

CALIFORNIA FEDERATION OF TEACHERS

FINANCIAL STATEMENTS

DECEMBER 31, 2022, 2021, AND 2020



INDEPENDENT AUDITOR'S REPORT

Executive Council
California Federation of Teachers
2550 Hollywood Way, Suite 400
Burbank, California 91505

Members of the Council:

Opinion

We have audited the accompanying financial statements of California Federation of Teachers (the "CFT"), which comprise the statements of financial position as of December 31, 2022, 2021 and 2020, and the related statements of activities, and cash flows and schedules in support of statements of activities for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CFT as of December 31, 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 CFT 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

Miller Kaplan Arase LLP

MILLER KAPLAN ARASE LLP
North Hollywood, California
August 8, 2023

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF FINANCIAL POSITION
ALL FUNDS
DECEMBER 31, 2022

ASSETS	<u>Total</u>	<u>General Fund</u>	<u>Raoul Teilhet Scholarship Fund</u>
CURRENT ASSETS			
Cash - Note 2-C	\$ 24,799,221	\$ 12,930,704	\$ 227,305
Per Capita Taxes Receivable	5,976,856	5,976,856	-
Other Receivables	462,309	331,959	-
Interfunds	-	(1,029,373)	33,496
TOTAL CURRENT ASSETS	31,238,386	18,210,146	260,801
Property and Equipment, Net of Accumulated Amortization and Depreciation of \$996,845 - Note 2-D	3,727,170	951,287	-
Investments - CAL Mesa Office Building - Note 5	272,706	272,706	-
Deposits	63,987	63,987	-
Prepaid Expenses	11,016	11,016	-
Pension Benefits Assets - Management/F.R.U. - Overfunded Portion - Note 7	-	-	-
Pension Benefits Assets - Management/F.R.U. - Note 7	37,726,156	37,726,156	-
TOTAL ASSETS	\$ 73,039,421	\$ 57,235,298	\$ 260,801
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Expenses Payable	\$ 292,574	\$ 282,626	\$ -
Accrued Vacation and Sick Time - Note 2-F	749,118	663,688	-
Grants Payable	12,450	-	-
Current Portion of Lease Obligation - Operating Leases - Note 3	417,623	417,623	-
Financial Assistance Payable	305,256	305,256	-
Financial Assistance Accrual	1,988,731	1,988,731	-
Due to Affiliates	69,335	-	-
TOTAL CURRENT LIABILITIES	3,835,087	3,657,924	-
Non-current Portion of Lease Obligation - Operating Leases - Note 3	474,675	474,675	-
Postretirement Medical Benefits Liability - Management/F.R.U. - Note 6	1,780,091	1,780,091	-
Pension Benefits Liability - Management/F.R.U. - Funded - Note 7	37,726,156	37,726,156	-
Pension Benefits Liability - Management/F.R.U. - Unfunded Portion - Note 7	5,475,876	5,475,876	-
O.P.E.I.U. Postretirement Medical Benefits Liability - Note 8	900,446	900,446	-
TOTAL LIABILITIES	50,192,331	50,015,168	-
NET ASSETS WITHOUT RESTRICTIONS			
Balances, January 1, 2022	33,359,477	20,268,979	273,167
Transfers	-	(3,001,255)	-
Net Increase (Decrease) for the Year	(10,512,387)	(10,047,594)	(12,366)
NET ASSETS WITHOUT RESTRICTIONS, DECEMBER 31, 2022	22,847,090	7,220,130	260,801
TOTAL LIABILITIES AND NET ASSETS WITHOUT RESTRICTIONS	\$ 73,039,421	\$ 57,235,298	\$ 260,801

(Attached notes are an integral part of this statement)

Legal Defense Fund	Western States Insurance Trust	Dues Collection Fund	Proposition and Ballot Initiatives COPE Committee	COPE Candidate Committee	Militancy Fund	Disaster Relief Fund	Strategic Organizing Fund	Building Corporation Fund
\$ 2,636,202	\$ -	\$ 71,542	\$ 5,306,148	\$ 149,731	\$ 652,082	\$ 32,698	\$ 2,641,292	\$ 151,517
-	-	-	-	-	-	-	-	-
-	-	-	-	68,371	-	-	50,000	11,979
99,550	-	-	410,229	523,905	15,464	-	(59,261)	5,990
<u>2,735,752</u>	<u>-</u>	<u>71,542</u>	<u>5,716,377</u>	<u>742,007</u>	<u>667,546</u>	<u>32,698</u>	<u>2,632,031</u>	<u>169,486</u>
-	-	-	-	-	-	-	-	2,775,883
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 2,735,752</u>	<u>\$ -</u>	<u>\$ 71,542</u>	<u>\$ 5,716,377</u>	<u>\$ 742,007</u>	<u>\$ 667,546</u>	<u>\$ 32,698</u>	<u>\$ 2,632,031</u>	<u>\$ 2,945,369</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,219	\$ 729
-	-	-	72,908	-	-	-	12,522	-
-	-	-	-	-	-	-	12,450	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	69,335	-	-	-	-	-	-
-	-	69,335	72,908	-	-	-	34,191	729
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>69,335</u>	<u>72,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,191</u>	<u>729</u>
2,669,505	-	2,207	5,791,157	1,353,181	625,907	33,898	2,341,476	-
-	-	-	-	-	-	-	-	3,001,255
66,247	-	-	(147,688)	(611,174)	41,639	(1,200)	256,364	(56,615)
<u>2,735,752</u>	<u>-</u>	<u>2,207</u>	<u>5,643,469</u>	<u>742,007</u>	<u>667,546</u>	<u>32,698</u>	<u>2,597,840</u>	<u>2,944,640</u>
<u>\$ 2,735,752</u>	<u>\$ -</u>	<u>\$ 71,542</u>	<u>\$ 5,716,377</u>	<u>\$ 742,007</u>	<u>\$ 667,546</u>	<u>\$ 32,698</u>	<u>\$ 2,632,031</u>	<u>\$ 2,945,369</u>

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF FINANCIAL POSITION
ALL FUNDS
DECEMBER 31, 2021

	<u>Total</u>	<u>General Fund</u>	<u>Raoul Teilhet Scholarship Fund</u>
ASSETS			
CURRENT ASSETS			
Cash - Note 2-C	\$ 27,507,267	\$ 15,306,663	\$ 247,189
Per Capita Taxes Receivable	4,910,030	4,910,030	-
Other Receivables	285,012	139,988	-
Interfunds	-	(837,118)	25,978
TOTAL CURRENT ASSETS	32,702,309	19,519,563	273,167
Property and Equipment, Net of Accumulated Amortization and Depreciation of \$395,999 - Note 2-D	42,509	42,509	-
Investments - CAL Mesa Office Building - Note 5	263,093	263,093	-
Deposits	63,987	63,987	-
Prepaid Expenses	4,123	4,123	-
Pension Benefits Assets - Management/F.R.U. - Overfunded - Note 7	7,112,052	7,112,052	-
Pension Benefits Assets - Management/F.R.U. - Note 7	33,742,329	33,742,329	-
TOTAL ASSETS	\$ 73,930,402	\$ 60,747,656	\$ 273,167
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Expenses Payable	\$ 375,971	\$ 374,215	\$ -
Accrued Vacation and Sick Time - Note 2-F	699,932	636,146	-
Grants Payable	-	-	-
Current Portion of Lease Obligation - Operating Leases - Note 3	-	-	-
Financial Assistance Payable	224,744	224,744	-
Financial Assistance Accrual	1,787,758	1,787,758	-
Due to Affiliates	26,706	-	-
TOTAL CURRENT LIABILITIES	3,115,111	3,022,863	-
Non-current Portion of Lease Obligation - Operating Leases - Note 3	-	-	-
Postretirement Medical Benefits Liability - Management/F.R.U. - Note 6	2,413,889	2,413,889	-
Pension Benefits Liability - Management/F.R.U. - Funded - Note 7	33,742,329	33,742,329	-
Pension Benefits Liability - Management/F.R.U. - Unfunded Portion - Note 7	-	-	-
O.P.E.I.U. Postretirement Medical Benefits Liability - Note 8	1,299,596	1,299,596	-
TOTAL LIABILITIES	40,570,925	40,478,677	-
NET ASSETS WITHOUT RESTRICTIONS			
Balances, January 1, 2021	26,997,157	15,736,340	284,591
Transfers	-	1,512	-
Net Increase (Decrease) for the Year	6,362,320	4,531,127	(11,424)
NET ASSETS WITHOUT RESTRICTIONS, DECEMBER 31, 2021	33,359,477	20,268,979	273,167
TOTAL LIABILITIES AND NET ASSETS WITHOUT RESTRICTIONS	\$ 73,930,402	\$ 60,747,656	\$ 273,167

(Attached notes are an integral part of this statement)

Legal Defense Fund	Western States Insurance Trust	Dues Collection Fund	Proposition and Ballot Initiatives COPE Committee	COPE Candidate Committee	Militancy Fund	Disaster Relief Fund	Strategic Organizing Fund	Building Corporation Fund
\$ 2,588,348	\$ -	\$ 28,913	\$ 5,406,698	\$ 1,030,344	\$ 612,918	\$ 33,898	\$ 2,252,296	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	45,024	-	-	100,000	-
81,157	-	-	443,392	277,813	12,989	-	(4,211)	-
<u>2,669,505</u>	<u>-</u>	<u>28,913</u>	<u>5,850,090</u>	<u>1,353,181</u>	<u>625,907</u>	<u>33,898</u>	<u>2,348,085</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 2,669,505</u>	<u>\$ -</u>	<u>\$ 28,913</u>	<u>\$ 5,850,090</u>	<u>\$ 1,353,181</u>	<u>\$ 625,907</u>	<u>\$ 33,898</u>	<u>\$ 2,348,085</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,756	\$ -
-	-	-	58,933	-	-	-	4,853	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	26,706	-	-	-	-	-	-
-	-	26,706	58,933	-	-	-	6,609	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	26,706	58,933	-	-	-	6,609	-
2,657,500	1,512	2,207	4,736,696	989,980	597,033	24,148	1,967,150	-
-	(1,512)	-	-	-	-	-	-	-
12,005	-	-	1,054,461	363,201	28,874	9,750	374,326	-
<u>2,669,505</u>	<u>-</u>	<u>2,207</u>	<u>5,791,157</u>	<u>1,353,181</u>	<u>625,907</u>	<u>33,898</u>	<u>2,341,476</u>	<u>-</u>
<u>\$ 2,669,505</u>	<u>\$ -</u>	<u>\$ 28,913</u>	<u>\$ 5,850,090</u>	<u>\$ 1,353,181</u>	<u>\$ 625,907</u>	<u>\$ 33,898</u>	<u>\$ 2,348,085</u>	<u>\$ -</u>

