

Sacramento-Yolo
MOSQUITO & VECTOR
CONTROL DISTRICT

August 14, 2023

SPECIAL MEETING
BOARD OF TRUSTEES

BOARD PACKET

10:00 A.M.

8631 BOND ROAD
ELK GROVE, CA 95624

**SACRAMENTO/YOLO MOSQUITO
& VECTOR CONTROL DISTRICT
BOARD OF TRUSTEES REGULAR MEETING**

8631 Bond Road
Elk Grove, CA 95624

AND

704 West Main Street
Winters, CA 95694

**AGENDA
August 14, 2023
10:00 AM**

In compliance with the Americans with Disability Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the District office at (916) 685-1022 or (916) 685-5464 (fax). Requests must be made as early as possible, and at least one-full business day before the start of the meeting. Documents and materials relating to an open session agenda item that are provided to the SYMVCD Board less than 72 hours prior to a regular meeting will be available for public inspection and copying at 8631 Bond Road, Elk Grove, Ca 95624. The documents will also be available on the agency's website at www.fightthebite.net.

CALL TO ORDER:

- **Roll Call**
- **Pledge of Allegiance**

1. **Reports to the Board**
Presentation by PAMCA Visitors
2. **Items for Approval by General Consent:**
 - a. **Minutes of the July 18, 2023 Board of Trustees Meeting**
 - b. **Expenditures for July 2023**
 - c. **Board Review and Consideration to Repair Asphalt at the Bond Road Facility not to exceed \$40,000**
 - d. **Board Review and Consideration of CalPERS Revised Language**
3. **Opportunity for Public Comment**
This item is reserved for members of the public who wish to speak on items not on the agenda
4. **Reports to the Board**
 - a. **Manager's Report**
 - b. **Reports from District Departments**
 - **Lab/Surveillance**

- **Ecological Management**
- **Biological Control**
- **Larval and Adult Control**
- **Public Outreach**

5. **Status of West Nile Virus Activity and District Response**
6. **Board Review and Discussion of the 2021-2022 District Audit**
7. **Board/Staff Reports and Requests**
8. **Adjournment**

Sacramento-Yolo Mosquito and Vector Control District

August 14, 2023 Board Meeting

1. Reports to the Board

Presentation by Sidy Doumbia from Mali and Dunia Munyakangage from Rwanda.

Recommendation:

Information Only

Sacramento-Yolo Mosquito and Vector Control District

August 14, 2023 Board Meeting

2. Items for Approval by General Consent:

- a. Minutes of the July 18, 2023 Board of Trustees Meeting;
- b. Expenditures for July 2023
- c. Board Review and Consideration to Repair Asphalt at the Bond Road Facility
not to exceed \$40,000
- d. Board Review and Consideration of CalPERS Revised Language

Recommendation:

Approve the Items by General Consent

**MINUTES OF THE JULY 18, 2023
MEETING OF THE BOARD OF TRUSTEES OF THE SACRAMENTO-
YOLO MOSQUITO & VECTOR CONTROL DISTRICT**

Location: Virtual Meeting via Zoom / In Person @ 8631 Bond Rd, Elk Grove, California

Time: 10:00 a.m.

Call to Order: The meeting was called to order by Board President Marcia Mooney at 10:01 a.m.

Trustees Present:

Marcia Mooney	President	Galt
Sean Denny	Vice President	Woodland
Charles Duty	Secretary	Sacramento County
Chris Barker		Davis
Craig Burnett		Folsom
Janell Darroch		West Sacramento
Lyn Hawkins		Elk Grove
Gar House		Winters
Jayna Karpinski-Costa		Citrus Heights
Raymond LaTorre		Sacramento
Robert McGarvey		Rancho Cordova
William Reisen		Yolo County
Staci Gardiner	Absent	Isleton

Staff Present:

Gary Goodman	Manager
Jeni Buckman	Legal Counsel
Steve Ramos	Assistant Manager
Tony Hedley	Assistant Manager
Marty Scholl	Program Coordinator
Ken Harris	Biological/Fisheries Supervisor
Sarah Wheeler	Lab Director
Luz Robles	Public Information Officer
Kevin Combo	Ecological Management Supervisor

Others Present:

N/A		
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Roll Call

This meeting was both in person and by video teleconference. Attendance was taken by Roll Call.

Pledge of Allegiance

All phones and electronic devices are requested to be silenced during the Pledge of Allegiance and for the duration of the meeting.

1. Items for Approval by General Consent

On a motion by Trustee Jayna Karpinski-Costa and seconded by Trustee Sean Denny, the Board voted to approve the General Consent Items. The vote was taken by roll call and the motion passed by the following vote: Ayes: 12, Noes: 0, Absent: 1

- a. Minutes of the June 20, 2023 Board of Trustees Meeting
- b. Expenditures for June 2023
- c. Board Consideration to Move August Board Meeting to August 14th
- d. Board Consideration to Move November Board Meeting to November 14th
- e. Board Review and Consideration of a Temporary Work Assignment

2. Opportunity for Public Comment

This item is reserved for members of the public who wish to speak on items not on the agenda. None

3. Reports to the Board

Manager's Report:

The Manager discussed the state of West Nile virus activity including current hot spots in Davis, Woodland, South Natomas, and Elder Creek. The District is continuing to evaluate the surveillance and control efforts and that aerial applications are being considered. He also mentioned the status of *aedes aegypti* and *aedes albopictus* in the area. The AMCA received a grant from the CDC to support the genesis of a public health application model for products used for vector control. He also mentioned a push by AMCA to apply for additional federal funds to support a nationwide surveillance system like Vectorsurv.

Reports from District Departments: Written reports were provided in the Board packet from each department.

- Lab/Surveillance
- Ecological Management
- Biological Control
- Larval and Adult Control
- Public Outreach

Lab/Surveillance:

The abundance of *Culex tarsalis* and *Culex pipiens* is elevated, *Culex tarsalis* numbers in EVS traps are almost 40% higher than the five-year mean. West Nile virus activity is also increasing. Thus far, 2,263 pools of *Culex tarsalis* and *Culex pipiens* were collected and tested for West Nile virus (WNV). Of the tested pools there were 52 and 15 WNV-

positive pools collected in Sacramento and Yolo Counties, respectively. Overall, 211 dead birds were collected and tested for WNV, SLEEV, and WEEV. Overall, 26 birds tested positive for WNV (Sacramento County-25; Yolo County-1). Sentinel chickens remain negative for WNV antibodies. *Aedes aegypti* and *Aedes albopictus* have been detected in Sacramento, Winters and Carmichael. Surveillance for these invasive species is ongoing.

Ecological Management:

Ecological Management Department (ECO) Supervisor Kevin Combo updated the Board on current Ecological Management Best Management Practices (BMP) projects, specifically at the Saunders and Hardesty ranches. These projects reduced approximately 12 acres of mosquito breeding adjacent to housing developments. The board was updated on the recent meetings that Kevin had with the wetland and waterfowl habitat stakeholders that are enrolled in the Presley Program. Kevin informed the board of the current status of the Planning Projects Review Program including the new Kammerer Road EIR that was submitted by the City of Elk Grove and the Trumark at Kassis subdivision plan in Rancho Cordova that has multiple retention/detention basins that need to be addressed.

Biological Control:

Ken Harris gave an update on fisheries projects, including chicken manure containment and our new fisheries application. Fish usage by technicians and the number of sources and acreage treated. Fisheries staff contributions to other departments. What we've been doing to prepare for the later than expected rice season.

Larval and Adult Control:

Marty Scholl summarized ongoing invasive *Aedes* control, catch basin control and field control activities. He also discussed the fact that the number of service requests have dropped in the later parts of June and now July-mostly due to the heat. The yellow jacket traps have transitioned from juice to meat baits to attract the workers. He also discussed the aerial ULV activities over our rural areas including rice fields.

Public Outreach:

During the Public Information and Education report Luz discussed the media coverage obtained recently due to the ongoing detections of West Nile virus activity in response to press releases sent out. She added that the advertising season is underway and recently a new television commercial was filmed. Luz also discussed the upcoming events where the District will have a booth, the importance of keeping local elected officials informed of all WNV activity and where repellent has been distributed.

4. Harassment Prevention Training Update-District Counsel

Information only; no action to be taken.

5. Board Review and Consideration of District Budget for 2023-2024

General Manager Gary Goodman gave a final review of the proposed 2023-2024 budget. Staff recommended the Board adopt the 2023-2024 Budget.

A motion was made by Trustee Burnett and seconded by Trustee Denny to adopt the 2023-2024 Budget. The vote was taken by roll call and the motion passed by the following vote: Ayes: 12, Noes: 0, Absent: 1.

6. Board Authorization to Pay CalPERS Unfunded Liability in the Amount of \$2,478,207

The District has a strong history of being fiscally prudent and has been allocating money in its reserve accounts to be able to make additional discretionary payments to pay down its unfunded accrued liability (UAL). The District's UAL is subject to the returns and management of the funds through CalPERS and by reducing its balance, the District will save interest over the life of the fund. The long-term uncertainty surrounding the UAL payment schedule is a concern for the District moving forward as it has the potential to impact future operations. funded. The Public Employees' Pension Reform Act (PEPRA) unfunded liability is at \$0 (the District paid it in full last year and currently is 107.6% funded). The proposed payment of \$2,478,207 includes the annually required UAL payment per the amortization schedule (\$978,207 for our Classic plan) along with an additional discretionary UAL payment for the Classic plan of \$1,500,000. This expenditure can be absorbed by the District without compromising the integrity of the District's programs.

A motion was made by Trustee Burnett and seconded by Trustee LaTorre to approve the payment of the CalPERS Unfunded Liability in the amount of \$2,478,207. The vote was taken by roll call and the motion passed by the following vote: Ayes: 12, Noes: 0, Absent: 1.

7. Board Authorization to Pay 2023/2024 Annual Premium Invoice of \$525,598 for Coverage through the Vector Control Joint Powers Agency

Fund balance levels must be sufficient to meet funding requirements of Vector Control Joint Powers Agency. The VCJPA fund tends to have higher returns than Yolo County, so higher funds balance than suggested is recommended. The higher fund balance is consistent with the District's investment policy. As of March 31st, the balance in the Member Contingency Fund is \$1,699,165. The projected balance at 6/30/23 is anticipated to be ~\$1,650,000 and will be updated with a final balance once the last quarter and year-end gain/loss reports have been made available.

A motion was made by Trustee Denny and seconded by Trustee Burnett to approve the payment of the VCJPA Premium in the amount of \$525,598. The vote was taken by roll call and the motion passed by the following vote: Ayes: 11, Noes: 0, Absent: 1. Approve

8. Board/Staff Reports and Requests / General Discussion

General discussion included a reminder of the visitors from PAMCA will be here from July 18th to August 15th. The FY 21/22 audit is almost complete and will be presented at the August meeting. There are a number of West Nile virus hotspots emerging (Davis, Woodland, South Natomas, Elder Creek) that the District is considering aerial applications when more data is received and analyzed. A future agenda item will include how to increase security for the facility and additional training for staff on safety.

6. ADJOURNMENT

The meeting adjourned at 11:27 a.m.

I certify that the above minutes substantially reflect the general business and actions taken by the Board of Trustees at the July 18, 2023, meeting.

Gary Goodman, Manager

Approved as written and/or corrected by the Board of Trustees at the August __, 2023, meeting.

Charles Duty, Board Secretary

Check History Report
Sorted By Check Number
Activity From: 7/1/2023 to 7/31/2023

Sacramento Yolo MVCD (SYC)

Bank Code: U US Bank

Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
056795	7/10/2023	0000013	Airgas USA LLC	86.24	Auto
056796	7/10/2023	0000014	Alhambra & Sierra Springs	87.98	Auto
056797	7/10/2023	0000034	AutoZone Inc	1,534.84	Auto
056798	7/10/2023	0000006	Azelis - Adapco Inc	283,287.51	Auto
056799	7/10/2023	0002541	Barnes Welding	2,736.53	Auto
056800	7/10/2023	0001011	Buckmaster Office Solutions	71.14	Auto
056801	7/10/2023	0000083	CA Department of Tax and Fee Administration	6,207.99	Auto
056802	7/10/2023	0001019	Cintas Corporation	3,109.10	Auto
056803	7/10/2023	0000128	Consolidated Communications	2,218.69	Auto
056804	7/10/2023	0000186	Elk Grove Water District	355.77	Auto
056805	7/10/2023	0000198	Factory Motor Parts Co	383.83	Auto
056806	7/10/2023	0000958	GreatAmerica Financial Services	376.28	Auto
056807	7/10/2023	0002540	Hippensteel Group	2,362.50	Auto
056808	7/10/2023	0000240	Hunt & Sons Inc	10,279.04	Auto
056808	7/10/2023	0000240	Hunt & Sons Inc	10,279.04	Reversal
056809	7/10/2023	0000250	Jack Nadel International	3,965.84	Auto
056810	7/10/2023	0000277	Kimball Midwest	829.95	Auto
056811	7/10/2023	0000306	Maita Chevrolet	928.14	Auto
056812	7/10/2023	0000356	OReilly Automotive Stores Inc	2,244.89	Auto
056813	7/10/2023	0000367	PG & E	234.66	Auto
056814	7/10/2023	0000141	PRISM	370.11	Auto
056815	7/10/2023	0000388	Republic Services #922	356.16	Auto
056816	7/10/2023	0000562	RKL eSolutions, LLC	1,290.00	Auto
056817	7/10/2023	0000398	Russian American Media Inc	2,375.00	Auto
056818	7/10/2023	0001465	Sacramento Control Systems, Inc.	495.00	Auto
056819	7/10/2023	0000424	Safe Side Security	384.00	Auto
056820	7/10/2023	0000451	SMUD	4,437.99	Auto
056821	7/10/2023	0001234	T-Mobile	1,980.83	Auto
056822	7/10/2023	0000475	Target Specialty Products	69,556.50	Auto
056823	7/10/2023	0000492	Top Rank Heating Air Conditioning Inc	1,773.04	Auto
056824	7/10/2023	0002407	Valley Fire & Security	69.50	Auto
056825	7/10/2023	0000518	Vector Disease Control International	53,125.00	Auto
056826	7/10/2023	0000073	Vector-Borne Disease Account	10,899.00	Auto
056827	7/10/2023	0000522	Verizon Wireless	4,609.95	Auto
056828	7/10/2023	0000526	VWR International Inc	322.45	Auto
056829	7/13/2023	0002428	Benefit Coordinators Corp.	9,542.90	Auto
056830	7/13/2023	0000267	Kaiser Foundation Health Plan	48,553.36	Auto
056831	7/13/2023	0000957	Sutter Health Plus	10,506.66	Auto
056832	7/13/2023	0000531	Western Health Advantage	7,439.26	Auto
056833	7/13/2023	0000531	Western Health Advantage	1,088.41	Auto
056835	7/14/2023	0000013	Airgas USA LLC	66.00	Auto
056836	7/14/2023	0000038	Bartkiewicz Kronick & Shanahan	2,074.35	Auto
056837	7/14/2023	0001011	Buckmaster Office Solutions	215.79	Auto
056838	7/14/2023	0000117	City of Woodland	355.23	Auto
056839	7/14/2023	0002644	City of Woodland (WFD)	362.00	Auto
056840	7/14/2023	0002608	Cleanit Maintenance Systems LLC	2,995.00	Auto
056841	7/14/2023	0000240	Hunt & Sons Inc	3,690.30	Auto
056842	7/14/2023	0002593	Katherine L Waki	707.00	Auto
056843	7/14/2023	0002601	Katherine Thomson	4,494.00	Auto
056844	7/14/2023	0001465	Sacramento Control Systems, Inc.	39.70	Auto
056845	7/14/2023	0001471	Walker's Office Supply	279.92	Auto
056846	7/14/2023	0000529	Waste Management	247.93	Auto
056847	7/14/2023	0000332	MVCAC	11,500.00	Auto
056848	7/21/2023	0002425	Aleshire & Wynder, LLP	34.50	Auto

Check History Report
Sorted By Check Number
Activity From: 7/1/2023 to 7/31/2023

Sacramento Yolo MVCD (SYC)

Bank Code: U US Bank

Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
056849	7/21/2023	0000017	American Mosquito Control Association	12,155.00	Auto
056850	7/21/2023	0002541	Barnes Welding	2,293.78	Auto
056851	7/21/2023	0001011	Buckmaster Office Solutions	20.00	Auto
056852	7/21/2023	0000119	Clarke Mosquito Control Products Inc	172,810.85	Auto
056853	7/21/2023	0001233	Grow West	195.67	Auto
056854	7/21/2023	0002540	Hippensteel Group	1,960.00	Auto
056855	7/21/2023	0000240	Hunt & Sons Inc	12,934.31	Auto
056856	7/21/2023	0002645	Kenneth Harris	52.40	Auto
056857	7/21/2023	0000293	Life Technologies Corporation	14,727.61	Auto
056858	7/21/2023	0000306	Maita Chevrolet	432.07	Auto
056859	7/21/2023	0002575	Mike & Son's Truck Repair, Inc.	501.52	Auto
056860	7/21/2023	0000367	PG & E	1,287.46	Auto
056861	7/21/2023	0000377	Radial Tire of Elk Grove	786.78	Auto
056862	7/21/2023	0000562	RKL eSolutions, LLC	1,205.00	Auto
056863	7/21/2023	0000517	Vector Control Joint Powers Agency	525,598.00	Auto
056864	7/21/2023	0001471	Walker's Office Supply	435.38	Auto
056865	7/24/2023	0000492	Top Rank Heating Air Conditioning Inc	7,293.00	Auto
056866	7/28/2023	0000084	CA State Disbursement Unit	350.00	Auto
056867	7/28/2023	0000084	CA State Disbursement Unit	225.00	Auto
056868	7/28/2023	0001035	Operating Engineers Local Union No. 3	1,088.00	Auto
W00363	7/26/2023	0000087	CalPERS Financial Reporting & Accounting Services	502,424.00	Wire Transfer
W00364	7/31/2023	0000176	EDD	19,804.68	Wire Transfer
W00365	7/28/2023	0000087	CalPERS Financial Reporting & Accounting Services	1,975,783.00	Wire Transfer
W00366	7/31/2023	0000511	US Treasury Internal Revenue Service	78,576.98	Wire Transfer
Bank U Total:				<u>3,900,199.21</u>	
Report Total:				<u><u>3,900,199.21</u></u>	

I hereby authorize the use of my signature plate on the above-listed warrants, 056795-056868, and EFTs

Signature

Date

Marcia Mooney, President of the Board

Sacramento/Yolo M.V.C.D.

