



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED  
JUNE 30, 2023 AND 2022

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MANN, URRUTIA, NELSON, CPAS & ASSOCIATES, LLP  
1760 CREEKSIDE OAKS DRIVE, SUITE 160  
SACRAMENTO, CALIFORNIA 95833

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**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**LIST OF OFFICIALS**  
**JUNE 30, 2023**

**Board Officers**

Marissa Perez	Chair North Orange County CCD (CEOCCC)
Jose Ferro	First Vice Chair/Treasurer El Camino CCD (CCCT)
Trisha Albertsen	Second Vice Chair/Secretary Chaffey College (CCCCS)
Byron Clift Breland	Immediate Past Chair West Valley Mission CCD (CCCT)

**Board Members**

Julianna Barnes	South Orange County CCD (CEOCCC)
Nana Gomez-Heitzeberg	Kern CCD (CCCT)
Andra Hoffman	Los Angeles CCD (CCCT)
Deborah Knowles	Sacramento City College (CCCCS)
Roger Schultz	Mt. San Jacinto CCD (CEOCCC)
Loren Steck	Monterey Peninsula CCD (CCCT)
Rowena Tomaneng	San Jose City College (CEOCCC)

**Officials**

Lawrence Galizio	President/Chief Executive Officer
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Community College League of California  
Sacramento, California

### Opinion

We have audited the accompanying financial statements of Community College League of California (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community College League of California as of June 30, 2023 and 2022, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community College League of California and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2023, Community College League of California adopted FASB ASC 842, Leases. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community College League of California's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community College League of California'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 Community College League of California's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are 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.

Sacramento, California  
November 7, 2023

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u> <u>(Restated)</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	\$ 5,184,546	\$ 4,526,814
Cash held for library consortium (Note 4)	2,927,374	4,212,474
Cash held on behalf of others (Note 4)	752,696	458,313
Investments (Note 5)	2,690,248	2,550,175
Investments - charitable gift annuity program (Note 5)	3,236,560	4,381,475
Accounts receivable	1,054,434	820,241
Prepaid expenses	91,281	45,562
Future event deposits	<u>98,291</u>	<u>129,731</u>
<b>Total Current Assets</b>	<u>16,035,430</u>	<u>17,124,785</u>
<b>Non-Current Assets</b>		
Property and equipment, net (Note 7)	364,219	334,285
Right-of-use assets (Note 12)	<u>256,126</u>	<u>-</u>
<b>Total Non-Current Assets</b>	<u>620,345</u>	<u>334,285</u>
<b>Total Assets</b>	<u>\$ 16,655,775</u>	<u>\$ 17,459,070</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,113,641	\$ 733,848
Salaries and benefits payable	6,549	3,189
Accrued expenses	28,248	636
Compensated absences payable	288,326	278,595
Deferred revenue (Note 8)	321,175	179,004
Deposits payable	386,286	448,364
Library consortium payable	1,749,617	3,102,340
Amounts payable under fiscal agent responsibilities	563,540	471,983
Gift annuity liability - current portion (Note 9)	327,025	388,830
Lease liability - current portion (Note 12)	<u>70,835</u>	<u>-</u>
<b>Total Current Liabilities</b>	<u>4,855,242</u>	<u>5,606,789</u>
<b>Non-Current Liabilities</b>		
Gift annuity liability (Note 9)	3,312,500	4,063,667
Lease liability, net of current portion (Note 12)	<u>186,031</u>	<u>-</u>
<b>Total Non-Current Liabilities</b>	<u>3,498,531</u>	<u>4,063,667</u>
<b>Total Liabilities</b>	<u>8,353,773</u>	<u>9,670,456</u>
<b>Net Assets</b>		
Without donor restrictions	<u>8,302,002</u>	<u>7,788,614</u>
<b>Total Net Assets</b>	<u>8,302,002</u>	<u>7,788,614</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 16,655,775</u>	<u>\$ 17,459,070</u>

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

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>Without Donor Restrictions</b>	
	<b>2023</b>	<b>2022 (Restated)</b>
<b>Revenues</b>		
Membership dues	\$ 3,155,486	\$ 2,986,974
District services	1,969,836	1,746,186
Championships, conventions, conferences, & workshops	1,581,188	1,097,733
Corporate partners, sponsorships, exhibits	321,170	250,606
Interest and investment income (loss)	112,762	(250,826)
Publications	815	1,986
Educational services program	241,337	108,137
Management fees	73,132	69,093
Grants	609,750	987,225
Total Revenues	8,065,476	6,997,114
<b>Expenses</b>		
<b>Program services:</b>		
Conventions, conferences, and workshops	1,993,770	1,351,632
Policy and government relations	1,398,319	1,407,409
Boards and advisory committees	604,746	361,700
Championships	602,425	595,937
Corporate partners	201,129	19,879
District services	809,140	776,796
Program development	737,263	623,313
Total program services	6,346,792	5,136,666
<b>Supporting Services:</b>		
General and administration	1,205,296	1,097,550
Total supporting services	1,205,296	1,097,550
Total Expenses	7,552,088	6,234,216
<b>Change in Net Assets</b>	513,388	762,898
<b>Net Assets - Beginning of Year</b>	7,788,614	7,025,716
<b>Net Assets - End of Year</b>	\$ 8,302,002	\$ 7,788,614