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF FINANCIAL POSITION
ALL FUNDS
DECEMBER 31, 2020

ASSETS	<u>Total</u>	<u>General Fund</u>	<u>Raoul Teilhet Scholarship Fund</u>
CURRENT ASSETS			
Cash - Note 2-C	\$ 21,432,525	\$ 11,364,216	\$ 251,011
Per Capita Taxes Receivable	6,620,092	6,620,092	-
Other Receivables	233,384	187,988	-
Interfunds	-	(1,257,672)	33,580
TOTAL CURRENT ASSETS	28,286,001	16,914,624	284,591
Property and Equipment, Net of Accumulated Amortization and Depreciation of \$375,487 - Note 2-D	34,167	34,167	-
Investments - CAL Mesa Office Building - Note 5	242,622	242,622	-
Deposits	63,987	63,987	-
Prepaid Expenses	38,269	38,269	-
Pension Benefits Assets - Management/F.R.U. - Overfunded - Note 7	5,244,860	5,244,860	-
Pension Benefits Assets - Management/F.R.U. - Note 7	31,787,894	31,787,894	-
TOTAL ASSETS	\$ 65,697,800	\$ 54,326,423	\$ 284,591
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Expenses Payable	\$ 203,364	\$ 191,562	\$ -
Accrued Vacation and Sick Time - Note 2-F	635,607	566,103	-
Grants Payable	-	-	-
Current Portion of Lease Obligation - Operating Leases - Note 3	-	-	-
Financial Assistance Payable	314,684	314,684	-
Financial Assistance Accrual	1,831,149	1,831,149	-
Due to Affiliates	29,254	-	-
TOTAL CURRENT LIABILITIES	3,014,058	2,903,498	-
Non-current Portion of Lease Obligation - Operating Leases - Note 3	-	-	-
Postretirement Medical Benefits Liability - Management/F.R.U. - Note 6	2,727,216	2,727,216	-
Pension Benefits Liability - Management/F.R.U. - Funded - Note 7	31,787,894	31,787,894	-
Pension Benefits Liability - Management/F.R.U. - Unfunded Portion - Note 7	-	-	-
O.P.E.I.U. Postretirement Medical Benefits Liability - Note 8	1,171,475	1,171,475	-
TOTAL LIABILITIES	38,700,643	38,590,083	-
NET ASSETS WITHOUT RESTRICTIONS			
Balances, January 1, 2020	19,067,137	7,878,959	294,452
Transfers	-	-	-
Net Increase (Decrease) for the Year	7,930,020	7,857,381	(9,861)
NET ASSETS WITHOUT RESTRICTIONS, DECEMBER 31, 2020	26,997,157	15,736,340	284,591
TOTAL LIABILITIES AND NET ASSETS WITHOUT RESTRICTIONS	\$ 65,697,800	\$ 54,326,423	\$ 284,591

(Attached notes are an integral part of this statement)

Legal Defense Fund	Western States Insurance Trust	Dues Collection Fund	Proposition and Ballot Initiatives COPE Committee	COPE Candidate Committee	Militancy Fund	Disaster Relief Fund	Strategic Organizing Fund	Building Corporation Fund
\$ 2,523,927	\$ 1,512	\$ 31,461	\$ 4,172,901	\$ 654,136	\$ 580,243	\$ 24,148	\$ 1,828,970	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	45,396	-	-	-	-
133,573	-	-	645,101	290,448	16,790	-	138,180	-
<u>2,657,500</u>	<u>1,512</u>	<u>31,461</u>	<u>4,818,002</u>	<u>989,980</u>	<u>597,033</u>	<u>24,148</u>	<u>1,967,150</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 2,657,500</u>	<u>\$ 1,512</u>	<u>\$ 31,461</u>	<u>\$ 4,818,002</u>	<u>\$ 989,980</u>	<u>\$ 597,033</u>	<u>\$ 24,148</u>	<u>\$ 1,967,150</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 11,802	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	69,504	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	29,254	-	-	-	-	-	-
-	-	29,254	81,306	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	29,254	81,306	-	-	-	-	-
2,304,240	1,514	2,207	5,163,462	1,353,312	554,132	8,148	1,506,711	-
-	-	-	-	-	-	-	-	-
353,260	(2)	-	(426,766)	(363,332)	42,901	16,000	460,439	-
<u>2,657,500</u>	<u>1,512</u>	<u>2,207</u>	<u>4,736,696</u>	<u>989,980</u>	<u>597,033</u>	<u>24,148</u>	<u>1,967,150</u>	<u>-</u>
<u>\$ 2,657,500</u>	<u>\$ 1,512</u>	<u>\$ 31,461</u>	<u>\$ 4,818,002</u>	<u>\$ 989,980</u>	<u>\$ 597,033</u>	<u>\$ 24,148</u>	<u>\$ 1,967,150</u>	<u>\$ -</u>

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
ALL FUNDS

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
REVENUE			
Per Capita Taxes	\$ 23,542,729	\$ 23,392,249	\$ 23,912,801
AFT Financial Assistance	530,536	338,534	418,808
Other Revenue	475,879	460,009	118,906
Reimbursements	45,902	13,567	42,315
Other Contributions:			
Proposition and Ballot Initiatives			
COPE Committee	749,059	390,467	526,664
COPE Candidate Committee	270,413	312,512	229,827
TOTAL REVENUE	\$ 25,614,518	\$ 24,907,338	\$ 25,249,321
EXPENSES			
Personnel Expenses:			
Management	1,138,006	1,010,378	952,024
F.R.U.	4,296,802	3,777,567	3,639,369
O.P.E.I.U.	1,456,116	1,385,836	1,294,130
Other Personnel-Related Expenses	895,102	796,309	1,296,445
Operating Expenses	1,243,053	1,002,573	1,056,796
Financial Assistance to Locals	8,189,424	8,087,579	8,325,289
Departments:			
Communications and Publications	85,360	132,546	100,293
Governmental Relations	8,616	9,039	8,467
Information Technology	8,385	8,878	11,178
Leadership Development and Training	174,107	-	8,764
Research	8,500	8,500	8,500
Organizing	-	-	435,000
Councils:			
Community College Council	99,480	85,300	89,174
Council of Classified Employees	224,503	213,020	125,179
EC/K-12 Council	208,448	204,751	184,099
Retiree Council	1,959	-	213
Governance	432,107	489,459	117,353
Committees and Task Forces	13,181	5,424	3,008
Professional Services	278,158	214,389	272,266
Miscellaneous	191,894	95,064	235,754
Raoul Teilhet Scholarship Fund Expenses	94,000	92,000	92,300
Legal Defense Fund Expenses	182,423	237,894	144,834
Western States Insurance Trust Expenses	-	-	2
Proposition and Ballot Initiatives			
COPE Committee Expenses	1,390,882	242,598	2,002,303
COPE Candidate Committee Expenses	2,154,137	775,006	1,306,582
Militancy Fund Expenses	193	12,000	-
Disaster Relief Fund Expenses	11,230	250	5,000
Strategic Organizing Fund Expenses	669,611	560,115	85,116
Building Corporation Fund Expenses	87,529	-	-
TOTAL EXPENSES	23,543,206	19,446,475	21,799,438
NET OPERATING INCREASE FOR THE YEAR PRIOR TO NET ADJUSTMENT FOR IMPLEMENTATION OF EMPLOYERS' ACCOUNTING FOR BENEFIT PENSION AND OTHER POSTRETIREMENT PLANS			
	2,071,312	5,460,863	3,449,883
NET ADJUSTMENT FOR IMPLEMENTATION OF EMPLOYERS' ACCOUNTING FOR BENEFIT PENSION AND OTHER POSTRETIREMENT PLANS			
Postretirement Medical Benefits -			
Management/F.R.U. - Note 6	670,479	309,206	13,734
Pension Benefits - Management/			
F.R.U. - Note 7	(13,803,945)	471,894	4,267,119
O.P.E.I.U. Postretirement Medical			
Benefits - Note 8	549,767	120,357	199,284
NET ADJUSTMENT FOR IMPLEMENTATION OF EMPLOYERS' ACCOUNTING FOR BENEFIT PENSION AND OTHER POSTRETIREMENT PLANS			
	(12,583,699)	901,457	4,480,137
NET INCREASE (DECREASE) FOR THE YEAR	\$ (10,512,387)	\$ 6,362,320	\$ 7,930,020

(Attached notes are an integral part of this statement)

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
GENERAL FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
REVENUE			
Per Capita Taxes - Schedule 1	\$ 23,542,729	\$ 23,392,249	\$ 23,912,801
AFT Financial Assistance - Schedule 2	530,536	338,534	418,808
Other Revenue - Schedule 3	72,504	66,811	63,560
Reimbursements - Schedule 4	744,974	709,044	766,069
TOTAL REVENUE	\$ 24,890,743	\$ 24,506,638	\$ 25,161,238
EXPENSES			
Personnel Expenses:			
Management - Schedule 5	1,138,006	1,010,378	952,024
F.R.U. - Schedule 6	4,296,802	3,777,567	3,639,369
O.P.E.I.U. - Schedule 7	1,456,116	1,385,836	1,294,130
Other Personnel-Related Expenses - Schedule 8	895,102	796,309	1,296,445
Operating Expenses - Schedule 9	1,243,053	1,002,573	1,056,796
Financial Assistance to Locals - Schedule 10	8,189,424	8,087,579	8,325,289
Departments:			
Communications and Publications - Schedule 11	85,360	132,546	100,293
Governmental Relations - Schedule 12	8,616	9,039	8,467
Information Technology	8,385	8,878	11,178
Leadership Development and Training - Schedule - 13	174,107	-	8,764
Research	8,500	8,500	8,500
Organizing - Schedule 14	-	-	435,000
Councils:			
Community College Council - Schedule 15	99,480	85,300	89,174
Council of Classified Employees - Schedule 16	224,503	213,020	125,179
EC/K-12 Council - Schedule 17	208,448	204,751	184,099
Retiree Council - Schedule 18	1,959	-	213
Transfers - Schedule 19	3,391,437	3,340,356	3,610,693
Governance - Schedule 20	432,107	489,459	117,353
Committees and Task Forces - Schedule 21	13,181	5,424	3,008
Professional Services - Schedule 22	278,158	214,389	272,266
Miscellaneous - Schedule 23	201,894	105,064	245,754
TOTAL EXPENSES	22,354,638	20,876,968	21,783,994
NET OPERATING INCREASE FOR THE YEAR PRIOR TO NET ADJUSTMENT FOR IMPLEMENTATION OF EMPLOYERS' ACCOUNTING FOR BENEFIT PENSION AND OTHER POSTRETIREMENT PLANS			
	2,536,105	3,629,670	3,377,244
NET ADJUSTMENT FOR IMPLEMENTATION OF EMPLOYERS' ACCOUNTING FOR BENEFIT PENSION AND OTHER POSTRETIREMENT PLANS			
Postretirement Medical Benefits -			
Management/F.R.U - Note 6	670,479	309,206	13,734
Pension Benefits - Management/F.R.U. - Note 7	(13,803,945)	471,894	4,267,119
O.P.E.I.U. Postretirement Medical Benefits - Note 8	549,767	120,357	199,284
NET ADJUSTMENT FOR IMPLEMENTATION OF EMPLOYERS' ACCOUNTING FOR BENEFIT PENSION AND OTHER POSTRETIREMENT PLANS			
	(12,583,699)	901,457	4,480,137
NET INCREASE (DECREASE) FOR THE YEAR	\$ (10,047,594)	\$ 4,531,127	\$ 7,857,381