STATEMENT OF OPERATION

	<i>1Months Ended</i> <u>July 31 2023</u>	<i>Annual</i> <u>Budget</u>	<u>Unused</u>
Revenue			
REVENUE	0	19,537,715	(19,537,715)
TOTAL Revenue	<u>0</u>	<u>19,537,715</u>	<u>(19,537,715)</u>
Expenditures			
SALARIES/BENEFITS/WC			
SALARIES/BENEFITS/WC	812,651	11,740,688	10,928,038
TOTAL Salaries	<u>812,651</u>	<u>11,740,688</u>	<u>10,928,038</u>
OPERATIONAL			
LIABILITY INSURANCE	289,430	288,970	(460)
AUDITING/FISCAL	0	25,000	25,000
COMMUNICATIONS	7,730	220,000	212,270
PUBLIC INFORMATION	432	611,000	610,568
STRUCTURE & GROUNDS	19,314	71,000	51,686
MEMBER/TRAINING	34,554	160,000	125,446
DISTRICT OFFICE EXPENSES	475	25,000	24,525
PROFESSIONAL SERVICES	14,928	332,000	317,072
MATERIALS & SUPPLIES	3,382	23,500	20,118
RENTS & LEASES - Admin	663	12,000	11,337
SAFETY PROGRAM	0	5,000	5,000
UTILITIES	7,066	140,000	132,934
AIRCRAFT SERVICES	(5,047)	1,129,000	1,134,047
ECOLOGICAL MANAGEMENT	0	20,500	20,500
MICROBIAL	123,647	1,150,000	1,026,353
INSECT GROWTH REGULATOR	284,671	1,200,000	915,329
INSECTICIDES	17,440	750,000	732,560
FISHERIES	305	41,000	40,695
GEOGRAPHIC INFO SYSTEMS	0	9,000	9,000
INFORMATION TECHNOLOGY	2,506	120,000	117,494
CONTROL OPERATIONS	54	70,000	69,946
VEHICLE PARTS/LABOR	5,264	145,000	139,736
LAB SERVICES	19,216	230,000	210,784
GAS & PETROLEUM	27,892	250,000	222,108
TOTAL Total Operational	<u>853,922</u>	<u>7,027,970</u>	<u>6,174,049</u>
GAIN ON SALE OF EQUIPMENT	0	0	0
CAPITAL OUTLAY	4,285	197,000	192,715
EQUIPMENT REPLACEMENT	0	600,000	600,000
CONTINGENCY	0	0	0
RESEARCH FUND	0	75,000	75,000
BUILDING IMPROVEMENT	0	735,000	735,000
	<u>4,285</u>	<u>1,607,000</u>	<u>1,602,715</u>

Sacramento-Yolo Mosquito and Vector Control District

August 14, 2023 Board Meeting

2. Items for Approval by General Consent:

- c. Board Review and Consideration to Repair Asphalt at the Bond Road Facility not to exceed \$40,000

Staff Report

The asphalt and parking lot at the Bond Road facility is in need of repairs. The District sought out quotes and interviewed the respondents to perform the work which would include repairing the cracks and resealing the entire facility. A summary of the quotes for the services is below and the quotes are attached for your reference.

Sierra Striping Inc. and Sealcoating	\$34,900
A & A Restriping LLC	\$37,529
Excel Painting and Striping	\$45,193

The quotes were all given with the provisions of prevailing wage and would be performed on a weekend to minimize impact to daily operations.

Recommendation:

Authorize the Manager to engage in a contract with Sierra Striping Inc. and Sealcoating to perform the repair work not to exceed \$40,000.



9725 Del Road, Suite A
 Roseville, Ca. 95747
 (916) 784-0430 Office (916) 784-9591 Fax

CA. LIC. #651790
 State of CA SBE #11824

DIR Registration #1000002790
 Bond Rate 1% Min. \$300
 www.sierrastriping.com

ESTIMATE

23-672

DATE: 6/29/2023
BID DATE:

E-Mail: thedley@fightthebite.net

PROJECT:

ADDRESS: CITY:

ESTIMATOR:

Sacramento M
8631 Bond Ro
Elk Grove
Eric Marttiner

ATTN: Tony Hedley
 TO: Sac & Yolo Mosquito And Vector
 Control
 8631 Bond Road
 Elk Grove, CA 95624

PREVAILING WAGE: YES

Parking Lot Striping ~ Asphalt Sealcoat ~Crackfill

ITEM #	QTY	DESCRIPTION	TOTAL
1	1	HOT RUBBERIZED CRACKFILL Lump Sum. Clean Out Cracks (1/4" To 1") In Pavement w/ Compressed Air & Fill w/ CRAFCO "SuperFlex HT" Hot Melt Crackfill Material. Squeegee to Provide Uniform Application.	9,200.00
2	102,350	ASPHALT SEALCOATING (1 Coat Sealcoat) SF - Sealcoat Asphalt Surface (approx. S.F.). Broom and Air Sweep Asphalt Area Prior To Seal Application. Apply One (1) Coat of Raynguard "STEELGUARD" Asphalt Pavement Sealer (Squeegee Applied Method). Mobilizations to Jobsite	19,950.00
3	112	PARKING LOT STRIPING (1 Coat Paint)	5,750.00
	6	Parking Stalls (Single Line - White)	
	6	Handicapped Parking Stall (36" x 36" Symbol On Blue Background)	
	6	Crosshatched Area w/ 12" No Parking	
	2	Misc Crosshatched Areas	
	1,350	Painted Speed Bump	
	2	LF Red Curb w/ 3" No Parking Fire Lane Mobilization to Jobsite	
		NOTE: This proposal INCLUDES the following item(s): A) Prevailing Wage Weekend Rates	
		NOTE: This proposal EXCLUDES the following item(s): A) All Other Striping or Signage Not Listed Above	

We cannot comply under Skilled & Trained Workforce unless As Per SB 693 Exception:
 Excuses compliance with graduation percentages for subs not listed as subs on bid and where sub doesn't exceed 1/2 of 1% of prime contract price.

ACCEPTANCE OF PROPOSAL: Work to be completed in a workmanlike manner according to standard practices. Any alterations or deviations from the above specifications will become an extra charge. completion and/or receipt of invoice. Prices are only good for the next 1 month. Subject to material and labor increases after that time.

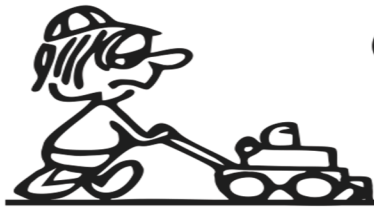
Unless otherwise stated in the estimate the area should be clean of dirt, debris and all obstacles. If we are required to clean prior to work or return because of obstacles in our area of work this will be become an extra charge. Unless stated any work done on week-ends will be subject to additional charges.

TOTAL\$34,900.00

The above prices, specifications and provisions are satisfactory and are hereby accepted
If a work order or purchase order is required, please provide us the number.

Sierra Striping is authorized to do the work specified. Payment will be due upon

Date of Acceptance: _____ By : _____ JOB / PO / WO #: _____



A&A Restriping LLC

Parking Lot Striping • Seal Coating • Crack Filling • Thermoplastic Markings

Office/Fax: (916) 476-3620	Kevin Lehr	11230 Gold Express Dr., #310-104
Cell: (916) 600-6117	Ca Lic # 936452	Gold River, CA 95670-4484
kevin@aarestriping.com	DIR # 1000600649	

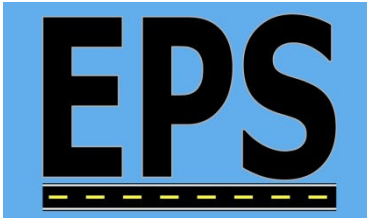
BILL TO:		ESTIMATE	
Sac Yolo Mosquito & Vector Control District		DATE	6/14/2023
8631 Bond Rd.		Estimate #	14993 Rev.1
Elk Grove, CA 95624		JOB LOCATION:	
Attn: Tony Hedley		same	
916-405-2062	thedley@fightthebite.net		

DESCRIPTION	AMOUNT
Prior to seal coat application, clean and fill approx 5,485 Lf of cracks 1/4" - 1" in width with Parking Lot 200 Crafcro HOT pour crack sealant. ***Excludes "alligatored" / damaged areas of asphalt.***	
Approx 102,350 SF seal coat single heavy coat and repaint all lot and curb striping as per existing. Approx 112 single line white parking stalls, 6 handicap stalls with hatch areas, 6 additional hatch areas and approx 1,350 Lf red curb with NO PARKING FIRE LANE stencils in white letters.	
All work above is priced for a maximum of THREE consecutive weekday mobilizations and includes Prevailing Wages.	
Additional Option	
Additional Labor rates for weekend work only. \$8,424.00	

ADDITIONAL TERMS AND CONDITIONS	Lump Sum	
See attached Terms and Conditions.	TOTAL	\$29,105.00
Priced for Prevailing Wages		
	TOTAL does NOT include any Additional Options if listed. Circle and Initial next to Options selected.	
	This Estimate is valid for 90 days.	

By signing below customer acknowledges receipt of any/all Attached Terms and Conditions/Plans/Maps
and agrees in full. Approved by:

Sign / Print / Date



Excel Painting and Striping

6805 McComber Street
Sacramento, CA 95828 (916)
383-7835
<http://www.excelstriping.com>

Estimate

ADDRESS

Sacramento Yolo Mosquito and
Vector Control District
8631 Bond Rd
Elk Grove, CA 95624

ESTIMATE # 14389

DATE 07/12/2023

JOB NAME

Sac Mosquito and Vector

ACTIVITY	QTY
00001 Seal and stripe at Sacramento Yolo Mosquito and Vector Control District	1
0012 Estimator: Joseph Zimmer 916-501-2031 joseph@excelstriping.com	1
6001 Blow and Sweep surface area prior to applying seal coat. Apply 1 layer of Raynguard Sealcoat in an area approxmiately 102,350 square feet.	102,350
6003 Apply Cold Crack Fill to the worst cracks up to the quantity specified in LF	5,485
1001 White Single Line Stall over seal	112
1010 Accessible Parking Stall over seal	6
1011 Accessible Parking Crosshatch over seal	3
1015 White Crosshatch over seal	6
9330 Red Curb with 3.5" NO PARKING FIRE LANE Stencil by LF	1,350
0002 Mobilization to Job Site	2
0020	1

This price does not include the cost of prevailing wage labor.

All work to be completed on a Sunday requires an additional charge of at least 25% for the portion of work to be completed on that day.

*All options are in addition to the total price listed at the bottom of this estimate.

All striping after seal includes the cost of 1 coat of paint. Additional mobilizations cost (\$xxx.xx) each.

Estimates expire after 30 days. Excel Painting and Striping will complete all work up to quantities listed on this estimate. Any additional work to be completed requires a change order authorized and signed by the client for which the work is associated, and must also be signed by a foreman or manager of Excel Painting and Striping.

All credit card payments will incur a 4% processing charge.

ACTIVITY

QTY

EPS must be notified of cancellations at least 48 hours prior to the scheduled start of work. If sufficient notice is not given, a fee of \$500.00 will be assessed.

This price excludes the installation of wheel stops, truncated domes or the installation and/or repair of bollards. It also excludes repainting any curb.

This price excludes the installation or upgrade of signage, and excludes the removal of existing signage and posts.

This price excludes any city, county, or other local business licenses or permits. If such a license or permit is required, this cost is in addition to the estimate total.

CL# 501668

DIR# 1000010687

TOTAL

\$45,193.00

Accepted By

Accepted Date

Estimates expire after 30 days. Excel Painting and Striping will complete all work up to quantities listed on this estimate. Any additional work to be completed requires a change order authorized and signed by the client for which the work is associated, and must also be signed by a foreman or manager of Excel Painting and Striping.

All credit card payments will incur a 4% processing charge.

Sacramento-Yolo Mosquito and Vector Control District

August 14, 2023 Board Meeting

2. Items for Approval by General Consent:

d. Board Review and Consideration of CalPERS Revised Language

Staff Report

The District offers Incentive Pay in the form of longevity increases. Recently, CalPERS reached out to the District to discuss the policy for longevity and asked for documentation, which the District provided. CalPERS reviewed the documentation via its “MOU Ad Hoc Review.”

Following Ad Hoc review, CalPERS informed the District that the language in our Personnel Manual and the Memorandum of Understanding with Operating Engineers Local Union No. 3 needed clarification/revision in order for incentive pay to be considered for reporting (the language must meet the definition of Compensation Earnable pursuant to GC 20636 (Classic) or Pensionable Compensation pursuant to GC 7522.34 (PEPRA)). Additionally, in order for Incentive Pay to qualify as Special Compensation, it must meet the definition of one of the items of Special Compensation listed pursuant to CCR 571 (Classic) and CCR 571.1 (PEPRA), and it must meet the requirements of CCR 571 (Classic) and CCR 571.1 (PEPRA).

The District’s current Incentive Pay provision reads as follows in section 4.10 of the Personnel Manual and section 6.3 of the MOU:

Incentive Pay. The District maintains an incentive pay program. After a regular, full-time employee has been employed continuously with the District as a regular, full-time employee for ten (10) years, then the employee shall receive a five percent (5%) increase in his/her current base salary. Thereafter, the employee shall receive an additional five percent (5%) increase in his/her current base salary for every additional five (5) year period of continuous employment with the District.

CalPERS determined that the District’s current Incentive Pay provision met the definition for Longevity Pay reported as Special Compensation pursuant to CCR 571 (Classic) and CCR 571.1 (PEPRA); however, the provision did not identify the compounding and/or cumulative accrual used to calculate the Incentive Pay amount. CalPERS recommended that the District update its provision to include clear conditions of payment to include compounding and/or cumulative accruals to avoid further scrutiny, a potential Audit finding or a denial of compensation at retirement, and to report the new longevity amount for the respective employee. CalPERS provided sample language that met the afore-mentioned criteria, and staff provided a revision of its provision to CalPERS for approval prior to presenting to the

Board. The revision has no negative impact on the employee and CalPERS approved the District's revision.

The District wants to ensure that the practice regarding longevity increases is maintained and doesn't change.

The language approved by CalPERS as meeting the requirements and keeping the long standing practice of the District would read:

The District provides incentive pay in the form of Longevity Pay. After an employee has been continuously employed with the District as a regular, full-time employee for ten (10) years, the employee shall receive a five percent (5%) longevity increase, beginning their eleventh year of service, calculated using his/her current base salary. Thereafter, the employee shall receive an additional five percent (5%) increase, calculated using his/her current base salary, for every additional five (5) year period of continuous regular, full-time employment with the District. Longevity increases shall be compounded (using the employee's current base salary), subject to any salary adjustments approved by the District's Board, and shall be granted irrespective of the employee's placement on the salary schedule.

Recommendation:

Approve the revised language to satisfy CalPERS and make the necessary changes to the District's Personnel Manual and the MOU with OE3.

Sacramento-Yolo Mosquito and Vector Control District

August 14, 2023 Board Meeting

4. Reports to the Board

a. Manager's Report

b. Reports from District Departments

- **Lab/Surveillance (Sarah Wheeler)**
- **Ecological Management (Kevin Combo)**
- **Biological Control (Ken Harris)**
- **Larval and Adult Control (Marty Scholl)**
- **Public Outreach (Luz Maria Robles)**

a. Manager's Report

The season has picked up significantly with a number of ground treatments in the evening and early morning in response to the West Nile activity that we have detected. The District also made the decision to treat both Davis and Woodland by air this month in addition to the many treatments in the agricultural areas surrounding the cities. We continue to pick up virus activity with the warm weather and will respond with enhanced surveillance and control measures.