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

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services							Supporting Services	Total 2023
	Conventions, Conferences, and Workshops	Policy and Government Relations	Boards and Advisory Committees	Championships	Corporate Partners	District Services	Program Development	General and Administration	
Salaries and benefits	\$ 750,707	\$ 1,127,374	\$ 467,404	\$ 147,092	\$ 180,924	\$ 620,110	\$ 373,830	\$ 680,843	\$ 4,348,284
Travel and meals	78,522	16,267	81,068	26,392	1,592	13,596	19,191	7,442	244,070
Program and event consultants	59,028	188,873	-	-	-	-	224,536	3,284	475,721
Events and meetings	1,058,123	-	52,206	34	9,246	16,147	7,151	1,107	1,144,014
Marketing and advertising	1,462	161	-	-	7,161	50	29,619	17,228	55,681
Social media	-	-	-	-	-	-	63	-	63
Client relations	57	68	185	-	163	368	371	3,188	4,400
Staff development	596	7,421	-	-	1,875	9,311	11,235	28,726	59,164
Sponsorship	1,500	500	-	3,625	-	-	5,280	-	10,905
Website management	-	-	-	-	-	17,605	-	12,131	29,736
Donations	-	-	-	-	-	-	-	2,500	2,500
Depreciation	5,042	7,744	-	-	-	-	-	72,880	85,666
Insurance	-	-	-	-	-	-	-	53,609	53,609
Memberships and subscriptions	325	5,978	72	-	170	54,955	10,786	26,029	98,315
Other expenses	28,653	550	-	-	(14)	985	762	27,055	57,991
Professional services	496	907	-	-	-	73,000	-	15,970	90,373
Facilities	-	7,052	-	-	-	-	-	151,585	158,637
Office operations	7,918	35,272	3,811	101	12	3,013	54,439	101,681	206,247
License and Permits	-	152	-	-	-	-	-	-	152
Championships	1,341	-	-	425,181	-	-	-	38	426,560
<b>Total Expenses</b>	<b>\$ 1,993,770</b>	<b>\$ 1,398,319</b>	<b>\$ 604,746</b>	<b>\$ 602,425</b>	<b>\$ 201,129</b>	<b>\$ 809,140</b>	<b>\$ 737,263</b>	<b>\$ 1,205,296</b>	<b>\$ 7,552,088</b>

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



**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services							Supporting Services	Total 2022
	Conventions, Conferences, and Workshops	Policy and Government Relations	Boards and Advisory Committees	Championships	Corporate Partners	District Services	Program Development	General and Administration	
Salaries and benefits	\$ 620,956	\$ 1,061,864	\$ 340,450	\$ 153,087	\$ 18,364	\$ 515,452	\$ 424,434	\$ 668,553	\$ 3,803,160
Travel and meals	57,253	9,630	6,556	-	801	7,307	3,747	16,302	101,596
Program and event consultants	29,000	170,275	-	-	-	-	136,207	417	335,899
Events and meetings	621,064	6,174	14,473	442,850	-	2,432	442	27,711	1,115,146
Marketing and advertising	1,188	491	-	-	-	3,281	20,898	5,736	31,594
Client relations	381	-	-	-	-	375	84	354	1,194
Research, curriculum, and development	-	-	-	-	-	-	10,780	-	10,780
Staff development	239	2,369	-	-	-	4,763	1,968	19,565	28,904
Donations	-	-	-	-	-	-	-	10,500	10,500
Website management	-	-	-	-	-	19,255	-	11,843	31,098
Depreciation	-	1,697	-	-	-	-	-	42,662	44,359
Insurance	-	-	-	-	-	-	-	50,666	50,666
Memberships and subscriptions	299	17,035	-	-	-	173,831	5,000	20,124	216,289
Other expenses	15,582	200	-	-	692	7,438	651	16,140	40,703
Professional services	-	78,747	-	-	-	40,450	-	(14,925)	104,272
Facilities	-	10,198	-	-	-	-	-	101,408	111,606
Office operations	<u>5,670</u>	<u>48,729</u>	<u>221</u>	<u>-</u>	<u>22</u>	<u>2,212</u>	<u>19,102</u>	<u>120,494</u>	<u>196,450</u>
<b>Total Expenses</b>	<b>\$ <u>1,351,632</u></b>	<b>\$ <u>1,407,409</u></b>	<b>\$ <u>361,700</u></b>	<b>\$ <u>595,937</u></b>	<b>\$ <u>19,879</u></b>	<b>\$ <u>776,796</u></b>	<b>\$ <u>623,313</u></b>	<b>\$ <u>1,097,550</u></b>	<b>\$ <u>6,234,216</u></b>

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

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022 (Restated)</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 513,388	\$ 762,898
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Depreciation	53,194	44,359
Amortization of right-of-use assets	32,472	-
Unrealized (gain) loss on sale of investments	(324,096)	946,253
(Increase) decrease in:		
Accounts receivable	(234,193)	(575,027)
Prepaid expenses	(45,719)	(5,942)
Future event deposits	31,440	9,500
Increase (decrease) in:		
Accounts payable	379,793	694,816
Salaries and benefits payable	3,360	(5,609)
Accrued expenses	27,612	(13,435)
Compensated absences payable	9,731	45,381
Deferred revenue	142,171	5,690
Deposits payable	(62,078)	(336,710)
Library consortium payable	(1,352,723)	1,937,633
Fiscal agent payable	91,557	31,125
Operating lease liability	(50,219)	-
Net Cash (Used for) Provided by Operating Activities	(784,310)	3,540,932
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(83,128)	(83,032)
Proceeds from sale of investments	826,437	473,903
Purchase of investments	(258,318)	(1,125,296)
Net Cash Provided by (Used for) Investing Activities	484,991	(734,425)
<b>Cash Flows from Financing Activities</b>		
Payments on financing leases	(33,666)	-
Net Cash Used for Financing Activities	(33,666)	-
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	(332,985)	2,806,507
<b>Cash and Cash Equivalents, Beginning of Year</b>	9,197,601	6,391,094
<b>Cash and Cash Equivalents, End of Year</b>	\$ 8,864,616	\$ 9,197,601
<b>Reconciliation of cash and cash equivalents to the Statement of Financial Position</b>		
Cash and cash equivalents	\$ 5,184,546	\$ 4,526,814
Cash held for library consortium	2,927,374	4,212,474
Cash held on behalf of others	752,696	458,313
Total cash and cash equivalents shown in the Statement of Cash Flows	\$ 8,864,616	\$ 9,197,601

