

JAMES MARTA & COMPANY LLP

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

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

**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

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CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

DECEMBER 31, 2020

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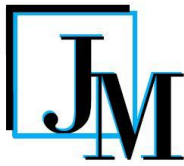
Neil McCormick
Chief Executive Officer

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

DECEMBER 31, 2020

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Special Districts Association
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the California Special Districts Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

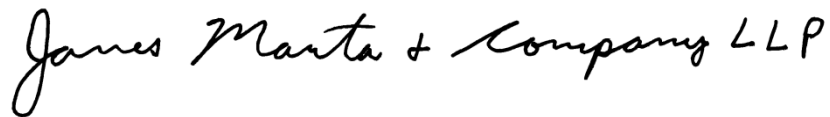
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Special Districts Association as of December 31, 2020 and 2019, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Funding Progress is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Financial Accounting Standards Board. The Graphical Presentation of Revenues and the Graphical Presentation of Expenses are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "James Marta & Company LLP".

James Marta & Company LLP
Certified Public Accountants
February 10, 2021

BASIC FINANCIAL STATEMENTS

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 7,566,736	\$ 6,865,119
Accounts receivable, net	39,101	96,385
Prepaid expenses	137,344	60,494
Total Current Assets	<u>7,743,181</u>	<u>7,021,998</u>
Noncurrent Assets		
Deposits	1,516	1,516
Capital assets, net of accumulated depreciation (Note 5)	100,658	104,252
Total Noncurrent Assets	<u>102,174</u>	<u>105,768</u>
Total Assets	<u>\$ 7,845,355</u>	<u>\$ 7,127,766</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and other liabilities	\$ 57,918	\$ 141,776
Accrued expenses	185,700	156,533
Unearned revenue	3,818,581	3,373,460
Cash held for others	-	850
Total Current Liabilities	<u>4,062,199</u>	<u>3,672,619</u>
Noncurrent Liabilities		
Pension liability (Note 8)	192,420	127,861
Total Noncurrent Liabilities	<u>192,420</u>	<u>127,861</u>
Total Liabilities	<u>4,254,619</u>	<u>3,800,480</u>
Net Assets		
Without restrictions (Note 7)	<u>3,590,736</u>	<u>3,327,286</u>
Total Liabilities and Net Assets	<u>\$ 7,845,355</u>	<u>\$ 7,127,766</u>

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Membership dues	\$ 3,888,582	\$ 3,628,051
Nonprofit administration	180,093	133,426
Publications	35,590	45,406
Educational seminars	195,287	183,851
Special Districts Legislative Days	26,395	49,010
Special District Leadership Academy	23,955	124,296
Board Secretary / Clerk Conference	121,395	198,825
General Manager Leadership Summit	-	148,313
Annual Conference	-	455,265
Magazine advertising	53,943	54,250
Alliance contribution	49,116	50,716
Sponsored programs	196,178	209,166
Interest	116,579	159,047
Total Revenues	<u>4,887,113</u>	<u>5,439,622</u>
EXPENSES		
Salaries and benefits	3,461,020	3,010,887
Change in pension liability	64,559	127,861
Professional fees (Note 9)	30,154	36,171
Legislative advocacy	80,524	79,196
Educational seminars	19,550	26,220
Special Districts Legislative Days	2,756	36,779
Special District Leadership Academy	9,869	97,009
Board Secretary / Clerk Conference	33,245	102,366
General Manager Leadership Summit	1,234	116,510
Annual Conference	4,675	358,950
Publications for resale	9,611	16,296
Alliance branding	36,725	34,362
Marketing and recruitment	141,923	146,320
Administration	627,723	638,032
Interest	1,139	1,768
Organization and governance	56,877	208,424
Depreciation	42,079	33,416
Total Expenses	<u>4,623,663</u>	<u>5,070,567</u>
Change in Net Assets	263,450	369,055
Net Assets, Beginning of Year	<u>3,327,286</u>	<u>2,958,231</u>
Net Assets, End of Year	<u>\$ 3,590,736</u>	<u>\$ 3,327,286</u>

