



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2021 AND 2020

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
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COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
LIST OF OFFICIALS
JUNE 30, 2021

Board Officers

Adrienne Grey	Chair West Valley Mission CCD (CCCT)
Pamela Luster	First Vice Chair/Treasurer San Diego CCD (CEOCCC)
Karen Jimenez	Second Vice Chair/Secretary Irvine Valley College Foundation (CCCCS)
Joe Wyse	Immediate Past Chair Shasta-Tehama-Trinity Joint CCD (CEOCCC)

Board Members

Lori Bennett	Clovis College (CEOCCC)
Byron Clift Breland	San Jose Evergreen CCD (CEOCCC)
Dawn Bridge	Mt. San Jacinto College (CCCCS)
Ken Brown	El Camino CCD (CCCT)
Stephan Catellanos	San Joaquin Delta CCD (CCCT)
Jose Fierro	Cerritos CCD (CEOCCC)
Marvin Martinez	Rancho Santiago CCD (CEOCCC)
Linda Wah	Pasadena Area CCD (CCCT)

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

Report on the Financial Statements

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, 2021 and 2020, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary 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.

Mann, Urrutia, Nelson CPAs

Sacramento, California
December 15, 2021

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 4)	\$ 4,007,239	\$ 4,171,567
Cash held for library consortium (Note 4)	1,957,206	1,230,714
Cash held on behalf of others (Note 4)	426,649	233,097
Investments (Note 5)	2,847,226	2,488,790
Investments - charitable gift annuity program (Note 5)	4,742,428	4,572,408
Accounts receivable	245,214	428,585
Prepaid expenses	39,620	22,535
Future event deposits	<u>139,231</u>	<u>161,275</u>
Total Current Assets	<u>14,404,813</u>	<u>13,308,971</u>
Non-Current Assets		
Property and equipment, net (Note 7)	<u>295,612</u>	<u>315,287</u>
Total Non-Current Assets	<u>295,612</u>	<u>315,287</u>
Total Assets	<u>\$ 14,700,425</u>	<u>\$ 13,624,258</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 39,032	\$ 44,563
Salaries and benefits payable	8,798	1,813
Accrued expenses	14,071	7,046
Compensated absences payable	233,214	203,659
Deferred revenue (Note 8)	173,314	246,899
Deposits payable	785,074	1,069,124
Library consortium payable	1,164,707	1,230,714
Amounts payable under fiscal agent responsibilities	440,855	233,097
Gift annuity liability - current portion (Note 9)	<u>357,514</u>	<u>423,603</u>
Total Current Liabilities	<u>3,216,579</u>	<u>3,460,518</u>
Non-Current Liabilities		
Gift annuity liability (Note 9)	<u>4,458,130</u>	<u>4,519,171</u>
Total Non-Current Liabilities	<u>4,458,130</u>	<u>4,519,171</u>
Total Liabilities	<u>7,674,709</u>	<u>7,979,689</u>
Net Assets		
Without donor restrictions	<u>7,025,716</u>	<u>5,644,569</u>
Total Net Assets	<u>7,025,716</u>	<u>5,644,569</u>
Total Liabilities and Net Assets	<u>\$ 14,700,425</u>	<u>\$ 13,624,258</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, 2021 AND 2020