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

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1: ORGANIZATION AND NATURE OF ACTIVITIES**

Community College League of California (the League) is a non-profit public benefit corporation organized for the advancement of education, particularly to better the educational opportunities of California community college students and local community colleges. 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. California Community College Athletic Association (CCCCA) and California Edge Coalition (EDGE) are divisions within the League. CCCC organizes and administers intercollegiate athletic regional and state championship events throughout California. EDGE focuses on improving California's system of workforce education and training through conducting research, writing policy briefs, and organizing events to educate policymakers on state and national efforts aimed at providing more opportunity for skill development and credential/degree attainment.

Significant programs of the League include:

Conventions, Conferences, and Workshops - The League hosts several annual conferences and events that provide a longstanding commitment to the professional growth and development of California's community college leaders, providing leadership in the education and professional development of community college governing boards, chief executive officers, and staff that supports the continued strength, vitality, and effectiveness of colleges' education programs and services.

Policy and Government Relations - The government relations team provides legislative updates through monthly government relations webinars and the monthly newsletter, tracks bills of interest through the legislative process, and focuses on advocacy to help transform policies, practices, and services both at the state and national level.

Boards and Advisory Committees - The League is governed by a Board of Directors composed of five members from each of the organization's two policy boards, the California Community College Trustees (CCCT) Board and the Chief Executive Officers of the California Community Colleges (CEOCCC) Board, plus two representatives from the California Community Colleges Classified Senate (CCCCS). The League Board of Directors is responsible for the management of the business affairs of the organization and also establishes and evaluates the annual education policy agenda and annual legislative program.

The CCCT Board consists of 21 members elected statewide by the 73 district governing boards and a student-member elected by the student trustees. The CEOCCC Board consists of 15 members who serve as chancellors, superintendent/presidents, and presidents of colleges and districts representing particular regions in the state and who are elected by the CEOs in each region. The CCCT and CEOCCC Boards take positions on and formulate education policy issues that come before the California Community Colleges Board of Governors, the State Legislature, and other relevant state-level boards and commissions. These policy boards provide input to the League Board to advance the mission and effectively serve the organization's member colleges.

The League is assisted in accomplishing its goals and objectives by standing and ad hoc committees whose membership includes trustees, administrators, faculty, classified staff, public information officers and students. Presently, committees include the Advisory Committee on Education Services (ACES), the Advisory Committee on Legislation (ACL), and the Advisory Committee on District Services. Oversight of intercollegiate athletics is performed by the League's California Community Colleges Athletic Association.

Championships - CCCC organizes and administers intercollegiate athletic regional and state championship events throughout California.

Corporate Partners - The Corporate Partners program helps build strong working relationships between the state's 73 community college districts and the businesses and professional firms who provide those districts with a variety of essential services. This is an opportunity for private companies to demonstrate their commitment to serving the colleges by becoming actively engaged in building strong working relationships with leaders from the community college districts.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

**NOTE 1: ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)**

District Services - District services and programs are designed to provide member districts with cost-effective, easy-to-use purchasing, fiscal and foundation services. The League works closely with Chief Business Officers and other campus groups to offer programs that allow districts to benefit from the power of collaborative purchasing and competitive pricing, whether it be for services or commodities. In addition, the League produces a variety of publications to assist boards, trustees, and CEOs in fulfilling their roles and responsibilities.

Program Development - The League provides leadership in the education and development of community college governing board members, chief executive officers, and district and college staff to ensure the continued strength, diversity, vitality, and effectiveness of the colleges' educational programs and services.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting Method and Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the League and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and are available for general operations. These net assets may be used at the discretion of the League's management and Board of Directors.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the League and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the League considers all highly liquid investments, which can be converted into known amounts of cash and have original maturities at the time of purchase of three months or less to be cash equivalents.

The League maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The League has not experienced any losses in such accounts. Management believes the League is not exposed to any significant credit risk related to cash.

Investments

Investments are classified into the following categories:

- Available-for-sale securities, reported at fair value, with unrealized gains and losses excluded from earnings and reported, net of taxes, within net assets.
- Held-to-maturity securities, which management has the positive intent and ability to hold to maturity, reported at amortized cost, adjusted for the accretion of discounts and amortization of premiums.

Management determines the appropriate classification of its investments at the time of purchase and may only change the classification in certain limited circumstances. All transfers between categories are accounted for at fair value in the period which the transfer occurs.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Gains or losses on the sale of investment securities are computed on the specific identification method.

An investment security is impaired when its carrying value is greater than its fair value. Investment securities that are impaired are evaluated on at least a quarterly basis and more frequently when economic or market conditions warrant such an evaluation to determine whether such a decline in their fair value is other than temporary. Management utilizes criteria such as the magnitude and duration of the decline and the intent and ability of the League to retain its investment in the securities for a period of time sufficient to allow for an anticipated recovery in fair value, in addition to the reasons underlying the decline, to determine whether the loss in value is other than temporary. The term "other than temporary" is not intended to indicate that the decline is permanent, but indicates that the prospect for a near-term recovery of value is not necessarily favorable, or that there is a lack of evidence to support a realizable value equal to or greater than the carrying value of the investment. Once a decline in value is determined to be other than temporary, and management does not intend to sell the security or it is more likely than not that the League will not be required to sell the security before recovery, for debt securities, only the portion of the impairment loss representing credit exposure is recognized as a charge to earnings, with the balance recognized as a charge to income. If management intends to sell the security or it is more likely than not that the League will be required to sell the security before recovering its forecasted cost, the entire impairment loss is recognized as a charge to earnings.

