<u>5,254,097</u>
Change in Unrestricted Net Assets	<u>649,482</u>	<u>545,193</u>
Net Assets, Beginning of Period	<u>3,754,029</u>	<u>3,208,836</u>
Net Assets, End of Period	<u>\$ 4,403,511</u>	<u>\$ 3,754,029</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Net Cash Flows Provided (Used) by Operating Activities		
Change in net assets	\$ 649,482	\$ 545,193
Reconciliation to net cash provided (used) by operating activities:		
Depreciation	36,570	34,323
Changes in:		
Cash held for future library consortium	(386,486)	(159,035)
Cash held on behalf of others	401,852	(15,901)
Accounts receivable	(1,688,350)	204,989
Prepaid expenses and deposits	31,170	(40,993)
Gift annuity investments	168,443	(289,244)
Accounts payable	165,021	(139,415)
Accrued liabilities	70,102	(15,325)
Deferred revenue	(44,640)	(216)
Gift annuity liabilities	(168,443)	289,244
Amounts held for future library consortium	386,486	159,035
Cash held on behalf of others	(401,852)	15,901
Net cash provided (used) by operating activities	(1,466,697)	9,040
Net Cash Flows Provided (Used) by Investing Activities		
Purchases of property and equipment	(30,933)	(16,125)
Purchase of investments	(1,574,942)	(487,591)
Sale of investments	1,488,120	453,682
Investment income	85,402	33,909
Net cash provided (used) by investing activities	(32,353)	(16,125)
Net Increase (Decrease) in Cash and Cash Equivalents	(812,998)	572,431
Cash and Cash Equivalents, Beginning of Year	3,385,975	2,813,544
Cash and Cash Equivalents, End of Year	\$ 2,572,977	\$ 3,385,975
Supplementary Information		
Unrealized gain (loss) on investments	\$ (15,559)	\$ 2,598

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

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Community College League of California (the League, CCLC) is a nonprofit public benefit corporation organized for the advancement of education, particularly to better the educational opportunities of California community college students and local community colleges. California Community College Athletic Association (CCCAA) is a program within the League that organizes and administers intercollegiate athletic regional and state championship events throughout California. The League also supports the local community college districts of California by assisting with educating and developing board members, faculty and staff of the colleges through research and educational policy development and by representing the colleges to governmental bodies.

B. BASIS OF PRESENTATION

The accompanying financial statements are presented in conformity with Accounting Standards Codification (ASC) 958-205, *Not-For-Profit Entities – Presentation of Financial Statements*. Under ASC 958-205, the League reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The League has no temporarily or permanently restricted net assets.

C. REVENUE RECOGNITION

Membership dues are recognized as revenues in the membership period. Dues collected in advance of the membership period are recorded as deferred revenue until earned. Revenues from conventions, conferences, workshops and district services programs are recognized when the related events or services occur. Fees collected in advance of such events or services are recorded as deferred revenue until earned.

Contributions and private foundation grants are recognized in full when received or unconditionally promised, in accordance with ASC 958-605, *Not-For-Profit Entities – Revenue Recognition*. Donor-restricted amounts are reported as increases in temporarily restricted net assets. Temporarily restricted net assets become unrestricted, and are reported in the statements of activities as satisfaction of restrictions when the time restrictions expire or the contributions are used for the restricted purposes.

D. CASH AND CASH EQUIVALENTS

For financial statement purposes, the League considers all investments with a maturity at purchase of three months or less to be cash equivalents.

E. PROPERTY AND EQUIPMENT

Property and Equipment are stated at cost and depreciated using the straight-line method over estimated useful lives of 3 to 20 years. The League's policy is to capitalize such items with a cost of \$500 or more.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. AMOUNTS HELD FOR FUTURE LIBRARY CONSORTIUM

Amounts held for future library consortium represent funds received from member community colleges to be held and distributed by the League for products and services obtained by those members. The League contracts with certain vendors on behalf of the community colleges and provides fiscal administrative services to facilitate payments for services provided.