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Cash received from members	\$ 5,043,730	\$ 5,238,238
Cash received from administrative services	229,209	184,142
Cash received from other sources	(850)	850
Cash paid for goods and services	(1,228,486)	(1,858,036)
Cash paid for salaries and benefits	(3,418,941)	(2,977,471)
Interest income received	116,579	159,047
Interest paid	(1,139)	(1,768)
Net Cash Flows Provided (Used) by Operating Activities	<u>740,102</u>	<u>745,002</u>
Cash Flows From Investing Activities		
Purchase of capital assets	(38,485)	(60,862)
Net Cash Flows Provided (Used) by Investing Activities	<u>(38,485)</u>	<u>(60,862)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	701,617	684,140
Beginning Cash and Cash Equivalents	<u>6,865,119</u>	<u>6,180,979</u>
Ending Cash and Cash Equivalents	<u>\$ 7,566,736</u>	<u>\$ 6,865,119</u>
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Change in Net Assets	\$ 263,450	\$ 369,055
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	42,079	33,416
(Increase) Decrease in:		
Accounts receivable	57,284	(7,377)
Prepaid expenses	(76,850)	(18,920)
Deposits	-	(473)
Increase (Decrease) in:		
Accounts payable and other liabilities	(83,858)	84,914
Accrued expenses	29,167	6,021
Cash held for others	(850)	850
Deferred revenue	445,121	149,655
Pension liability	64,559	127,861
Net Cash Provided (Used) by Operating Activities	<u>\$ 740,102</u>	<u>\$ 745,002</u>

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

California Special Districts Association (CSDA) is a statewide nonprofit organization whose purpose is to initiate, sponsor, promote and carry out plans, policies, and activities in furtherance of subjects relating to special districts in California. CSDA's membership consisted of approximately 1,256 and 1,230 special districts and professional members throughout California as of December 31, 2020 and 2019, respectively. CSDA provides legislative advocacy regarding matters concerning member interests. CSDA also provides conferences, seminars, workshops, and a forum for an interchange of ideas concerning matters relating to districts.

B. BASIS OF ACCOUNTING

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America. Under the accrual basis, revenues and the related assets are recognized when earned, and expenses and the related liabilities are recognized when the obligation is incurred.

C. INCOME TAXES

CSDA is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code and section 23701(e) of the California Revenue and Taxation Code. Accordingly, the accompanying financial statements include no provision for income taxes.

D. CASH AND CASH EQUIVALENTS

CSDA considers all highly liquid temporary investments with maturities of three months or less, investment in the Local Agency Investment Fund and investment in CalTRUST to be cash equivalents for the purpose of the statements of financial position and cash flows.

E. ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of amounts due from the related affiliates. CSDA considers the remaining accounts receivable balance to be fully collectible.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. CAPITAL ASSETS

CSDA's capital assets are recorded at acquisition cost. Depreciation on CSDA's capital assets is computed using the straight-line method with lives ranging from 3-7 years. Maintenance and repair costs are expensed as incurred and expenditures for additions and improvements over \$500 are capitalized. Upon retirement or other disposition of capital assets, any gain or loss is included in earnings. Impairment tests on long-lived assets are made when conditions indicate a possible loss. Such impairment tests are based on a comparison of undiscounted cash flows to the recorded value of the asset. If an impairment is indicated, the asset value is written down to its fair market value.

G. DEFERRED REVENUES

Deferred revenues consist of membership dues and seminar registration fees received during the year for the subsequent year. The dues and fees will be used to support the general activities of CSDA.

H. REVENUES

Revenues are principally from membership dues, administrative fees, and program activities, which consist of conferences, seminars and workshop fees. Dues are based on each member's operating budget and are assessed to agency members for the unrestricted general activities of CSDA. Fees for attendance at conferences, seminars, and workshops produced by CSDA are reported at the gross amount received.

I. ADMINISTRATIVE FEES

CSDA provides administrative services for various affiliated parties. The administrative fees are based on pre-set annual amounts and on a pro rata share of administrative overhead expenses, as well as a percentage of personnel costs and premiums paid by its members.

J. USE OF 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 amount of assets, liabilities, revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

2. AFFILIATED PARTIES

CSDA provides administrative and marketing services for California Special Districts Association Finance Corporation (CSDAFC) and Special District Leadership Foundation (SDLF). CSDAFC made payments of \$29,588 to CSDA in 2020. CSDAFC made payments of \$0 to CSDA in 2019. SDLF paid \$10,000 to CSDA in 2020 and 2019.