Accounts Receivable

Accounts receivable are uncollateralized member obligations due under normal trade terms requiring payment upon receipt of the invoice. Account balances over 30 days old are considered delinquent.

Payments received on accounts receivable are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all receivable balances that exceed 30 days from the invoice date and based on an assessment of current credit worthiness, estimates the portion, if any, of the balance that will not be collected. Any items that are uncollectible are deemed to be insignificant and therefore there is no allowance for doubtful accounts as of June 30, 2023 and 2022.

Property and Equipment

The League capitalizes all acquisitions of property and equipment of \$500 or more at cost. Contributed property and equipment is recorded at estimated fair market value as of the date of donation. Depreciation expense is provided on a straight-line basis over the estimated useful life of the respective asset, ranging from 3 to 20 years. Maintenance and repairs are charged to expenses when incurred.

Compensated Absences

It is the League's policy to accumulate earned but unused vacation leave, which will be paid to employees upon separation of employment from the League. All full-time and part-time employees are eligible to accrue vacation. Full-time employees, up to 36 hours in a week, will earn 13.34 vacation hours per month and part-time employees, working 35 hours or less per week, will earn vacation on a prorated basis. Once a maximum of 240 hours of vacation time is reached, vacation will stop accruing until taken. Employees are not compensated for unused sick leave upon separation of employment from the League.

Deferred Revenue

Deferred revenue consists of dues payments, registration fees for conventions, conferences, and workshops, and district services program fees that have been received in advance. Dues are non-refundable and are recognized as revenue during the period to which the dues relate. Deferred revenues are substantially recognizable within one year.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deposits Payable

Deposits payable consist of deposits received from member community colleges to be applied to future library subscriptions.

Leases

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position.

The ROU asset represents the Company's right to use the underlying asset for the lease term, and the lease liability represents the League's obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The League uses the implicit rate when it is readily determinable. Since the League's lease does not provide an implicit rate, to determine the present value of lease payments, management uses the League's incremental borrowing rate based on the information available at lease commencement. ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The League's lease terms may include options to extend or terminate the lease when it is reasonably certain that the League will exercise the option.

Library Consortium Payable

Library consortium payable represents 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.

Amounts Payable Under Fiscal Agent Responsibilities

The League acts as a fiscal agent for other organizations or caucuses. The League accounts for the funds received, disbursed, and held on behalf of these organizations as a liability.

Gift Annuity Liability

Annuity obligations arising from split-interest gifts are recognized as gift annuity liabilities in the accompanying statements of financial position. The liability for gift annuities is based on actuarially determined present values considering the income, beneficiaries, and applicable discount rates based on federal tables. Actuarial adjustments are recognized in the Statements of Activities for the changes in the value and are included in change in value of split interest agreements.

Revenue and Revenue Recognition

The League is funded primarily through membership dues which are recognized over the membership period, which is generally one year. The performance obligation consists of providing services to members. In addition, the League sponsors conventions, conferences, workshops, and district services programs throughout the year and revenue from these events and services is recognized in the period the event is held or the services occur. Fees collected in advance of such events or services are recorded as deferred revenue until earned.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions and grants are recognized in full when received or unconditionally promised. All contributions are classified as without donor restriction unless specifically restricted by donors for future periods or specific purposes. Donor restricted amounts are reported as increases in net assets with donor restrictions. When conditions have been met, the assets are reported in the statement of activities as net assets released from restrictions. Conditional promises to give, which depend on the occurrence of specified future and uncertain events, are not recorded until the conditions are met.

Donated materials, equipment, and professional services are recorded as in-kind contributions and recognized at the estimated fair value as of the date of donation or service. Contributed services are recorded when they create or enhance non-financial assets or require a specialized skill the League would otherwise need to purchase.

Functional Expense Allocation

The costs of providing the program and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of employees' time incurred.

Income Tax Status

The League is exempt from federal and state income taxes under the Internal Revenue Code Section 501(c)(6) and Section 23701(e) of the California Revenue and Taxation Code, and is subject to federal and state income taxes only on unrelated business taxable income.

Financial accounting standards provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by the League in its federal and state exempt organization returns are more likely than not to be sustained upon examination. With some exceptions, the League is no longer subject to U.S. Federal and state tax examination by tax authorities for years prior to 2018.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year financial statement presentation.

Subsequent Events

Management has evaluated subsequent events through November 7, 2023, 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.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Recently Adopted Accounting Pronouncements

*ASU 2016-02 - Leases (Topic 842).*

Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with a term of more than 12 months. Unlike current GAAP, which requires only capital leases to be recognized on the balance sheet, ASU No. 2016-02 will require both operating and finance leases to be recognized on the balance sheet. Additionally, the ASU will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases, including qualitative and quantitative requirements. The new requirements are effective for the League's June 30, 2023 year-end. The League has implemented this pronouncement. See Note 12 for the impact on the financial statements.

**NOTE 3: LIQUIDITY AND AVAILABILITY**

As part of the League's liquidity management, it invests cash in excess of daily requirements in short and long term investments. The League's goal is to maintain financial assets to meet 90 days of operating expenses (approximately \$1,400,000), with an available cash balance never to drop below \$1,300,000.

The following table reflects the League's financial assets as of June 30, 2023 and 2022, including amounts not available within one year of the balance sheet dates. Amounts not available include amounts held for the library consortium, amounts held on behalf of others and amounts held for the gift annuity program.