	Without Donor Restrictions	
	2021	2020
Revenues		
Membership dues	\$ 2,743,641	\$ 2,830,713
District services	1,503,942	1,756,932
Championships, conventions, conferences, & workshops	266,906	912,982
Corporate partners, sponsorships, exhibits	183,835	254,795
Interest and investment income	273,777	69,055
Publications	2,345	5,252
Educational services program	62,000	45,446
Management fees	39,492	26,294
Professional fees	2,000	4,000
Grants	976,272	799,171
Miscellaneous	<u>505</u>	<u>735</u>
Total Revenues	<u>6,054,715</u>	<u>6,705,375</u>
Expenses		
Program services:		
Conventions, conferences, and workshops	705,066	1,275,007
Policy and government relations	1,189,823	800,441
Boards and advisory committees	387,929	404,186
Championships	179,819	284,583
Corporate partners	52,899	21,514
District services	718,986	642,951
Program development	<u>365,773</u>	<u>560,791</u>
Total program services	<u>3,600,295</u>	<u>3,989,473</u>
Supporting Services:		
General and administration	<u>1,073,273</u>	<u>1,306,613</u>
Total supporting services	<u>1,073,273</u>	<u>1,306,613</u>
Total Expenses	<u>4,673,568</u>	<u>5,296,086</u>
Change in Net Assets	1,381,147	1,409,289
Net Assets - Beginning of Year	<u>5,644,569</u>	<u>4,235,280</u>
Net Assets - End of Year	<u>\$ 7,025,716</u>	<u>\$ 5,644,569</u>

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, 2021

	Program Services							Supporting Services	Total 2021
	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	\$ 650,656	\$ 811,715	\$ 387,092	\$ 140,819	\$ 51,985	\$ 583,913	\$ 205,095	\$ 639,203	\$ 3,470,478
Travel and meals	577	-	-	-	208	3,621	9,692	1,879	15,977
Program and event consultants	9,200	234,524	-	-	-	-	58,733	6,277	308,734
Events and meetings	28,578	2,087	208	39,000	-	-	1,307	1,157	72,337
Marketing and advertising	-	240	1	-	239	-	59,865	5,097	65,442
Client relations	-	-	-	-	-	47	-	343	390
Research, curriculum, and development	-	-	-	-	-	-	6,006	-	6,006
Staff development	-	413	-	-	-	438	-	6,881	7,732
Ballot measure	-	13,500	-	-	-	-	-	-	13,500
Website management	-	-	-	-	-	17,297	-	11,998	29,295
Depreciation	-	713	-	-	-	-	-	41,834	42,547
Insurance	-	-	-	-	-	-	-	45,466	45,466
Memberships and subscriptions	3,731	12,013	-	-	-	9,465	176	24,788	50,173
Other expenses	6,822	5,050	-	-	-	15,026	670	18,061	45,629
Professional services	-	76,620	-	-	-	79,618	-	104,456	260,694
Facilities	-	17,706	-	-	-	-	-	69,543	87,249
Office operations	5,502	15,242	628	-	467	9,561	24,229	96,290	151,919
Total Expenses	\$ 705,066	\$ 1,189,823	\$ 387,929	\$ 179,819	\$ 52,899	\$ 718,986	\$ 365,773	\$ 1,073,273	\$ 4,673,568

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, 2020

	Program Services							Supporting Services	Total 2020
	Conventions, Conferences, and Workshops	Poicy and Government Relations	Boards and Advisory Committees	Championships	Corporate Partners	District Services	Program Development	General and Administration	
Salaries and benefits	\$ 632,394	\$ 567,743	\$ 321,668	\$ 144,152	\$ 15,393	\$ 525,920	\$ 376,733	\$ 791,923	\$ 3,375,926
Travel and meals	44,050	14,818	25,059	-	863	14,314	5,675	32,001	136,780
Program and event consultants	42,359	30,000	-	-	-	-	34,000	5,000	111,359
Events and meetings	518,576	13,311	48,139	140,431	4,117	3,402	375	201	728,552
Marketing and advertising	-	850	-	-	-	2,475	38,617	1,500	43,442
Social media	-	-	-	-	-	-	69	-	69
Client relations	-	915	194	-	81	612	104	1,310	3,216
Research, curriculum, and development	-	-	-	-	-	-	14,112	-	14,112
Staff development	39	1,595	-	-	450	1,606	1,912	15,940	21,542
Ballot measure	-	-	-	-	-	-	50,000	-	50,000
Website management	-	-	-	-	-	15,265	94	24,298	39,657
Depreciation	-	490	-	-	-	-	-	39,312	39,802
Insurance	-	-	-	-	-	-	-	39,044	39,044
Memberships and subscriptions	674	13,608	62	-	-	8,571	472	18,377	41,764
Other expenses	21,779	920	-	-	210	6,353	130	15,492	44,884
Professional services	169	130,069	6,380	-	-	58,745	15,764	59,796	270,923
Facilities	-	21,434	-	-	-	-	-	65,745	87,179
Office operations	<u>14,967</u>	<u>4,688</u>	<u>2,684</u>	<u>-</u>	<u>400</u>	<u>5,688</u>	<u>22,734</u>	<u>196,674</u>	<u>247,835</u>
Total Expenses	\$ <u>1,275,007</u>	\$ <u>800,441</u>	\$ <u>404,186</u>	\$ <u>284,583</u>	\$ <u>21,514</u>	\$ <u>642,951</u>	\$ <u>560,791</u>	\$ <u>1,306,613</u>	\$ <u>5,296,086</u>