CSDA provides marketing products, services and sponsorships to the Special District Risk Management Authority (SDRMA). SDRMA paid \$137,000 to CSDA in 2020 and 2019, of which \$50,000 went to SDLF each year.

CSDA is a co-sponsor of Institute for Local Government (ILG) and receives workshop tools, articles, and training to CSDA. CSDA paid \$80,000 to ILG in 2020 and 2019.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2020 and 2019 consisted of the following:

<u>Account</u>	<u>2020</u>	<u>2019</u>
Petty Cash	\$ 600	\$ 300
Cash in Bank	888,707	1,045,360
Local Agency Investment Fund	265,148	260,877
CSDA Advocacy Fund	371,823	313,368
CalTRUST	6,040,458	5,245,214
Total	<u>\$ 7,566,736</u>	<u>\$ 6,865,119</u>

Cash in Bank

Sum of all deposits accounts in each bank were insured up to \$250,000 during 2020 and 2019 by the Federal Depository Insurance Corporation (FDIC). As of December 31, 2020, CSDA's deposits were \$578,104 in Five Star Bank and \$310,603 in Wells Fargo Bank respectively. As of December 31, 2019 CSDA's Deposits were \$1,045,360 in Wells Fargo Bank. Of these balances, \$250,000 in each bank were insured each year and the remaining \$388,707 and \$795,360 were uninsured, respectively.

Local Agency Investment Fund

The CSDA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Foundation's investment pool is reported in the accompanying financial statements at amounts based upon the Foundation's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis. At December 31, 2020 and 2019, the interest rate for the LAIF account was 1.93 % and 2.27%, respectively, and there was no significant difference between the fair market value and the carrying amount.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

3. CASH AND CASH EQUIVALENTS - CONTINUED

CalTRUST

CalTRUST is a Joint Powers Authority created by public agencies to provide a convenient method for agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. Following the investment policy direction established by the Board of Trustees, the primary objective of the investment manager is to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the participants and the final objective shall be to maximize the yield in a manner consistent with the first two objectives. The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that participants are willing to assume in obtaining such return. CSDA invests in the CalTRUST Medium and Short Term Funds. The average annual interest yield for the Medium Term Fund was approximately 3.36% and 2.24% and the weighted average maturity was 1.90 years and 1.99 years at December 31, 2020 and 2019, respectively. The average annual interest yield for the Short Term Fund was approximately 1.59% and 2.45% and the weighted average maturity was 0.76 and 0.82 years at December 31, 2020 and 2019 respectively.

4. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents CSDA's financial assets at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 7,566,736	\$ 6,865,119
Accounts receivable	39,101	96,385
Total financial assets	<u>7,605,837</u>	<u>6,961,504</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 7,605,837</u>	<u>\$ 6,961,504</u>

CSDA's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1.16M). As part of this liquidity plan, excess cash is sometimes invested in short-term and medium-term investments.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

5. CAPITAL ASSETS

Capital assets as of December 31, 2020 and 2019 consisted of the following:

	<u>Equipment</u>	<u>Leasehold Improvements</u>	<u>Total Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Balance</u>
Balance - December 31, 2018	\$ 384,705	\$ 158,252	\$ 542,957	\$ (466,151)	\$ 76,806
Additions	36,960	23,902	60,862	(33,416)	27,446
Deletions	(3,849)	-	(3,849)	3,849	-
Balance - December 31, 2019	<u>\$ 417,816</u>	<u>\$ 182,154</u>	<u>\$ 599,970</u>	<u>\$ (495,718)</u>	<u>\$ 104,252</u>
Additions	38,485	-	38,485	(42,079)	(3,594)
Deletions	\$ (179,759)	\$ -	\$ (179,759)	\$ 179,759	\$ -
Balance - December 31, 2020	<u>\$ 276,542</u>	<u>\$ 182,154</u>	<u>\$ 458,696</u>	<u>\$ (358,038)</u>	<u>\$ 100,658</u>

6. OPERATING LEASE

CSDA leases office space under a non-cancelable operating lease which was originally set to expire in February 2019. In August 2011, due to market conditions, CSDA renegotiated their lease. The renegotiated lease expires in 2021. On November 27, 2013 CSDA added addendum #1 to the lease. The addendum adds suite 250 (across the hall from CSDA's current office space) for a period of five years beginning April 1, 2014 through March 31, 2019. On March 22, 2017, CSDA added amendment #1 to the lease, extending the lease period for suite 250 until December 31, 2021.