	<u>2023</u>	<u>2022</u> <u>(Restated)</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 5,184,546	\$ 4,526,814
Cash held for library consortium	2,927,374	4,212,474
Cash held on behalf of others	752,696	458,313
Investments	2,690,248	2,550,175
Investments - Charitable Gift Annuity Program	3,236,560	4,381,475
Accounts receivable	<u>1,054,434</u>	<u>820,241</u>
Total financial assets	<u>15,845,858</u>	<u>16,949,492</u>
Less:		
Cash held for library consortium	(2,927,374)	(4,212,474)
Cash held on behalf of others	(752,696)	(458,313)
Cash and investments held for gift annuity program	(3,639,525)	(4,452,497)
Investments maturing in more than 12 months	(5,347,693)	(1,705,182)
Deposits payable	<u>(386,286)</u>	<u>(448,364)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,792,284</u>	<u>\$ 5,672,662</u>



**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 4: CASH AND CASH EQUIVALENTS**

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

	<u>2023</u>	<u>2022</u> <u>(Restated)</u>
Cash and cash equivalents	\$ 4,363,875	\$ 3,948,686
Future library deposits payable	386,286	448,364
Cash held in Charles Schwab accounts	31,420	58,741
Cash held for charitable gift annuity program	402,965	71,023
Cash held for library consortium	2,927,374	4,212,474
Cash held on behalf of others	<u>752,696</u>	<u>458,313</u>
 Total Cash and Cash Equivalents	 <u>\$ 8,864,616</u>	 <u>\$ 9,197,601</u>

The League maintains cash in various accounts with federally insured banks. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 at each institution. As of June 30, 2023, the League's total book balance was \$8,864,616 and the total bank balance was \$8,859,030 of which \$633,611 was insured by the Federal Deposit Insurance Corporation and \$8,225,419 was uninsured. At June 30, 2022, the League's total book balance was \$9,197,601 and the total bank balance was \$9,726,583 of which \$489,018 was insured by the Federal Deposit Insurance Corporation and \$9,237,565 was uninsured. The League has not experienced any losses in such accounts. Management believes the League is not exposed to any significant credit risk related to cash and cash equivalents.

**NOTE 5: INVESTMENTS**

As of June 30, 2023, the League held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>&lt; 12 months</u>	<u>1 - 3 years</u>	<u>&gt; 3 years</u>
Operations:				
U.S. treasuries	\$ 595,792	\$ 254,629	\$ 341,163	\$ -
Government agencies	43,968	43,968	-	-
Corporate bonds	494,151	121,553	135,649	236,949
Municipal bonds	682,765	50,772	90,099	541,894
Certificates of deposit	108,193	108,193	-	-
Mutual funds	<u>765,379</u>	<u>-</u>	<u>-</u>	<u>765,379</u>
Subtotal	<u>2,690,248</u>	<u>579,115</u>	<u>566,911</u>	<u>1,544,222</u>
Charitable Gift Annuity Program:				
Government agencies	196,052	-	-	196,052
Mutual funds	2,123,995	-	-	2,123,995
Exchange traded funds	<u>916,513</u>	<u>-</u>	<u>-</u>	<u>916,513</u>
Subtotal	<u>3,236,560</u>	<u>-</u>	<u>-</u>	<u>3,236,560</u>
Total Investments	<u>\$ 5,926,808</u>	<u>\$ 579,115</u>	<u>\$ 566,911</u>	<u>\$ 4,780,782</u>

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 5: INVESTMENTS (CONTINUED)**

As of June 30, 2022, the League held the following investments:

Investment Type	Fair Value	Investment Maturities		
		< 12 months	1 - 3 years	> 3 years
Operations:				
U.S. treasuries	\$ 599,453	\$ 178,680	\$ 420,773	\$ -
Government agencies	43,248	24,001	19,247	-
Corporate bonds	483,818	30,099	168,962	284,757
Municipal bonds	608,479	-	25,371	583,108
Certificates of deposit	106,499	-	106,499	-
Mutual funds	<u>708,678</u>	<u>708,678</u>	<u>-</u>	<u>-</u>
Subtotal	<u>2,550,175</u>	<u>941,458</u>	<u>740,852</u>	<u>867,865</u>
Charitable Gift Annuity Program:				
Government agencies	96,465	-	-	96,465
Mutual funds	2,058,992	2,058,992	-	-
Exchange traded funds	<u>2,226,018</u>	<u>2,226,018</u>	<u>-</u>	<u>-</u>
Subtotal	<u>4,381,475</u>	<u>4,285,010</u>	<u>-</u>	<u>96,465</u>
Total Investments	<u>\$ 6,931,650</u>	<u>\$ 5,226,468</u>	<u>\$ 740,852</u>	<u>\$ 964,330</u>

**NOTE 6: FAIR VALUE MEASUREMENTS**

*FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the League has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
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**NOTE 6: FAIR VALUE MEASUREMENTS (CONTINUED)**

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2023. The League had no assets or liabilities measured at fair value on a nonrecurring basis.

*U.S. Treasuries, Government agencies, Corporate bonds, and Municipal bonds:* Fair values are based on quoted market prices for similar securities in markets that are not active, and model-based techniques for which all significant assumptions are observable in the market, resulting in a Level 2 valuation.

*Certificates of Deposit:* Valued at amortized cost, which approximates fair value. These are included as a Level 2 valuation.