G. INCOME TAXES

The League is exempt from incomes taxes under Internal Revenue Code Section (IRC §) 501(c)(3). It is however, subject to income taxes from activities unrelated to its tax-exempt purpose.

The League adopted the accounting principles related to accounting for uncertainty in income taxes (as described under ASC 740-10) as of July 1, 2009 and has determined that there is no material impact on the financial statements for June 30, 2018. With some exceptions, the League is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2013.

H. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and management's estimates of the usage of resources.

I. SUBSEQUENT EVENTS

The League's management evaluated its financial statements for subsequent events through November 9, 2018, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

J. USE OF ESTIMATES

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

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. FAIR VALUE MEASURES

Assets and liabilities measured at fair value are recorded in accordance with ASC 820, *Fair Value Measurements and Disclosures*, which clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs in which there is little or no market data, which require management to develop their own assumptions.

L. PENSION PLANS

The financial statements are prepared on the accrual basis of accounting in conformity with accounting standards applicable to not-for-profit entities. Financial Accounting Standards Board (FASB) statements 87 – Employers’ Accounting for Pensions and 158 – Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans – An Amendment of FASB Statements No. 87, 88, 106 and 132(R) provide guidance on the accounting for pension plans related to non-profit organizations.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Balance Per Bank	\$ 4,188,189	\$ 4,869,676
Plus: Deposits in Transit	507,240	48,357
Less: Outstanding Checks	<u>(701,977)</u>	<u>(126,949)</u>
Total Cash and Cash Equivalents	<u>\$ 3,993,452</u>	<u>\$ 4,791,084</u>

Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The amount held in banks in excess of FDIC as of June 30, 2018 and 2017 was \$3,251,026 and \$4,132,756, respectively. The League has not experienced any losses in bank deposit accounts that exceed federally insured limits. Management believes the League is not exposed to any significant credit risk related to cash.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

2. CASH AND CASH EQUIVALENTS (CONTINUED)

Cash is presented in three categories on the statement of financial position at June 30:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 2,572,977	\$ 3,385,975
Cash held for future library consortium	802,575	1,189,061
Cash held on behalf of others	<u>617,900</u>	<u>216,048</u>
Total Cash and Cash Equivalents	<u>\$ 3,993,452</u>	<u>\$ 4,791,084</u>

3. INVESTMENTS

As of June 30, 2018, Community College League of California held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>< 1yr</u>	<u>1-3 yrs</u>	<u>>3 yrs</u>
US Treasuries	\$ 454,407	\$ 175,805	\$ 278,602	\$ -
Government Agencies	200,189	-	200,189	-
Corporate Bonds	346,173	-	77,323	268,850
Municipal Bonds	319,103	-	-	319,103
Certificates of Deposit	<u>113,340</u>	<u>63,678</u>	<u>49,662</u>	<u>-</u>
Total Investments	<u>\$ 1,433,212</u>	<u>\$ 239,483</u>	<u>\$ 605,776</u>	<u>\$ 587,953</u>

As of June 30, 2017, Community College League of California held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>< 1yr</u>	<u>1-3 yrs</u>	<u>>3 yrs</u>
Mutual Funds	\$ 1,776,604	\$ 1,776,604	\$ -	\$ -
Stocks	<u>103,099</u>	<u>103,099</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 1,879,703</u>	<u>\$ 1,879,703</u>	<u>\$ -</u>	<u>\$ -</u>

The League's investments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

The entire investment balance as of June 30, 2018 and 2017 is held for future library consortium.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Non-depreciable assets		
Land	\$ 51,177	\$ 51,177
Depreciable assets		
Building and improvements	748,213	736,303
Furniture and equipment	216,321	249,525
Total, at cost	<u>964,534</u>	<u>985,828</u>
Accumulated Depreciation	<u>(717,600)</u>	<u>(734,677)</u>
Depreciable assets, net	<u>246,934</u>	<u>251,151</u>
Property and Equipment, net	<u>\$ 298,111</u>	<u>\$ 302,328</u>

Depreciation expense was \$36,570 and \$34,323 respectively, for the years ended June 30, 2018 and 2017.