The District's surveillance has also continued to pick up *Aedes aegypti* in various locations throughout the District. We have responded with more surveillance and door to door inspections. We have also worked some overtime hours and select weekends to help facilitate better access to homes.

b. Reports from District Departments

- **Lab/Surveillance (Sarah Wheeler)**
- **Ecological Management (Kevin Combo)**
- **Biological Control (Ken Harris)**
- **Larval and Adult Control (Marty Scholl)**
- **Public Outreach (Luz Maria Robles)**

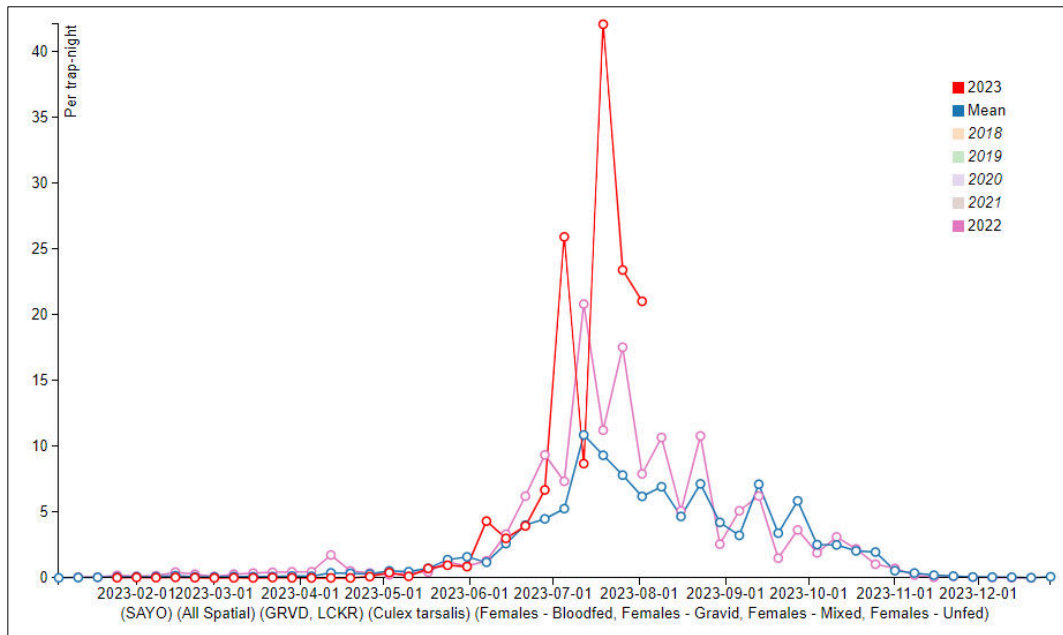
LABORATORY Monthly Report August 2023 Board Meeting

Insectary:

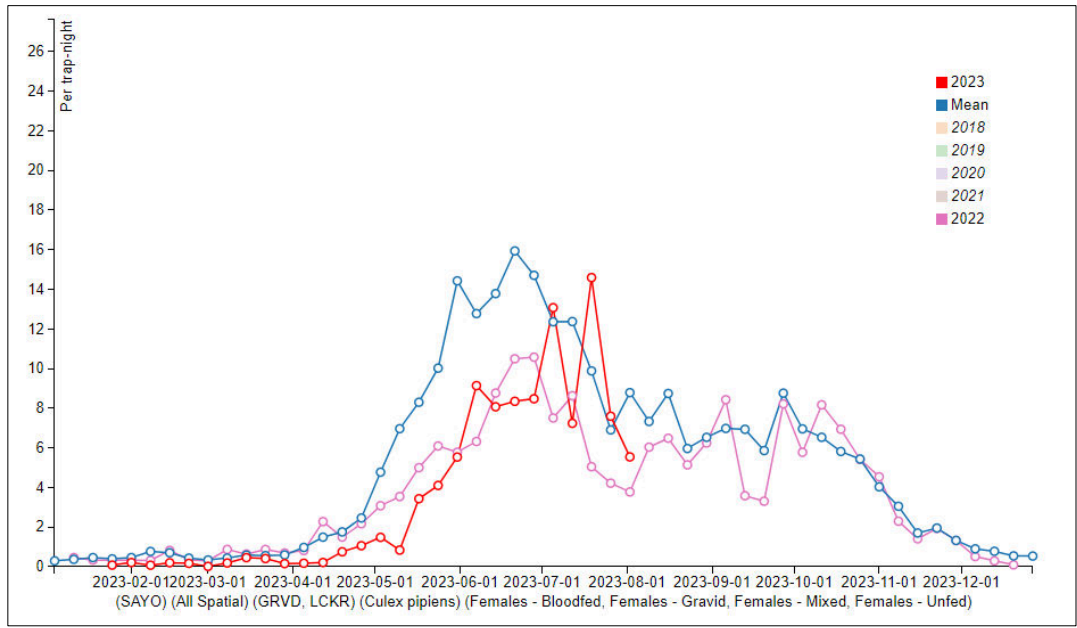
Species	Name	Origin	Resistance Status
<i>Culex tarsalis</i>	KNWR	Kern National Wildlife Refuge (2009)	susceptible
<i>Culex quinquefasciatus</i>	CQ1	Merced, CA (1950s)	susceptible
<i>Culex pipiens</i>	WCP	Woodland, CA (2017)	resistant: pyrethrins/pyrethroids, methoprene, and spinosad
<i>Culex tarsalis</i>	VFCT	Vic Fazio Yolo Wildlife Area (2020)	resistant: pyrethrins/pyrethroids
<i>Culex pipiens</i>		Elk Grove (2022)	status under investigation
<i>Aedes sierrensis</i>		Sonoma County (2016)	susceptible

2023 Surveillance update through 8/4/2023

Weekly mosquito collections – The following graphs show overall *Culex tarsalis* and *Culex pipiens* abundance from gravid traps and locker traps placed in permanent locations throughout Sacramento and Yolo Counties.



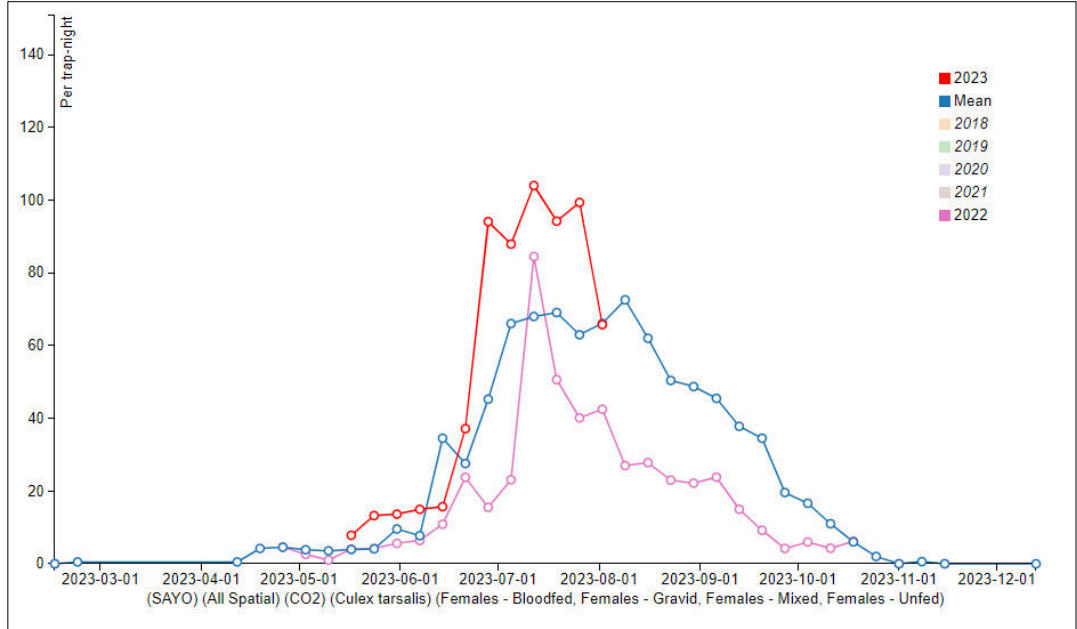
Weekly *Culex tarsalis* abundance traps in locker and gravid traps, the most recent time point for 2023 is not reflective of all weekly traps sites and is expected to increase.



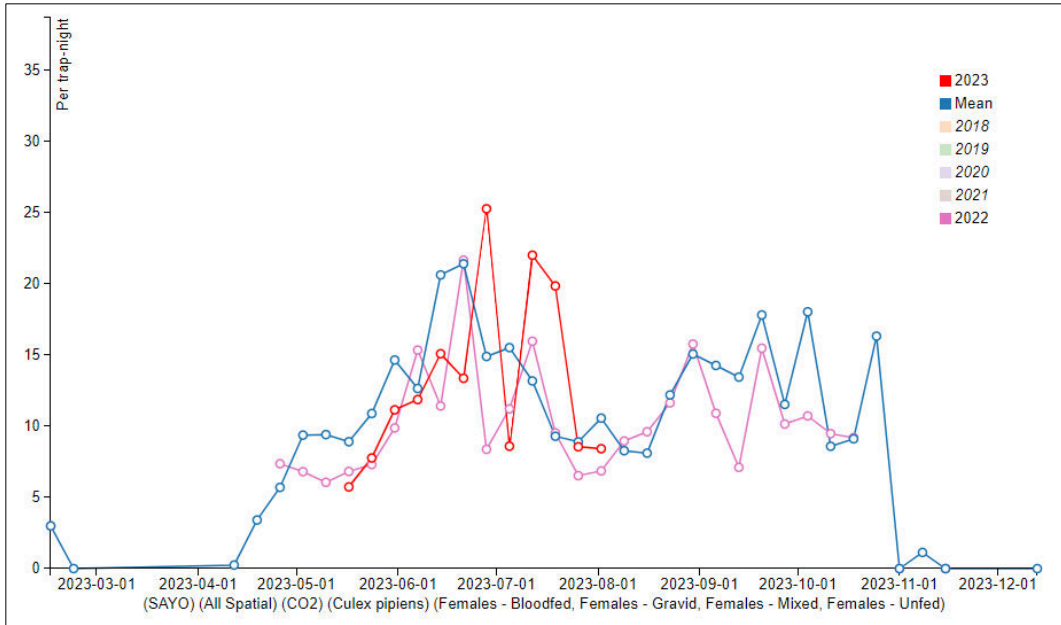
Weekly *Culex pipiens* abundance traps in locker and gravid traps, the most recent time point for 2023 is not reflective of all weekly traps sites and is expected to increase.

Encephalitis Vector Surveillance (EVS) – The following graphs show the number of *Culex tarsalis* and *Culex pipiens* that were collected in CO₂-baited EVS traps that were set in established and response locations throughout Sacramento and Yolo Counties. *Culex tarsalis* and *Culex pipiens* were tested for West Nile (WNV), western equine encephalitis (WEEV), and Saint Louis encephalitis viruses (SLEV).

Female



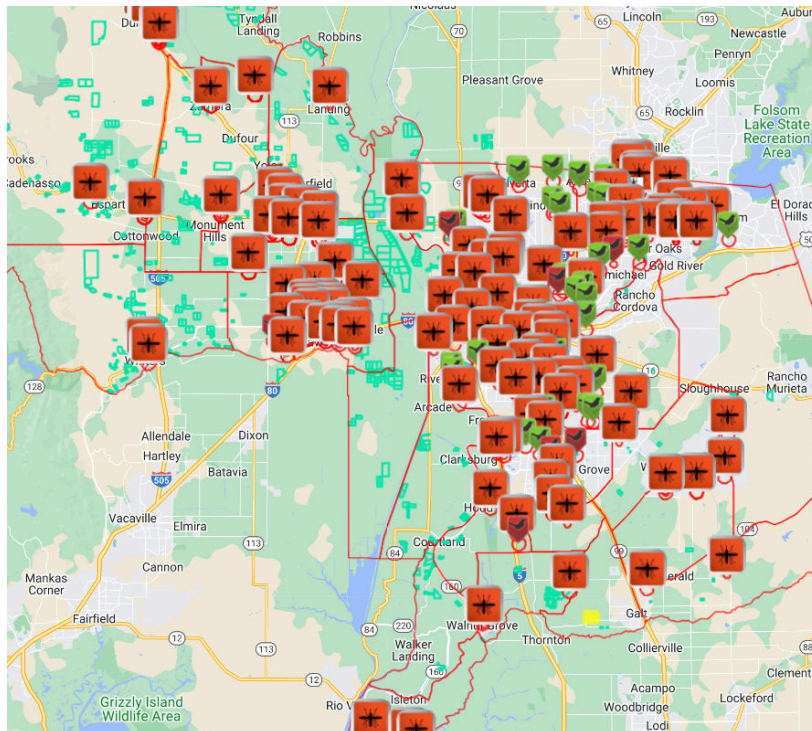
Female *Culex tarsalis* collected in EVS traps



Female *Culex pipiens* collected in EVS traps

West Nile virus (WNV) testing – Thus far 4,503 pools of *Culex tarsalis* and *Culex pipiens* were tested for WNV. Of the tested pools there were 172 and 158 WNV-positive pools collected in Sacramento and Yolo Counties, respectively.

Dead birds – To date 336 dead birds were collected and tested for WNV, SLEEV, and WEEV. Overall, 97 birds tested positive for WNV (Sacramento County: 90, Yolo County: 7).



Detections of West Nile virus positive mosquito pools and dead birds in Sacramento and Yolo Counties

Sentinel chickens – Sentinel chickens were deployed to five sites in Sacramento (Isleton, Sacramento, and Rancho Murietta) and Yolo (Dunnigan and Knight’s Landing) counties. All chickens remain negative for WNV antibodies.

Rice Surveillance – Counter traps were deployed to Conaway, Vic Fazio, Winters, Natomas, and District 108 rice fields. These traps provide real time mosquito abundance data, allowing for remote monitoring of rice field mosquito populations.

Human disease response surveillance – In July there were three WNV human cases reported to the District from Sacramento County. They occurred in known areas of WNV transmission and control. Trapping in response to these human cases is ongoing.

Tick surveillance – Tick surveillance is complete for the spring 2023 season and will resume in November 2023.

***Aedes aegypti* trapping effort in Sacramento and Yolo Counties** – Surveillance for *Aedes aegypti* and *Aedes albopictus* continues, the program is focused both on monitoring known populations and identifying emerging areas of activity. Both species are active in Sacramento County. The following table shows the cumulative 2023 trapping effort and detections of *Aedes aegypti* and *Aedes albopictus* in Sacramento and Yolo Counties.

City	County	Trap nights	Total males and females collected	
			<i>Aedes aegypti</i>	<i>Aedes albopictus</i>
Antelope	Sacramento	7		
Carmichael	Sacramento	72	1	33
Citrus Heights	Sacramento	63		
Elk Grove	Sacramento	63		
Elverta	Sacramento			
Fair Oaks	Sacramento	27		
Galt	Sacramento	30		
Folsom	Sacramento	5		
Orangevale	Sacramento			
North Highlands	Sacramento			
Rio Linda	Sacramento	15		
Sacramento	Sacramento	539	489	21
Winters	Yolo	162	39	
Woodland	Yolo	48		
Davis	Yolo	39		

The California Arbovirus Surveillance Bulletin #17 Week 31 Friday, August 4, 2023

2022 & 2023 YTD West Nile Virus Comparisons		
	2022	2023
Total No. Dead Bird Reports	3,066	3,602
No. Positive Counties	23	31
No. Human Cases	7	8
No. Positive Dead Birds / No. Tested	60 / 817	181 / 913
No. Positive Mosquito Pools / No. Tested	965 / 18,736	1,582 / 28,718
No. Seroconversions / No. Tested	17 / 2,815	27 / 2,074

YTD WNV Activity by Element and County, 2023					
County	Humans*	Horses	Dead Birds	Mosquito Pools	Sentinel Chickens
Alameda			3	4	
Butte				24	4
Colusa			2		
Contra Costa			3	3	
El Dorado			1		
Fresno				48	
Imperial				1	
Kern	1	1		37	
Kings		1		47	
Lake			1	7	
Los Angeles			11	105	
Madera				43	
Merced	1			11	19
Napa				2	
Orange				1	
Placer			16	108	
Riverside			10	24	
Sacramento			82	151	
San Bernadino	2		3	42	
San Joaquin	1		11	267	
San Mateo			1		
Santa Clara			15	1	
Shasta				46	
Solano			2	12	
Sonoma			1		
Stanislaus			1	102	
Sutter			3	42	2
Tulare	3		5	280	2
Ventura			3	1	
Yolo			7	157	
Yuba				16	
Totals	8	2	181	1,582	27

*Asymptomatic human infections are not included.

ECOLOGICAL MANAGEMENT DEPARTMENT

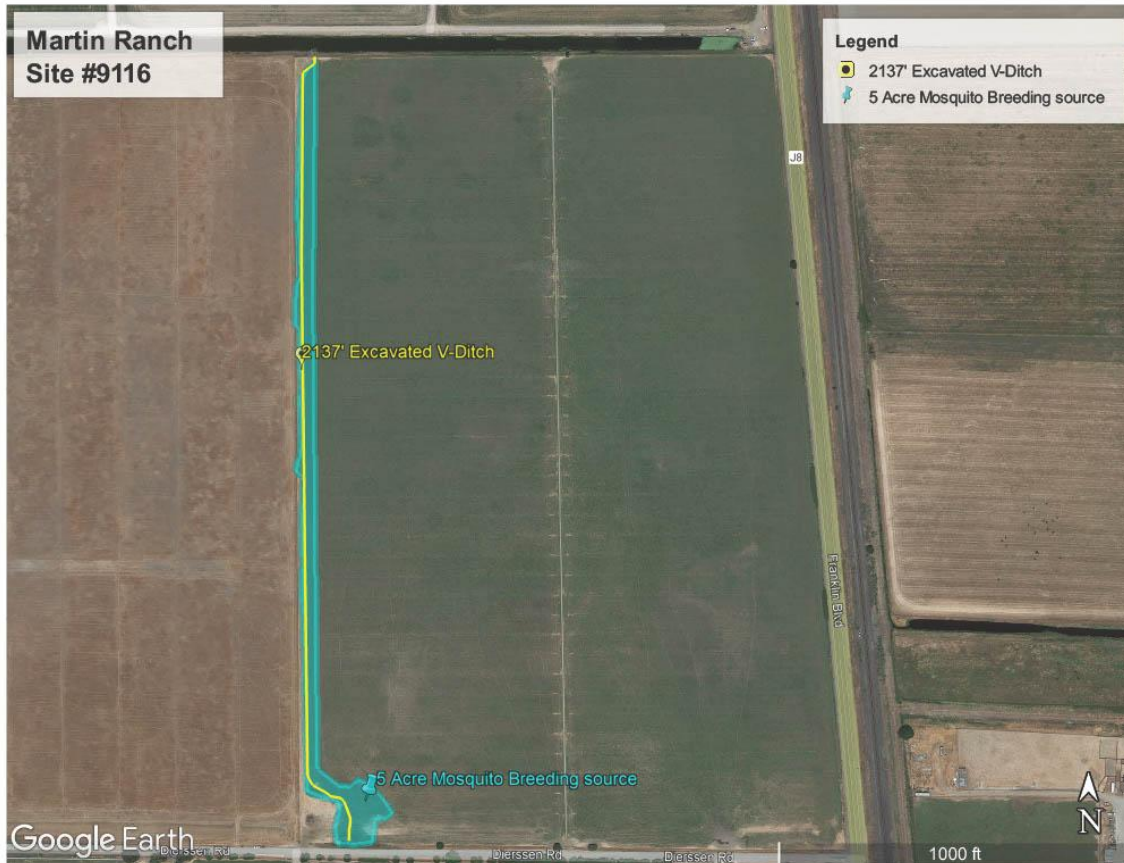
Monthly Report for the August 2023 Board Meeting

Ecological Management Projects

Ecological Management staff continue to investigate and implement water and vegetation Best Management Practices (BMP's) for projects submitted by District field technicians. This season, the Ecological Management Department has had 54 water and vegetation management projects submitted by field staff. To date, the Department has completed 37 of these projects and are currently investigating new projects based on historical treatment data in conjunction with larval and adult densities in the proximity of West Nile Virus activity.

