

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES
CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Academic Senate for California Community Colleges
Sacramento, California

Opinion

We have audited the accompanying consolidated financial statements of Academic Senate for California Community Colleges and the Foundation of the Academic Senate for California Community Colleges (collectively the "Organization"), a nonprofit organization, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Academic Senate for California Community Colleges and the Foundation of the Academic Senate for California Community Colleges as of June 30, 2023 and 2022, and the changes in its consolidated net assets and its consolidated 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

9261 Sierra College Boulevard
Roseville, California 95661

916.751.2900
916.751.2979 FAX

pccllp.com

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Propp Christenson Caniglia LLP

October 20, 2023
Roseville, California

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

ASSETS

	2023	2022
Current assets:		
Cash and cash equivalents	\$ 4,094,999	\$ 3,826,097
Accounts receivable	302,540	567,431
Prepaid expenses	74,200	107,074
Total current assets	4,471,739	4,500,602
Property and equipment, net	-	-
Right of use assets - operating lease	296,812	381,247
Total assets	<u>\$ 4,768,551</u>	<u>\$ 4,881,849</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 61,768	\$ 298,409
Accrued expenses	81,732	65,625
Deferred revenue	1,130,371	1,038,739
Operating lease liabilities, current portion	94,210	102,500
Total current liabilities	1,368,081	1,505,273
Long-term liabilities:		
Operating lease liabilities, less current portion	229,238	309,546
Total liabilities	1,597,319	1,814,819
Net assets:		
Without donor restrictions:		
Unrestricted	2,867,032	2,762,830
Designated for reserves	300,000	300,000
With donor restrictions	4,200	4,200
Total net assets	3,171,232	3,067,030
Total liabilities and net assets	<u>\$ 4,768,551</u>	<u>\$ 4,881,849</u>

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

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total
Revenues and other support:			
College dues	\$ 471,729	\$ -	\$ 471,729
College event fees	591,205	-	591,205
Event sponsorships	23,500	-	23,500
State of California Academic Senate grant	1,111,000	-	1,111,000
Chancellor's Office Course ID grant	572,916	-	572,916
Other grants and contracts	1,086,886	-	1,086,886
Foundation contributions	31,796	-	31,796
Interest income	31,220	-	31,220
Other income	91,544	-	91,544
Net assets released from restrictions	-	-	-
	<u>4,011,796</u>	<u>-</u>	<u>4,011,796</u>
Total revenues and other support			
	<u>4,011,796</u>	<u>-</u>	<u>4,011,796</u>
Expenses:			
Program services:			
Grant and senate programs	2,591,718	-	2,591,718
Supporting services:			
Management and general	1,315,876	-	1,315,876
	<u>3,907,594</u>	<u>-</u>	<u>3,907,594</u>
Total expenses			
	<u>3,907,594</u>	<u>-</u>	<u>3,907,594</u>
Change in net assets	104,202	-	104,202
Net assets, beginning of year	3,062,830	4,200	3,067,030
Net assets, end of year	<u>\$ 3,167,032</u>	<u>\$ 4,200</u>	<u>\$ 3,171,232</u>

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

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)

For the Years Ended June 30, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	2022 Total
Revenues and other support:			
College dues	\$ 453,974	\$ -	\$ 453,974
College event fees	583,925	-	583,925
Event sponsorships	26,500	-	26,500
State of California Academic Senate grant	1,000,000	-	1,000,000
Chancellor's Office Course ID grant	559,367	-	559,367
Other grants and contracts	1,096,145	-	1,096,145
Foundation contributions	31,677	-	31,677
Interest income	318	-	318
Other income	2,825	-	2,825
Net assets released from restrictions	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues and other support	3,754,731	-	3,754,731
	<hr/>	<hr/>	<hr/>
Expenses:			
Program services:			
Grant and senate programs	2,445,866	-	2,445,866
Supporting services:			
Management and general	1,097,618	-	1,097,618
	<hr/>	<hr/>	<hr/>
Total expenses	3,543,484	-	3,543,484
	<hr/>	<hr/>	<hr/>
Change in net assets	211,247	-	211,247
	<hr/>	<hr/>	<hr/>
Net assets, beginning of year	2,851,583	4,200	2,855,783
	<hr/>	<hr/>	<hr/>
Net assets, end of year	\$ 3,062,830	\$ 4,200	\$ 3,067,030
	<hr/>	<hr/>	<hr/>