5. GIFT ANNUITY PROGRAM

The gift annuity program is administered by the League for member community colleges that wish to solicit gift annuities from donors as a fund raising activity. The program is designed so that a donor establishes a gift annuity agreement with the League and in return receives a guaranteed annuity payment of a pre-designated amount over their lifetime. When a gift annuity matures, the remainder interest in the gift annuity is transferred to the community college designated by the donor.

Gift annuity investments represent the fair value of balances held in trust related to the gift annuity program. Gift annuity liabilities represent the sum of the present value of the estimated liability due to primary beneficiaries of the gift annuities and the remainder interest held on behalf of the community colleges.

The League is responsible for all annuity payments to primary beneficiaries under these agreements. As such, the League would incur financial obligations for gift annuity account balances that are insufficient to cover the required annuity payments. The League has not recorded any contingent liability related to these agreements. Management believes that any future obligation will not have a material effect on the financial position of the League.

The League had 115 and 116 participants at June 30, 2018 and 2017, respectively, with account balances of \$4,847,515 and \$5,015,958 at June 30, 2018 and 2017, respectively. The League received administrative and processing fees of \$0 for 2017-2018 and \$1,600 for 2016-2017, in connection with this program.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

5. GIFT ANNUITY PROGRAM (CONTINUED)

Gift annuity investments consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Money market funds	\$ 67,315	\$ 119,081
Taxable Bonds	2,406,126	2,647,297
Stocks	<u>2,374,074</u>	<u>2,249,580</u>
Total	<u>\$ 4,847,515</u>	<u>\$ 5,015,958</u>

The League's gift annuity investments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

6. DEFINED BENEFIT PENSION PLAN

Plan Description

Qualified employees are covered under a defined benefit pension plan maintained by an agency of the State of California. The League's employees are members of the California Public Employees' Retirement System (CalPERS).

The CalPERS Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan is part of the Public Agency portion of CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. The Plan selects optional benefit provisions by contract with CalPERS and adopts those benefits through Board approval. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, California 95814.

Funding Policy

Active League plan members are required to contribute 7% as "Classic Members," or 6.25% as "PEPRA Members" (if employed subsequent to the adoption of the California Public Employees' Pension Reform Act of 2013) of their annual covered salary. In addition, the League is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for Classic Members for the fiscal years ended June 30, 2018, and 2017 were 7.634% and 7.2% of annual payroll. The required employer contribution rate for PEPRA Members for the fiscal years ended June 30, 2018, and 2017 were 6.842% and 6.533% of annual payroll. The contribution requirements of the plan members are established by the state statute.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The League's contributions to CalPERS for the fiscal years ending June 30, 2018, and 2017 were \$328,503 and \$296,260 respectively, and equal 100% of the required contributions for each year. The League did not contribute more than 5% of the total contributions to CalPERS for the years ended June 30, 2018, and 2017.

The risks of participating in this multiemployer defined benefit pension plan are different from single employer plans because: (a) assets contributed to the CalPERS plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the CalPERS plan may be required to be borne by the remaining participating employers, and (c) if the League chooses to stop participating in the CalPERS plan, it may be required to pay a withdrawal liability to the plan. In connection with ongoing renegotiation of collective bargaining agreements, the League may discuss and negotiate for the complete or partial withdrawal from the multiemployer pension plan. Depending on the number of employees withdrawn in any future period and the financial condition of the multiemployer plan at the time of withdrawal, the associated withdrawal liabilities could be material to the League's change in net assets in the period of the withdrawal. The League has no plans to withdraw from the multiemployer pension plan.

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Pension Liability

At June 30, 2018 and 2017, the League had no outstanding amount of contributions due to CalPERS. For nonprofit entities reporting under Financial Accounting Standards Board (FASB) standards, no liability is recognized for pension liability arising from participation in a multi-employer plan (e.g. CalPERS). This differs from Governmental Accounting Standards Board (GASB) reporting standards which require the calculation of net pension liability in accordance with GASB 68.