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, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 1,381,147	\$ 1,409,289
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	42,547	39,802
Realized gain on sale of investments	(1,006,259)	(169,711)
(Increase) decrease in:		
Accounts receivable	183,371	(196,835)
Prepaid expenses	(17,085)	(9,883)
Future event deposits	22,044	11,182
Increase (decrease) in:		
Accounts payable	(5,531)	(184,230)
Salaries and benefits payable	6,985	700
Accrued expenses	7,025	(8,774)
Compensated absences payable	29,555	16,626
Deferred revenue	(73,585)	38,736
Library consortium payable	(350,057)	(691,120)
Fiscal agent payable	207,758	(193,693)
<u>Net Cash Provided by Operating Activities</u>	<u>427,915</u>	<u>62,089</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(22,872)	(40,175)
Proceeds from sale of investments	1,009,434	499,240
Purchase of investments	(658,761)	(513,543)
<u>Net Cash Provided by (Used for) Investing Activities</u>	<u>327,801</u>	<u>(54,478)</u>
Increase in Cash and Cash Equivalents	755,716	7,611
Cash and Cash Equivalents, Beginning of Year	<u>5,635,378</u>	<u>5,627,767</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,391,094</u>	<u>\$ 5,635,378</u>
Reconciliation of cash and cash equivalents to the Statement of Financial Position		
Cash and cash equivalents	\$ 4,007,239	\$ 4,171,567
Cash held for library consortium	1,957,206	1,230,714
Cash held on behalf of others	426,649	233,097
<u>Total cash and cash equivalents shown in the Statement of Cash Flows</u>	<u><u>\$ 6,391,094</u></u>	<u><u>\$ 5,635,378</u></u>

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

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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, 2021 AND 2020

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, 2021 AND 2020

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, 2021 and 2020.

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, 2021 AND 2020

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.

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.

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.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2017.

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 December 15, 2021, 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.

Recently Adopted Accounting Pronouncements

ASU 2018-13 - Fair Value Measurement: Changes to Disclosure Requirements for Fair Value Measurement

The purpose of this standard is to improve the effectiveness of disclosures about fair value measurements under ASC 820. Disclosure requirements including (1) transfers between Level 1 and Level 2 of the fair value hierarchy, (2) policy for timing of transfers between levels, (3) valuation processes for Level 3 measurements, and (4) changes in unrealized gains and losses for the period included for earnings for recurring Level 3 measurements. Additional disclosures are required for investments in certain entities that calculate net asset value such as timing of liquidation of an investee's assets and the date when restriction might relapse. Additional disclosures include disclosing changes in unrealized gains/losses for the period that are included in other comprehensive income for Level 3 measurements and the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. The League adopted this accounting guidance for its June 30, 2021 year-end. There was no impact to the League's financial statements as a result of adopting this standard.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future Accounting Pronouncements

ASU 2020-07 – Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)