Martin Pastures (Hood-Franklin)

The Martin Ranch is leased pasture land that is primarily used for livestock grazing. Historically, staff treat approximately 5 acres of mosquito breeding habitat on the west end of the pasture. The main drainage ditch has become undefined with multiple high spots due to cattle rutting up (plugging) of the pasture drain rendering the existing drain ineffective. This as a result of irrigating underneath the livestock. Staff completed an elevation profile and is in the process of excavating a 2137' V-ditch with the objective of getting the standing water off of the pasture and into the designed recovery sump.





Wetland/Fall Flooding Program

Tyler Island Habitat (Isleton)

Tyler Island Habitat is 750 acres of managed wetland and upland game habitat in Isleton that is primarily used for hunting and habitat restoration. Staff in cooperation with the wetland managers have developed a Best Management Plan (BMP) that will benefit both the District and the goal of providing habitat for waterfowl. The team is in the process of replacing three 24” culverts with three 36” in culverts. This will result in the wetland managers' ability to flood the wetlands faster, reducing the amount of residual pesticides that historically have been applied to control multiple broods of mosquitoes. District staff is renting a Link Belt excavator and is currently re-excavating a 1000’ drainage ditch that drains the northern ponds. This project will allow the wetland manager to draw down the ponds faster after summer irrigations allowing staff to treat with more cost effective materials.





Agricultural/Dairy Program-

District Control Operations technicians continue to monitor and treat significant *Culex pipiens* mosquito breeding sites that are associated with dairies, primarily in Sacramento County. These substantial mosquito sources include, but are not limited to: wastewater lagoons, washing areas, drain ditches, sumps, watering troughs, and irrigated pastures/crops etc. Ecological Management staff continue to coordinate with dairy farmers and land managers to implement mosquito reducing Best Management Practices (Bmp's) to reduce mosquito populations. Some of the more important Bmp's are keeping the edges of the sumps and ditches vegetation free and controlling emergent (floating) vegetation to prevent harborage for mosquito larvae. Staff encourage utilizing an effective solid separation system to separate solid and liquid materials to increase the efficacy of the larvicides that are being applied.

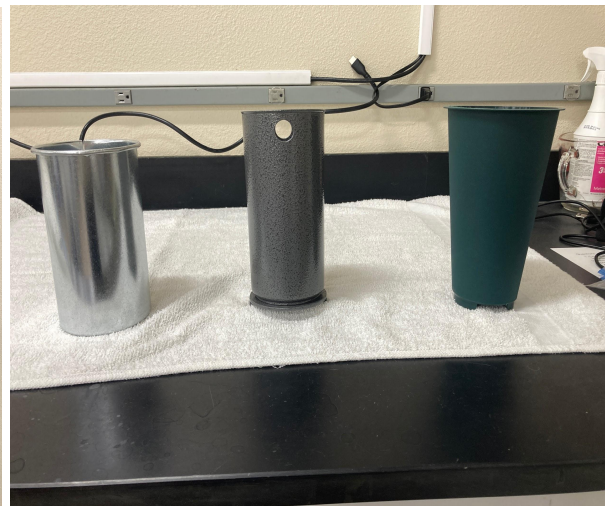


Images provided by Kevin Combo: Dairy sumps located in Sacramento County

Cemetery Program- Staff continue to monitor and treat cemetery vases throughout the District. To date, staff have treated approximately 10,771 vases covering 11 different cemeteries. The majority of these efforts have been focused in cemeteries that are in close proximity to West Nile Virus (WNV) activity.



Ecological staff in coordination with the vector biologist are conducting a trial in which Sumilarv .5g [2-(1-Methyl-2-(4-phenoxyphenoxy) ethoxy) pyridine] is applied to three different types of cemetery vases that are made up of different compositions. (*Plastic, Powder Coated, Galvanized Metal*). The goal is to evaluate the efficacy of the pesticide and determine if the material is a viable alternative to using Watersorb (polymer crystals) to control mosquito populations in cemetery vases.



Sumilarv .5g Cemetery Vase trial

BIOLOGICAL CONTROL
Monthly Report for August 2023 Board Meeting

In July, the fisheries department began our rice stocking program. Our first fish plant request for rice came in on July 25th, this is approximately a month later than we would typically expect. Many rice growers were forced to plant their crops later due to the wet year and flooding. Fisheries technicians plant rice in the morning and return to the district to seine ponds later in the day. These fish are then held in our holding tanks overnight, this process is repeated the following day. Throughout the month, a total of 371 pounds of mosquitofish were distributed for application. 338 pounds were used in rice fields alone. We expect these numbers to grow through the beginning of August as more rice fields become available for stocking. Daily activities such as water quality testing and tank cleaning were continued to maintain high-quality fish. Algaecide and Pond Dye were used to control filamentous and aquatic weeds in ponds that did not have an ideal phytoplankton bloom. Fisheries employees were also able to assist Urban Operations and the South Crew with invasive mosquito inspections and larval treatments.

Log of Treatment Applied for July

<u>Material</u>	<u>AMT</u>	<u>Area Treated</u>	<u>Treatments</u>
Mosquitofish (<i>Gambusia affinis</i>)	371.815 lbs	3,777.859 Acres	372
Guppies (<i>Poecilia reticulata</i>)	.1 lbs	.005 Acres	1

Log of Treatment Applied for the year 2023

<u>Material</u>	<u>AMT</u>	<u>Area Treated</u>	<u>Treatments</u>
Mosquitofish	600.99 lbs	4,690.75 Acres	2330
Guppies	.355 lbs	.028 Acres	6

Fisheries Budget

<u>Total</u>	<u>Spent</u>	<u>Remaining</u>	<u>% Spent</u>
36,000.00	1,672.59	34,327.41	5%

Left : Picture of Filamentous Algae that can be a nuisance in our ponds.

Right: Picture of a technician stocking mosquitofish along the checks of a rice field.



CONTROL OPERATIONS
Monthly Report for August 2023 Board Meeting

Culex and West Nile Virus (WNV) Control

Control staff continue to respond to the numerous West Nile positive and high abundance areas with evening and morning fogging applications as weather conditions have allowed. Responses have included truck, quad, and backpack applications in both early morning and late evening fogging applications.

Aerial Applications

The District performed twenty three aerial adulticide applications over rice growing areas of both Sacramento and Yolo Counties including Winters, South Yolo County, District 108, and Natomas during the month of July.

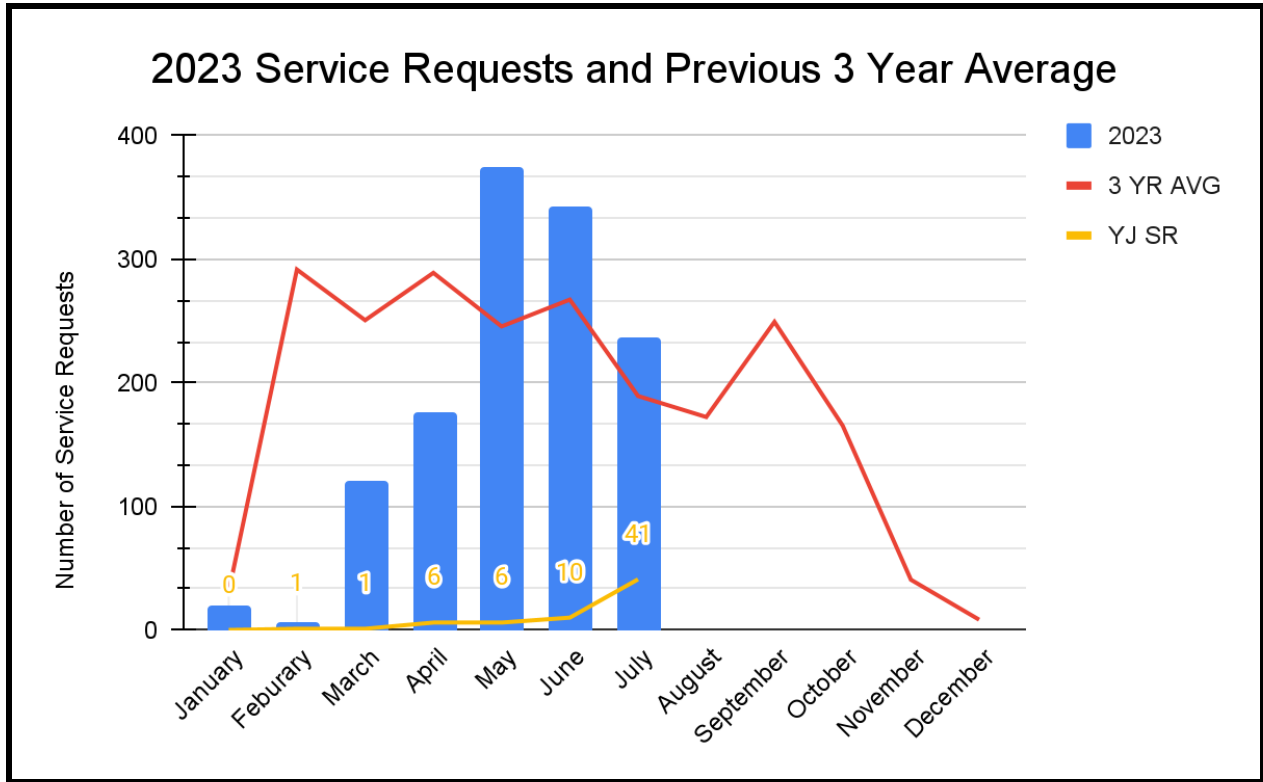
Rice and other agricultural areas continue to be treated with larvicides with increased frequencies in and around urban areas as the rice continues to be drained and reflooded. Leading Edge Aerial has also continued applications over irrigated wetland and smaller agricultural areas.

Yellow Jacket Control

Yellow Jacket traps continue to be set and collected on a monthly basis. Adult populations of queens and workers will continue to be monitored throughout the summer season.

Invasive Aedes Control

In addition to the four current detection areas in Sacramento County, the Winters area has begun to increase in adult detections. Staff perform backyard adult control methods in as many backyards as they are able to get into and around the detected areas.



Larvicide Applications thru July 31 st				
Locations/Roles	2023		2022	
	Treatments	Acres	Treatments	Acres
Sacramento County	2,892	6,310	4,753	6,553
Sac County Aerial		10,392		10,672
Sac County Drone Treatments	7	772	22	785
Yolo County	971	1,654	860	2,518
Yolo County Aerial		56,956		36,231
Yolo County Drone Treatments	5	451	9	704
CB Treated	60,151	--	61,929	--
CB Inspected -not treated	81,894	--	82,082	--

Aerial Adulticide Summary thru July 31st				
<u>County</u>	<u>2023</u>		<u>2022</u>	
	<u># Applications</u>	<u>Acres</u>	<u># Applications</u>	<u>Acres</u>
Sacramento Ag	10	70,400	7	49,280
Sacramento Urban	0	0	0	0
Yolo Ag	49	322,584	17	98,240
Yolo Urban	0	0	0	0

Totals

Adulticide Summary through July 31, 2023

Compared to: 2022

Contract Acres (our portion) =	530,000	530,000
Acres used =	392,984	147,520
Acres remaining =	(137,016)	(382,480)
% Acres used =	74%	27%
% Acres remaining =	26%	73%

San Joaquin County MVCD has used 131,058 acres of their 190,000 acre contract commitment.

Placer MVCD has used 60,400 acres of their 100,000 acre commitment.

Turlock MAD has used 99,552 acres of their 180,000 acre commitment.

Merced MAD had used 21,403 acres of their 75,000 acre commitment.

PUBLIC INFORMATION AND EDUCATION
Monthly Report for August Board Meeting

Media Coverage:

In response to our ongoing WNV activity and the aerial spraying in Davis and Woodland, we have issued various press releases that garnered ongoing media attention. Leading up to the spraying event in both of these cities, there was an increase in media coverage specifically about the spray event. The day that the spraying began, we hosted a photo opportunity for the media at McClellan Airport along with the staff from pilots from Vector Control Disease International (VDCI). It was a unique opportunity for media to interact with District staff and VDCI personnel to view the aircraft utilized during the aerial spraying. We had two television stations and reporters from the Sacramento Bee attend and provide coverage.

National Night Out Repellent and Materials Distribution:

Nextdoor and Facebook posts were sent out indicating that free repellent wipes were available for National Night Out. The response to the free wipes was extremely positive and various neighborhood associations, cities, and residents received the wipes. In addition, due to the ongoing West Nile virus activity in south Sacramento, we attended a National Night event organized by the Stockton Boulevard Partnership at the Fruitridge shopping center. The event was very well attended and participants appreciated the mosquito prevention information received.

Events:

In addition to National Night Out, in August we will participate in two other community events that include the UC Davis Master Gardner Harvest Day and 5 days at the Yolo County Fair in Woodland. It will be great to be at the fair especially in light of the recent aerial spraying, so staff can answer questions regarding ongoing West Nile virus activity and offer important information to residents. We are always excited to be at the UC Davis Master Gardner Harvest Day. This event is all about gardening and provides educational talks on composting, herbs, tree pruning, use of green waste containers and many other relevant gardening tips. The event was a huge success as we were able to provide in depth information about invasive mosquitoes to a captive audience that understands the scope of the problem in the community. There were many other community organizations in attendance, the repellent wipes and information were well received and overall it was a fabulous event!

Government affairs:

As part of our ongoing detection of invasive mosquitoes, intense WNV activity, and aerial spraying in Yolo County, we have been keeping local elected officials informed by sending them regular email updates with our findings and response activities.

Social Media

Our social media efforts continue and content is focused on ongoing West Nile virus activity in areas of concern, posts relating to our aerial spraying, invasive mosquitoes, signing up for spraying notifications and general mosquito prevention messages. We had ongoing collaborations with Woodland and Davis and they shared our social media graphics and messages relating to the spraying done in both of the cities.

World Mosquito Day

To commemorate World Mosquito Day on August 20th the MVCAC Public Relations Committee put together a video and a social media calendar with info graphics in both English and Spanish. All materials will be disseminated to media outlets and other districts throughout the state so we can all have a unified message.

Advertising

The advertising campaign continues to be in full swing and our Fight the Bite messages are airing consistently across radio and television stations. The media schedule is in flights so that our messages are being rotated across stations and this ensures a constant presence at all times throughout the media market. In addition to these commercials we also have billboards and digital ads.

Sacramento-Yolo Mosquito and Vector Control District

August 14, 2023 Board Meeting

5. Status of West Nile Virus Activity and District Response

Staff Report:

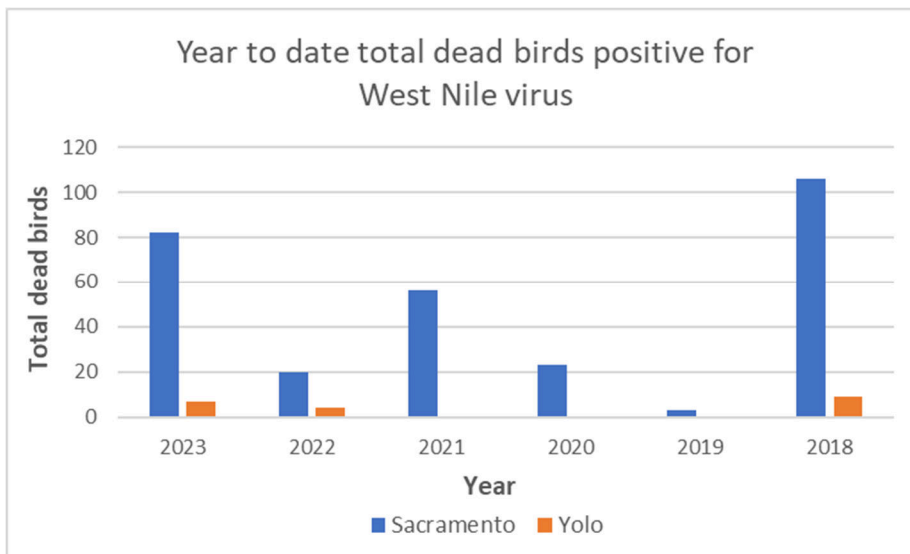
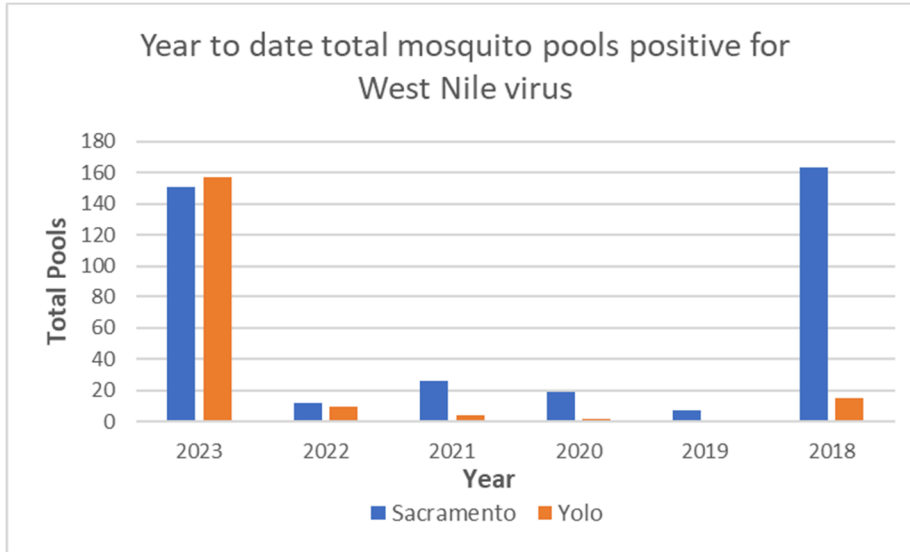
The District continues to follow the Mosquito and Mosquito Borne Disease Management Plan which highlights the steps that personnel take in responding to high abundance or infections in the mosquito population. When a dead bird or mosquito is found to have been infected with West Nile virus, lab personnel enhance surveillance efforts around the location to determine the potential spread of the detection. Control operation personnel then conduct a radius of both larval and adult sources to help reduce the number of mosquitoes in the area and to reduce the risk of transmission to the population. The District then continues to monitor the area to determine the geographic extent of the infection and to see if the number of infections decreases from the effort of the control personnel. If infections persist in the area, then more aggressive measures are considered. In addition to the traditional surveillance tools we've used in previous years, the District is in the process of using sugar baits to enhance our program.