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

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2023 and 2022

	Program Services Grant and Senate Programs	Supporting Management and General	2023 Totals
Business expenses	\$ 40	\$ -	\$ 40
Equipment lease/rental	950	3,470	4,420
Equipment purchase	1,092	4,722	5,814
Executive activities	183,230	30,206	213,436
Executive reassignment	235,932	41,635	277,567
FASCCC Charitable Contributions	25,705	-	25,705
FASCCC G&A Expenses	-	20,654	20,654
Grant expenses	807,355	-	807,355
Institutes	325,829	11,554	337,383
Insurance	2,809	7,987	10,796
Internet	860	2,947	3,807
IT/Software	9,046	27,240	36,286
Liaison	71,673	37,207	108,880
Outside administrative services	10,031	35,342	45,373
Parking	3,514	11,535	15,049
Phones - office	505	1,753	2,258
Plenary session	314,079	12,303	326,382
Postage and shipping	79	207	286
Professional services	1,849	17,439	19,288
Publications, marketing, technology	114,964	90,052	205,016
Rent/lease	21,931	67,454	89,385
Salaries and benefits	458,871	888,274	1,347,145
Subscriptions	587	1,588	2,175
Supplies	787	2,307	3,094
Total expenses	\$ 2,591,718	\$ 1,315,876	\$ 3,907,594

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

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

For the Years Ended June 30, 2023 and 2022

	Program Services Grant and Senate Programs	Supporting Management and General	2022 Totals
Business expenses	\$ -	\$ 2,686	\$ 2,686
Equipment lease/rental	1,048	2,940	3,988
Equipment purchase	433	1,943	2,376
Executive activities	162,413	28,571	190,984
Executive reassignment	209,682	37,003	246,685
FASCCC Charitable Contributions	21,427	-	21,427
FASCCC G&A Expenses	-	399	399
Grant expenses	939,430	-	939,430
Institutes	302,739	12,727	315,466
Insurance	1,394	6,618	8,012
Internet	730	2,219	2,949
IT/Software	6,036	20,559	26,595
Liaison	30,978	27,607	58,585
Outside administrative services	4,258	1,392	5,650
Parking	3,627	10,834	14,461
Phones - office	528	1,623	2,151
Plenary session	341,202	13,070	354,272
Postage and shipping	51	136	187
Professional services	5,522	28,509	34,031
Publications, marketing, technology	55,132	73,411	128,543
Rent/lease	24,220	73,955	98,175
Salaries and benefits	332,931	745,012	1,077,943
Subscriptions	903	3,298	4,201
Supplies	1,182	3,106	4,288
Total expenses	\$ 2,445,866	\$ 1,097,618	\$ 3,543,484

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

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 104,202	\$ 211,247
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization - right-of-use assets - operating lease	84,435	82,256
Changes in operating assets and liabilities:		
Accounts receivable	264,891	(244,201)
Prepaid expenses	32,874	(32,571)
Accounts payable	(236,641)	206,423
Accrued expenses	16,107	(23,966)
Deferred revenue	91,632	988,691
Operating lease liabilities	(88,598)	(82,355)
Net cash provided by operating activities	268,902	1,105,524
Net change in cash and cash equivalents	268,902	1,105,524
Cash and cash equivalents, beginning of year	3,826,097	2,720,573
Cash and cash equivalents, end of year	\$ 4,094,999	\$ 3,826,097

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

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

NOTES TO CONSOLIDATED STATEMENTS

June 30, 2023 and 2022

NOTE 1: NATURE OF ACTIVITIES

The Academic Senate for California Community Colleges (the "Academic Senate") is a California non-profit corporation established on October 2, 1970, whose purpose is to promote the best interests of higher education in the State of California and to represent the faculty in all California community colleges at the state level.

The general purpose and powers are:

- To strengthen local academic senates and councils of community colleges;
- To serve as the voice of the faculty of the community colleges in matters of statewide concern;
- To develop policies and promote the implementation of policies on matters of statewide issues; and
- To make recommendations on statewide matters affecting the community colleges.

On August 11, 2008, the Academic Senate formed the Foundation of the Academic Senate for California Community Colleges (the "Foundation"), a California charitable corporation controlled by the Academic Senate, whose purposes are:

- To benefit, support and enhance the excellence of California community colleges;
- To support, design and implement professional development for California community college faculty;
- To research, develop and communicate effective practices to promote effective teaching and learning in the California community colleges; and
- To promote a variety of activities and strategies to advance teaching and learning.

These financial statements of the Academic Senate and the Foundation are presented on a consolidated basis, with all significant inter-company transactions eliminated. The Academic Senate and the Foundation are collectively referred to as the "Organization".

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Organization presents its consolidated financial statements in accordance with FASB ASC Topic 958, Subtopic 210 (FASB ASC 958-210), *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASC 958-210, the Organization is required to report information regarding its financial position and activities according to the following two classes of net assets:

Net assets without donor restrictions - Net assets that are not subject to stipulations.

Net assets with donor restrictions - Net assets that are subject to stipulations that will be met by actions or the passage of time.