Under the new guidance, not-for-profit entities that receive contributed nonfinancial assets will be required to provide enhanced presentation and disclosures regarding the type and valuation of the receipts of nonfinancial assets. The requirements in the ASU require presentation of the receipt of nonfinancial assets as a separate line item in the statement of activities. The ASU also requires additional disclosures regarding qualitative information about the monetization or utilization of the nonfinancial assets, any donor-imposed restrictions on the use of the nonfinancial assets, and a description of the valuation techniques and inputs used to determine the fair value on the date the nonfinancial assets were received. The new requirements are effective for the League's June 30, 2022 year-end. Management has not yet determined the impact of this accounting standard on the League's operations or cash flows.

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. Management has not yet determined the impact of this accounting standard on the League's operations or cash flows.

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, 2021 and 2020, 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>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,007,239	\$ 4,171,567
Cash held for library consortium	1,957,206	1,230,714
Cash held on behalf of others	426,649	233,097
Investments	2,847,226	2,488,790
Investments - Charitable Gift Annuity Program	4,742,428	4,572,408
Accounts receivable	<u>245,214</u>	<u>428,585</u>
Total financial assets	<u>14,225,962</u>	<u>13,125,161</u>
Less:		
Cash held for library consortium	(1,957,206)	(1,230,714)
Cash held on behalf of others	(426,649)	(233,097)
Cash and investments held for gift annuity program	(4,815,644)	(4,942,774)
Investments maturing in more than 12 months	(1,740,881)	(1,343,802)
Deposits payable	<u>(785,074)</u>	<u>(1,069,124)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,500,508</u>	<u>\$ 4,305,650</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4: CASH AND CASH EQUIVALENTS

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,136,424	\$ 2,634,882
Future library deposits payable	785,074	1,069,124
Cash held in Charles Schwab accounts	12,526	97,195
Cash held for charitable gift annuity program	73,215	370,366
Cash held for library consortium	1,957,206	1,230,714
Cash held on behalf of others	<u>426,649</u>	<u>233,097</u>
 Total Cash and Cash Equivalents	 <u>\$ 6,391,094</u>	 <u>\$ 5,635,378</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, 2021, the League's total book balance was \$6,391,094 and the total bank balance was \$7,151,267 of which \$913,230 was insured by the Federal Deposit Insurance Corporation and \$6,238,037 was uninsured. At June 30, 2020, the League's total book balance was \$5,635,378 and the total bank balance was \$6,043,424 of which \$699,596 was insured by the Federal Deposit Insurance Corporation and \$5,343,828 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, 2021, the League held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>< 12 months</u>	<u>1 - 3 years</u>	<u>> 3 years</u>
Operations:				
U.S. treasuries	\$ 595,339	\$ 166,053	\$ 403,696	\$ 25,590
Government agencies	70,360	25,473	44,887	-
Corporate bonds	524,087	60,595	272,659	190,833
Municipal bonds	653,482	-	27,306	626,176
Certificates of deposit	165,268	115,440	49,828	-
Mutual funds	<u>838,691</u>	<u>838,691</u>	-	-
Subtotal	<u>2,847,227</u>	<u>1,206,252</u>	<u>798,376</u>	<u>842,599</u>
Charitable Gift Annuity Program:				
Government agencies	99,906	-	99,906	-
Mutual funds	2,464,205	2,464,205	-	-
Exchange traded funds	<u>2,178,316</u>	<u>2,178,316</u>	-	-
Subtotal	<u>4,742,427</u>	<u>4,642,521</u>	<u>99,906</u>	-
 Total Investments	 <u>\$ 7,589,654</u>	 <u>\$ 5,848,773</u>	 <u>\$ 898,282</u>	 <u>\$ 842,599</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5: INVESTMENTS (CONTINUED)

As of June 30, 2020, the League held the following investments:

Investment Type	Fair Value	Investment Maturities		
		< 12 months	1 - 3 years	> 3 years
Operations:				
U.S. treasuries	\$ 546,453	\$ 212,796	\$ 296,502	\$ 37,155
Government agencies	174,370	174,370	-	-
Corporate bonds	452,634	56,010	246,254	150,370
Municipal bonds	507,223	35,343	27,922	443,958
Certificates of deposit	141,641	-	141,641	-
Mutual funds	666,469	666,469	-	-
Subtotal	<u>2,488,790</u>	<u>1,144,988</u>	<u>712,319</u>	<u>631,483</u>
Charitable Gift Annuity Program:				
Mutual funds	1,937,192	1,937,192	-	-
Exchange traded funds	2,635,216	2,635,216	-	-
Subtotal	<u>4,572,408</u>	<u>4,572,408</u>	-	-
Total Investments	<u>\$ 7,061,198</u>	<u>\$ 5,717,396</u>	<u>\$ 712,319</u>	<u>\$ 631,483</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
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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, 2021. 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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments</u>				
U.S. treasuries	\$ -	\$ 595,339	\$ -	\$ 595,339
Government agencies	-	170,266	-	170,266
Corporate bonds	-	524,087	-	524,087
Municipal bonds	-	653,482	-	653,482
Certificates of deposit	-	165,268	-	165,268
Mutual funds	3,302,896	-	-	3,302,896
Exchange traded funds	<u>2,178,316</u>	<u>-</u>	<u>-</u>	<u>2,178,316</u>
Total investments at fair value	<u>\$ 5,481,212</u>	<u>\$ 2,108,442</u>	<u>\$ -</u>	<u>\$ 7,589,654</u>
<u>Liabilities</u>				
Gift annuity liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,815,644</u>	<u>\$ 4,815,644</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments</u>				
U.S. treasuries	\$ -	\$ 546,453	\$ -	\$ 546,453
Government agencies	-	174,370	-	174,370
Corporate bonds	-	452,634	-	452,634
Municipal bonds	-	507,223	-	507,223
Certificates of deposit	-	141,641	-	141,641
Mutual funds	2,603,661	-	-	2,603,661
Exchange traded funds	<u>2,635,216</u>	<u>-</u>	<u>-</u>	<u>2,635,216</u>
Total investments at fair value	<u>\$ 5,238,877</u>	<u>\$ 1,822,321</u>	<u>\$ -</u>	<u>\$ 7,061,198</u>
<u>Liabilities</u>				
Gift annuity liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,942,774</u>	<u>\$ 4,942,774</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>2021</u>	<u>2020</u>
Non-depreciable assets:		
Land	<u>\$ 51,177</u>	<u>\$ 51,177</u>
Depreciable assets:		
Building and improvements	767,818	767,818
Furniture and equipment	<u>258,534</u>	<u>245,707</u>
Total, at cost	1,026,352	1,013,525
Less: accumulated depreciation	<u>(781,917)</u>	<u>(749,415)</u>
Depreciable assets, net	<u>244,435</u>	<u>264,110</u>
Total property and equipment, net	<u>\$ 295,612</u>	<u>\$ 315,287</u>

Depreciation expense was \$42,547 and \$39,802 for the years ended June 30, 2021 and 2020, respectively.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8: DEFERRED REVENUE

Deferred revenue consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Charitable gift annuity	\$ 5,000	\$ -
Policy and procedures - federal	34,049	42,310
Student trustee workshop	4,290	3,315
Grants	-	74,769
Training	3,500	-
League directories	-	30
Northern CEO	21,710	21,710
Southern CEO	83,413	83,413
CTE/CEO summit	<u>21,352</u>	<u>21,352</u>
Total deferred revenue	<u>\$ 173,314</u>	<u>\$ 246,899</u>

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 86 and 112 participants at June 30, 2021 and June 30, 2020, respectively, with account balances of \$4,815,644 and \$4,942,774 at June 30, 2021 and June 30, 2020, respectively. The League received administrative and processing fees of \$20,000 each year for the years ended June 30, 2021 and June 30, 2020, in connection with this program.