(Attached notes are an integral part of this statement)

CALIFORNIA FEDERATION OF TEACHERS
SCHEDULES IN SUPPORT
GENERAL FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
PER CAPITA TAXES - SCHEDULE 1			
Bargaining Agent	\$ 16,582,904	\$ 16,596,003	\$ 17,173,582
Non-Bargaining Agent	14,026	13,798	10,803
UESF Local 61	1,672,246	1,643,630	1,676,284
UTLA	5,254,715	5,126,938	5,052,132
Agency Fee	18,838	11,880	-
TOTALS	<u>\$ 23,542,729</u>	<u>\$ 23,392,249</u>	<u>\$ 23,912,801</u>
AFT FINANCIAL ASSISTANCE - SCHEDULE 2			
AFT (20c) State Rebate	\$ 152,676	\$ 103,474	\$ 99,428
AFT Service Formula	135,360	142,560	146,880
AFT Staff Funding	92,500	92,500	172,500
Part-Time Faculty Organizer	150,000	-	-
TOTALS	<u>\$ 530,536</u>	<u>\$ 338,534</u>	<u>\$ 418,808</u>
OTHER REVENUE - SCHEDULE 3			
10% Dues Collection Fee	\$ 2,423	\$ 862	\$ 867
CFT Convention and Conferences	18,105	2,105	-
Other Revenue	10,655	46,557	20,257
Interest Income	24,029	16,835	42,436
Advertising	467	452	-
Attendance Fee for Union Summer School	16,825	-	-
TOTALS	<u>\$ 72,504</u>	<u>\$ 66,811</u>	<u>\$ 63,560</u>
REIMBURSEMENTS - SCHEDULE 4			
COPE Reimbursement	\$ 669,789	\$ 635,171	\$ 654,153
Postage Reimbursement	200	522	329
Rent Reimbursement	6,000	8,045	30,475
Other Reimbursements	68,985	65,306	81,112
TOTALS	<u>\$ 744,974</u>	<u>\$ 709,044</u>	<u>\$ 766,069</u>
PERSONNEL EXPENSES:			
MANAGEMENT - SCHEDULE 5			
Management Salaries	\$ 964,812	\$ 852,203	\$ 797,444
Benefits	173,194	158,175	154,580
TOTALS	<u>\$ 1,138,006</u>	<u>\$ 1,010,378</u>	<u>\$ 952,024</u>
F.R.U. - SCHEDULE 6			
F.R.U. Salaries	\$ 3,651,836	\$ 3,186,053	\$ 3,036,224
Sunday Pay	13,019	2,442	2,942
Benefits	631,947	589,072	600,203
TOTALS	<u>\$ 4,296,802</u>	<u>\$ 3,777,567</u>	<u>\$ 3,639,369</u>

CALIFORNIA FEDERATION OF TEACHERS
SCHEDULES IN SUPPORT
GENERAL FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
PERSONNEL EXPENSES: (Continued)			
O.P.E.I.U. - SCHEDULE 7			
O.P.E.I.U. Salaries	\$ 1,119,509	\$ 1,054,451	\$ 995,678
Overtime	10,064	5,383	3,403
Benefits	<u>326,543</u>	<u>326,002</u>	<u>295,049</u>
TOTALS	<u>\$ 1,456,116</u>	<u>\$ 1,385,836</u>	<u>\$ 1,294,130</u>
OTHER PERSONNEL-RELATED EXPENSES - SCHEDULE 8			
Administrative Fees	\$ 444	\$ 594	\$ 444
Retiree Benefits	140,504	183,990	206,714
Retirement Plan Fees	40,064	40,396	51,963
Payroll Taxes	429,520	385,027	373,963
Workers' Compensation Insurance	60,255	44,814	45,293
Change in Accrued Vacation Payable	34,906	69,441	79,445
Change in Accrued Sick Time Payable	(7,363)	602	4,600
Pension Benefits - Management/F.R.U.	(135,765)	(323,830)	120,786
Postretirement Medical Benefits - Management/F.R.U.	36,681	(4,121)	(12,571)
O.P.E.I.U. Postretirement Medical Benefits	150,617	248,478	277,658
O.P.E.I.U. Employer Retirement Contribution	142,615	149,056	146,500
Staff Development	<u>2,624</u>	<u>1,862</u>	<u>1,650</u>
TOTALS	<u>\$ 895,102</u>	<u>\$ 796,309</u>	<u>\$ 1,296,445</u>
OPERATING EXPENSES - SCHEDULE 9			
Travel and Lodging	\$ 151,184	\$ 66,644	\$ 58,236
Mileage Reimbursement	60,925	26,014	29,152
O.P.E.I.U. Travel Reimbursement	1,163	118	219
Building Occupancy	733,454	625,114	687,516
Building Repairs and Maintenance	3,239	1,523	809
Furniture and Equipment Acquisition	65,587	63,682	74,530
Furniture and Equipment Repairs and Maintenance	1,221	1,588	2,170
Office Supplies	30,595	26,103	24,056
Postage and Shipping	18,562	12,581	13,390
Printing	5,198	1,801	2,650
Subscriptions	3,072	3,755	2,993
Telecommunications	132,725	141,559	133,461
Depreciation	23,307	20,512	16,155
Bank Charges	2,063	1,361	1,269
Property Insurance	9,782	9,382	8,374
Property Taxes	<u>976</u>	<u>836</u>	<u>1,816</u>
TOTALS	<u>\$ 1,243,053</u>	<u>\$ 1,002,573</u>	<u>\$ 1,056,796</u>
FINANCIAL ASSISTANCE TO LOCALS - SCHEDULE 10			
UTLA - Staff Funding	\$ 3,886,948	\$ 3,792,244	\$ 3,735,989
UESF Local 61	466,897	437,116	468,377
Funding - Bargaining	3,432,255	3,458,695	3,755,971
University Council Grant	<u>403,324</u>	<u>399,524</u>	<u>364,952</u>
TOTALS	<u>\$ 8,189,424</u>	<u>\$ 8,087,579</u>	<u>\$ 8,325,289</u>

CALIFORNIA FEDERATION OF TEACHERS
SCHEDULES IN SUPPORT
GENERAL FUND

	January 1, 2022 to <u>December 31, 2022</u>	January 1, 2021 to <u>December 31, 2021</u>	January 1, 2020 to <u>December 31, 2020</u>
DEPARTMENTS:			
COMMUNICATIONS AND PUBLICATIONS - SCHEDULE 11			
Cartoons and Graphics	\$ -	\$ 783	\$ 1,542
Design and Layout	7,193	1,550	-
Photography	13,268	7,032	3,561
Video Productions	-	100	175
CFT Website	10,283	13,265	7,693
California Teacher Reporter	20,576	19,917	25,764
Labor Communications Organization	800	-	1,135
Software Updates	789	971	703
Printing	1,310	154	291
Subscriptions	-	-	168
Public Relations	7,080	12,269	12,574
Paid Media	3,851	1,572	6,455
Media Consulting Services	2,675	61,100	28,250
CFT Communication Awards	880	1,230	-
Part Timer Newsletter	9,900	6,200	5,900
Classified Newsletter	6,755	6,200	6,050
Unanticipated Publications	-	203	32
TOTALS	<u>\$ 85,360</u>	<u>\$ 132,546</u>	<u>\$ 100,293</u>
GOVERNMENTAL RELATIONS - SCHEDULE 12			
Grassroots Lobbying	\$ 834	\$ -	\$ 1,102
Legislative Bill Service	4,790	6,134	4,895
TV Cable Subscription	2,992	2,905	2,470
TOTALS	<u>\$ 8,616</u>	<u>\$ 9,039</u>	<u>\$ 8,467</u>
LEADERSHIP DEVELOPMENT AND TRAINING - SCHEDULE 13			
CFT Leadership Institute/Summer School	\$ 82,731	\$ -	\$ 14
CFT Staff/Management Training	(450)	-	-
Leadership Conference	91,421	-	-
Training Assistance for Locals	405	-	-
General Trainings	-	-	8,750
TOTALS	<u>\$ 174,107</u>	<u>\$ -</u>	<u>\$ 8,764</u>

CALIFORNIA FEDERATION OF TEACHERS
SCHEDULES IN SUPPORT
GENERAL FUND

	January 1, 2022 to <u>December 31, 2022</u>	January 1, 2021 to <u>December 31, 2021</u>	January 1, 2020 to <u>December 31, 2020</u>
DEPARTMENTS: (Continued)			
ORGANIZING - SCHEDULE 14			
AFT Organizing Grant	\$ -	\$ -	\$ 340,000
Charter School Organizing	<u>-</u>	<u>-</u>	<u>95,000</u>
TOTALS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 435,000</u>
COUNCILS:			
COMMUNITY COLLEGE COUNCIL - SCHEDULE 15			
President's Release Time	\$ 80,000	\$ 80,000	\$ 80,000
President's Travel and Lodging	1,676	-	4,004
Officer's Travel and Lodging	824	-	170
Governance Meetings	4,980	-	600
Council Representative Stipends	<u>12,000</u>	<u>5,300</u>	<u>4,400</u>
TOTALS	<u>\$ 99,480</u>	<u>\$ 85,300</u>	<u>\$ 89,174</u>
COUNCIL OF CLASSIFIED EMPLOYEES - SCHEDULE 16			
President's Release Time	\$ 113,141	\$ 98,040	\$ 101,679
President's Travel and Lodging	1,660	667	1,831
Officer's Release Time and Stipends	21,600	21,210	19,200
Officer's Travel and Lodging	7,859	2,599	1,283
Governance Meetings	6,912	2,534	593
CCE Conference	<u>73,331</u>	<u>87,970</u>	<u>593</u>
TOTALS	<u>\$ 224,503</u>	<u>\$ 213,020</u>	<u>\$ 125,179</u>
EC/K-12 COUNCIL - SCHEDULE 17			
President's Release Time	\$ 163,704	\$ 161,067	\$ 147,460
President's Travel and Lodging	6,042	-	7,886
Officer's Release Time and Stipends	12,500	12,500	12,500
Officer's Travel and Lodging	4,228	144	2,599
Commission on Teacher Credentials	539	-	808
EC/K-12 Conference	14,489	25,842	8,510
Governance Meetings	5,946	4,198	3,336
Council Representation	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
TOTALS	<u>\$ 208,448</u>	<u>\$ 204,751</u>	<u>\$ 184,099</u>