7. DEFERRED COMPENSATION AND OTHER RETIREMENT PLANS

The League offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. No contributions are currently being made by the League. The deferred compensation is not available to employees until disability, termination, retirement, death or an unforeseeable emergency.

Employees of the League may also participate in a defined contribution 401(k) retirement plan. Employees may make voluntary contributions up to federally designated limits. No contributions are currently being made by the League.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

8. RELATED ENTITIES

Retiree Health Benefits Joint Powers Agency

The Retiree Health Benefits Joint Powers Agency (JPA) was formed in January 2005 to create an irrevocable trust for accumulating funds for payment of member districts' post-employment benefit obligations and operate an investment program for accumulated benefit funds. The board of the JPA consists of one member appointed by the governing body of each participating district, plus two ex-officio members who are League employees. The League acts as administrator for the JPA and collected fees for administrative services totaling \$127,063 and \$134,377 for the fiscal years ended June 30, 2018 and 2017, respectively.

California Community College Financing Authority

The California Community College Financing Authority (CCCFA) was created to serve as a conduit debt issuer of lease revenue bonds for California community colleges. The board of the CCCFA consists of two representatives from the Community College League of California (the Executive Director and one other employee); and one appointee from each of the following community college districts: Butte Glenn Community College District, Palomar Community College District and State Center Community College District. The League acts as administrator for the CCCFA and collected fees for administrative services totaling \$12,000 and \$12,500 for the fiscal years ended June 30, 2018 and 2017, respectively.

SUPPLEMENTARY INFORMATION

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

**SCHEDULE I
STATEMENT OF FINANCIAL POSITION BY PROGRAM**

JUNE 30, 2018

	<u>CCLC</u>	<u>CCCAA</u>	<u>Eliminations</u>	<u>TOTAL</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 2,206,307	\$ 366,670	\$ -	\$ 2,572,977
Cash held for future library consortium	802,575	-	-	802,575
Cash held on behalf of others	617,900	-	-	617,900
Investments held for future library consortium	1,433,212	-	-	1,433,212
Accounts receivable	1,963,535	5,871	(37,069)	1,932,337
Prepaid expenses and deposits	160,481	-	-	160,481
Total Current Assets	<u>5,750,798</u>	<u>372,541</u>	<u>(37,069)</u>	<u>6,086,270</u>
Noncurrent Assets				
Property & equipment, net	291,906	6,205	-	298,111
Gift annuity investments	4,847,515	-	-	4,847,515
Total Noncurrent Assets	<u>6,572,633</u>	<u>6,205</u>	<u>-</u>	<u>6,578,838</u>
Total Assets	<u>\$ 12,323,431</u>	<u>\$ 378,746</u>	<u>\$ (37,069)</u>	<u>\$ 12,665,108</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 254,357	\$ 75,315	\$ (37,069)	\$ 292,603
Accrued liabilities	120,759	38,107	-	158,866
Deferred revenue	108,426	500	-	108,926
Amounts held for future library consortium	2,235,787	-	-	2,235,787
Cash held on behalf of others	617,900	-	-	617,900
Current portion of gift annuity liabilities	437,231	-	-	437,231
Total Current Liabilities	<u>3,774,460</u>	<u>113,922</u>	<u>(37,069)</u>	<u>3,851,313</u>
Noncurrent Liabilities				
Gift annuity liabilities, net	4,410,284	-	-	4,410,284
Total Noncurrent Liabilities	<u>4,410,284</u>	<u>-</u>	<u>-</u>	<u>4,410,284</u>
Total Liabilities	<u>8,184,744</u>	<u>113,922</u>	<u>(37,069)</u>	<u>8,261,597</u>
Net Assets				
Unrestricted				
Invested in property & equipment	291,906	6,205	-	298,111
Undesignated	3,846,781	258,619	-	4,105,400
Total Net Assets	<u>4,138,687</u>	<u>264,824</u>	<u>-</u>	<u>4,403,511</u>
Total Liabilities And Net Assets	<u>\$ 12,323,431</u>	<u>\$ 378,746</u>	<u>\$ (37,069)</u>	<u>\$ 12,665,108</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