The annual lease payments related to the office space were \$189,991 and \$185,605 for the years ended December 31, 2020 and 2019, respectively.

The future minimum lease payments are as follows:

<u>Year</u>	<u>Payments</u>
2021	<u>\$ 192,430</u>

CSDA leases 10 parking spaces from Special Districts Risk Management Authority (SDRMA). The lease is a month to month agreement. The payments for parking spaces were \$14,640 in 2020 and 2019.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

7. NET ASSETS WITHOUT RESTRICTIONS

The Board has designated amounts of net assets without restrictions to provide for the future needs of CSDA. The following designations have been identified:

Designated for:	Minimum Target Balance	Balance December 31, 2020	Balance December 31, 2019
Operating Reserves Fund	\$ 2,696,473	\$ 1,722,954	\$ 1,420,854
Capital Replacement Fund	50,000	80,593	53,897
Capital Technology Fund	50,000	56,080	54,369
Special Projects Fund	200,000	216,509	309,377
Building Fund	200,000	99,014	91,195
CSDA Advocacy Fund	1,000,000	327,197	267,352
Retiree Health Reimbursement Fund	500,000	515,847	495,358
Dues Stabilization Fund	382,277	309,092	265,829
Total Designated Funds	\$ 5,078,750	\$ 3,327,286	\$ 2,958,231
Net Income (<i>subject to board allocation</i>)		263,450	369,055
Total Net Asset Without Restrictions		\$ 3,590,736	\$ 3,327,286

The Board designated balances above for 2020 and 2019 does not include \$263,450 and \$ 369,055 of net assets without restrictions that will be subject to allocation by the Board at a future meeting and presented as unrestricted net assets.

Advocacy Fund

Per Policy 5.15, CSDA is required to maintain an Advocacy Fund. No revenue that is considered public funds shall be deposited into or be a part of this fund. The sole source of the Advocacy Fund shall be from private income received from all revenues considered to be private such as those received for administrative services, advertising, sponsorships and dues from business affiliates.

8. EMPLOYEE RETIREMENT PLAN

A. PLAN DESCRIPTION

CSDA's defined benefit pension plan provides retirement and disability benefits, and death benefits to plan members and beneficiaries. CSDA's retirement plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating agencies within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. CSDA selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board approval. All regular full-time employees are eligible to participate upon their hire date. Part-time employees are eligible once they have worked a minimum of 1,000 hours. Employees vest after five years in the plan and there is no partial vesting. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

B. FUNDING POLICY

CSDA is required to contribute the actuarially determined amounts necessary to fund the benefits for its employees. The actuarial methods and assumptions used are those by the CalPERS Board of Administration. The required employer contribution rate for January 2020 through June 2020 was 8.081%, and for July 2020 through December 2020 was 8.794% for most employees. CSDA also contributes the employee's share which was 7% for both 2020 and 2019. However, 18 employees participate in the Public Employees' Pension Reform Act (PEPRA) and the employees are required to contribute 6.75%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

C. ANNUAL PENSION COST

For 2020, CSDA's annual required contribution was \$198,100 and they also paid the employees share of \$88,728 for a total pension expense of \$286,828. For 2019, CSDA's annual required contribution was \$168,380 and they also paid the employees share of \$89,518 for a total pension expense of \$257,898. The required contribution for 2020 was determined as part of the June 30, 2019 actuarial valuation. A summary of principle assumptions and methods used to determine the annual required contribution is shown on the following page.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

8. EMPLOYEE RETIREMENT PLAN - CONTINUED

Annual Required Contribution

For Classic and PEPRA *

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal Cost Method
Amortization Method:	Level Percent of Payroll
Asset Valuation Method:	Market Value
Actuarial Assumptions:	
Inflation Rate:	2.5%
Discount Rate:	7.0%
Projected Salary Increases:	Varies by Entry Age and Service
Investment Rate of Return**:	7.0%
Mortality:	Derived using CalPERS' Membership Data for all Funds