CALIFORNIA FEDERATION OF TEACHERS
SCHEDULES IN SUPPORT
GENERAL FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
COUNCILS: (Continued)			
RETIREE COUNCIL - SCHEDULE 18			
President's Travel & Lodging	\$ 941	\$ -	\$ -
Officer's Travel and Lodging	805	-	213
Governance Meetings	213	-	-
TOTALS	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 213</u>
TRANSFERS - SCHEDULE 19			
COPE Candidate Committee	\$ 1,230,183	\$ 823,647	\$ 707,912
Proposition and Ballot Initiatives COPE Committee	1,161,356	1,527,754	1,681,544
Legal Defense Fund	244,177	244,283	488,068
Raoul Tellhet Scholarship Fund	81,364	80,407	81,684
Militancy Fund	38,883	40,204	40,842
Educational Issues Fund	63,598	60,306	71,300
Strategic Organizing Fund, Including CFT Organizing Grant In the Amount of \$310,000	571,876	563,755	539,343
TOTALS	<u>\$ 3,391,437</u>	<u>\$ 3,340,356</u>	<u>\$ 3,610,693</u>
GOVERNANCE - SCHEDULE 20			
AFT Convention	\$ 32,534	\$ -	\$ 3,961
CFT Convention	3,361	284,263	-
Executive Council Officer's Release Time	217,283	187,365	102,897
Executive Council	62,617	17,910	8,547
State Council	100,242	-	1,856
Committee Expenses	11,970	-	92
CLF Convention	4,100	(79)	-
TOTALS	<u>\$ 432,107</u>	<u>\$ 489,459</u>	<u>\$ 117,353</u>
COMMITTEES AND TASK FORCES - SCHEDULE 21			
Adult Ed & CTE Committee	\$ 22	\$ -	\$ -
Early Childhood Committee	4,035	-	200
Part-Timer Committee	3,224	-	-
Retirement Committee	1,492	-	2,118
Civil, Human and Women's Rights	-	100	-
Labor in the Schools Committee	424	4,081	-
Career & Technology Education	750	-	-
English Learner	1,225	-	594
Ethnic Diversity Participation	2,009	1,243	96
TOTALS	<u>\$ 13,181</u>	<u>\$ 5,424</u>	<u>\$ 3,008</u>
PROFESSIONAL SERVICES - SCHEDULE 22			
Financial Audit Fees	\$ 123,700	\$ 122,000	\$ 118,500
Consulting Services	42,427	8,000	12,855
Management Support Services	-	1,125	1,850
Legal Services	112,031	83,264	139,061
TOTALS	<u>\$ 278,158</u>	<u>\$ 214,389</u>	<u>\$ 272,266</u>

CALIFORNIA FEDERATION OF TEACHERS
SCHEDULES IN SUPPORT
GENERAL FUND

	January 1, 2022 to <u>December 31, 2022</u>	January 1, 2021 to <u>December 31, 2021</u>	January 1, 2020 to <u>December 31, 2020</u>
MISCELLANEOUS - SCHEDULE 23			
Storage of Benefits Supplies	\$ 3,806	\$ 2,032	\$ 2,892
Supplies and Shipping	2,712	-	2,542
CFT Affiliations	685	612	612
CFT Archives/Storage	2,359	1,260	710
Donations/Contributions	17,050	12,000	18,000
Labor/Community Outreach	9,200	5,700	3,970
Other Expenses	22,794	24,111	208,270
Conferences/Meetings	104,305	19,392	2,758
Racial Justice Program	694	-	-
Special Project (Rebranding)	38,289	39,957	6,000
	<u>\$ 201,894</u>	<u>\$ 105,064</u>	<u>\$ 245,754</u>
TOTALS			

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
RAOUL TEILHET SCHOLARSHIP FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
REVENUE			
Per Capita Tax Allocation	\$ 81,364	\$ 80,407	\$ 81,684
Interest Income	270	169	755
TOTAL REVENUE	\$ 81,634	\$ 80,576	\$ 82,439
EXPENSES			
Scholarships Awarded	94,000	92,000	89,000
Donations	-	-	3,300
TOTAL EXPENSES	94,000	92,000	92,300
NET (DECREASE) FOR THE YEAR	\$ (12,366)	\$ (11,424)	\$ (9,861)

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
LEGAL DEFENSE FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
REVENUE			
Per Capita Tax Allocation	\$ 244,177	\$ 244,283	\$ 488,068
Other Income	-	2,975	-
Interest Income	4,493	2,641	10,026
TOTAL REVENUE	\$ 248,670	\$ 249,899	\$ 498,094
EXPENSES			
Defense Grants	173,306	232,387	126,686
Legal Services	9,117	5,507	17,888
Bank Charges	-	-	260
TOTAL EXPENSES	182,423	237,894	144,834
NET INCREASE FOR THE YEAR	\$ 66,247	\$ 12,005	\$ 353,260

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
WESTERN STATES INSURANCE TRUST

	<u>January 1, 2022 to December 31, 2022</u>	<u>January 1, 2021 to December 31, 2021</u>	<u>January 1, 2020 to December 31, 2020</u>
REVENUE			
Royalty Income	\$ -	\$ -	\$ -
EXPENSES			
Bank Charges	<u>-</u>	<u>-</u>	<u>2</u>
NET (DECREASE) FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
DUES COLLECTION FUND

	January 1, 2022 to <u>December 31, 2022</u>	January 1, 2021 to <u>December 31, 2021</u>	January 1, 2020 to <u>December 31, 2020</u>
REVENUE	\$ -	\$ -	\$ -
EXPENSES	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE FOR THE YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
PROPOSITION AND BALLOT INITIATIVES COPE COMMITTEE

	January 1, 2022 to <u>December 31, 2022</u>	January 1, 2021 to <u>December 31, 2021</u>	January 1, 2020 to <u>December 31, 2020</u>
REVENUE			
Per Capita Tax Allocation and Other Contributions	\$ 1,910,415	\$ 1,918,221	\$ 2,208,208
Refunds and Reimbursements	-	-	455
Interest Income	9,718	6,353	21,027
Prior Year Voided Checks	<u>-</u>	<u>7,656</u>	<u>-</u>
TOTAL REVENUE	\$ 1,920,133	\$ 1,932,230	\$ 2,229,690
EXPENSES			
Contributions to State Ballot Measures	679,215	37,500	1,473,975
Contributions to Local Ballot Measures	14,899	-	10,606
Independent Expenditures	2,520	-	-
Salaries and Salary Related Expenses	755,659	436,754	685,659
Member Communications	330,515	86,573	266,261
Accounting and Legal Fees	27,365	19,592	32,390
Charitable/Civic Donations	179,260	119,200	129,500
Surveys/Signature Gatherers	44,855	84,500	27,965
Postage and Shipping	-	156	9,677
Taxes	1,350	-	250
Consulting Services	-	92,785	7,656
Membership/Subscription	-	-	6,300
Receptions/Retreats Expense	20,854	659	6,149
Slate Mailer	10,000	-	-
Miscellaneous	<u>1,329</u>	<u>50</u>	<u>68</u>
TOTAL EXPENSES	<u>2,067,821</u>	<u>877,769</u>	<u>2,656,456</u>
NET INCREASE (DECREASE) FOR THE YEAR	<u>\$ (147,688)</u>	<u>\$ 1,054,461</u>	<u>\$ (426,766)</u>

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
COPE CANDIDATE COMMITTEE

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
REVENUE			
Per Capita Tax Allocation and Other Contributions	\$ 1,500,596	\$ 1,136,159	\$ 937,739
Refunds and Reimbursements	41,922	-	1,244
Interest Income	902	1,048	4,267
Prior Year Voided Checks	-	1,000	-
TOTAL REVENUE	\$ 1,543,420	\$ 1,138,207	\$ 943,250
EXPENSES			
State/Local Candidates and Other Political Contributions	1,985,682	728,782	1,195,286
Travel and Other Reimbursements	-	-	1,700
Accounting and Legal Fees	55,443	34,770	43,742
Taxes	256	1,232	3,860
Independent Expenditures	75,548	-	37,305
Member Communications	30,200	10,222	18,814
Receptions/Retreats Expense	6,105	-	-
Charitable/Civic Donations	1,000	-	-
Surveys/Signature Gatherers	-	-	5,875
Miscellaneous	360	-	-
TOTAL EXPENSES	2,154,594	775,006	1,306,582
NET INCREASE (DECREASE) FOR THE YEAR	\$ (611,174)	\$ 363,201	\$ (363,332)

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
MILITANCY FUND

	January 1, 2022 to <u>December 31, 2022</u>	January 1, 2021 to <u>December 31, 2021</u>	January 1, 2020 to <u>December 31, 2020</u>
REVENUE			
Per Capita Tax Allocation	\$ 38,883	\$ 40,204	\$ 40,842
Prior Year Voided Check	2,000	-	-
Interest Income	<u>949</u>	<u>670</u>	<u>2,059</u>
TOTAL REVENUE	\$ 41,832	\$ 40,874	\$ 42,901
EXPENSES			
Militancy Grant	-	12,000	-
Bank Charges	<u>193</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>193</u>	<u>12,000</u>	<u>-</u>
NET INCREASE FOR THE YEAR	<u>\$ 41,639</u>	<u>\$ 28,874</u>	<u>\$ 42,901</u>

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
DISASTER RELIEF FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
REVENUE			
AFT Donations	\$ -	\$ -	\$ 10,000
CFT Donations	10,000	10,000	10,000
Other Donations	30	-	1,000
TOTAL REVENUE	\$ 10,030	\$ 10,000	\$ 21,000
EXPENSES			
Donations	11,230	250	5,000
NET INCREASE (DECREASE) FOR THE YEAR	\$ (1,200)	\$ 9,750	\$ 16,000