Revenues and gains and losses on investments are reported as changes in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as changes in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

NOTES TO CONSOLIDATED STATEMENTS

June 30, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Donor-restricted contributions are reported as revenues which increase net assets with donor restrictions. Expirations of donor restrictions on contributions whose restrictions are met in the same reporting period have been reported as net assets without donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in checking and money market accounts.

FDIC Insured Deposit Accounts

The Organization maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. As of June 30, 2023 and 2022, \$3,844,999 and \$3,576,146, respectively, was held in excess of FDIC insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash balances.

Accounts Receivable

Accounts receivable, which consist primarily of grants receivable, are stated at the amount management expects to collect from outstanding balances. Management believes that all of the receivables are collectable; accordingly, no allowance for doubtful accounts has been established. Receivables are determined to be past due based on contractual terms. Receivables for events are written-off after 90 days. Grants receivable are written-off on a case-by-case basis after management has exhausted all collection efforts.

Property and Equipment

Property and equipment purchased in excess of \$5,000 are stated at cost. The Organization provides for depreciation over the estimated useful lives of the assets using the straight-line method. The estimated lives of these assets range from 3 to 5 years. Expenditures for major renewals and betterments, which extend the useful lives of property and equipment, are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Leases

The Organization presents its leases in accordance with the provisions of FASB ASC 842. Leases with an initial term of 12 months or less, which are not expected to be renewed beyond one year, have not been recorded on the balance sheet and are recognized as lease expense on a straight-line basis over the lease term. See Note 6 for additional information and disclosures.

Income Tax Status

The Academic Senate is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code (IRC) and Section 23701e of the California Revenue and Taxation Code. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701d of the California Revenue and Taxation Code. After they are filed, the Organization's income tax returns remain subject to examination by taxing authorities generally three years for federal returns and four years for state returns. Activities unrelated to the Organization's mission may be subject to unrelated business income tax.

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

NOTES TO CONSOLIDATED STATEMENTS

June 30, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Costs specifically identified with programs are directly allocated to those functions. All costs not identifiable with programs, but indispensable to the conduct of such programs and activities and to the Organization's existence, are included as management and general expenses. Expenses that benefit more than one function of the Organization are allocated among the functions based generally on the amount of time and effort spent by personnel on each function.

Revenue Recognition

In June 2018, the FASB issued ASU No. 2018-08 *Not-for-Profit Entities* (Topic 958). The ASU provides an update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

The Organization recognizes revenue as services are provided for all ongoing customer contracts in accordance with the provisions of FASB ASC 606 as revised by ASU 2014-09. The Organization's income received is not recognized as revenues until the revenue is earned, which is at the time when the services are provided. The Organization recognizes college dues on an annual basis and renews memberships at the beginning of each fiscal year. Membership is required by the State of California. Therefore, the Organization does not have a policy for membership refunds. Any unearned amounts for payment received in advance are included in deferred revenue.

Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Events and transactions have been evaluated for potential recognition or disclosure through October 20, 2023, the date that the consolidated financial statements were available to be issued.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

NOTES TO CONSOLIDATED STATEMENTS
June 30, 2023 and 2022

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,094,999	\$ 3,826,097
Accounts receivable	<u>302,540</u>	<u>567,431</u>
Financial assets	4,397,539	4,393,528
Less those unavailable for general expenditures within one year, due to:		
Purpose restrictions stipulated by donors	(4,200)	(4,200)
Board designated reserves	<u>(300,000)</u>	<u>(300,000)</u>
Financial assets available to meet cash need for expenditures within one year	<u><u>\$ 4,093,339</u></u>	<u><u>\$ 4,089,328</u></u>

NOTE 4: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
CA Community College Chancellor's Office	\$ 220,340	\$ 40,118
Foundation for California Community Colleges	-	100,000
Open Educational Resources	-	359,811
Other	<u>82,200</u>	<u>67,502</u>
Total accounts receivable	<u><u>\$ 302,540</u></u>	<u><u>\$ 567,431</u></u>

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 5,989	\$ 5,989
Less accumulated depreciation	<u>(5,989)</u>	<u>(5,989)</u>
Total property and equipment, net	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

NOTES TO CONSOLIDATED STATEMENTS

June 30, 2023 and 2022

NOTE 6: OPERATING LEASE OBLIGATION

The Organization leases office space under an operating lease agreement with an original term from November 2014 through February 2020. On July 1, 2019, the Organization executed an amendment to the office lease, extending the term of the lease through September 2026. The lease amendment also provided for free rent periods in each of its initial three months and contained escalating monthly payments starting at \$7,785 and increasing by 2.5% annually. Under the provisions of FASB ASC Topic 842, an initial right-of-use asset and lease liability of \$610,590 was recorded based on the net present value of the future minimum contractual obligations under the lease, discounted at 3.87%. At the end of the amended term of the lease, the Organization may extend this lease for two successive terms of 60 months each; however, such extensions have not been reflected in the related right-of-use asset or lease liability included in the accompanying consolidated financial statements.