* both Classic and PEPRA use the same actuarial assumptions

** Net of pension plan investment expenses, including inflation

Three Year Trend Information - CSDA Retirement Plan

Year Ended	Annual Pension		Net Pension Obligation
	Cost (APC)	% of APC Contributed	
12/31/2018	\$ 151,129	100%	\$ -
12/31/2019	\$ 168,380	100%	\$ 127,861
12/31/2020	\$ 286,828	100%	\$ 192,420

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

9. PROFESSIONAL FEES

Professional fees for the year ended December 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Audit fees	\$ 13,800	\$ 14,900
Legal fees	<u>16,354</u>	<u>21,271</u>
Total	<u>\$ 30,154</u>	<u>\$ 36,171</u>

10. RETIREE HEALTH REIMBURSEMENT FUND

CSDA has a Retiree Health Reimbursement Arrangement. This is a defined contribution plan that would provide the retiree with \$250/month retroactive to their first month of employment to use towards qualified health expenses. This benefit is provided only after employees meet the eligibility requirements outlined in Policy 5.03.

11. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the CSDA’s operations and financial results at this time.

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended December 31, 2020 through February 10, 2021, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements other than what is disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

SCHEDULE OF FUNDING PROGRESS

DECEMBER 31, 2020

The schedule below is funding progress for CalPERS in conjunction with footnote 7.

Classic							
Valuation Date	Accrued Liability	Actuarial Asset Value	Under/(Over) Funded Liability	Funded Ratio	Covered Payroll	Under(Over) Funded Liability as % of payroll	
6/30/2017	\$ 2,936,123	\$ 2,729,684	\$ 206,439	93.0%	\$ 1,252,424	16.5%	
6/30/2018	\$ 3,421,464	\$ 3,097,680	\$ 323,784	90.5%	\$ 1,207,862	26.8%	
6/30/2019	\$ 3,949,871	\$ 3,823,785	\$ 126,086	96.8%	\$ 1,223,100	10.3%	