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
STRATEGIC ORGANIZING FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
REVENUE			
Per Capita Tax Allocation	\$ 261,876	\$ 253,755	\$ 539,343
CFT Organizing Grant	310,000	310,000	-
AFT Organizing Grant	260,000	240,000	-
AFT Grant - Other	-	48,000	-
AFT Staff Funding	90,000	80,000	-
Interest Income	4,099	2,686	6,212
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUE	\$ 925,975	\$ 934,441	\$ 545,555
EXPENSES			
Organizers Salaries	331,329	270,890	-
Benefits	96,836	82,119	-
Payroll Taxes	25,730	21,608	-
Workers' Compensation Insurance	3,663	3,014	-
Bank Charges	300	50	-
Travel and Lodging	12,147	5,694	-
Mileage Reimbursement	3,048	2,426	-
Office Supplies	3,631	325	-
Printing	198	130	-
Subscriptions	5,052	3,652	-
Telecommunications	3,160	5,770	-
Communications	29,431	9,086	85,116
Training	70	-	-
Legal Expenses	39,735	-	-
Organizing Grants	104,854	134,857	-
Other Expenses	10,427	20,494	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	669,611	560,115	85,116
NET INCREASE FOR THE YEAR	<u>\$ 256,364</u>	<u>\$ 374,326</u>	<u>\$ 460,439</u>

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF ACTIVITIES
BUILDING CORPORATION FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
REVENUE			
Rental Income	\$ 30,914	\$ -	\$ -
EXPENSES			
Insurance	\$ 7,050	\$ -	\$ -
Utilities	729	-	-
Legal Services	46,128	-	-
Closing Costs	24,964	-	-
Miscellaneous	276	-	-
Depreciation Expense	8,382	-	-
TOTAL EXPENSES	87,529	-	-
NET (DECREASE) FOR THE YEAR	\$ (56,615)	\$ -	\$ -

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF CASH FLOWS
GENERAL FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
CHANGE IN NET ASSETS (LIABILITIES)	\$ (10,047,594)	\$ 4,531,127	\$ 7,857,381
Adjustments to Reconcile Change in Net Assets (Liabilities) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	\$ 23,307	\$ 20,512	\$ 16,155
Transfers	(3,001,255)	1,512	-
Decrease (Increase) in Receivables	(1,258,797)	1,758,062	(1,085,443)
Increase (Decrease) in Due to Other Funds	192,255	(420,554)	109,023
Decrease (Increase) in Prepaid Expenses	(6,893)	34,146	(15,913)
Amortization Expense for Operating Leases	609,840	-	-
Decrease in Lease Liability	(609,840)	-	-
Decrease (Increase) in Pension Benefits Assets - Management/F.R.U. - Overfunded Portion	7,112,052	(1,867,192)	(5,231,721)
Increase (Decrease) in Expenses Payable	(91,589)	182,653	(67,884)
increase in Accrued Vacation and Sick Time Payable	27,542	70,043	84,045
Increase (Decrease) in Financial Assistance Payable	80,512	(89,940)	(108,403)
Increase (Decrease) in Financial Assistance Accrual	200,973	(43,391)	505,869
Decrease in Postretirement Medical Benefits Liability - Management/F.R.U.	(633,798)	(313,327)	(26,305)
Increase in Pension Benefits Liability - Management/F.R.U. - Unfunded	5,475,876	-	-
Increase (Decrease) in O.P.E.I.U. Postretirement Medical Benefits Liability	(399,150)	128,121	78,374
	7,721,035	(539,355)	(5,742,203)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(2,326,559)	3,991,772	2,115,178
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Office Furniture and Equipment	(39,787)	(28,854)	(15,711)
Investment in Cal Mesa Office Building	(9,613)	(20,471)	(7,296)
	(49,400)	(49,325)	(23,007)
NET CASH (USED) BY INVESTING ACTIVITIES	(49,400)	(49,325)	(23,007)
NET INCREASE (DECREASE) IN CASH	(2,375,959)	3,942,447	2,092,171
CASH AT BEGINNING OF YEAR	15,306,663	11,364,216	9,272,045
CASH AT END OF YEAR	\$ 12,930,704	\$ 15,306,663	\$ 11,364,216

CALIFORNIA FEDERATION OF TEACHERS
STATEMENTS OF CASH FLOWS
ALL FUNDS EXCEPT GENERAL FUND

	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
CHANGE IN NET ASSETS	\$ (464,793)	\$ 1,831,193	\$ 72,639
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	\$ 8,382		
Transfers	3,001,255	\$ (1,512)	\$ -
Decrease (Increase) in Receivables	14,674	(99,628)	183
Decrease (Increase) in Due from General Fund	(192,255)	420,554	(109,023)
Increase (Decrease) in Expenses Payable	8,192	(10,046)	6,802
Increase (Decrease) in Accrued Vacation and Sick Time Payable	21,644	(5,718)	1,306
Increase in Grants Payable	12,450	-	-
Increase (Decrease) in Due to Affiliates	42,629	(2,548)	(4,244)
	2,916,971	301,102	(104,976)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,452,178	2,132,295	(32,337)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Building	(1,609,265)	-	-
Purchase of Land	(1,175,000)	-	-
	(2,784,265)	-	-
NET CASH (USED) BY INVESTING ACTIVITIES	(2,784,265)	-	-
NET INCREASE (DECREASE) IN CASH	(332,087)	2,132,295	(32,337)
CASH AT BEGINNING OF YEAR	12,200,604	10,068,309	10,100,646
CASH AT END OF YEAR	\$ 11,868,517	\$ 12,200,604	\$ 10,068,309

CALIFORNIA FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

The California Federation of Teachers (the "CFT") was formed to organize the educational employees of California into locals chartered by the American Federation of Teachers (the "AFT"), and to bring them into relations of mutual assistance and cooperation; to obtain for them all the rights and benefits to which they are entitled; to raise the standards of the educational profession and to secure conditions essential to the best professional service; to promote such democratization of the educational institutions as will enable them better to equip their students to take their places in the economic, social and political life of the community; to strive for equal educational opportunities for all, and to initiate and support state legislation to benefit students and educational employees of the State of California.

The CFT consists of locals of AFT members chartered in California by the AFT. The CFT consists of public and private school educational employees. The CFT has members-at-large who work in areas where there is not a CFT local. Additionally, active members who retire are admitted as CFT retiree members. The CFT has approximately 78,900 members. The primary source of revenue for the CFT is from per capita taxes.

General Fund

General operations of the CFT.

Educational Issues Fund

The CFT has established an Educational Issues Fund to develop and publicize CFT positions of educational issues. The Educational Issues Fund is funded by a specific allocation of per capita taxes collected by the General Fund.

The Educational Issues Fund is part of the General Fund.

Raoul Teilhet Scholarship Fund

The Fund was established to assist some well deserving high school students with funds that will assist them in pursuing their college education. The Raoul Teilhet Scholarship Fund is funded by a specific allocation of per capita taxes collected by the General Fund.

Legal Defense Fund

The CFT has established a Legal Defense Fund to support cases that particular affiliated local unions file against specific school districts. The Legal Defense Fund is funded by a specific allocation of per capita taxes collected by the General Fund.

Western States Insurance Trust

The Trust collects royalties received from various insurance companies for members participation in various insurance programs.

The Trust is in the process of being dissolved as of December 31, 2022.

Dues Collection Fund

The Fund collects dues on behalf of various small affiliated local unions who do not have a mechanism in place to collect union dues. The dues are collected on behalf of these specific local unions and distributed to them.

CALIFORNIA FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 1 - DESCRIPTION OF THE ORGANIZATION (Continued)

Proposition and Ballot Initiatives COPE Committee

The CFT has established this committee for the purpose of supporting state and local ballot initiatives which the CFT believes further the goals of education and students. The committee is funded by a specific allocation of per capita taxes from the General Fund and other contributions.

COPE Candidate Committee

The CFT has established this committee for the purpose of supporting state and local candidates running for public office and other political contributions who further the goals of the CFT and its membership. The committee is funded by a specific allocation of per capita taxes from the General Fund and other contributions.

Militancy Fund

The CFT has established a Militancy Fund to help and defend persons who have been targeted for retaliation by employers as a result of their CFT union activities and other similar purposes as determined by the Executive Council. The Militancy Fund is funded by a specific allocation of per capita taxes collected by the General Fund.

Disaster Relief Fund

The CFT has established a Disaster Relief Fund to assist members, staff and other union activists who have been impacted by disasters, and is being funded through donations from CFT's affiliates, employees and others.

Strategic Organizing Fund

The CFT has established a Strategic Organizing Fund which is focused on protecting and improving quality education in California through securement of proper funding for adequate resources. The Fund's emphasis is the building of representation and involvement of the communities and its membership through organizing. The Strategic Organizing Fund is funded by a specific allocation of per capita taxes from the General Fund and other contributions.

Building Corporation Fund

The CFT has established a Building Corporation Fund for the purpose of holding title to certain real properties in Sacramento, California.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements are presented using the accrual basis of accounting. The use of the accrual basis recognizes revenue when earned or otherwise available and recognizes expenses when incurred.

B. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

CALIFORNIA FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Estimates (Continued)

contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

C. Cash

Cash consists of cash deposited with financial institutions in checking accounts.

D. Property and Equipment

Property and equipment are stated at cost. Depreciation is determined for related groups of assets under the straight-line method, based upon their estimated useful lives, which range from 3 to 40 years. Minor renewals or replacements, and maintenance and repairs are expensed. Major replacements and improvements are capitalized.

December 31, 2022				
	Years	Cost	Accumulated Amortization and Depreciation	Net Property and Equipment
General Fund:				
Office Furniture and Equipment	3-5	\$ 437,612	\$ 378,623	\$ 58,989
Right-of-Use Asset	-	1,502,138	609,840	892,298
TOTALS - GENERAL FUND		<u>1,939,750</u>	<u>988,463</u>	<u>951,287</u>
Building Corporation Fund:				
Land	-	1,175,000	-	1,175,000
Building and Building Improvements	40	1,609,265	8,382	1,600,883
TOTALS - BUILDING CORPORATION FUND		<u>2,784,265</u>	<u>8,382</u>	<u>2,775,883</u>
TOTALS		<u>\$ 4,724,015</u>	<u>\$ 996,845</u>	<u>\$ 3,727,170</u>
December 31, 2021				
	Years	Cost	Accumulated Amortization and Depreciation	Net Property and Equipment
General Fund:				
Office Furniture and Equipment	3-5	\$ 438,508	\$ 395,999	\$ 42,509
Right-of-Use Asset	-	-	-	-
TOTALS - GENERAL FUND		<u>438,508</u>	<u>395,999</u>	<u>42,509</u>
Building Corporation Fund:				
Land	-	-	-	-
Building and Building Improvements	40	-	-	-
TOTALS - BUILDING CORPORATION FUND		<u>-</u>	<u>-</u>	<u>-</u>
TOTALS		<u>\$ 438,508</u>	<u>\$ 395,999</u>	<u>\$ 42,509</u>

CALIFORNIA FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Property and Equipment (Continued)

	Years	December 31, 2020		
		Cost	Accumulated Amortization and Depreciation	Net Property and Equipment
General Fund:				
Office Furniture and Equipment	3-5	\$ 409,654	\$ 375,487	\$ 34,167
Right-of-Use Asset	-	-	-	-
TOTALS - GENERAL FUND		<u>409,654</u>	<u>375,487</u>	<u>34,167</u>
Building Corporation Fund:				
Land	-	-	-	-
Building and Building Improvements	40	-	-	-
TOTALS - BUILDING CORPORATION FUND		<u>-</u>	<u>-</u>	<u>-</u>
TOTALS		<u>\$ 409,654</u>	<u>\$ 375,487</u>	<u>\$ 34,167</u>

E. Tax-Exempt Status

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the CFT and recognize a tax liability if the CFT has taken a tax position that more likely than not would not be sustained upon examination by a tax authority. The CFT is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

No provision for federal or state income tax is made. The CFT and the Legal Defense Fund have received tax-exempt status from the federal government under Internal Revenue Code Section 501(c)(5) and the state of California under Revenue and Taxation Code Section 23701a.