The District has experienced a much busier WNV year compared to previous years with significant ground based adulticide treatments needed in urban/suburban areas. In addition, the District has conducted aerial adulticiding over the cities of Davis and Woodland to quickly interrupt the transmission cycle of WNV. The District has maintained its aerial adulticide program over rice growing and agricultural areas to reduce populations and to prevent migration from these areas to the population centers of the District. The number of applications over rural, agricultural areas has increased substantially with the increase of rice acreage to over 43,000 acres vs 18,000 acres in 2022.

Statewide, WNV activity has shown a sharp increase compared to last year. There are currently 617 more positive pools compared to this time last year, with a large proportion of the positive pools coming from the Central Valley including: Placer (108), Sacramento (151), San Joaquin (267), Stanislaus (102), Tulare (280), and Yolo (157) Counties. The number of WNV positive dead birds also increased with 13.6% of tested birds positive for WNV in 2022 and 19.8% positive this year.

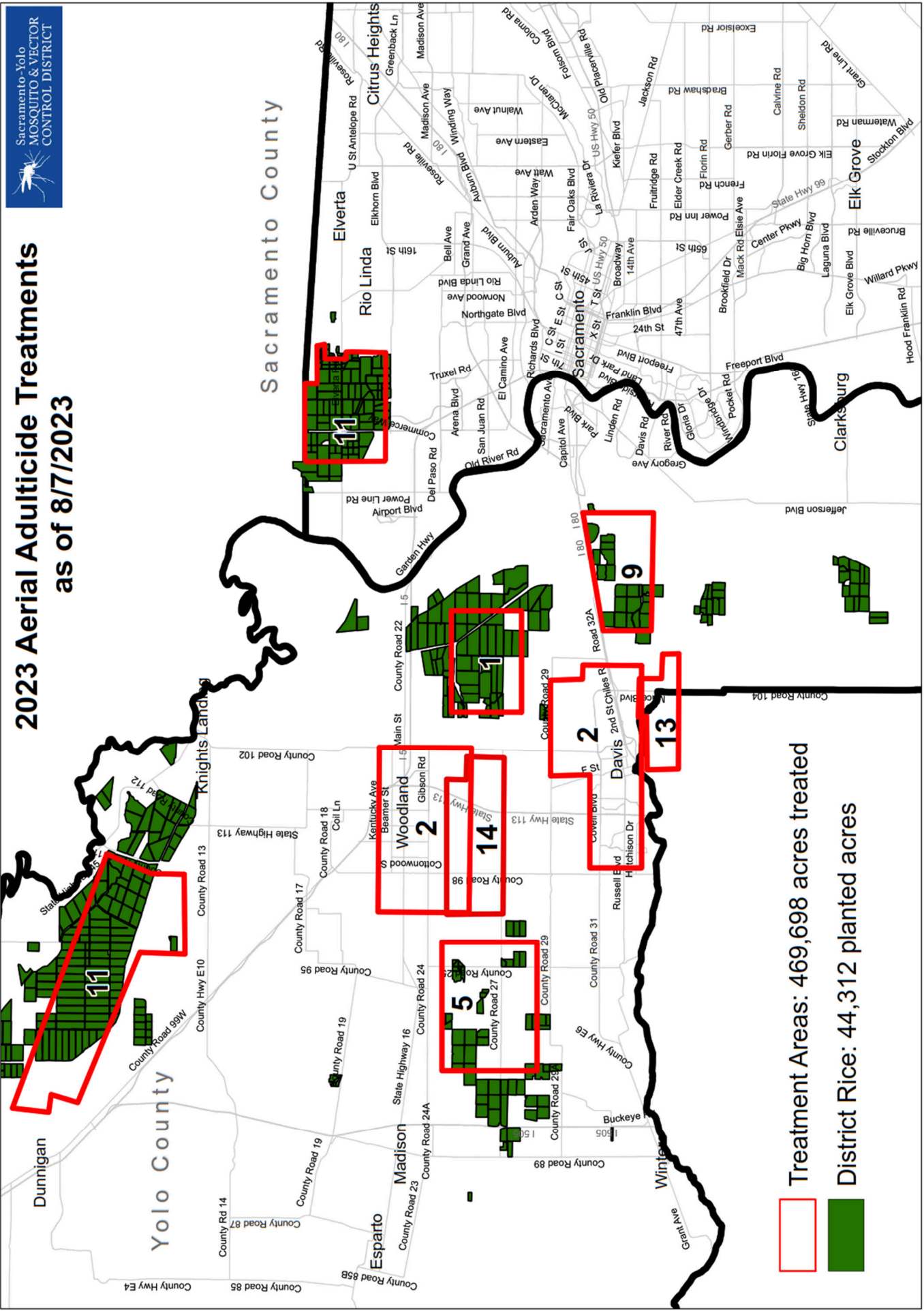
State of California		
2022 & 2023 YTD West Nile Virus Comparisons-Thru 08/4/2023		
	2022	2023
Total # Dead Bird Reports	3,066	3,602
# Positive Counties	23	31
# Human Cases	7	8
# Positive Dead Birds / # Tested	60/817	181/913
# Positive Mosquito Pools / # Tested	965/18,736	1,582/28,718
# Seroconversions / # Tested	17/2,815	27/2,074


The charts below highlight West Nile virus activity in Sacramento and Yolo Counties detected through week 30 for the current and past five years. 2018 was the last year with similar levels positive pools. However, the number of dead birds from year to year is more consistent, especially in Sacramento County where most of the dead birds are collected.




Recommendation:
Information Only

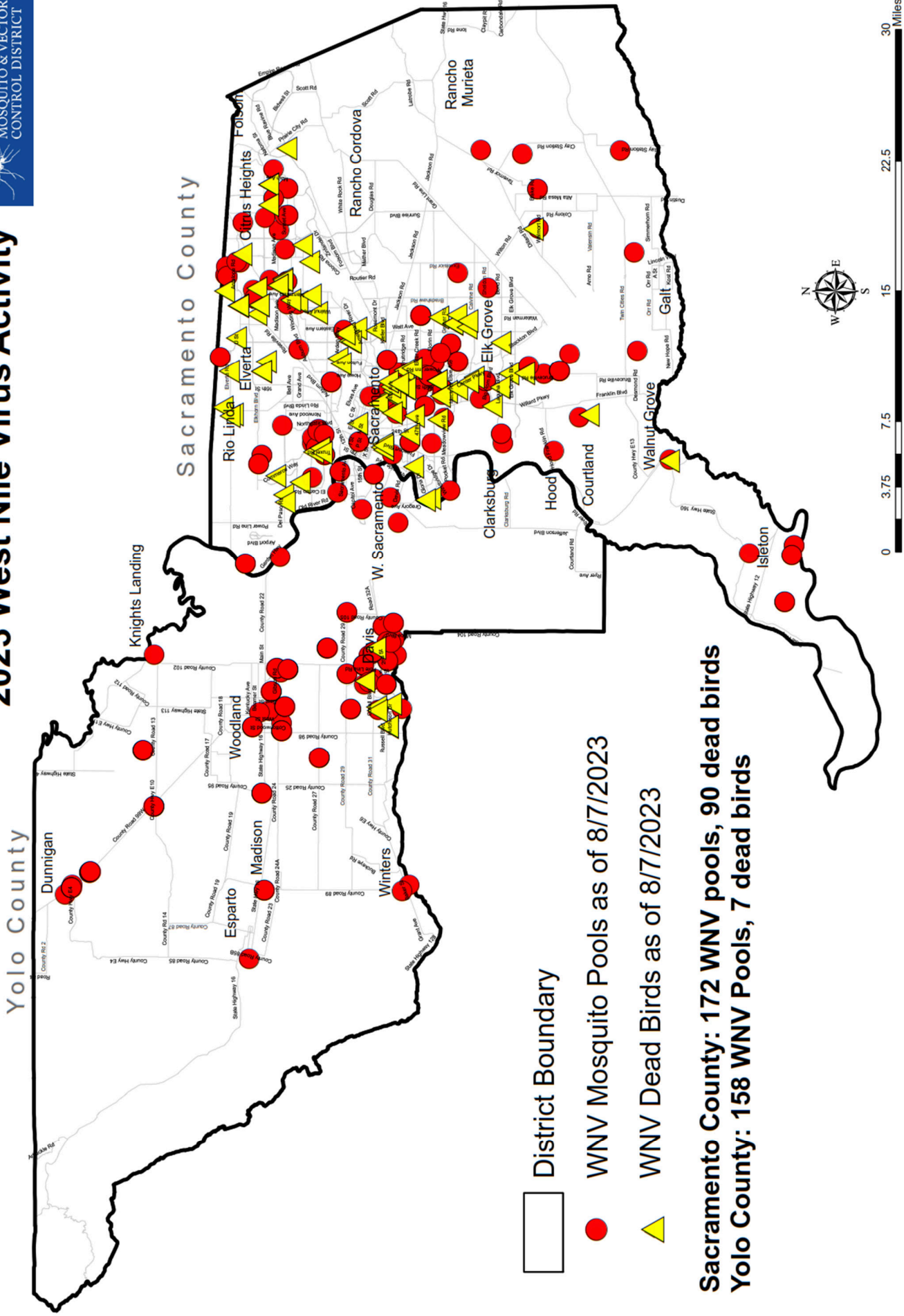
2023 Aerial Adulticide Treatments as of 8/7/2023






 Treatment Areas: 469,698 acres treated

 District Rice: 44,312 planted acres

2023 West Nile Virus Activity



-  District Boundary
-  WNV Mosquito Pools as of 8/7/2023
-  WNV Dead Birds as of 8/7/2023

Sacramento County: 172 WNV pools, 90 dead birds
Yolo County: 158 WNV Pools, 7 dead birds

Sacramento-Yolo Mosquito and Vector Control District

August 14, 2023 Board Meeting

6. Board Review and Discussion of the 2021-2022 District Audit

Staff Report:

Please find enclosed the 2021-2022 District Audit. A representative from Mann, Urrutia, Nelson CPAs and Associates LLP will be available to answer any questions the Board may have.

Recommendation:

Staff recommends acceptance of the report.



Sacramento-Yolo
MOSQUITO & VECTOR
CONTROL DISTRICT

**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2022**

DRAFT

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Sacramento - Yolo Mosquito and Vector Control District
Elk Grove, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of Sacramento - Yolo Mosquito and Vector Control District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Sacramento - Yolo Mosquito and Vector Control District as of June 30, 2022, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Notes 1 and 12 to the financial statements, during the fiscal year ending June 30, 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 9, schedules related to the District's net pension liability on pages 37 - 38, and the schedules related to the District's net other post employment benefits liability on pages 39 - 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sacramento, California
August 9, 2023

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The following Management's Discussion and Analysis (MD&A) of the Sacramento-Yolo Mosquito and Vector Control District's (the "District") activities and financial performance provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2022.

Following this MD&A are the basic financial statements of the District together with the notes are essential to a full understanding of the data contained in the financial statements.

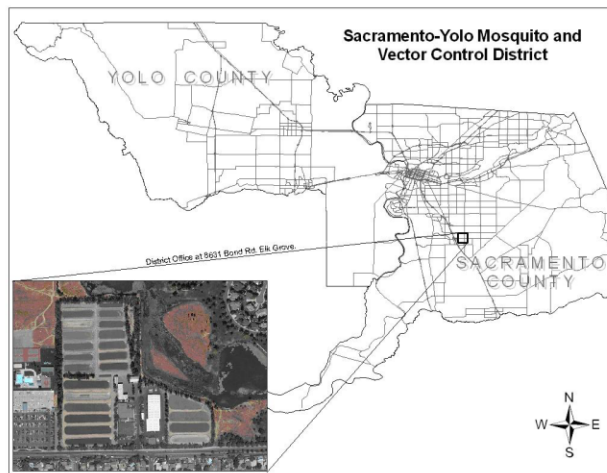
DISTRICT ACTIVITIES HIGHLIGHTS

The District is headquartered in South Sacramento County on Bond Road. District facilities also include a Yolo County service office in Woodland, California. The District has provided mosquito and vector control for Sacramento and Yolo counties since it was established in 1946. The Board of Trustees consists of 13 trustees which are appointed by the each of the two counties and the incorporated cities served by the District. The General Manager coordinates and oversees the activities of the District and supervises over 75 Board authorized positions who work together in the public interest.

Mosquitoes that can carry encephalitis, malaria, West Nile virus and canine heartworm are prevalent throughout the District. Yellow jacket infestation outbreaks can occur seasonally and become a public health threat and severe nuisance to the public and domestic animals. The District's surveillance program continues to detect an invasive mosquito species, *Aedes aegypti*. This species can transmit zika, dengue and chikungunya. Ticks are sampled and analyzed for abundance and the presence of tick borne diseases such as Lyme's disease, babesia, or ehrlichiosis.

Mosquito and vector control activities include the principles of Integrated Pest Management ("IPM"). These principles include public education regarding mosquitoes and other vectors, surveillance of vector populations through trapping and monitoring, physical control, larval mosquito control, adult mosquito control, and applied research. These activities are generally conducted throughout the year, with the highest level of activity occurring between the months of April and October when insect abundance and activity tends to be at their peaks.

The District received \$17,932,021 in revenues for fiscal year 2021-2022, an increase of \$972,211 from fiscal year 2020-2021. Expenditures decreased by \$1,112,132 from the previous fiscal year. The increase in revenues is consistent with the continued stabilization of the housing market and the decrease in expenditures is mainly due to the lower West Nile virus activity over the past two years and the corresponding control measures necessary to respond accordingly. Additionally, there were some retirements where replacements were either delayed or brought in at lower salaries and most departments were able to demonstrate annual savings.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Public Education

The public information and education department strives to promote awareness of mosquitoes and diseases transmitted by mosquitoes through an aggressive advertising campaign utilizing a variety of elements including television ads, radio spots, online advertising and outdoor messages such as bus ads and billboards. Main messages include the importance of draining stagnant water to eliminate mosquito breeding sources and personal protection through the use of an effective mosquito repellent when spending time outdoors. Education and outreach efforts include school and community presentations, reaching out to local elected officials and participation in a variety of community events to disseminate prevention messages.

Ecological Management

Three full-time employees work with local, state, and federal resource agencies as well as private land-owners to develop strategies that reduce mosquito development through ecological management. In addition, this department administratively prepares abatement orders to private land owners that fail to address mosquitoes on property they own. While a minor portion of the operating budget is directed to this department, the annual goals are to facilitate changes in land management that is anticipated to ultimately reduce mosquito development overall and reduce costs in other categories.

Biological Control

Three full-time employees, supplemented with seasonal employees, culture and maintain mosquito fish at the District facility in Elk Grove. Twenty-three ponds produce approximately 4,000 pounds of fish annually that are stocked in permanent and semi-permanent bodies of water that produce, or have the potential to produce, immature mosquitoes. Sources where mosquito fish are planted on an annual basis include irrigated agriculture and ditches, wetlands, and unmaintained swimming pools.