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).

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10: PENSION PLAN (CONTINUED)

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 of its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for Classic Members for the fiscal years ended June 30, 2021 and 2020 were 23.394% and 20.924%, respectively, of annual payroll. The required employer contribution rates for PEPRA Members for the fiscal years ended June 30, 2021 and 2020 were 8.311% and 7.077%, respectively, of annual payroll. The contribution requirements of the plan members are established by state statute.

The League's contributions to CalPERS for the fiscal years ending June 30, 2021 and 2020 were \$325,252 and \$279,442, 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, 2021 and 2020.

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, 2021 and 2020, 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
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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: COMMITMENTS AND CONTINGENCIES

Leases

The League leases office space and copier equipment under non-cancelable operating leases. Total rent expense under these leases was \$69,976 and \$64,048 for the years ended June 30, 2021 and 2020, respectively.

Following is a schedule of future minimum rental payments required under the operating leases as of June 30, 2021:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2022	\$ 45,461
2023	22,501
2024	<u>1,655</u>
Total	<u>\$ 69,617</u>

Coronavirus Pandemic

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as accounts receivable, accounts payable, and accrued expenses to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported in the financial statements are properly valued as of June 30, 2021. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the League.

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 \$129,173 and \$67,941 for the years ended June 30, 2021 and 2020, respectively.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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 Districts, 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 \$29,063 and \$5,000 for the years ended June 30, 2021 and 2020, respectively.