The General, Scholarship, Dues Collections, Proposition and Ballot Initiatives COPE Committee, Militancy and Strategic Organizing Funds share the same federal and state employer identification numbers and are included in the same returns.

The Western States Insurance Trust is a taxable complex trust.

The COPE Candidate Committee is subject to taxation under Internal Revenue Code Section 527 and the state of California Revenue and Taxation Code Section 23701r on investment income in excess of \$100.

The Disaster Relief Fund has received tax-exempt status from the federal government under Internal Revenue Code Section 501(c)(3) and the state of California under Revenue and Taxation Code Section 23701d.

The CFT Building Corporation has a pending tax-exempt status from the federal government under Section 501(c)(2) of the Internal Revenue Code and under Section 23701h of the state of California Revenue and Taxation Code.

CALIFORNIA FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Accrued Vacation and Sick Time Payable

The CFT accrues accumulated vacation expense as it is earned by its employees under various contracts and agreements. Accumulated sick leave of over 20 days is payable to clerical employees at 50% of their regular pay rate.

G. Liquidity

Management of the CFT believes that existing cash and investment resources and expected per capita taxes and other revenues will be sufficient to meet cash needs for general expenditures within one year of the date of the statements of financial position.

H. Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02 Leases, requiring organizations to recognize lease assets and lease liabilities on the statements of financial position and requiring disclosure of key information about lease agreements. The guidance is effective for periods beginning after December 15, 2021, with early adoption permitted.

NOTE 3 - LEASE LIABILITIES

The CFT leases office space in various cities throughout California and office equipment under lease agreements through January 2027.

In accounting for leases on January 1, 2022, the CFT adopted ASC 842 Leases, which requires a lessee to record a right-of-use asset and a corresponding lease liability at the inception of the lease, initially measured at the present value of the lease payments. The CFT classified the office space and office equipment leases as operating leases and determined that the fair value at the inception of the leases was \$1,502,138 using discount rate of 1.37%. During the year ended December 31, 2022, the CFT made lease payments of \$627,594.

As of December 31, 2022, the lease liability was \$892,298, of which \$417,623 was current and \$474,675 was non-current. ASC 2016-02 requires recognition in the statements of activities of a single lease cost, calculated so that the cost of the lease is allocated over the lease term, generally on a straight line basis. Rent expense for the years ended December 2022, 2021, and 2020 was approximately \$627,594, \$546,342 and \$588,613, respectively.

During the year ended December 31, 2022, the CFT reflected amortization of right-of-use asset of \$609,840, related to the leases, resulting in a net asset balance of \$892,298 as of December 31, 2022.

Maturities of the CFT's lease liabilities are as follows:

Year Ending December 31,		
2023	\$	417,623
2024		201,089
2025		193,892
2026		96,282
2027		388
		909,274
Less amount representing interest		(16,976)
Present value of Lease Liabilities		892,298
Less current portion		(417,623)
	\$	474,675

CALIFORNIA FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 4 - RENTAL INCOME

Effective October 14, 2022, the CFT entered into rental agreements with California Cattlemen’s Association and California Rangeland Trust, located at 1221 H Street and 1225 H Street, Sacramento, California, respectively. The term was on a month-to-month basis, and the monthly rental income was \$5,989.58 each. The tenants moved out in February 2023.

NOTE 5 - INVESTMENTS

Accounting standards establish a fair value hierarchy that prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 – Inputs are quoted prices in active markets.

Level 2 – Inputs are based on quoted prices for similar instruments and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

Level 3 – Inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability.

The following tables summarize the CFT investment at December 31, 2022, 2021 and 2020 based on the input used to value them:

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Partnership in the Cal MESA Office Building, an LLC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,706</u>	<u>\$ 272,706</u>

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Partnership in the Cal MESA Office Building, an LLC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,093</u>	<u>\$ 263,093</u>

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Partnership in the Cal MESA Office Building, an LLC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,622</u>	<u>\$ 242,622</u>

	December 31, 2022	December 31, 2021	December 31, 2020
	Level 3	Level 3	Level 3
Balance as of Beginning of the Year	<u>\$ 263,093</u>	<u>\$ 242,622</u>	<u>\$ 235,326</u>
Undistributed Partnership Income	<u>9,613</u>	<u>20,471</u>	<u>7,296</u>
Balance as of End of Year	<u>\$ 272,706</u>	<u>\$ 263,093</u>	<u>\$ 242,622</u>

The Level 3 investment consists of a partnership in a real estate LLC for which market quotations are not readily available and is recorded at cost.

CALIFORNIA FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 6 - POSTRETIREMENT MEDICAL BENEFITS LIABILITY - MANAGEMENT/F.R.U.

The CFT provides postretirement medical benefits to certain employees. The postretirement medical benefits liability and other related amounts are calculated by the CFT's actuary.

The CFT adopted the Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, which requires that the funded status of defined pension and other postretirement plans be fully recognized in the statement of financial position. The item not yet recognized as a periodic expense and included as a separate charge or credit to net assets at December 31, 2022, 2021 and 2020 is:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Net Actuarial Gain	<u>\$ 670,479</u>	<u>\$ 309,206</u>	<u>\$ 13,734</u>
Net Amount	<u>\$ 670,479</u>	<u>\$ 309,206</u>	<u>\$ 13,734</u>

Net postretirement benefit cost for the years ended December 31, 2022, 2021, and 2020, included the following:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Service Cost	\$ 87,812	\$ 90,634	\$ 77,122
Interest Cost	60,736	58,053	79,551
Amortization of Prior Service Cost	<u>4,491</u>	<u>4,491</u>	<u>4,491</u>
TOTAL COST	<u>\$ 153,039</u>	<u>\$ 153,178</u>	<u>\$ 161,164</u>

The following schedule reports the changes in postretirement medical benefit liability during:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Balance - January 1	\$ 2,413,889	\$ 2,727,216	\$ 2,753,521
Net Unrecognized (Income) (Credited) to Net Assets at December 31	(670,479)	(309,206)	(13,734)
Total Cost for the Year Ended December 31	153,039	153,178	161,164
Benefits Paid During the Year Ended December 31	(111,867)	(152,808)	(169,244)
Amortization of Prior Service Cost	<u>(4,491)</u>	<u>(4,491)</u>	<u>(4,491)</u>
Balance - December 31	<u>\$ 1,780,091</u>	<u>\$ 2,413,889</u>	<u>\$ 2,727,216</u>

CALIFORNIA FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 6 - POSTRETIREMENT MEDICAL BENEFITS LIABILITY - MANAGEMENT/F.R.U. (Continued)

The significant actuarial assumptions used are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
• Interest Rate Used to Calculate Net Periodic Benefit Cost	2.60%	2.21%	3.00%
• Interest Rate Used to Calculate Year End Disclosure Information	4.96%	2.60%	2.21%
• Expected Return on Plan Assets	0.00%	0.00%	0.00%
• Rate of Compensation Increase	0.00%	0.00%	0.00%

The cost for medical benefits has a significant effect on the postretirement medical benefits liability reported. A 1% increase in medical benefit cost would increase the postretirement medical benefits liability as of December 31, 2022, 2021 and 2020 by \$162,685, \$172,996, and \$179,251, respectively.

The following is a projection of expected future benefits to be paid as of December 31, 2022:

<u>Year Ending December 31,</u>	<u>Projected Benefits</u>
2023	\$ 117,945
2024	123,452
2025	130,409
2026	137,608
2027	144,417
2028-2032	537,283

NOTE 7 - PENSION BENEFITS LIABILITY - MANAGEMENT/F.R.U.

The CFT sponsors a defined benefit pension plan (single employer plan) to provide pension benefits to its employees. The benefit obligation and other related amounts are calculated by the CFT's actuary.

The CFT adopted the Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, which requires that the funded status of defined pension and other postretirement plans be fully recognized in the statement of financial position. The following are various reconciliations, schedules and relevant disclosures that are required under the Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans:

- Computation of changes in benefit obligations for the year ended:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Benefit Obligations at the Beginning of the Year	\$ 33,742,329	\$ 31,787,894	\$ 31,825,641
Service Cost	676,242	386,207	400,706
Employee Contributions	187,414	187,218	183,684
Interest Cost	1,808,664	1,698,949	1,625,359
Actuarial (Gain) Loss	2,891,149	1,232,206	(672,830)
Benefits Paid	<u>(1,579,642)</u>	<u>(1,550,145)</u>	<u>(1,574,666)</u>
Benefit Obligations at the End of the Year	<u>\$ 37,726,156</u>	<u>\$ 33,742,329</u>	<u>\$ 31,787,894</u>

CALIFORNIA FEDERATION OF TEACHERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 7 - PENSION BENEFITS LIABILITY - MANAGEMENT/F.R.U. (Continued)

- Computation of changes in plan assets for pension benefits for the year ended:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Plan Assets at the Beginning of the Year	\$ 40,854,381	\$ 37,032,754	\$ 31,838,780
Actual Return on Plan Assets	(8,292,125)	4,113,086	5,499,568
Employer Contributions	1,080,252	1,071,468	1,085,388
Employee Contributions	187,414	187,218	183,684
Benefits Paid	<u>(1,579,642)</u>	<u>(1,550,145)</u>	<u>(1,574,666)</u>
Plan Assets at the End of the Year	<u>\$ 32,250,280</u>	<u>\$ 40,854,381</u>	<u>\$ 37,032,754</u>

- Overfunded (underfunded) status at the end of the year:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Prepaid (Accrued) Pension Cost	\$ 2,194,495	\$ 978,478	\$ (416,820)
Unrecognized Net Actuarial Gain (Loss)	(7,741,383)	6,044,489	5,554,509
Unrecognized Prior Service Credit	<u>71,012</u>	<u>89,085</u>	<u>107,171</u>
Overfunded (Unfunded) Plan Benefit Obligations	<u>\$ (5,475,876)</u>	<u>\$ 7,112,052</u>	<u>\$ 5,244,860</u>

- Significant actuarial assumptions used at:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Interest Rate Used to Calculate Net Periodic Pension Cost	5.50%	5.50%	5.50%
Interest Rate Used to Calculate Year End Disclosure Information	5.50%	5.50%	5.50%
Expected Return on Plan Assets	5.50%	5.50%	5.50%
Salary Scale to Calculate Net Periodic Pension Cost at the Beginning of the Year	2.00%	2.00%	2.00%
Salary Scale for Disclosure Information as of Year End	3.50%	2.00%	2.00%

- Components of net periodic benefit cost (income):

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Service Cost	\$ 676,242	\$ 386,207	\$ 400,706
Interest Cost	1,808,664	1,698,949	1,625,359
Expected Return on Plan Assets	(2,233,959)	(1,987,416)	(1,703,509)
Unrecognized Gain	(181,225)	(216,266)	-
Amortization of Prior Service Cost	<u>(18,073)</u>	<u>(18,086)</u>	<u>(18,086)</u>
Net Periodic Benefit Cost (Income)*	<u>\$ 51,649</u>	<u>\$ (136,612)</u>	<u>\$ 304,470</u>

- * The CFT's portion of the net periodic benefit cost is reduced by employee contributions.