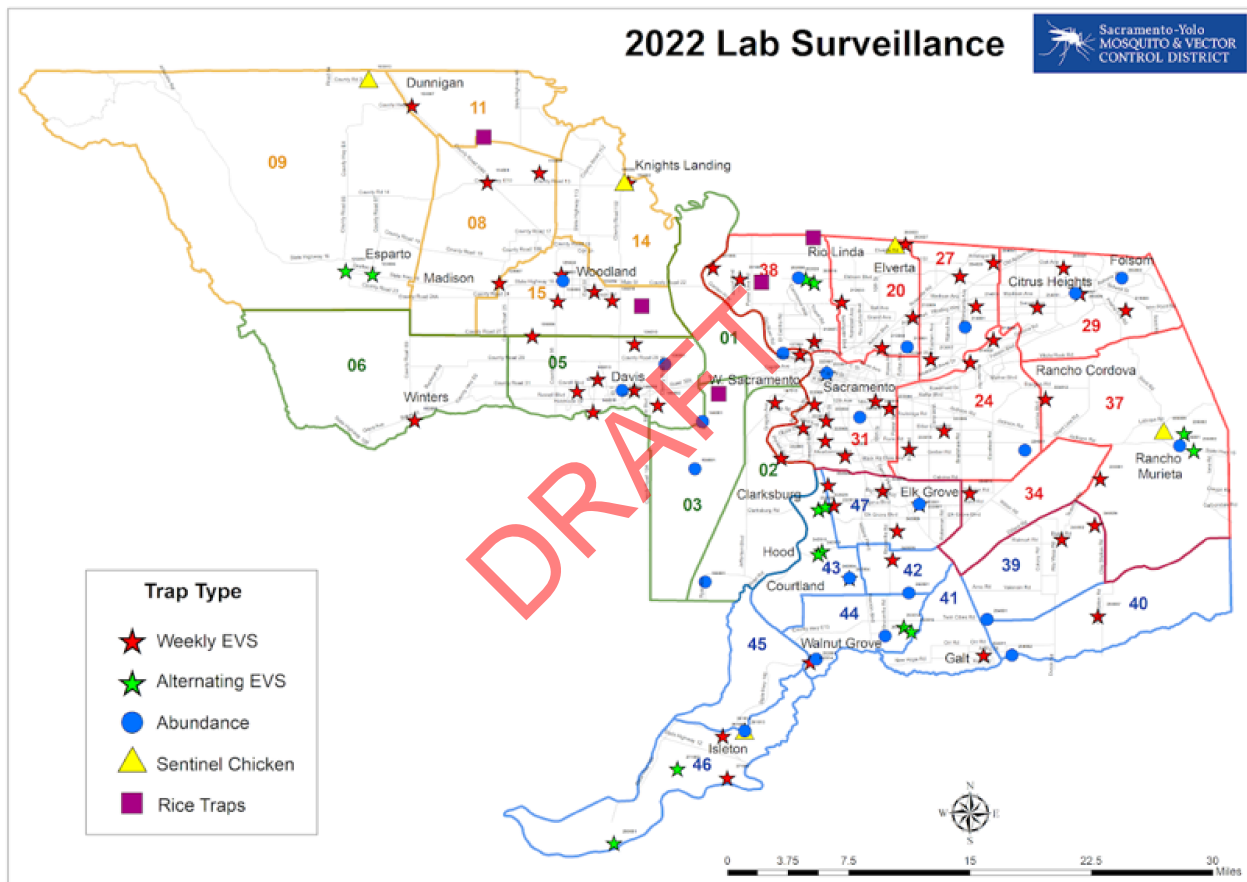
Larval Mosquito Surveillance and Control

Thirty-five full-time and numerous seasonal employees conduct surveillance of aquatic sites to determine larval abundance and take corrective measures. When biological or ecological measures are not feasible, the use of microbial larvicides and insect growth regulators are used to reduce immature mosquito populations. Typical sites include irrigated agriculture, wetlands, storm drains, and backyard swimming pools. Over 160,000 treatments are annually made at these locations.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

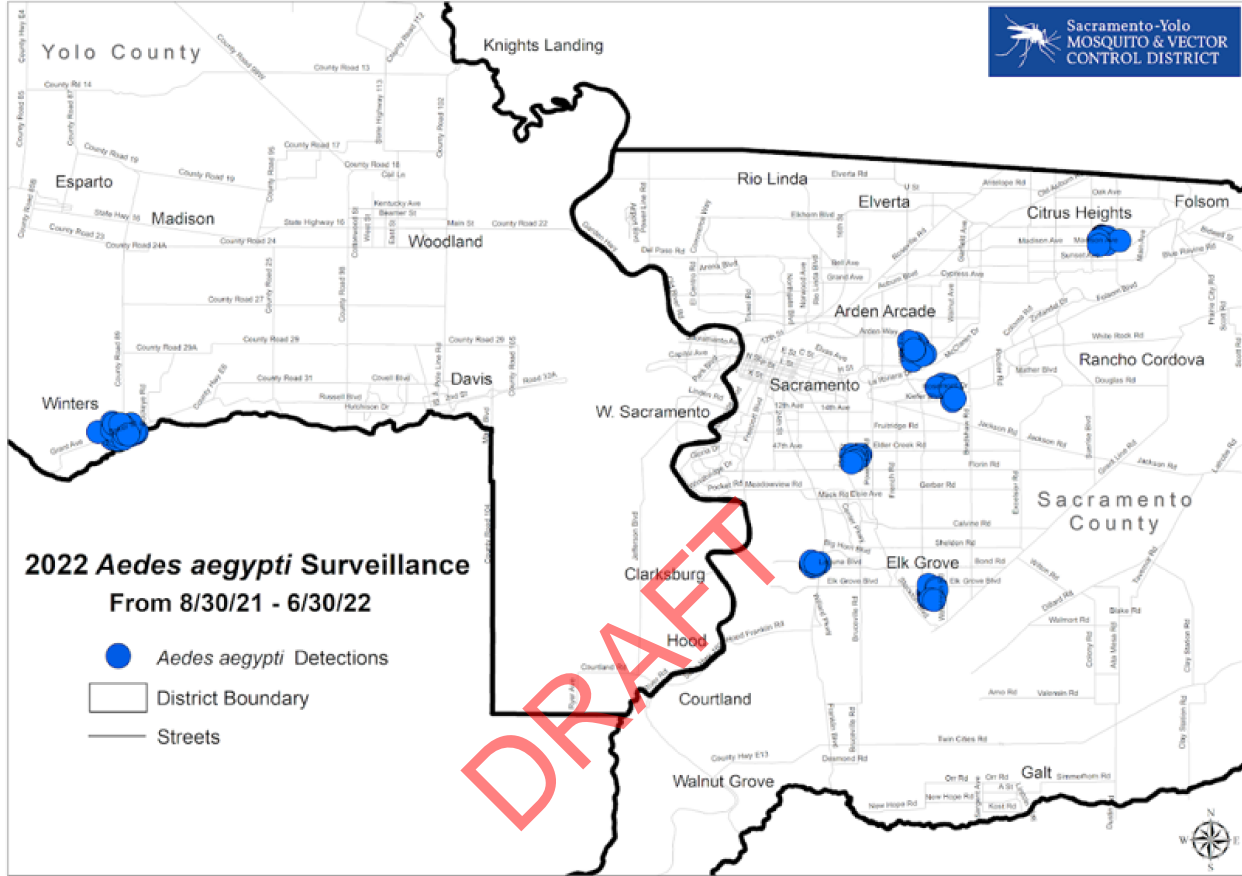
Adult Mosquito Surveillance and Adult Mosquito Control Agents

Twelve full-time employees, supplemented with seasonal employees are responsible for adult mosquito surveillance to determine when numeric thresholds and risk assessments are met. A variety of traps and sentinel animals are distributed throughout Sacramento and Yolo County(s) to assess adult mosquito populations and disease risk. Analysis of these surveillance results direct control methods designed to reduce adult mosquito populations and reduce the risk of disease transmission and annoyance.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The detection of *Aedes aegypti* is highlighted in the following map.



Vehicle and Equipment Maintenance

The District has over 90 vehicles maintained by 3 full-time mechanics. Pumps, spray equipment, and other specialized equipment are maintained by District shop personnel.

GIS and IT Systems

The District employs two full-time personnel to ensure information technology and geographic information systems are of the latest technology available and provide District field personnel with the most efficient tools available to allow them to do their jobs effectively.

Contract, Professional Services and Support Systems

This category includes items such as the aerial applicators used to spray the larvicides and adulticides, legal services, training and conference attendance, utilities and fuel, grounds and maintenance, and other support systems.

Other Post Retirement Benefits

The District has implemented GASB 75 which resulted in a net other post retirement benefits (OPEB) liability. See Notes 8 for more detail.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Significant Events

West Nile virus ("WNV") continues to be the primary mosquito borne disease in California. This virus is carried by mosquitoes and remains a significant threat to the public health of residents within the District. In fiscal year 2021-2022, the District continued to see WNV activity in areas of Sacramento and Yolo Counties resulting in the need to treat various areas of the District for adult mosquitoes. However, the level of virus activity did not necessitate applications to be made over urban parts of the District and were handled with ground based treatments.

The District contracts with Vector Disease Control Incorporated (VDCI) for aerial adult mosquito control measures in both urban and rural areas of the District. VDCI stationed an airplane in Sacramento to be available whenever the need arose to treat for adult mosquitoes and combat WNV. There were no urban applications completed this fiscal year in the District. Numerous rural applications were made by VDCI during the mosquito season.

The invasive mosquito species, *Aedes aegypti*, was first detected in the District on August 29th 2019 in Citrus Heights. This particular mosquito is not native to this area but over the past 10 years has been slowly establishing itself in various parts of California. Increased introductions of invasive mosquitoes throughout the District have continued to require staff time and resources. We anticipate this situation requiring more time and staff in the future. The surveillance and control efforts for this mosquito are more labor intensive than our traditional native species and therefore required more time and effort from staff at the end of our West Nile season.

FINANCIAL POSITION SUMMARY

The District has designed a financial accounting system to record its financial activities, provide budgetary control and analysis, and report its financial position and results of operations. A condensed summary of the District's financial statements is shown below:

Condensed Summary of Assets, Liabilities and Net Position (Government-wide):

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Assets			
Current and other assets	\$ 19,681,792	\$ 18,578,771	\$ 1,103,021
Capital assets, net	<u>3,742,727</u>	<u>4,021,318</u>	<u>(278,591)</u>
Total Assets	<u>23,424,519</u>	<u>22,600,089</u>	<u>824,430</u>
Deferred outflows of resources	<u>6,298,001</u>	<u>5,409,507</u>	<u>888,494</u>
Liabilities			
Current and other liabilities	624,013	566,129	57,884
Long-term liabilities	<u>5,945,636</u>	<u>12,977,168</u>	<u>(7,031,532)</u>
Total Liabilities	<u>6,569,649</u>	<u>13,543,297</u>	<u>(6,973,648)</u>
Deferred inflows of resources	<u>6,868,916</u>	<u>2,537,664</u>	<u>4,331,252</u>
Net Position			
Invested in capital assets	3,742,727	4,021,318	(278,591)
Unrestricted net position	<u>12,541,228</u>	<u>7,907,317</u>	<u>4,633,911</u>
Total Net Position	<u>\$ 16,283,955</u>	<u>\$ 11,928,635</u>	<u>\$ 4,355,320</u>

The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,283,955 at June 30, 2022, an increase of \$4,355,320 from June 30, 2021. This increase in net position can be attributed to a higher revenue receipt than expected. Capital assets decreased \$278,591 in 2022 mainly due to depreciation of \$551,381.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Current and other assets include cash and short-term investments that are used to pay expenses and liabilities, make capital investments and provide working capital for the District. The District receives its revenues when property taxes are paid and remitted from the counties. Property taxes are due in semiannual installments and are generally paid in November, December, May and June of each year. Cash and investment levels are generally highest in December and June. These cash and investment balances carry the Districts cash requirements for the next six months when virtually no cash revenues are received. Cash levels are lowest in October and April. The District has no debt financing.

Condensed Summary of Revenues and Expenses per the government-wide statements:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenues	\$ 17,932,021	\$ 16,959,810	\$ 972,211
Expenses	<u>13,576,701</u>	<u>14,688,833</u>	<u>(1,112,132)</u>
Excess (deficiency) of revenues over expenses	<u>\$ 4,355,320</u>	<u>\$ 2,270,977</u>	<u>\$ 2,084,343</u>

FINANCIAL OPERATIONS HIGHLIGHTS FOR FISCAL 2021-2022

- Revenues increased by \$972,211. This is due to the turnaround of the housing market from the past few years and the increase in home values.
- Operating expenses decreased 8% from \$14,688,833 to \$13,576,701. The decrease in expenditures is mainly due to changes in the pension liability offset by increases in purchases of insecticides and rising cost of gas. Other categories fluctuate based on the specific need at the time and the increase in general pricing from year to year.
- The District has continued to recognize the potential for revenue and expenditure volatility resulting from legislative measures, current economic reality and the potential for emerging mosquitoes and mosquito borne diseases.

ANALYSIS OF SIGNIFICANT BUDGET-TO-ACTUAL VARIATIONS PER THE FUND FINANCIAL STATEMENTS

	<u>Actual</u>	<u>June 30, 2022 Budget</u>	<u>Variance</u>
Revenues	\$ 17,921,761	\$ 17,130,345	\$ 791,416
Expenditures	<u>17,040,101</u>	<u>19,198,125</u>	<u>2,158,024</u>
Net increase (decrease)	<u>\$ 881,660</u>	<u>\$ (2,067,780)</u>	<u>\$ 2,949,440</u>

The District prepares an annual budget and measures actual results versus budget amounts on a monthly and annual basis. The budget is prepared by management and approved by the Board of Trustees. During fiscal year 2021-2022 revenues exceeded budget by \$791,416. Property values have appeared to stabilize, and most analysts expect to see an increase in property values and sales which were reflected in the past few years. The global pandemic due to COVID19 may have a significant impact on property tax revenue, but at this time the long term impact is unknown. Revenue assumptions continue to be based on property tax revenues received from the previous year and anticipated growth forecasts. Counties determine the assessed valuations for the property tax rolls and the amount actually received is generally different than the budgeted amount due to changes in assessments and collections that occur during the year, as well as changes in the housing market as earlier described.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Operating expenses of the District are budgeted based on historical amounts and anticipated needs and events expected to occur during the fiscal year. With the arrival of West Nile virus, anticipating areas of outbreaks and determining appropriate responses can be difficult. In addition, the volatility of the state and local economic measures make forecasting of both revenues and expenditures challenging.

The District relies on local government programs for support services. For example, both Sacramento and Yolo county(s) have implemented restructuring of staffing that have a direct impact on District functions. The District has not received timely financial statements from Yolo County due to employee changes and restructuring, resulting in the District missing investment report deadlines. Revenue forecasting, expenditures in health care and retirement benefits, and coordination with local services will remain a challenge as the District is dependent on information from national, state and local sources.

FINANCIAL STATEMENTS

The District's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The District is structured as a single governmental fund. Revenues are recognized when they become measurable and available. Expenses are recognized when incurred. Capital assets are capitalized and depreciated.

DESCRIPTION OF SIGNIFICANT CAPITAL ASSET ACTIVITIES

The District prepares a capital budget each year to plan for the orderly replenishment of equipment and facilities. Capital investments are usually financed internally from operations. During fiscal year 2022, the District made capital investment purchases totaling \$283,050.

DESCRIPTION OF CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

West Nile Virus continues to be a significant mosquito borne disease in the District and now that it is endemic the extent of virus activity will be unknown from year to year. The Board of Trustees has committed funds to respond as appropriate to WNV and other diseases. The District will continue to respond to local outbreaks within the District boundaries as necessary. The increased detections of invasive mosquitoes over the past few years is a long-term challenge to the staffing resources of the District. We are in the process of evaluating staffing and equipment changes that will need to be made to address the situation. We anticipate that as the housing construction continues that we will have a need for more staff to address the needs of the residents appropriately.

USING THIS AUDIT REPORT

This annual financial report consists of two parts – management's discussion and analysis (this section), and the basic financial statements. The financial statements also include Notes to the Financial Statements that further explain some of the information in the financial statements and provide additional data regarding the Agency's operations.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Manager at 8631 Bond Road, Elk Grove, California 95624.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and investments (Note 2)	\$ 15,534,072
Restricted cash (Note 2)	18,559
Cash with fiscal agent (Note 2, Note 10)	1,673,909
Accounts receivable	763,169
Interest receivable	21,689
Lease receivable (Note 3)	172,277
Inventory	1,346,521
Prepaid expenses	151,596
Capital assets, net of accumulated depreciation (Note 4)	<u>3,742,727</u>
Total Assets	<u>23,424,519</u>
Deferred outflows of resources	
Related to net other post-employment benefits (OPEB) liability (Note 8)	1,002,414
Related to net pension liability (Note 7)	<u>5,295,587</u>
Total Deferred Outflows of Resources	<u>6,298,001</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 29,722,520</u>
<u>LIABILITIES</u>	
Accounts payable and other accrued liabilities	\$ 414,581
Compensated absences (Note 5):	
Due within one year	209,432
Due in more than one year	174,310
Net other post employment benefits (OPEB) liability (Note 8)	
Due in more than one year	869,242
Net pension liability (Note 7)	
Due in more than one year	<u>4,902,084</u>
Total Liabilities	<u>6,569,649</u>
Deferred inflows of resources	
Related to leases (Note 3)	171,733
Related to net other post-employment benefits (OPEB) liability (Note 8)	1,180,970
Related to net pension liability (Note 7)	<u>5,516,213</u>
Total Deferred Inflows of Resources	<u>6,868,916</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,438,565</u>
<u>NET POSITION</u>	
Net investment in capital assets	3,742,727
Unrestricted	<u>12,541,228</u>
Total Net Position	<u>16,283,955</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 29,722,520</u>

See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Revenues			Net (Expense) Revenue and Change in Net Position
Governmental Activities	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General Government	\$ <u>13,576,701</u>	\$ <u>6,783</u>	\$ <u>-</u>	\$ <u>(13,569,918)</u>
Total Governmental Activities	\$ <u><u>13,576,701</u></u>	\$ <u><u>6,783</u></u>	\$ <u><u>-</u></u>	<u><u>(13,569,918)</u></u>

General Revenues:

Taxes	17,810,990
Interest	64,812
Rents and leases	28,674
Other revenue	<u>20,762</u>
Total General Revenues	<u>17,925,238</u>
Change in Net Position	4,355,320
Net Position - July 1, 2021	<u>11,928,635</u>
Net Position - June 30, 2022	<u><u>\$ 16,283,955</u></u>

See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2022

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and investments	\$ 15,534,072
Restricted cash	18,559
Cash with fiscal agent	1,673,909
Accounts receivable	763,169
Interest receivable	21,689
Lease receivable	172,277
Inventory	1,346,521
Prepaid expenses	<u>151,596</u>
Total Assets	<u>19,681,792</u>
<u>LIABILITIES</u>	
Accounts payable and other accrued liabilities	<u>414,581</u>
Total Liabilities	<u>414,581</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Leases	<u>171,733</u>
Total Deferred Inflows of Resources	<u>171,733</u>
<u>FUND BALANCE</u>	
Non-spendable	
Inventory	1,346,521
Prepaid expenses	151,596
Committed	
Disease response	2,000,000
Capital outlay	700,000
Assigned	
Cash with fiscal agent	1,673,909
Unassigned	<u>13,223,452</u>
Total Fund Balance	<u>19,095,478</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 19,681,792</u>