*Mutual funds and exchange-traded funds:* Fair value is based on quoted market prices in an active market, resulting in a Level 1 valuation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the League believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the League's assets and liabilities at fair value as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments</u>				
U.S. treasuries	\$ -	\$ 595,790	\$ -	\$ 595,790
Government agencies	-	240,022	-	240,022
Corporate bonds	-	494,151	-	494,151
Municipal bonds	-	682,765	-	682,765
Certificates of deposit	-	108,193	-	108,193
Mutual funds	2,889,374	-	-	2,889,374
Exchange traded funds	<u>916,513</u>	<u>-</u>	<u>-</u>	<u>916,513</u>
Total investments at fair value	<u>\$ 3,805,887</u>	<u>\$ 2,120,921</u>	<u>\$ -</u>	<u>\$ 5,926,808</u>
<u>Liabilities</u>				
Gift annuity liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,639,525</u>	<u>\$ 3,639,525</u>

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
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**NOTE 6: FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table sets forth by level, within the fair value hierarchy, the League's assets and liabilities at fair value as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments</u>				
U.S. treasuries	\$ -	\$ 599,453	\$ -	\$ 599,453
Government agencies	-	139,713	-	139,713
Corporate bonds	-	483,818	-	483,818
Municipal bonds	-	608,479	-	608,479
Certificates of deposit	-	106,499	-	106,499
Mutual funds	2,767,670	-	-	2,767,670
Exchange traded funds	<u>2,226,018</u>	<u>-</u>	<u>-</u>	<u>2,226,018</u>
Total investments at fair value	<u>\$ 4,993,688</u>	<u>\$ 1,937,962</u>	<u>\$ -</u>	<u>\$ 6,931,650</u>
<u>Liabilities</u>				
Gift annuity liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,452,497</u>	<u>\$ 4,452,497</u>

The Level 3 gift annuity liability is valued using the State of California required calculation method, in the form of present value using interest rates ranging from 4% to 6%, and the 1983 A, Ann2000, or 2012IAR life expectancy tables. The discount rate is determined based on the individual annuity agreement.

**NOTE 7: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Non-depreciable assets:		
Land	\$ 51,177	\$ 51,177
Construction in progress	<u>-</u>	<u>43,254</u>
Non-depreciable assets	<u>51,177</u>	<u>94,431</u>
Depreciable assets:		
Building and improvements	789,090	774,460
Furniture and equipment	<u>332,240</u>	<u>277,951</u>
Total, at cost	1,121,330	1,052,411
Less: accumulated depreciation	<u>(808,288)</u>	<u>(812,557)</u>
Depreciable assets, net	<u>313,042</u>	<u>239,854</u>
Total property and equipment, net	<u>\$ 364,219</u>	<u>\$ 334,285</u>

Depreciation expense was \$85,666 and \$48,064 for the years ended June 30, 2023 and 2022, respectively.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
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**NOTE 8: DEFERRED REVENUE**

Deferred revenue consisted of the following as of June 30:

	<b>2023</b>	<b>2022</b>
League Directories	\$ 40	\$ -
Board Docs	10,000	-
Policy and procedures - federal	7,500	21,500
Student trustee workshop	22,200	18,860
Sponsorships and dues	78,550	15,150
Event Registration	70,027	-
Publications	-	133
Northern CEO	18,179	20,153
Southern CEO	79,882	81,856
CTE/CEO summit	21,352	21,352
CEO Leadership Academy	10,795	-
CEO Workshop	2,650	-
Total deferred revenue	\$ 321,175	\$ 179,004

**NOTE 9: 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 guaranteed annuity payments 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 those agreements. Management believes that any future obligations will not have a material effect on the financial position of the League.

The League had 71 and 83 participants at June 30, 2023 and June 30, 2022, respectively, with account balances of \$3,639,525 and \$4,452,497 at June 30, 2023 and June 30, 2022, respectively. The League received administrative and processing fees of \$20,000 each year for the years ended June 30, 2023 and June 30, 2022, in connection with this program.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
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**NOTE 10: 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 6.75% 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 of its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The normal cost rates for Classic Members for the fiscal years ended June 30, 2023 and 2022 were 8.630% and 8.650%, respectively, of annual payroll. The normal cost rates for PEPRA Members for the fiscal years ended June 30, 2023 and 2022 were 7.470% and 7.590%, respectively, of annual payroll. The contribution requirements of the plan members are established by state statute. The required UAL contribution for the fiscal years ended June 30, 2023 and 2022 were \$216,055 and \$182,802.

The League's contributions to CalPERS for the fiscal years ending June 30, 2023 and 2022 were \$445,632 and \$383,807, 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, 2023 and 2022.

The risks of participating in this multiple employer 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 multiple employer pension plan. Depending on the number of employees withdrawn in any future period and the financial condition of the multiple employer 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 multiple employer 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, 2023 and 2022, 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 multiple-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.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
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**NOTE 11: 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.

**NOTE 12 - LEASE COMMITMENTS**

The League leases its office in Sacramento under an operating lease agreement with an expiration date of April 30, 2027. Leases are generally renewed or replaced by other leases in the normal course of business.

In accordance with ASU 2016-02, *Leases*, The League reflects the present value of future lease payments (discounted at an appropriate borrowing rate) as a "Right-of-Use" asset and a corresponding lease liability. As of June 30, 2023, the Organization has recorded a total lease liability in the amount of \$256,866 (split between the current amount of \$70,835 and noncurrent amount of \$186,031) and a corresponding right-of-use asset in the amount of \$256,126. The weighted average discount rate associated with the calculation of the present value of the future lease payments as of June 30, 2023 was 1.43%, which represents an estimate of The League's incremental borrowing rate.

Maturities of the lease liabilities are as follows:

<b>Year Ending June 30,</b>	<b>Lease Payments</b>
2024	\$ 71,038
2025	70,276
2026	67,978
2027	54,148
Total lease payments	263,440
Less: Interest	(6,574)
Present value of lease liabilities	\$ 256,866

**NOTE 13: RELATED PARTY TRANSACTIONS**

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 \$129,811 and \$129,078 for the years ended June 30, 2023 and 2022, respectively.

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
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**NOTE 13: RELATED PARTY TRANSACTIONS (CONTINUED)**

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 \$30,000 and \$5,000 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 14: RESTATEMENT OF FINANCIAL STATEMENTS**

During 2023, the League determined amounts received in the prior year were incorrectly recorded, reconciled the amounts held for the library consortium and determined various other amounts were not correctly stated at June 30, 2022. Accordingly, the League restated its financial statements for the year ended June 30, 2022.