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NOTE 7 - PENSION BENEFITS LIABILITY - MANAGEMENT/F.R.U. (Continued)

- Projection of benefits for next ten years:

<u>Year Ending December 31,</u>	<u>Projected Benefits</u>
2023	\$ 1,948,267
2024	2,022,534
2025	2,098,046
2026	2,202,763
2027	2,208,614
2028-2032	12,025,846

NOTE 8 - O.P.E.I.U. POSTRETIREMENT MEDICAL BENEFITS LIABILITY

Effective January 1, 2009, the CFT provides postretirement medical benefits to its O.P.E.I.U. employees. The postretirement medical benefits liability and other related amounts are calculated by the CFT's actuary.

The CFT adopted the Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, which requires that the funded status of defined pension and other postretirement plans be fully recognized in the statement of financial position. The items not yet recognized as a periodic expense and included as a separate charge or credit to net assets at December 31, 2022, 2021, and 2020 are:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Net (Obligation)	\$ (51,761)	\$ (8,880)	\$ (60,641)
Net Actuarial Gain	<u>549,767</u>	<u>129,237</u>	<u>259,925</u>
Net Amount	<u>\$ 498,006</u>	<u>\$ 120,357</u>	<u>\$ 199,284</u>

Net postretirement benefit cost for the years ended December 31, 2022, 2021, and 2020, included the following:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cost at the Beginning of the Year	\$ 1,419,953	\$ 1,370,759	\$ 1,307,151
Service Cost	40,457	36,740	27,749
Interest Cost	33,704	26,371	32,541
Amortization of Unrecognized (Gain)	-	(9,733)	(15,433)
Amortization of Transition Obligation	<u>8,880</u>	<u>51,761</u>	<u>51,761</u>
	1,502,994	1,475,898	1,403,769
Less: Benefits Paid	<u>(52,781)</u>	<u>(55,945)</u>	<u>(33,010)</u>
TOTAL COST	<u>\$ 1,450,213</u>	<u>\$ 1,419,953</u>	<u>\$ 1,370,759</u>

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DECEMBER 31, 2022, 2021, AND 2020

NOTE 8 - O.P.E.I.U. POSTRETIREMENT MEDICAL BENEFITS LIABILITY (Continued)

The following schedule reports the changes in postretirement medical benefit liability during:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Balance - January 1	\$ 1,299,596	\$ 1,171,475	\$ 1,093,101
Net Recognized (Revenue) Expense (Credited)			
Charged to Net Assets at December 31	(429,410)	78,927	14,766
Total Cost for the Year Ended December 31	83,041	105,139	96,618
Benefits Paid During the Year Ended December 31	<u>(52,781)</u>	<u>(55,945)</u>	<u>(33,010)</u>
Balance - December 31	<u>\$ 900,446</u>	<u>\$ 1,299,596</u>	<u>\$ 1,171,475</u>

In February 2009, the CFT opened a bank account which holds the funds for the O.P.E.I.U. Postretirement Medical Benefit. The account had balances of \$756,493, \$755,309, and \$754,383 as of December 31, 2022, 2021, and 2020, respectively, and were not reflected on the O.P.E.I.U. Postretirement Medical Benefits Liability as of December 31, 2022, 2021, and 2020.

The bank account was not funded in 2022, 2021, and 2020, other than the interest income received.

The significant actuarial assumptions used are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
• Interest Rate Used to Calculate Net Periodic Benefit Cost	2.71%	2.31%	3.07%
• Interest Rate Used to Calculate Year End Disclosure Information	5.02%	2.71%	2.31%
• Expected Return on Plan Assets	0.00%	0.00%	0.00%
• Rate of Compensation Increase	0.00%	0.00%	0.00%

The following is a projection of expected future benefits to be paid as of December 31, 2022:

<u>Year Ending</u> <u>December 31,</u>	<u>Projected</u> <u>Benefits</u>
2023	\$ 31,605
2024	34,151
2025	35,056
2026	37,785
2027	40,879
2028-2032	238,627

NOTE 9 - POSTRETIREMENT HEALTH BENEFITS

The CFT participates in the OPE Welfare Fund, a defined benefit multiemployer health plan that provides postretirement benefits to retired employees. The cost of these benefits was \$178,461, \$176,542, and \$151,803 in 2022, 2021, and 2020, respectively. The CFT's per individual contribution rate per month at December 31, 2022, 2021, and 2020 was \$1,919.

CALIFORNIA FEDERATION OF TEACHERS
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NOTE 9 - POSTRETIREMENT HEALTH BENEFITS (Continued)

The CFT participates in the Office and Professional Employees Locals 30 and 537 Trust Fund, a defined benefit multiemployer health plan that provides postretirement benefits to retired employees. The cost of these benefits was \$135,038, \$135,000, and \$132,617 in 2022, 2021, and 2020, respectively. The CFT's per individual contribution rate per month at December 31, 2022, 2021, and 2020 was \$1,500, \$1,500, and \$1,475, respectively.

NOTE 10 - MULTIEMPLOYER PENSION PLANS

The CFT contributes to the Office and Professional Employees Locals 30 & 537 Retirement Trust Funds and to the Western States Office and Professional Employees Pension Fund. These are multiemployer defined benefit pension plans that covers its employees under the terms of collective bargaining agreements. Contributions to these plans are based on employee hours worked and rates are based upon contractual arrangements. The risks of participating in these multiemployer plans are different from single-employer plans in the following respects:

- Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to a plan, the unfunded obligation of the plan may be borne by the remaining participating employers.
- If the CFT chooses to stop participating in any of its multiemployer plans, the CFT may be required to pay those plans an amount based on the underfunded status of the plans, referred to as a withdrawal liability.

The CFT's participation in these plans for the years ended December 31, 2022, 2021 and 2020 is outlined in the table below. The information included in this table is as follows:

- The "EIN/Pension Plan Number" column provides the employer identification number ("EIN") and the three-digit plan number.
- The Pension Protection Act of 2006 ("PPA") zone status is based on information that the CFT received from the pension plan and is certified by the pension plan's actuaries. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow and orange zones are less than 80% funded or are projected to become insolvent within seven years, and pension plans in the green zone are at least 80% funded. Unless otherwise noted, the PPA zone status for 2022, 2021 and 2020 are for the pension plans' years ended at December 31, 2021, 2020 and 2020, respectively.
- The "FIP/RP Status" column indicates pension plans for which a funding improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.
- The column "Surcharge Imposed" indicates whether the CFT was required to pay a surcharge to the pension plan.
- The last column lists the expiration date of the collective bargaining agreement to which the pension plan is subject.

Pension Fund	EIN/Pension Plan Number	PPA			FIP/RP Status	Contributions by the CFT			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2021	2020	2019		2022	2021	2020		
Office and Professional Employees Locals 30 & 537 Retirement Trust Funds*	95-6072309/001	Green	Green	Green	No	\$ 49,696	\$ 50,434	\$ 50,419	No	N/A
Western States Office and Professional Employees Pension Fund	94-6076144/001	Red	Yellow	Yellow	Yes	69,004	77,202	76,769	No	N/A
						<u>\$ 118,700</u>	<u>\$ 127,636</u>	<u>\$ 127,188</u>		

* January 31, 2022, 2021, and 2020

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NOTE 10 - MULTIEMPLOYER PENSION PLANS (Continued)

The management of the CFT has expressed no intent to withdraw from the Plans and the withdrawal liability, if any, to the CFT has not been computed.

There have been no significant changes that affect the comparability of 2022, 2021, and 2020 contributions.

The CFT also contributes to the Western States 401(k) Retirement Fund of OPEIU and to The Principal Financial Group. Total contributions made by the CFT to the Western States 401(k) Retirement Fund of OPEIU were \$20,315, \$21,420, and \$19,312 in 2022, 2021 and 2020, respectively, and total contributions made by the CFT to Principal Financial Group were \$145,896, \$129,787, and \$128,272 in 2022, 2021 and 2020, respectively.

CALIFORNIA FEDERATION OF TEACHERS
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NOTE 11 - SUMMARY OF EXPENSES BY NATURAL AND FUNCTIONAL CLASSIFICATIONS

The following tables provide a summary of the CFT's total expenses by both their natural and functional classification, e.g. major class of program services and supporting activity, as required by accounting principles generally accepted in the United States of America:

	January 1, 2022 to December 31, 2022											
	Membership Representation	General and Administrative	Financial Assistance to Affiliates	Communications and Publications	Government Relations	Information Technology	Leadership Development and Training	Research	Contributions and Scholarships	Political Activities	Postretirement Pension and Medical Benefits	Total
Personnel Expenses:												
Management	\$ -	\$ 1,188,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,188,006
F.R.U.	3,809,212	-	-	-	-	-	-	-	487,590	-	-	4,296,802
O.P.E.I.U.	-	1,422,744	-	-	-	-	-	-	33,372	-	-	1,456,116
Other Personnel-Related Expenses	228,496	466,246	-	-	-	-	-	-	148,827	-	51,533	895,102
Operating Expenses	108,519	1,081,967	-	-	-	-	-	-	52,567	-	-	1,243,053
Financial Assistance to Locals	-	-	8,189,424	-	-	-	-	-	-	-	-	8,189,424
Departments:												
Communications and Publications	-	-	-	85,360	-	-	-	-	-	-	-	85,360
Governmental Relations	-	-	-	-	8,616	-	-	-	-	-	-	8,616
Information Technology	-	-	-	-	-	8,385	-	-	-	-	-	8,385
Leadership Development and Training	-	-	-	-	-	-	174,107	-	-	-	-	174,107
Research	-	-	-	-	-	-	-	8,500	-	-	-	8,500
Councils:												
Community College Council	99,480	-	-	-	-	-	-	-	-	-	-	99,480
Council of Classified Employees	224,503	-	-	-	-	-	-	-	-	-	-	224,503
EC/K-12 Council	208,448	-	-	-	-	-	-	-	-	-	-	208,448
Retiree Council	-	1,959	-	-	-	-	-	-	-	-	-	1,959
Governance	-	432,107	-	-	-	-	-	-	-	-	-	432,107
Committees and Task Forces	-	13,181	-	-	-	-	-	-	-	-	-	13,181
Professional Services	89,597	172,318	-	-	-	-	-	-	16,243	-	-	278,158
Miscellaneous	-	182,694	-	-	-	-	-	-	-	-	-	182,694
Raoul Teihet Scholarship Fund Expenses	182,423	-	-	-	-	-	-	-	-	-	-	182,423
Legal Defense Fund Expenses	-	-	-	-	-	-	-	9,200	-	-	-	9,200
Proposition and Ballot Initiatives	-	-	-	-	-	-	-	94,000	-	-	-	94,000
COPE Committee Expenses	-	-	-	-	-	-	-	-	1,390,882	-	-	1,390,882
COPE Candidate Committee Expenses	-	-	-	-	-	-	-	-	2,154,137	-	-	2,154,137
Militancy Fund Expenses	193	-	-	-	-	-	-	-	-	-	-	193
Disaster Relief Fund Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Strategic Organizing Fund Expenses	669,611	-	-	-	-	-	-	11,230	-	-	-	680,841
Building Corporation Fund Expenses	-	87,529	-	-	-	-	-	-	-	-	-	87,529
Postretirement Medical Benefits - Management/F.R.U.	-	-	-	-	-	-	-	-	-	(670,479)	-	(670,479)
Pension Benefits - Management/F.R.U.	-	-	-	-	-	-	-	-	-	-	13,803,945	13,803,945
O.P.E.I.U. Postretirement Medical Benefits	-	-	-	-	-	-	-	-	-	-	(549,767)	(549,767)
TOTAL EXPENSES	\$ 5,620,482	\$ 4,998,751	\$ 8,189,424	\$ 85,360	\$ 8,616	\$ 8,385	\$ 174,107	\$ 8,500	\$ 4,283,618	\$ 12,635,232	\$ (549,767)	\$ 36,126,905

CALIFORNIA FEDERATION OF TEACHERS
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NOTE 11 - SUMMARY OF EXPENSES BY NATURAL AND FUNCTIONAL CLASSIFICATIONS (Continued)

	January 1, 2021 to December 31, 2021										
	Membership Representation	General and Administrative	Financial Assistance to Affiliates	Communications and Publications	Government Relations	Information Technology	Research	Contributions and Scholarships	Political Activities	Postretirement Pension and Medical Benefits	Total
Personnel Expenses:											
Management	\$ -	\$ 995,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 1,010,378
F.R.U.	3,316,729	-	-	-	-	-	-	-	460,898	-	3,777,627
O.P.E.I.U.	-	1,354,250	-	-	-	-	-	-	31,586	-	1,385,836
Other Personnel-Related Expenses	232,888	515,147	-	-	-	-	-	-	127,747	(79,473)	796,309
Operating Expenses	46,065	937,828	-	-	-	-	-	-	18,680	-	1,002,573
Financial Assistance to Locals	-	-	8,087,579	-	-	-	-	-	-	-	8,087,579
Departments:											
Communications and Publications	-	-	-	132,546	-	-	-	-	-	-	132,546
Governmental Relations	-	-	-	-	9,039	-	-	-	-	-	9,039
Information Technology	-	-	-	-	8,878	-	-	-	-	-	8,878
Research	-	-	-	-	-	8,500	-	-	-	-	8,500
Councils:											
Community College Council	85,300	-	-	-	-	-	-	-	-	-	85,300
Council of Classified Employees	213,020	-	-	-	-	-	-	-	-	-	213,020
CC/K-12 Council	204,751	-	-	-	-	-	-	-	-	-	204,751
Governance	-	489,459	-	-	-	-	-	-	-	-	489,459
Committees and Task Forces	-	5,424	-	-	-	-	-	-	-	-	5,424
Professional Services	46,172	159,998	-	-	-	-	-	-	8,219	-	214,389
Miscellaneous	-	87,364	-	-	-	-	-	-	-	-	95,064
Raoul Teillet Scholarship Fund Expenses	-	-	-	-	-	-	7,700	-	-	-	92,000
Legal Defense Fund Expenses	237,894	-	-	-	-	-	-	-	-	-	237,894
Proposition and Ballot Initiatives											
COPE Committee Expenses	-	-	-	-	-	-	-	-	242,598	-	242,598
COPE Candidate Committee Expenses	-	-	-	-	-	-	-	-	775,006	-	775,006
Militancy Fund Expenses	12,000	-	-	-	-	-	-	-	-	-	12,000
Disaster Relief Fund Expenses	-	-	-	-	-	-	250	-	-	-	250
Strategic Organizing Fund Expenses	560,115	-	-	-	-	-	-	-	-	-	560,115
Postretirement Medical Benefits -											
Management/F.R.U.	-	-	-	-	-	-	-	-	-	(308,206)	(308,206)
Pension Benefits - Management/F.R.U.	-	-	-	-	-	-	-	-	-	(471,894)	(471,894)
O.P.E.I.U. Postretirement	-	-	-	-	-	-	-	-	-	(120,357)	(120,357)
Medical Benefits	-	-	-	-	-	-	-	-	-	(990,930)	(990,930)
TOTAL EXPENSES	\$ 4,954,934	\$ 4,544,948	\$ 8,087,579	\$ 132,546	\$ 9,039	\$ 8,878	\$ 8,500	\$ 99,950	\$ 1,679,674	\$ (990,930)	\$ 18,545,018

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NOTE 11 - SUMMARY OF EXPENSES BY NATURAL AND FUNCTIONAL CLASSIFICATIONS (Continued)

	January 1, 2020 to December 31, 2020											Total
	Membership Representation	General and Administrative	Financial Assistance to Affiliates	Communications and Publications	Government Relations	Information Technology	Leadership Development and Training	Research	Contributions and Scholarships	Political Activities	Postretirement Pension and Medical Benefits	
Personnel Expenses:	\$ -	\$ 952,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 952,024
Management F.R.U.	3,147,773	-	-	-	-	-	-	-	-	491,596	-	3,639,369
O.P.E.I.U.	-	1,263,363	-	-	-	-	-	-	-	30,767	-	1,294,130
Other Personnel-Related Expenses	239,475	539,307	-	-	-	-	-	-	-	131,790	385,873	1,296,445
Operating Expenses	61,310	987,568	-	-	-	-	-	-	-	7,918	-	1,056,796
Financial Assistance to Locals	-	-	8,325,289	-	-	-	-	-	-	-	-	8,325,289
Departments:												
Communications and Publications	-	-	-	100,293	-	-	-	-	-	-	-	100,293
Governmental Relations	-	-	-	-	8,467	-	-	-	-	-	-	8,467
Information Technology	-	-	-	-	-	11,178	-	-	-	-	-	11,178
Leadership Development and Training	-	-	-	-	-	-	8,764	-	-	-	-	8,764
Research	-	-	-	-	-	-	-	8,500	-	-	-	8,500
Organizing	435,000	-	-	-	-	-	-	-	-	-	-	435,000
Councils:												
Community College Council	89,174	-	-	-	-	-	-	-	-	-	-	89,174
Council of Classified Employees	125,179	-	-	-	-	-	-	-	-	-	-	125,179
EC/K-12 Council	184,099	-	-	-	-	-	-	-	-	-	-	184,099
Retiree Council	-	213	-	-	-	-	-	-	-	-	-	213
Governance	-	117,353	-	-	-	-	-	-	-	-	-	117,353
Committees and Task Forces	-	3,008	-	-	-	-	-	-	-	-	-	3,008
Professional Services	66,507	195,147	-	-	-	-	-	-	10,612	-	-	272,266
Miscellaneous	-	223,784	-	-	-	-	-	-	-	-	-	235,754
Raoul Tillet Scholarship Fund Expenses	-	-	-	-	-	-	-	11,970	-	-	-	11,970
Legal Defense Fund Expenses	144,834	-	-	-	-	-	-	92,300	-	-	-	236,134
Western States Insurance Trust Expenses	-	-	-	-	-	-	-	-	-	-	-	144,834
Proposition and Ballot Initiatives	-	2	-	-	-	-	-	-	-	-	-	2
COPE Committee Expenses	-	-	-	-	-	-	-	-	2,002,303	-	-	2,002,303
COPE Candidate Committee Expenses	-	-	-	-	-	-	-	-	1,306,582	-	-	1,306,582
Disaster Relief Fund Expenses	-	-	-	-	-	-	-	5,000	-	-	-	5,000
Strategic Organizing Fund Expenses	85,116	-	-	-	-	-	-	-	-	-	-	85,116
Postretirement Medical Benefits - Management/F.R.U.	-	-	-	-	-	-	-	-	-	-	(13,734)	(13,734)
Pension Benefits - Management/F.R.U.	-	-	-	-	-	-	-	-	-	-	(4,267,119)	(4,267,119)
O.P.E.I.U. Postretirement Medical Benefits	-	-	-	-	-	-	-	-	-	-	(199,284)	(199,284)
TOTAL EXPENSES	\$ 4,578,467	\$ 4,281,769	\$ 8,325,289	\$ 100,293	\$ 8,467	\$ 11,178	\$ 8,764	\$ 8,500	\$ 109,270	\$ 3,981,568	\$ (4,094,264)	\$ 17,319,301

CALIFORNIA FEDERATION OF TEACHERS
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NOTE 11 - SUMMARY OF EXPENSES BY NATURAL AND FUNCTIONAL CLASSIFICATIONS (Continued)

The financial statements report certain categories of expenses that are attributable to one or more functional expenses classification of the CFT. Those expenses are allocated on the basis of estimates of time, effort, and purpose of the expense.

NOTE 12 - RISKS AND UNCERTAINTIES

The actuarial present value of pension benefits liabilities and the postretirement medical benefits liabilities are reported based on certain assumptions that are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The CFT is involved in various lawsuits and claims where the outcome or financial ramifications have yet to be determined. The financial statements have not been adjusted to reflect any potential negative impact on the CFT's finances.

NOTE 14 - CONCENTRATION OF CREDIT RISK

As of December 31, 2022, the CFT maintained bank accounts with cash balances in excess of the federally insured limits of \$250,000 per bank. The amount in excess of the limits was subject to risk if the financial Institution did not perform. The CFT has not incurred any losses on the uninsured balances.

NOTE 15 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 8, 2023, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these financial statements.