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See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

Total fund balance of the governmental fund	\$ 19,095,478
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund, net of accumulated depreciation of \$8,161,621.	3,742,727
Other long-term assets used in governmental activities are not financial resources and therefore not reported in the funds.	
OPEB contributions made subsequent to the measurement date	167,321
Deferred outflows related to changes in net OPEB liability	835,093
Pension contributions made subsequent to the measurement date	3,796,432
Deferred outflows related to changes in the net pension liability	1,499,155
Long term liabilities and related deferred items are not due and payable in the current period and therefore are not reported in the fund.	
Deferred inflows related to changes in the net pension liability	(5,516,213)
Net pension liability	(4,902,084)
Deferred inflows related to changes in net OPEB liability	(1,180,970)
Net OPEB liability	(869,242)
Compensated absences	<u>(383,742)</u>
Net position of governmental activities	<u>\$ 16,283,955</u>

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See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

<u>REVENUES</u>	<u>General Fund</u>
Property taxes	\$ 16,643,695
Interest	64,812
Other tax revenue	1,167,295
Other revenues	<u>45,959</u>
Total Revenues	<u>17,921,761</u>
<u>EXPENDITURES</u>	
Aircraft services	883,537
Auditing / fiscal	16,000
Capital outlay	335,001
Communications	85,048
Control operations	52,208
District office expenses	23,435
Ecological management	4,606
Fisheries	37,680
Gas and petroleum	217,183
Geographic information systems	3,768
Information technology	60,418
Insecticides	836,808
Insect growth regulator	1,031,132
Laboratory services	195,891
Liability insurance	212,157
Materials and supplies	18,444
Member / training	95,247
Microbial	1,085,753
Professional services	203,111
Public information	429,382
Research	50,000
Rents and leases	9,586
Safety program	2,586
Salaries and benefits	10,799,838
Structure and grounds	101,132
Utilities	103,780
Vehicle parts and labor	<u>146,370</u>
Total Expenditures	<u>17,040,101</u>
Net Change in Fund Balance	881,660
Fund Balance - July 1, 2021	<u>18,213,818</u>
Fund Balance - June 30, 2022	<u>\$ 19,095,478</u>

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See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Reconciliation of the change in fund balance - governmental fund to the change in net position of governmental activities:

Change in fund balance - governmental fund	\$	881,660
The governmental fund reports capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		283,050
Depreciation expense		(551,381)
Gain (loss) from disposal of capital assets - in the governmental fund, the entire proceeds are recorded as revenue (expense), but only the resulting gain (loss) is recorded in the government wide statements net of the disposed assets' book value.		
		(10,260)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:		
Compensated absences		12,253
Changes in the net pension liability and related deferrals		3,749,044
Other post employment benefits and related deferrals		<u>(9,046)</u>
Change in net position of governmental activities	\$	<u><u>4,355,320</u></u>

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See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Total Revenues	\$ <u>17,130,345</u>	\$ <u>17,130,345</u>	\$ <u>17,921,761</u>	\$ <u>791,416</u>
<u>EXPENDITURES</u>				
Aircraft services	1,020,000	1,020,000	883,537	136,463
Auditing / fiscal	16,000	16,000	16,000	-
Capital outlay	1,126,550	1,126,550	335,001	791,549
Communications	93,500	93,500	85,048	8,452
Control operations	47,000	47,000	52,208	(5,208)
District office expenses	17,500	17,500	23,435	(5,935)
Ecological management	18,500	18,500	4,606	13,894
Fisheries	32,000	32,000	37,680	(5,680)
Gas and petroleum	170,000	170,000	217,183	(47,183)
Geographic information systems	9,000	9,000	3,768	5,232
Information technology	66,680	66,680	60,418	6,262
Insecticides	1,100,000	1,100,000	836,808	263,192
Insect growth regulator	1,100,000	1,100,000	1,031,132	68,868
Laboratory services	185,000	185,000	195,891	(10,891)
Liability insurance	215,825	215,825	212,157	3,668
Materials and supplies	14,000	14,000	18,444	(4,444)
Member / training	127,000	127,000	95,247	31,753
Microbial	1,550,000	1,550,000	1,085,753	464,247
Professional services	220,250	220,250	203,111	17,139
Public information	572,000	572,000	429,382	142,618
Research	50,000	50,000	50,000	-
Rents and leases	11,550	11,550	9,586	1,964
Safety program	5,000	5,000	2,586	2,414
Salaries and benefits	11,136,770	11,136,770	10,799,838	336,932
Structure and grounds	83,000	83,000	101,132	(18,132)
Utilities	110,000	110,000	103,780	6,220
Vehicle parts and labor	101,000	101,000	146,370	(45,370)
Total Expenditures	<u>19,198,125</u>	<u>19,198,125</u>	<u>17,040,101</u>	<u>2,158,024</u>
Net Change in Fund Balance	\$ <u>(2,067,780)</u>	\$ <u>(2,067,780)</u>	881,660	\$ <u>2,949,440</u>
Fund Balance - July 1, 2021			<u>18,213,818</u>	
Fund Balance - June 30, 2022			\$ <u>19,095,478</u>	

See accompanying notes to the basic financial statements.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Sacramento – Yolo Mosquito and Vector Control District (the District) was formed by joint resolution of the Boards of Supervisors of Sacramento and Yolo Counties on June 18, 1946. The purpose of the District is to provide protection to the people against mosquito-borne diseases and relief from serious pest nuisance. The power to govern is derived from the State Health and Safety Code, Chapter 5 of Division 3. The District is governed by a Board of Trustees, each appointed for a two or four-year term by one of the eleven incorporated City Councils or by two of the County Boards of Supervisors.

B. Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the District's overall government. The District's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include grants and contributions that are restricted to meeting the operational needs of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's fund. The District's only governmental fund is the General Fund. The General Fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all financial resources of the general government and is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditure/expenses.

C. Measurement Focus and Basis of Accounting

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. The modified accrual basis of accounting is used by the governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Those revenues susceptible to accrual are property taxes, special assessments, interest revenue or charges for services. Revenues consist mainly of property taxes, which are calculated by Sacramento and Yolo Counties. Tax levies are established in March of each year and are generally due in two installments in April and December of each year. Tax payments are remitted to the District by the respective county offices.

D. Cash and Investments

The District holds cash and investments with the Yolo County Treasury and State of California Local Agency Investment Fund (LAIF). Yolo County maintains a cash and investments pool and allocates interest to the various funds based upon the average monthly cash balances. Investments held at June 30, 2022 with original maturities greater than three months are stated at fair value. Fair value is estimated based on quoted market prices at year end.

E. Accounts Receivable and interest receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable. Major receivable balances for the governmental activities include revenue from other governments and interest.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as revenue from other governments and interest revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest and other inflows of resources are recorded when earned only if paid within 60 days of year-end since they would be considered both measurable and available.

F. Lease Receivable

The District is a lessor for a noncancellable lease of office space. The District recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease terms, and (3) lease receipts.

- The District uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement if its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory and Prepaid Expenses

Inventory is valued at cost, which approximates market, using the first-in/first out (FIFO) method. The costs of governmental fund-type inventory are recorded as expenditures when consumed rather than purchased.

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid expenses in both government-wide and fund financial statements.

H. Capital Assets

In the government-wide financial statements, capital assets with a historical cost over \$1,000 are accounted for as capital assets. All capital assets are valued at historical cost, or an estimate of historical cost if actual cost is unavailable. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation is computed for financial statement purposes using the straight-line method. The estimated useful lives for these depreciated assets are as follows:

Building and improvements	40 years
Vehicles, furniture, and equipment	5 to 7 years

I. Compensated Absences

Generally, earned vacation may be accumulated up to a maximum of 400 hours by all personnel. District employees do not receive compensation for accumulated sick leave upon termination of employment; however, accrued but unused sick leave at the time of termination shall be allowed as service time for purposes of PERS retirement benefits, so long as it is consistent with the applicable PERS contract and statutes. Accordingly, no sick leave has been accrued. The total estimated liability for vacation at June 30, 2022 was \$383,742.

J. Property Taxes

Property tax revenue is recognized in the fiscal year for which the tax and assessment is levied. The counties of Yolo and Sacramento levy, bill, and collect property taxes and special assessments for the District. Under the counties' "teeter plans," the counties remit the entire amount levied and handle all delinquencies, retaining interest and penalties.

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the District in the fiscal year they are assessed.

The counties of Yolo and Sacramento assess properties, bill for, collect, and distribute property taxes for the District per the following schedule:

	Secured	Unsecured
Valuation dates	March 1	March 1
Lien/levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent dates	December 10, April 10	August 31

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Other Post Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and assets information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 - June 30, 2021

M. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position, or balance sheet, will sometimes report a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category, related to pensions and other post-employment benefits which are described further in Notes 7 and 8.

In addition to liabilities, the Statement of Net Position, or balance sheet, will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category related to leases, pensions and other post-employment benefits as described further in Notes 3, 7, and 8.

N. Budgets and Budgetary Accounting

The Board of Trustees approves a tentative budget no later than June 30 of each year, and adopts a final budget no later than August 30. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations. The Board of Trustees may amend the budget by resolution during the fiscal year or make transfers from one object or purpose to another within the same budget unit.

A budget is adopted for the General Fund on a basis which materially conforms to accounting principles generally accepted in the United States of America.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Equity Classifications

Government-Wide Statements

Net position is the excess of all the District's assets and deferred outflows of resources over all of its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, constructions, or improvements of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "net investment in capital assets," or "restricted."

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.
- e. Unassigned - Amounts representing the residual classification for the general fund.

Further detail about the District's fund balance classification is described in Note 6.

P. Estimates and Assumptions

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

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2021, the District implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District adopted this accounting standard for the year ended June 30, 2022. See notes 1 and 12 for further information.

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The District adopted this accounting standard for the year ended June 30, 2022. There was no significant financial impact to the District as a result of implementation.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The purpose of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The District adopted this accounting standard for the year ended June 30, 2022. There was no significant financial impact to the District as a result of implementation.

Governmental Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The District adopted this accounting standard for the year ended June 30, 2022. There was no significant financial impact to the District as a result of implementation.

Governmental Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The District adopted this accounting standard for the year ended June 30, 2022. There was no significant financial impact to the District as a result of implementation.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2022 or later and may be applicable for the District. However, the District has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The purpose of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the District's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The requirements of this statement related to leases, PPPs and SBITAs are effective for the District's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the District's fiscal year ending June 30, 2024.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the District's fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the District's fiscal year ending June 30, 2025.

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2022 were classified in the accompanying financial statements as follows:

Cash and investments		\$ 15,534,072
Restricted cash		18,559
Cash with fiscal agent		<u>1,673,909</u>
 Total Cash and Investments		 <u>\$ 17,226,540</u>

Restricted cash includes District employee flexible spending account funds held in a financial institution. The balance is offset by a corresponding amount included in accounts payable and other accrued liabilities on the statement of net position and balance sheet for the governmental fund.

Cash with fiscal agent represents funds held with the District's insurance joint powers authority. See note 10 for more information.

Cash and investments at June 30, 2022 consisted of the following:

Pooled funds:		
Cash in County Treasury		\$ 1,322,426
LAIF		14,229,605
Cash with fiscal agent		1,673,909
Non-pooled deposits:		
Cash		<u>600</u>
 Total Cash and Investments		 <u>\$ 17,226,540</u>

Authorized Investments

Investments are selected based on safety, liquidity, and yield. The District's investment policy indicates that the District is authorized to invest in the following: the Yolo County Treasurer Investment Pool, the State Treasurer's Local Agency Investment Fund, member contingency fund deposits with the Vector Control Joint Powers Agency, and prefunding of Other Post Employment Benefits (OPEB) through California Public Employer's Retiree Benefit Trust Program (CERBT).

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

Interest Rate Risk and Credit Risk

Interest rate risk is the risk that market rate changes that could adversely affect the fair values of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District limits its exposure to fair value losses arising from rising interest rate by investing in pools with average maturities of less than one year.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

At June 30, 2022, the District had no investments other than their investment in the State and County investment pools. The fair value of the District's investments in these pools is classified as a cash equivalent.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2022, the District had no concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession on an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counter-party to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure of custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies.

At June 30, 2022, the deposits with financial institutions in excess of the federal depository insurance limits were collateralized as required by law. As of June 30, 2022, the carrying amount of the District's cash in county treasury (including LAIF balances held by the County) totaled \$15,552,031 and the bank balance totaled \$15,681,234. The difference between the carrying amount and the bank total is due to normal deposits in transit and outstanding checks.

Investments in State and County Investment Pool

The District maintains substantially all of its cash in the County of Yolo Treasury and the State of California LAIF. The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. In accordance with applicable State laws, the County of Yolo Treasurer may invest in derivative securities with the State of California. However, at June 30, 2022, the County of Yolo Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles. The fair value of the District's investments in these pools are classified as a cash equivalent in the accompanying financial statements. Interest earned is deposited annually to participating funds. Any investment gains or losses are proportionately shared by all funds in the pool.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3: LEASE RECEIVABLE

The District is reporting a lease receivable of \$172,277 and deferred inflow of resources of \$171,733 at June 30, 2022. For the year-ended June 30, 2022, the District reported lease revenue of \$28,674 and interest revenue of \$3,096 related to lease payments received for the following agreement:

Building lease - The District entered into a lease in October 2014 as lessor for the use of office space owned by the District. The lessee was required to make monthly fixed payments of \$2,575 through February 2022. The monthly payment increased to \$2,656 thereafter. Annually, the monthly payment is updated by multiplying a base amount of \$950 by a CPI% from December of the previous year.

NOTE 4: CAPITAL ASSETS

The District's capital asset activity during the year ended June 30, 2022 was as follows:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>
Land, buildings and improvements	\$ 1,175,093	\$ 84,971	\$ -	\$ 1,260,064
Equipment and vehicles	4,715,197	198,079	(38,961)	4,874,315
Bond road facility	5,061,395	-	-	5,061,395
Woodland facility	<u>708,574</u>	<u>-</u>	<u>-</u>	<u>708,574</u>
Total	11,660,259	283,050	(38,961)	11,904,348
Accumulated depreciation	<u>(7,638,941)</u>	<u>(551,381)</u>	<u>28,701</u>	<u>(8,161,621)</u>
Capital assets, net	<u>\$ 4,021,318</u>	<u>\$ (268,331)</u>	<u>\$ (10,260)</u>	<u>\$ 3,742,727</u>

Depreciation expense totaled \$551,381 for the year ended June 30, 2022.

NOTE 5: LONG-TERM LIABILITIES

A summary of long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>	<u>Due within One Year</u>
Compensated absences	\$ <u>395,995</u>	\$ <u>434,089</u>	\$ <u>(446,342)</u>	\$ <u>383,742</u>	\$ <u>209,432</u>
Total	<u>\$ 395,995</u>	<u>\$ 434,089</u>	<u>\$ (446,342)</u>	<u>\$ 383,742</u>	<u>\$ 209,432</u>

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6: FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The District's non-spendable fund balance totaled \$1,498,117 as of June 30, 2022 and consisted of inventory and prepaid expenses.

The Board of Trustees, as the District's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action. These committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use through the same type of formal action taken to establish the commitment. As of June 30, 2022, the District had a \$2,000,000 commitment for vector & disease response and a \$700,000 commitment for capital outlay.

Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted or committed. The District has delegated the authority to assign fund balance to the Manager. As of June 30, 2022, the District had an assignment of \$1,673,909 for cash that is held with their fiscal agent.

The accounting policies of the District consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

NOTE 7: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety and miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety or miscellaneous pools. The District sponsors two rate plans (both miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits.

The District has one local Miscellaneous Retirement Benefit Plan, with two tiers. Tier I benefits for members hired before January 1, 2013 are under the 2.5% at 55 retirement formula, and Tier II benefits for members hired on or after January 1, 2013 are under the 2% at 62 retirement formula.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Tier I final compensation is calculated using the highest average pay rate and special compensation during any consecutive one-year period. Tier I employee contributions are paid by the employer. This tier and retirement formula is closed to employees hired on or after January 1, 2013 with the exception of employees considered to be Classic Members with a break in CalPERS qualified employment of less than 6 months and who did not receive a refund of their contributions on deposit with the retirement fund. Tier II final compensation is calculated using the highest average pay rate and special compensation during any consecutive three-year period. Tier II employee contributions are paid by the employee.

The rate plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous Plan	
	Hired prior to January 1, 2013	Hired on or after January 1, 2013
Benefit Formula	2.5% @ 55	2% @ 62
Benefit Vesting Schedule	5 years' service	5 years' service
Benefit Payments	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.5%	1.0% to 2.5%
Required Employee Contribution Rate	8%	6.75%
Required Employer Contribution Rate*	32.04%	7.91%

* The employer contribution rate includes the employer's normal cost rate and unfunded accrued liability.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ended June 30, 2022 were \$3,796,432.

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the District reported a net pension liability of \$4,902,084 for its proportionate share of the net pension liability of the Plan.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and June 30, 2020 measurement dates was as follows:

Proportion - June 30, 2020	0.10428%
Proportion - June 30, 2021	<u>0.09064%</u>
Change - Increase (Decrease)	<u>(0.01364)%</u>

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

For the year ended June 30, 2022, the District recognized pension expense of \$320,885, which included employer paid member contributions for Tier I. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 3,796,432	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	756,115	398,717
Differences between actual and expected experience	549,716	-
Adjustment due to differences in proportions	193,324	838,236
Net differences between projected and actual earnings on plan investments	-	4,279,260
Total	\$ 5,295,587	\$ 5,516,213

\$3,796,432 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,		
2023	\$	(837,486)
2024		(957,913)
2025		(1,039,093)
2026		(1,182,566)
Total	\$	(4,017,058)

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of pension plan investment expenses, includes inflation
Mortality (1)	Derived Using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90 percent scale MP 2016. For more details on this table, please refer to the 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions

For the measurement period ending June 30, 2021, there were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-%	-0.92%

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 7: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>Net Pension Liability (Asset)</u>	<u>Discount Rate -1%</u> (6.15%)	<u>Current Discount Rate</u> (7.15%)	<u>Discount Rate +1%</u> (8.15%)
Miscellaneous Plan	\$ 11,932,936	\$ 4,902,084	\$ (910,221)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net positions is available in the separately issued CalPERS financial reports.