**SCHEDULE II
STATEMENT OF ACTIVITIES BY PROGRAM**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>CCLC</u>	<u>CCCA</u>	<u>Eliminations</u>	<u>TOTAL</u>
Revenues				
Membership dues	\$ 1,759,825	\$ 873,900	\$ -	\$ 2,633,725
District services	1,966,734	-	-	1,966,734
Championships, conventions, conferences, & workshops	1,095,910	344,158	-	1,440,068
Corporate partners	25,760	34,200	-	59,960
Interest and investment income	85,339	63	-	85,402
Publications	3,098	1,766	-	4,864
Miscellaneous	122,788	7,768	(40,000)	90,556
Total Revenues	<u>5,059,454</u>	<u>1,261,855</u>	<u>(40,000)</u>	<u>6,281,309</u>
Expenses				
Program services:				
Conventions, conferences and workshops	1,346,047	183,518	-	1,529,565
District services	1,063,360	-	-	1,063,360
Legislative	404,424	-	-	404,424
Championships	-	510,109	-	510,109
Publications	111,941	-	-	111,941
Operations	-	437,468	(40,000)	397,468
Development	-	199,269	-	199,269
Total program services	<u>2,925,772</u>	<u>1,330,364</u>	<u>(40,000)</u>	<u>4,216,136</u>
General and administration	1,415,691	-	-	1,415,691
Total Expenses	<u>4,341,463</u>	<u>1,330,364</u>	<u>(40,000)</u>	<u>5,631,827</u>
Change in Unrestricted Net Assets	<u>717,991</u>	<u>(68,509)</u>	<u>-</u>	<u>649,482</u>
Net Assets, Beginning of Period	<u>3,420,696</u>	<u>333,333</u>	<u>-</u>	<u>3,754,029</u>
Net Assets, End of Period	<u>\$ 4,138,687</u>	<u>\$ 264,824</u>	<u>\$ -</u>	<u>\$ 4,403,511</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

**SCHEDULE III
DETAIL OF TOTAL REVENUES – BUDGET VS. ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget		Actual		Variance
	(Memorandum Only)				
Membership dues	\$ 2,633,895	\$	2,633,725	\$	(170)
District services	1,589,000		1,966,734		377,734
Championships, conventions, conferences, & workshops	1,280,200		1,428,518		148,318
Corporate partners	45,000		59,960		14,960
Commissions and rebates	20,000		7,768		(12,232)
Interest and investment income	40,325		85,402		45,077
Publications	8,800		4,864		(3,936)
Phi Theta Kappa	-		10,575		10,575
CCCAA Fiscal Services	40,000		40,000		-
EDGE Fiscal Services	-		37,400		37,400
Fall Meeting	10,800		11,550		750
League on call and miscellaneous	5,500		34,813		29,313
	<u>5,673,520</u>		<u>6,321,309</u>		<u>647,789</u>
Fiscal Services - interfund activity	<u>(40,000)</u>		<u>(40,000)</u>		<u>-</u>
Total revenues	<u>\$ 5,633,520</u>	\$	<u>6,281,309</u>	\$	<u>647,789</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

**SCHEDULE IV
DETAIL OF TOTAL EXPENSES – BUDGET VS. ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget		Actual		Variance
	(Memorandum Only)				
Staff	\$ 2,154,964	\$	2,152,418	\$	(2,546)
District services program	627,500		681,667		54,167
Conventions, conferences, & workshops	968,300		877,385		(90,915)
Office operations	202,150		198,141		(4,009)
Boards	102,500		119,678		17,178
Other	97,200		91,383		(5,817)
Professional services	67,000		45,961		(21,039)
Publications	30,100		28,368		(1,732)
Marketing	30,000		29,605		(395)
Phi Theta Kappa awards	-		15,775		15,775
Committees	11,500		17,656		6,156
Corporate partners program	65,000		-		(65,000)
League on call	-		30,626		30,626
Website & association management	5,000		51,461		46,461
Memberships	2,000		1,339		(661)
Athletics	1,217,038		1,330,364		113,326
	5,580,252		5,671,827		91,575
Fiscal services - interfund activity	(40,000)		(40,000)		-
Total expenses	\$ 5,580,252	\$	5,631,827	\$	51,575