The rent expense is reflected in the accompanying consolidated financial statements on a straight-line basis over the term of the lease with the difference between rent expense and rent payments being reflected as accrued rents and offset with the right-of-use asset. During the years ended June 30, 2023 and 2022, cash payments under the terms of the operating lease totaled \$99,993 and \$97,554, respectively. Rent expense under the terms of the operating lease totaled \$97,256 for both years.

The Organization entered into a lease agreement with North Shore Leasing, LLC on February 1, 2021, to lease a Konica Minolta BizHub C754e rebuilt Color System printer. The term of the lease is 39 months and the Organization can upgrade or downgrade at any time during the lease period. The Organization has the option to buy-out the asset at the end of the lease term at fair market value. The lease rate is 2.79%. During the years ended June 30, 2023 and 2022, cash payments totaled \$2,507 and \$2,399, respectively. Rent expense under terms of the lease totaled \$2,597 for both years.

The minimum contractual obligations for the operating lease (undiscounted) as of June 30, 2023 are as follows:

Year Ending June 30:	
2024	\$ 105,061
2025	105,055
2026	107,681
2027	<u>27,086</u>
Total undiscounted cash flows	344,883
Less: discount on lease liabilities	<u>(21,435)</u>
Total operating lease liabilities	323,448
Less: operating lease liabilities, current portion	<u>(94,210)</u>
Operating lease liabilities, less current portion	<u>\$ 229,238</u>

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2023 and 2022, net assets with donor restrictions totaled \$4,200 for the freedom fighter award.

ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES

NOTES TO CONSOLIDATED STATEMENTS

June 30, 2023 and 2022

NOTE 8: EMPLOYEE BENEFIT PLAN

Qualified employees are eligible to participate in the California Public Employees' Retirement System (CalPERS). CalPERS is a cost sharing multiple employer defined benefit pension plan that provides retirement, disability, and death benefits to Plan members and beneficiaries. The risks of participating in a multiple employer plan are different from single employer plans. Specifically, Academic Senate may be liable, on termination or withdrawal from the plan, for allocated shares of the plan's unfunded vested benefits. The Academic Senate currently has no intention to terminate or withdraw from the plan.

Because Academic Senate has less than 100 employees, it is required to participate in a risk pool within CalPERS. The Academic Senate's contributions represented less than 5% of total risk pool contributions per the risk pool's most recent actuarial report, which was as of June 30, 2022. As of June 30, 2022, Academic Senate's share of total plan assets was \$2,153,676, the accrued liability was \$2,697,143, and the plan was 78% funded.

The California Public Employees' Pension Reform Act (PEPRA) resulted in different contribution and benefit rates for employees hired prior to and after January 1, 2013. Employees contribute 7% or 6.25% of their annual covered salary, depending on hire date. Academic Senate contributes an amount that is actuarially determined by CalPERS. In addition, CalPERS adopted a risk mitigation policy which is designed to reduce funding risk over time and is expected to impact future valuations.

Total contributions to the plan by Academic Senate amounted to \$111,995 and \$93,338 for the years ended June 30, 2023 and 2022, respectively. The estimated required employer contributions for the years ended June 30, 2023 and 2022, are \$104,505 and \$91,644, respectively.

NOTE 9: RELATED PARTY TRANSACTIONS

A board member's college is provided reassignment time for their service to the Organization. The Organization makes payment to the college (or in some instances, the district) for the board member's time, paid at the part-time faculty rate, as determined by the Chancellor's Office Data Mart data. For the years ended June 30, 2023 and 2022, the Organization provided stipends to various board members during the summer session for their work not included in the reassignment payment to the college, totaling \$40,000 for each year.

NOTE 10: CONCENTRATIONS AND CONTINGENCIES

A significant portion of the grant revenue is from the State of California, most of which is passed through various community college districts. Similarly, a significant portion of the accounts receivable are due from the State of California, either directly or through community college districts. Claims for reimbursement are subject to audit and possible disallowance by awarding agencies. All cash is held in one bank and thus exceeds federally insured limits.

NOTE 11: COMMITMENTS

The Academic Senate has hotel contracts for meetings to be held subsequent to year-end. These contracts contain deposits, room and food beverage commitments and cancellation fees. The cancellation fees under the contracts if the contracts were cancelled as of the date the consolidated financial statements were available to be issued totaled \$446,638 and \$366,086 for the years ended June 30, 2023 and 2022, respectively.