SUPPLEMENTARY INFORMATION

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
COMBINING STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>CCLC</u>	<u>CCCAA</u>	<u>EDGE</u>	<u>Eliminations</u>	<u>Total</u>
Assets					
Current Assets:					
Cash and cash equivalents	\$ 2,937,856	\$ 511,441	\$ 557,942	\$ -	\$ 4,007,239
Cash held for library consortium	1,957,206	-	-	-	1,957,206
Cash held on behalf of others	426,649	-	-	-	426,649
Investments	2,847,226	-	-	-	2,847,226
Investments - CGA Program	4,742,428	-	-	-	4,742,428
Accounts receivable	280,151	30,565	6,333	(71,835)	245,214
Prepaid expenses	17,002	13,618	9,000	-	39,620
Future event deposits	<u>139,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,231</u>
Total Current Assets	<u>13,347,749</u>	<u>555,624</u>	<u>573,275</u>	<u>(71,835)</u>	<u>14,404,813</u>
Noncurrent Assets:					
Property and equipment, net	<u>274,991</u>	<u>9,907</u>	<u>10,714</u>	<u>-</u>	<u>295,612</u>
Total Noncurrent Assets	<u>274,991</u>	<u>9,907</u>	<u>10,714</u>	<u>-</u>	<u>295,612</u>
Total Assets	<u>\$ 13,622,740</u>	<u>\$ 565,531</u>	<u>\$ 583,989</u>	<u>\$ (71,835)</u>	<u>\$ 14,700,425</u>
Liabilities					
Current Liabilities:					
Accounts payable	\$ 71,835	\$ 39,000	\$ 32	\$ (71,835)	\$ 39,032
Salaries and benefits payable	8,798	-	-	-	8,798
Accrued expenses	8,443	2,417	3,211	-	14,071
Compensated absences payable	175,903	38,316	18,995	-	233,214
Deferred revenue	173,314	-	-	-	173,314
Deposits payable	785,074	-	-	-	785,074
Library consortium payable	1,164,707	-	-	-	1,164,707
Amounts payable under fiscal agent responsibilities	440,855	-	-	-	440,855
Gift annuity liability - current portion	<u>357,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,514</u>
Total Current Liabilities	<u>3,186,443</u>	<u>79,733</u>	<u>22,238</u>	<u>(71,835)</u>	<u>3,216,579</u>
Noncurrent Liabilities:					
Gift annuity liability	<u>4,458,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,458,130</u>
Total Noncurrent Liabilities	<u>4,458,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,458,130</u>
Total Liabilities	<u>7,644,573</u>	<u>79,733</u>	<u>22,238</u>	<u>(71,835)</u>	<u>7,674,709</u>
Net Assets					
Without donor restrictions	<u>5,978,167</u>	<u>485,798</u>	<u>561,751</u>	<u>-</u>	<u>7,025,716</u>
Total Net Assets	<u>5,978,167</u>	<u>485,798</u>	<u>561,751</u>	<u>-</u>	<u>7,025,716</u>
Total Liabilities and Net Assets	<u>\$ 13,622,740</u>	<u>\$ 565,531</u>	<u>\$ 583,989</u>	<u>\$ (71,835)</u>	<u>\$ 14,700,425</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>CCLC</u>	<u>CCCAA</u>	<u>EDGE</u>	<u>Eliminations</u>	<u>Total</u>
Revenues					
Membership dues	\$ 1,947,641	\$ 796,000	\$ -	\$ -	\$ 2,743,641
District services	1,503,942	-	-	-	1,503,942
Championships, conventions, conferences, & workshops	223,404	43,502	-	-	266,906
Corporate partners, sponsorships, exhibits	174,250	9,585	-	-	183,835
Interest and investment income	273,767	10	-	-	273,777
Publications	2,067	278	-	-	2,345
Educational services program	62,000	-	-	-	62,000
Management fees	148,270	-	-	(108,778)	39,492
Professional fees	2,000	-	-	-	2,000
Grants	33,819	-	942,453	-	976,272
Miscellaneous/prior year bad debt	<u>505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>505</u>
Total Revenues	<u>4,371,665</u>	<u>849,375</u>	<u>942,453</u>	<u>(108,778)</u>	<u>6,054,715</u>
Expenses					
Program Services:					
Conventions, conferences, and workshops	595,007	110,059	-	-	705,066
Policy and government relations	579,709	-	610,114	-	1,189,823
Boards and advisory committees	387,929	-	-	-	387,929
Championships	-	179,819	-	-	179,819
Corporate partners	52,899	-	-	-	52,899
District services	718,986	-	-	-	718,986
Program development	<u>311,713</u>	<u>54,060</u>	<u>-</u>	<u>-</u>	<u>365,773</u>
Total Program Services	<u>2,646,243</u>	<u>343,938</u>	<u>610,114</u>	<u>-</u>	<u>3,600,295</u>
Supporting Services:					
General and administration	<u>764,421</u>	<u>351,425</u>	<u>66,205</u>	<u>(108,778)</u>	<u>1,073,273</u>
Total Supporting Services	<u>764,421</u>	<u>351,425</u>	<u>66,205</u>	<u>(108,778)</u>	<u>1,073,273</u>
Total Expenses	<u>3,410,664</u>	<u>695,363</u>	<u>676,319</u>	<u>(108,778)</u>	<u>4,673,568</u>
Change in unrestricted net assets	961,001	154,012	266,134	-	1,381,147
Net Assets, Beginning	<u>5,017,166</u>	<u>331,786</u>	<u>295,617</u>	<u>-</u>	<u>5,644,569</u>
Net Assets, Ending	<u>\$ 5,978,167</u>	<u>\$ 485,798</u>	<u>\$ 561,751</u>	<u>\$ -</u>	<u>\$ 7,025,716</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES - CCLC
FOR THE YEAR ENDED JUNE 30, 2021