The effect of the restatements on the change in net assets and financial position as of and for the year ended June 30, 2022, is as follows:

	<b>2022</b>	
	<b>As previously reported</b>	<b>Restated</b>
Cash	\$ 8,731,293	\$ 9,197,604
Accounts receivable	<u>624,779</u>	<u>820,241</u>
Total Assets	<u>9,356,072</u>	<u>10,017,845</u>
Accounts payable	72,078	733,848
Library consortium payable	<u>1,953,176</u>	<u>3,550,704</u>
Total Liabilities	<u>2,025,254</u>	<u>4,284,552</u>
District services	<u>3,343,714</u>	<u>1,746,186</u>
Total Revenue	<u>3,343,714</u>	<u>1,746,186</u>
Ending net assets	<u>9,386,142</u>	<u>7,788,614</u>
Change in net assets	<u><u>2,360,426</u></u>	<u><u>762,898</u></u>



**SUPPLEMENTAL INFORMATION**

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023**

	<u>CCLC</u>	<u>CCCAA</u>	<u>EDGE</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ 3,624,839	\$ 806,605	\$ 753,102	\$ -	\$ 5,184,546
Cash held for library consortium	2,927,374	-	-	-	2,927,374
Cash held on behalf of others	752,696	-	-	-	752,696
Investments	2,690,248	-	-	-	2,690,248
Investments - CGA Program	3,236,560	-	-	-	3,236,560
Accounts receivable	1,050,516	3,918	-	-	1,054,434
Prepaid expenses	46,746	40,359	4,176	-	91,281
Future event deposits	<u>98,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,291</u>
Total Current Assets	<u>14,427,270</u>	<u>850,882</u>	<u>757,278</u>	<u>-</u>	<u>16,035,430</u>
Noncurrent Assets:					
Property and equipment, net	298,812	57,985	7,422	-	364,219
Right-of-use asset	<u>256,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,126</u>
Total Noncurrent Assets	<u>554,938</u>	<u>57,985</u>	<u>7,422</u>	<u>-</u>	<u>620,345</u>
Total Assets	<u>\$ 14,982,208</u>	<u>\$ 908,867</u>	<u>\$ 764,700</u>	<u>\$ -</u>	<u>\$ 16,655,775</u>
<b>Liabilities</b>					
Current Liabilities:					
Accounts payable	\$ 932,221	\$ 128,892	\$ 52,528	\$ -	\$ 1,113,641
Salaries and benefits payable	6,549	-	-	-	6,549
Accrued expenses	23,606	2,268	2,374	-	28,248
Compensated absences payable	214,981	49,394	23,951	-	288,326
Deferred revenue	321,175	-	-	-	321,175
Deposits payable	386,286	-	-	-	386,286
Library consortium payable	1,749,617	-	-	-	1,749,617
Amounts payable under fiscal agent responsibilities	563,540	-	-	-	563,540
Gift annuity liability - current portion	327,025	-	-	-	327,025
Lease liability - net of current portion	<u>70,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,835</u>
Total Current Liabilities	<u>4,595,835</u>	<u>180,554</u>	<u>78,853</u>	<u>-</u>	<u>4,855,242</u>
Noncurrent Liabilities:					
Gift annuity liability	3,312,500	-	-	-	3,312,500
Lease liability	<u>186,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,031</u>
Total Noncurrent Liabilities	<u>3,498,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,498,531</u>
Total Liabilities	<u>8,094,366</u>	<u>180,554</u>	<u>78,853</u>	<u>-</u>	<u>8,353,773</u>
<b>Net Assets</b>					
Without donor restrictions	<u>6,887,842</u>	<u>728,313</u>	<u>685,847</u>	<u>-</u>	<u>8,302,002</u>
Total Net Assets	<u>6,887,842</u>	<u>728,313</u>	<u>685,847</u>	<u>-</u>	<u>8,302,002</u>
Total Liabilities and Net Assets	<u>\$ 14,982,208</u>	<u>\$ 908,867</u>	<u>\$ 764,700</u>	<u>\$ -</u>	<u>\$ 16,655,775</u>

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**COMBINING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>CCLC</u>	<u>CCCAA</u>	<u>EDGE</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>					
Membership dues	\$ 2,007,461	\$ 1,148,025	\$ -	\$ -	\$ 3,155,486
District services	1,969,836	-	-	-	1,969,836
Championships, conventions, conferences, & workshops	1,153,085	428,103	-	-	1,581,188
Corporate partners, sponsorships, exhibits	244,170	77,000	-	-	321,170
Interest and investment income (loss)	112,752	10	-	-	112,762
Publications	529	286	-	-	815
Educational services program	241,337	-	-	-	241,337
Management fees	161,912	-	-	(88,780)	73,132
Grants	-	-	609,750	-	609,750
	<u>5,891,082</u>	<u>1,653,424</u>	<u>609,750</u>	<u>(88,780)</u>	<u>8,065,476</u>
<b>Total Revenues</b>					
	<u>5,891,082</u>	<u>1,653,424</u>	<u>609,750</u>	<u>(88,780)</u>	<u>8,065,476</u>
<b>Expenses</b>					
<b>Program Services:</b>					
Conventions, conferences, and workshops	1,728,700	265,070	-	-	1,993,770
Policy and government relations	723,376	-	674,943	-	1,398,319
Boards and advisory committees	502,776	101,970	-	-	604,746
Championships	-	602,425	-	-	602,425
Corporate partners	90,670	110,459	-	-	201,129
District services	737,204	71,936	-	-	809,140
Program development	660,925	76,338	-	-	737,263
	<u>4,443,651</u>	<u>1,228,198</u>	<u>674,943</u>	<u>-</u>	<u>6,346,792</u>
<b>Total Program Services</b>					
	<u>4,443,651</u>	<u>1,228,198</u>	<u>674,943</u>	<u>-</u>	<u>6,346,792</u>
<b>Supporting Services:</b>					
General and administration	871,553	375,504	47,019	(88,780)	1,205,296
	<u>871,553</u>	<u>375,504</u>	<u>47,019</u>	<u>(88,780)</u>	<u>1,205,296</u>
<b>Total Supporting Services</b>					
	<u>871,553</u>	<u>375,504</u>	<u>47,019</u>	<u>(88,780)</u>	<u>1,205,296</u>
<b>Total Expenses</b>	<u>5,315,204</u>	<u>1,603,702</u>	<u>721,962</u>	<u>(88,780)</u>	<u>7,552,088</u>
Change in unrestricted net assets	575,878	49,722	(112,212)	-	513,388
Net Assets, Beginning	<u>6,311,964</u>	<u>678,591</u>	<u>798,059</u>	<u>-</u>	<u>7,788,614</u>
Net Assets, Ending	<u>\$ 6,887,842</u>	<u>\$ 728,313</u>	<u>\$ 685,847</u>	<u>\$ -</u>	<u>\$ 8,302,002</u>