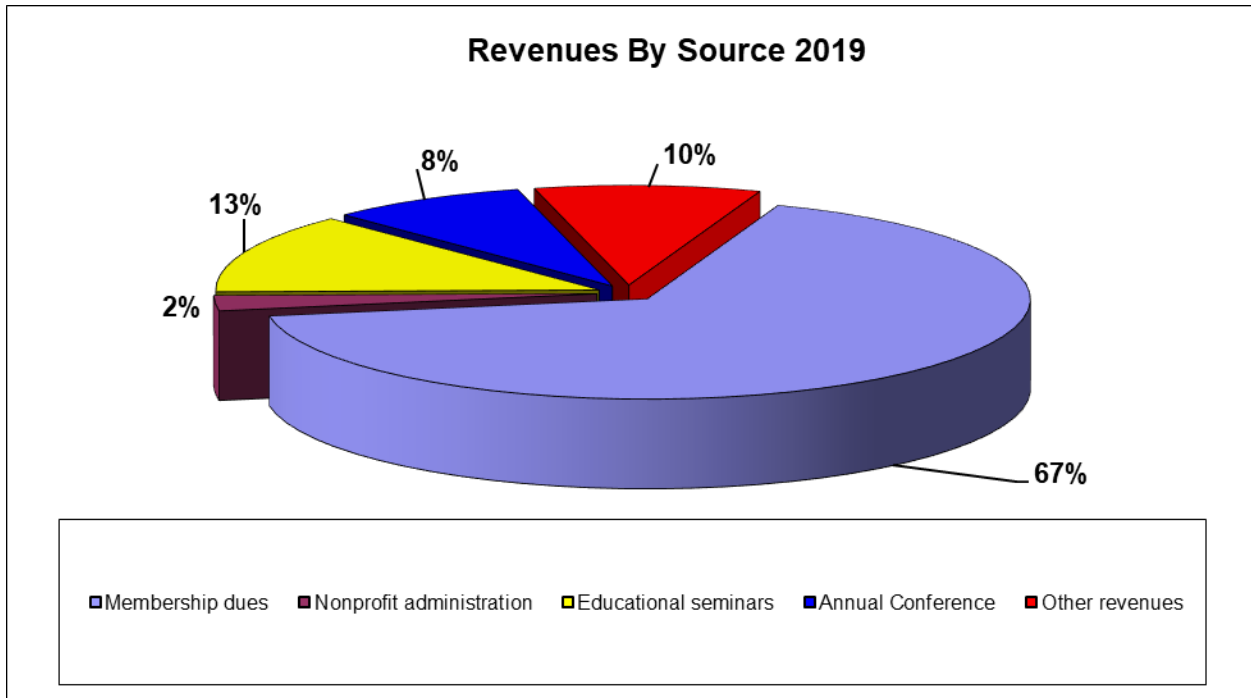
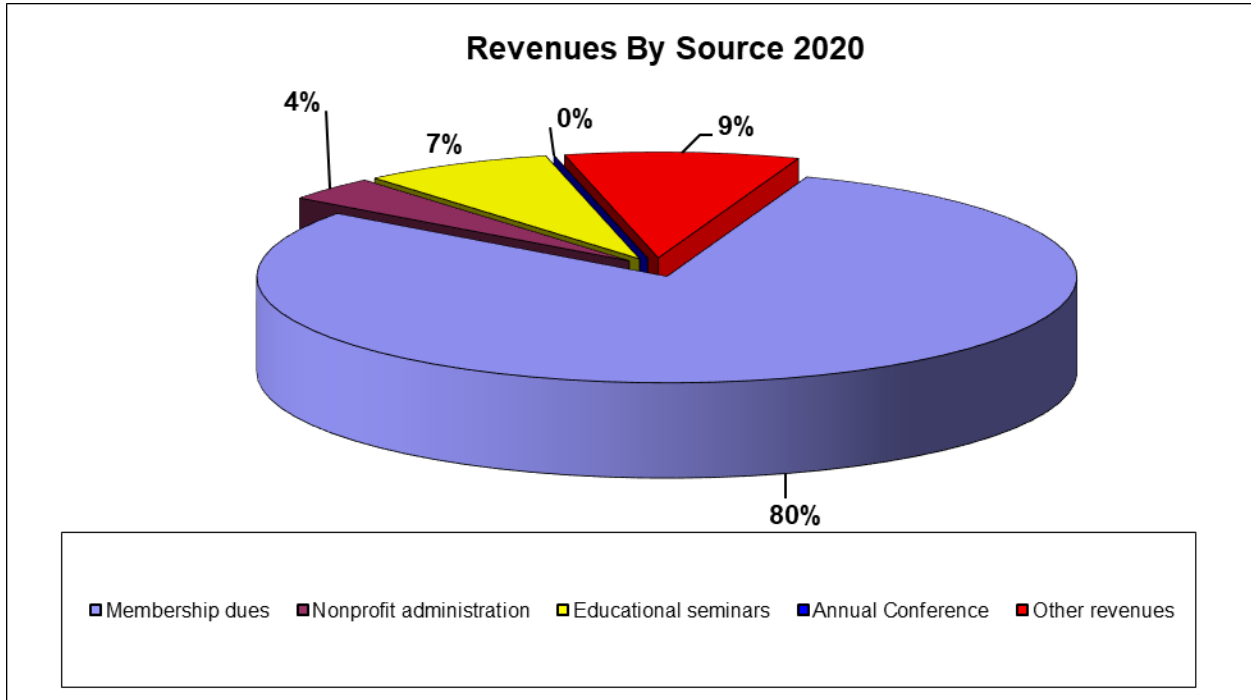
PEPRA							
Valuation Date	Accrued Liability	Actuarial Asset Value	Under/(Over) Funded Liability	Funded Ratio	Covered Payroll	Under(Over) Funded Liability as % of payroll	
6/30/2017	\$ 138,953	\$ 130,249	\$ 8,704	93.7%	\$ 592,123	1.5%	
6/30/2018	\$ 262,772	\$ 239,620	\$ 23,152	91.2%	\$ 848,857	2.7%	
6/30/2019	\$ 390,244	\$ 351,231	\$ 39,013	90.0%	\$ 970,892	4.0%	

SUPPLEMENTARY INFORMATION

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

GRAPHICAL PRESENTATION OF REVENUES

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

GRAPHICAL PRESENTATION OF EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