Expenses	Program Services				
	Conventions, Conferences, and Workshops	Policy and Government Relations	Boards and Advisory Committees	Corporate Partners	District Services
Salaries and benefits	\$ 546,167	\$ 448,198	\$ 387,092	\$ 51,985	\$ 583,913
Travel and meals	577	-	-	208	3,621
Program and event consultants	9,200	105,000	-	-	-
Events and meetings	23,008	-	208	-	-
Marketing and advertising	-	-	1	239	-
Client relations	-	-	-	-	47
Research, curriculum, and development	-	-	-	-	-
Staff development	-	-	-	-	438
Ballot measure	-	13,500	-	-	-
Website management	-	-	-	-	17,297
Depreciation	-	-	-	-	-
Insurance	-	-	-	-	-
Memberships and subscriptions	3,731	8,276	-	-	9,465
Other expenses	6,822	50	-	-	15,026
Professional services	-	2,145	-	-	79,618
Facilities	-	-	-	-	-
Office operations	<u>5,502</u>	<u>2,540</u>	<u>628</u>	<u>467</u>	<u>9,561</u>
Total Expenses	<u>\$ 595,007</u>	<u>\$ 579,709</u>	<u>\$ 387,929</u>	<u>\$ 52,899</u>	<u>\$ 718,986</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES - CCLC (continued)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>	
Expenses	<u>Program Development</u>	<u>General and Administration</u>	<u>Total Expenses</u>
Salaries and benefits	\$ 151,035	\$ 383,739	\$ 2,552,129
Travel and meals	9,692	1,656	15,754
Program and event consultants	58,733	5,827	178,760
Events and meetings	1,307	157	24,680
Marketing and advertising	59,865	5,097	65,202
Client relations	-	343	390
Research, curriculum, and development	6,006	-	6,006
Staff development	-	1,953	2,391
Ballot measure	-	-	13,500
Website management	-	11,998	29,295
Depreciation	-	36,256	36,256
Insurance	-	19,107	19,107
Memberships and subscriptions	176	16,211	37,859
Other expenses	670	18,061	40,629
Professional services	-	138,303	220,066
Facilities	-	52,822	52,822
Office operations	<u>24,229</u>	<u>72,891</u>	<u>115,818</u>
Total Expenses	<u>\$ 311,713</u>	<u>\$ 764,421</u>	<u>\$ 3,410,664</u>

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES - CCCAA
FOR THE YEAR ENDED JUNE 30, 2021

Expenses	Program Services			Supporting Services	Total Expenses
	Conventions, Conferences, and Workshops	Championships	Program Development	General and Administration	
Salaries and benefits	\$ 104,489	\$ 140,819	\$ 54,060	\$ 226,756	\$ 526,124
Travel and meals	-	-	-	2	2
Events and meetings	5,570	39,000	-	1,000	45,570
Staff development	-	-	-	4,928	4,928
Depreciation	-	-	-	4,035	4,035
Insurance	-	-	-	20,738	20,738
Memberships and subscriptions	-	-	-	3,093	3,093
Professional services	-	-	-	74,080	74,080
Office operations	-	-	-	16,793	16,793
	\$ 110,059	\$ 179,819	\$ 54,060	\$ 351,425	\$ 695,363
Total Expenses	\$ 110,059	\$ 179,819	\$ 54,060	\$ 351,425	\$ 695,363

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES - EDGE
FOR THE YEAR ENDED JUNE 30, 2021

Expenses	<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	\$ 363,517	\$ 28,708	\$ 392,225
Travel and meals	-	221	221
Program and event consultants	129,524	450	129,974
Events and meetings	2,087	-	2,087
Marketing and advertising	240	-	240
Staff development	413	-	413
Depreciation	713	1,543	2,256
Insurance	-	5,621	5,621
Memberships and subscriptions	3,737	5,484	9,221
Other expenses	5,000	-	5,000
Professional services	74,475	851	75,326
Facilities	17,706	16,721	34,427
Office operations	<u>12,702</u>	<u>6,606</u>	<u>19,308</u>
 Total Expenses	 <u>\$ 610,114</u>	 <u>\$ 66,205</u>	 <u>\$ 676,319</u>