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**STATEMENT OF FUNCTIONAL EXPENSES - CCLC**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>Expenses</b>	Program Services					Program Services	Supporting Services	Total Expenses
	Conventions, Conferences, and Workshops	Policy and Government Relations	Boards and Advisory Committees	Corporate Partners	District Services	Program Development	General and Administration	
Salaries and benefits	\$ 639,784	\$ 566,079	\$ 409,346	\$ 77,796	\$ 548,427	\$ 302,972	\$ 423,655	\$ 2,968,059
Travel and meals	69,803	501	43,605	1,592	13,596	19,191	3,978	152,266
Program and event consultants	59,028	129,843	-	-	-	224,536	1,551	414,958
Events and meetings	917,664	-	45,757	9,246	16,147	7,151	1,076	997,041
Marketing and advertising	-	161	-	-	50	29,619	95	29,925
Social media	-	-	-	-	-	63	-	63
Client relations	57	68	185	163	368	371	3,188	4,400
Staff development	596	5,513	-	1,875	9,311	11,235	28,606	57,136
Website management	-	-	-	-	17,605	-	12,131	29,736
Donations	-	-	-	-	-	-	2,500	2,500
Depreciation	5,042	4,482	-	-	-	-	58,848	68,372
Insurance	-	-	-	-	-	-	25,291	25,291
Memberships and subscriptions	325	5,978	72	-	54,955	10,586	21,222	93,138
Taxes and Fees	28,653	550	-	(14)	985	762	26,357	57,293
Professional services	-	907	-	-	73,000	-	47,168	121,075
Facilities	-	184	-	-	-	-	137,823	138,007
Office operations	7,748	9,110	3,811	12	2,760	54,439	78,064	155,944
Total Expenses	<u>\$ 1,728,700</u>	<u>\$ 723,376</u>	<u>\$ 502,776</u>	<u>\$ 90,670</u>	<u>\$ 737,204</u>	<u>\$ 660,925</u>	<u>\$ 871,553</u>	<u>\$ 5,315,204</u>

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**STATEMENT OF FUNCTIONAL EXPENSES - CCCAA**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Expenses	Program Services					Supporting Services	Total Expenses	
	Conventions, Conferences, and Workshops	Boards and Advisory Committees	Championships	Marketing	Publications	Program Development		General and Administration
Salaries and benefits	\$ 110,923	\$ 58,058	\$ 147,092	\$ 103,128	\$ 71,683	\$ 70,858	\$ 232,308	\$ 794,050
Travel and meals	8,719	37,463	26,392	-	-	-	3,434	76,008
Events and meetings	140,459	6,449	34	-	-	-	31	146,973
Marketing and advertising	1,462	-	-	7,161	-	-	17,133	25,756
Staff development	-	-	-	-	-	-	120	120
Sponsorship	1,500	-	3,625	-	-	5,280	-	10,405
Depreciation	-	-	-	-	-	-	14,032	14,032
Insurance	-	-	-	-	-	-	22,322	22,322
Memberships and subscriptions	-	-	-	170	-	200	4,807	5,177
Other expenses	-	-	-	-	-	-	80	80
Professional services	496	-	-	-	-	-	57,582	58,078
Office operations	170	-	101	-	253	-	23,617	24,141
Championships	<u>1,341</u>	<u>-</u>	<u>425,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38</u>	<u>426,560</u>
Total Expenses	<u>\$ 265,070</u>	<u>\$ 101,970</u>	<u>\$ 602,425</u>	<u>\$ 110,459</u>	<u>\$ 71,936</u>	<u>\$ 76,338</u>	<u>\$ 375,504</u>	<u>\$ 1,603,702</u>

**COMMUNITY COLLEGE LEAGUE OF CALIFORNIA**  
**STATEMENT OF FUNCTIONAL EXPENSES - EDGE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>Expenses</b>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
	<u>Policy and Government Relations</u>	<u>General and Administration</u>	
Salaries and benefits	\$ 561,295	\$ 24,880	\$ 586,175
Travel and meals	15,766	30	15,796
Contract Services	59,030	1,733	60,763
Staff development	1,908	-	1,908
Sponsorship	500	-	500
Depreciation	3,262	-	3,262
Insurance	-	5,996	5,996
Other expenses	-	618	618
Facilities	6,868	13,762	20,630
Office operations	26,162	-	26,162
License and Permits	<u>152</u>	<u>-</u>	<u>152</u>
 Total Expenses	 <u>\$ 674,943</u>	 <u>\$ 47,019</u>	 <u>\$ 721,962</u>