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

**SCHEDULE V
 DETAIL OF TOTAL REVENUES -
 EXCLUDING CALIFORNIA COMMUNITY COLLEGE ATHLETIC ASSOCIATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget		
	(Memorandum Only)	Actual	Variance
Membership dues	\$ 1,759,995	1,759,825.00	\$ (170)
District services	1,589,000	1,966,734	377,734
Championships, conventions, conferences, &	955,200	1,095,910	140,710
Corporate partners	25,000	25,760	760
Interest and investment income	40,025	85,339	45,314
Publications	6,300	3,098	(3,202)
Phi Theta Kappa	-	10,575	10,575
CCCAA Fiscal Services	40,000	40,000	-
EDGE Fiscal Services	-	37,400	37,400
League on call and miscellaneous	5,500	34,813	29,313
	<u>4,421,020</u>	<u>5,059,454</u>	<u>638,434</u>
Fiscal Services - interfund activity	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
 Total revenues	 <u>\$ 4,381,020</u>	 <u>\$ 5,019,454</u>	 <u>\$ 638,434</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

SCHEDULE VI
DETAIL OF TOTAL EXPENSES –
EXCLUDING CALIFORNIA COMMUNITY COLLEGE ATHLETIC ASSOCIATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>(Memorandum Only)</u>	<u>Actual</u>	<u>Variance</u>
Staff	\$ 2,154,964	\$ 2,152,418	\$ (2,546)
District services program	627,500	681,667	54,167
Conventions, conferences, and workshops	968,300	877,385	(90,915)
Office operations	202,150	198,141	(4,009)
Boards	102,500	119,678	17,178
Other	97,200	91,383	(5,817)
Professional services	67,000	45,961	(21,039)
Publications	30,100	28,368	(1,732)
Marketing	30,000	29,605	(395)
Phi Theta Kappa awards	-	15,775	15,775
Committees	11,500	17,656	6,156
Corporate partners program	65,000	-	(65,000)
League on call	-	30,626	30,626
Website & association management	5,000	51,461	46,461
Memberships	2,000	1,339	(661)
Total expenses	<u>\$ 4,363,214</u>	<u>\$ 4,341,463</u>	<u>\$ (21,751)</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

**SCHEDULE VII
CALIFORNIA COMMUNITY COLLEGE ATHLETIC ASSOCIATION -
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget (Memorandum Only)	Actual	Variance
Revenues			
Membership dues	\$ 873,900	\$ 873,900	\$ -
Annual convention, conferences and championships	335,800	344,158	8,358
Corporate partners	20,000	34,200	14,200
Interest and investment income	300	63	(237)
Publications	2,500	1,766	(734)
Commissions and rebates	20,000	7,768	(12,232)
Total Revenues	1,252,500	1,261,855	9,355
Expenses			
Championships	382,258	510,109	127,851
Operations	448,430	437,468	(10,962)
Annual convention	195,659	183,518	(12,141)
Development	190,691	199,269	8,578
	1,217,038	1,330,364	113,326
Fiscal Services- interfund activity	(40,000)	(40,000)	-
Total Expenses	1,177,038	1,290,364	113,326
Change in Unrestricted Net Assets	\$ 75,462	\$ (28,509)	\$ (103,971)

NOTE: Expenditures for California Community College Athletic Association (CCCAA) exceeded revenues for the fiscal year ended June 30, 2018. This deficit spending was authorized by the CCCAA board of directors and related expenses were paid using cash accumulated from prior years.