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB)

Description of Plan

The District's defined benefit healthcare plan (the Healthcare Plan) provides health insurance benefits to participants and beneficiaries. The Healthcare Plan is part of the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for participating entities within the state of California. Benefit provisions and all other requirements are established by state statute and the District. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office at 400 "P" Street, Sacramento, California 95814.

The District pays the cost of the premium to provide medical coverage under the District's group's medical insurance based on Section 4.12 of the District personnel manual. Substantially, all of the District's employees may become eligible for this benefit given the employee was employed by the District for 20 years or more and retires from the District after the age of 55. The payment of the premium by the District shall continue until the earlier of the retiree's 65th birthday or the retiree's death. After the age of 65, the retiree may continue to receive medical benefits under the District's group medical insurance plan up to death, provided that the retiree timely pays the District for the retiree's share of the monthly premium.

Employees covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan.

Active employees	64
Inactive employees currently receiving benefits	<u>9</u>
Total	<u><u>73</u></u>

Contributions

The District's policy is to fully fund the actuarially determined contribution. The District makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2022, the District contributed \$167,321, which consisted of \$108,887 of employer contributions (direct benefit payments) and \$58,434 implicit contributions.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Net OPEB Liability

The District's net OPEB liability ("NOL") was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions.

Discount Rate	4.60 %
Inflation	2.50 %
Salary increases per annum	3.00 %
Investment Rate of Return	5.10 %
Healthcare Trend Rate	5.80 %
Actuarial cost method	Entry Age Normal
Amortization method	Level % of pay; 20 year-closed
Amortization period	17 years remain
Asset valuation method	Market value
Mortality :	
Table	2017 CalPERS Active Mortality
Mortality improvement	MacLeod Watts Scale 2020 applied generationally
Retirement Age	50 to 75

Changes in Assumptions

For the measurement period ending June 30, 2021, the discount rate changed from 5.4% to 4.6%. The investment rate of return decreased to 5.1% from 5.5%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.60%. The District has been and continues to prefund its OPEB liability, contributing 100% or more of the actuarially determined contributions each year. Trust assets are invested with the California Employers' Retiree Benefit Trust (CERBT). Therefore, the discount rate used is the long-term expected return on trust assets published by CERBT as of the measurement date.

Expected Long-term Return on Trust Assets

The expected long-term rate on trust assets was derived from published information by CalPERS for CERBT Strategy 3. CalPERS determined its returns using a building-block method and best-estimate ranges of expected future real rates of returns for each major asset class (expected returns, net of OPEB plan investment expense and inflation). CalPERS expectations are summarized in the chart below:

CERBT Strategy 3	Target Allocation	Years 1-5			Years 6-20		
		General Inflation Rate Assumption	1-5 Year Expected Rate of Return*	Compound Return Yrs 1-10	General Inflation Rate Assumption	6-20 Year Expected Real Rate of Return*	Compound Return Years 6-20
Global Equity	23 %	2.40 %	4.40 %	6.80 %	2.30 %	4.50 %	6.80 %
Fixed Income	51 %	2.40 %	(1.00)%	1.40 %	2.30 %	2.20 %	4.50 %
Global Real Estate (REITs)	14 %	2.40 %	3.00 %	5.40 %	2.30 %	3.90 %	6.20 %
Treasury Inflation Protected Securities (TIPS)	9 %	2.40 %	(1.80)%	0.60 %	2.30 %	1.30 %	3.60 %
Commodities	3 %	2.40 %	0.80 %	3.20 %	2.30 %	1.20 %	3.50 %
Volatility	8.40 %	weighted		3.50 %	weighted		5.50 %

* Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.5%

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Net OPEB liability

To determine the June 30, 2021 (measurement period) net OPEB liability, the actuarial valuation used a roll-forward technique for the total OPEB liability. The fiduciary net position is based on the actual June 30, 2021 fiduciary net position. The following table shows the results of the roll-forward.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at July 1, 2021	\$ 3,430,824	\$ 1,994,120	\$ 1,436,704
Service cost	131,330	-	131,330
Interest in TOL	188,367	-	188,367
Employer contributions	-	147,735	(147,735)
Net investment income	-	270,197	(270,197)
Differences in actual and expected experience	(660,442)	-	(660,442)
Changes of assumptions	190,512	-	190,512
Administrative expense	-	(703)	703
Benefit payments	(147,735)	(147,735)	-
Net change	(297,968)	269,494	(567,462)
Balance at June 30, 2022	<u>\$ 3,132,856</u>	<u>\$ 2,263,614</u>	<u>\$ 869,242</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Sensitivity of the Net OPEB Liability of the District if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease 3.60%	Current Discount Rate 4.60%	1% Increase 5.60%
Net OPEB Liability	<u>\$ 1,200,705</u>	<u>\$ 869,242</u>	<u>\$ 570,864</u>

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease 4.80%	Current Healthcare Cost Trend Rate 5.80%	1% Increase 6.80%
Net OPEB Liability	<u>\$ 489,225</u>	<u>\$ 869,242</u>	<u>\$ 1,320,517</u>

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes of total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 639,124	\$ 362,666
Differences Between Expected and Actual Experience	195,969	673,472
Net Difference Between Projected and Actual Earnings on Investments	-	144,832
Contributions Made Subsequent to the Measurement Date	167,321	-
Total	\$ 1,002,414	\$ 1,180,970

The \$167,321 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2023. In addition, future recognition of these deferred resources are as follows.

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2023	\$ (40,787)
2024	(45,546)
2025	(39,624)
2026	(36,519)
2027	(4,411)
Thereafter	(178,990)
Total	\$ (345,877)

OPEB Expense

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$176,709.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 9: DEFINED CONTRIBUTION PLAN

Effective January 2017, the District entered into a defined contribution 401(a) Plan with Nationwide Retirement Solutions. All employees are eligible for the Plan however, there are currently no participants in the Plan other than the District's Manager. Participation in this Plan is part of the District's Manager's employment agreement. The District contributes a fixed contribution of \$1,550 per month per participant. Participants are 100% vested in employer contributions (other than matching contributions) upon entering the Plan. For the year ending June 30, 2022, the District contributed \$18,600.

NOTE 10: SELF INSURANCE PROGRAM

The Sacramento-Yolo Mosquito and Vector Control District entered into a Joint Powers Agreement with other Vector Control Districts throughout California, to form a self-insurance fund for the purpose of creating an insurance fund for comprehensive general liability and property damage, and to provide worker's compensation benefits for their employees. The pool uses a combination of self-insurance and excess insurances for potential claims.

In addition, the Vector Control Joint Powers Agency (VCJPA) allows member districts to provide funding in excess of their insurance liabilities. These funds are held in trust for its members as a fiduciary fund of the VCJPA. The funds can be withdrawn quarterly, with adequate notice, or can be used to pay insurance premiums. During the year ended June 30, 2022, the District did not withdraw funds to pay for their insurance premiums. Cash in the amount of \$1,673,909 was held with the VCJPA at June 30, 2022.

Audited financial information of the Vector Control Joint Powers Agency can be obtained through the District offices or VCJPA at 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

NOTE 11: COMMITMENTS AND CONTINGENCIES

A. Contractual Obligations

A service contract relating to aerial pesticide application services was entered into with Vector Disease Control International, LLC (VDCI) during the year ended June 30, 2014. This contract will be paid in future periods based on the amount of work performed. The contract was amended in January 2021 and extended until December 2025. Under the terms of the agreement, VDCI obligates the District to an annual payment of \$625,000 (payable in monthly installments) for a minimum application of 1,000,000 acres per calendar year. Any acreage exceeding 1,000,000 will per charged \$0.625 per treated acre. The price per acre remains firm for the first contract year but is subject to change in future years upon agreement by both parties. Future minimum payments are as follows:

For the Fiscal Year Ending June 30,		
2023	\$	625,000
2024		625,000
2025		625,000
2026		<u>312,500</u>
Total	\$	<u><u>2,187,500</u></u>

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Cost sharing agreements relating to the aerial pesticide application services above were entered into as of January 1, 2017 with the San Joaquin Mosquito and Vector Control District, Placer Mosquito and Vector Control District, and the Turlock Mosquito Abatement District. The cost sharing agreements were amended in January 2021 and extended through December 31, 2025. Under the terms of the agreements, cost-sharing payments will be made monthly to the Sacramento - Yolo Mosquito and Vector Control District in return for a percentage of the aerial spraying described above. The percentages per each agreement are as follows: San Joaquin Mosquito and Vector Control District (19%), Placer Mosquito and Vector Control District (10%), and Turlock Mosquito Abatement District (18%). If this acreage is exceeded, an additional \$0.625 per acre will be due. Future minimum receipts are as follows:

For the Fiscal Year Ending June 30,		
2023	\$	293,750
2024		293,750
2025		293,750
2026		<u>146,875</u>
Total	\$	<u><u>1,028,125</u></u>

NOTE 12: CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the District's June 30, 2022 financial statements, but had no effect on beginning fund balance as the lease receivable equaled the amount of the deferred inflows. Detailed information on the lease receivable can be found in note 3.

Required Supplementary Information

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**SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2022
LAST 10 YEARS***

	Measurement Period							
	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.09064 %	0.10428 %	0.10080 %	0.13979 %	0.13747 %	0.13729 %	0.13730 %	0.11274 %
Proportionate share of the net pension liability	\$ 4,902,084	\$ 11,345,645	\$ 10,328,549	\$ 13,470,191	\$ 13,633,290	\$ 11,879,946	\$ 9,423,831	\$ 7,059,972
Covered payroll	\$ 5,024,160	\$ 5,021,623	\$ 4,851,189	\$ 4,635,066	\$ 4,457,590	\$ 4,254,251	\$ 4,326,094	\$ 4,305,687
Proportionate share of the net pension liability as a percentage of covered payroll	97.57 %	225.94 %	212.91 %	290.61 %	305.84 %	279.25 %	217.84 %	163.97 %
Plan fiduciary net position as a percentage of the total pension liability	88.30 %	75.10 %	75.30 %	75.30 %	73.31 %	74.06 %	78.40 %	79.82 %

Notes to Schedule

Changes in Assumptions - For the measurement periods 2021, 2020, and 2019, there were no changes in assumptions. In 2018, the demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was lowered from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense).

* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

**SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
AS OF JUNE 30, 2022
LAST 10 YEARS***

	Fiscal Year-End							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 1,337,886	\$ 1,212,050	\$ 1,429,083	\$ 1,240,124	\$ 1,063,754	\$ 952,340	\$ 861,986	\$ 669,180
Contributions in relation to the actuarially determined contributions	<u>3,796,432</u>	<u>1,596,742</u>	<u>1,429,083</u>	<u>5,240,124</u>	<u>1,063,754</u>	<u>952,340</u>	<u>861,986</u>	<u>669,180</u>
Contribution deficiency (excess)	<u>\$ (2,458,546)</u>	<u>\$ (384,692)</u>	<u>\$ -</u>	<u>\$ (4,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,033,653	\$ 5,024,160	\$ 5,021,623	\$ 4,851,189	\$ 4,635,066	\$ 4,457,590	\$ 4,254,251	\$ 4,326,094
Contributions as a percentage of covered payroll	75.42 %	31.78 %	28.46 %	108.02 %	22.95 %	21.36 %	20.26 %	15.47 %

* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
For the Measurement Periods Ended June 30**

Last 10 Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service cost	\$ 131,330	\$ 164,174	\$ 87,403	\$ 74,193	\$ 81,329
Interest	188,367	158,284	161,416	161,764	156,931
Difference between expected and actual experience	(660,442)	-	260,151	-	(124,875)
Changes in assumptions	190,512	(434,058)	365,504	184,289	136,216
Benefit payments	<u>(147,735)</u>	<u>(124,114)</u>	<u>(110,744)</u>	<u>(172,880)</u>	<u>(154,115)</u>
Net change in total OPEB liability	(297,968)	(235,714)	763,730	247,366	95,486
Total OPEB liability, beginning	<u>3,430,824</u>	<u>3,666,538</u>	<u>2,902,808</u>	<u>2,655,442</u>	<u>2,559,956</u>
Total OPEB liability, ending (a)	<u>\$ 3,132,856</u>	<u>\$ 3,430,824</u>	<u>\$ 3,666,538</u>	<u>\$ 2,902,808</u>	<u>\$ 2,655,442</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 147,735	\$ 124,114	\$ 110,744	\$ 172,880	\$ 154,115
Net investment income	270,197	118,695	125,897	78,639	66,433
Benefit payments	(147,735)	(124,114)	(110,744)	(172,880)	(154,115)
Administrative expenses	(703)	(930)	(377)	(869)	(835)
Other trust expenses	-	-	-	(2,215)	-
Net change in plan fiduciary net position	269,494	117,765	125,520	75,555	65,598
Plan fiduciary net position, beginning	<u>1,994,120</u>	<u>1,876,355</u>	<u>1,750,835</u>	<u>1,675,280</u>	<u>1,609,682</u>
Plan fiduciary net position, ending (b)	<u>\$ 2,263,614</u>	<u>\$ 1,994,120</u>	<u>\$ 1,876,355</u>	<u>\$ 1,750,835</u>	<u>\$ 1,675,280</u>
District's net OPEB liability, ending (a) - (b)	<u>\$ 869,242</u>	<u>\$ 1,436,704</u>	<u>\$ 1,790,183</u>	<u>\$ 1,151,973</u>	<u>\$ 980,162</u>
Plan fiduciary net position as a percentage of the total OPEB liability	72.25 %	58.12 %	51.18 %	60.32 %	63.09 %
Covered-employee payroll	\$ 5,311,682	\$ 5,021,623	\$ 4,851,189	\$ 5,067,381	\$ 4,872,530
District's net OPEB liability as a percentage of covered-employee payroll	16.36 %	28.61 %	36.90 %	22.73 %	20.12 %

Notes to Schedule:

Changes in Assumptions

- For the measurement period ending June 30, 2021, the discount rate changed from 5.4% to 4.6%. The investment rate of return decreased to 5.1% from 5.5%.
- For the measurement period ending June 30, 2020, the discount rate changed from 4.2% to 5.4%.
- For the measurement period ending June 30, 2019, demographics assumed termination, disability and retirement rates were updated from those provided in the CalPERS 1997-2015 experience study reports to the rates in the most recent available experience study (2017) of the CalPERS program. The discount rate decreased from 5.50% to 4.20%. Mortality improvement rates are updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2020. The general inflation rate decreased from 2.75% to 2.50% per year. The salary increase rate decreased from 3.25% to 3.0% per year.

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
For the Fiscal Year Ended June 30**

Last 10 Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 246,485	\$ 239,305	\$ 153,992	\$ 149,631	\$ 152,515
Contributions in relation to the ADC	<u>167,321</u>	<u>147,735</u>	<u>124,114</u>	<u>110,744</u>	<u>172,880</u>
Contribution deficiency (excess)	<u>\$ 79,164</u>	<u>\$ 91,570</u>	<u>\$ 29,878</u>	<u>\$ 38,887</u>	<u>\$ (20,365)</u>
Covered-employee payroll	<u>\$ 5,347,061</u>	<u>\$ 5,311,682</u>	<u>\$ 5,021,623</u>	<u>\$ 4,851,189</u>	<u>\$ 5,067,381</u>
Contributions as a percentage of covered-employee payroll	3.13 %	2.78 %	2.47 %	2.28 %	3.41 %

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees
Sacramento - Yolo Mosquito and Vector Control District
Elk Grove, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund, of the Sacramento - Yolo Mosquito and Vector Control District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 9, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
August 9, 2023

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SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

Finding 2022-001: Financial Close (Significant Deficiency)

Criteria

An effective internal control system and timely financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulations.

Condition

Processes utilized for closing and financial reporting of financial activity for the fiscal year were not effective, which contributed to the delayed accounting close of the District's fiscal year 2022 financial records. Numerous correcting and adjusting entries were needed to reconcile various balance sheet accounts. Bank reconciliations were not performed timely.

Cause

The District experienced turnover with their most tenured Administrative Accounting staff. This turnover resulted in a loss of institutional knowledge, accounting knowledge, and software knowledge needed to accurately and effectively perform bank reconciliations and year-end closing procedures.

Effect

The initial trial balance as presented to the auditors contained misstatements that needed reconciliation and adjustments. Bank reconciliations

Recommendation

We recommend the District develop checklists or other guidance documents over the District's financial closing process to ensure all closing entries are captured in the District's general ledger in a timely manner, and supporting schedules agree and reconcile to respective account balances prior to the trial balance being provided for the audit.

Management's Response to the Recommendation

The District underwent some significant staffing changes at the of the FY 21-22. These staffing changes were historically responsible for the inputting and gathering of the data needed to reconcile our finances prior to providing reports to the auditors for their work. Thus, the audit and the information necessary to complete the review were delayed and had to be recreated and validated. The District's response to this issue has addressed this deficiency with the hiring of an outside bookkeeper to keep the District financials up to date and growing the staff of the Administration Department to allow for more review and accuracy on the daily, monthly, and annual entries. The District has also increased its training on the accounting software to the administrative staff through our software consultants. This additional training will also allow the District to create more formalized documents on the procedures for each of the accounting functions in conjunction with the advice of consultants and our bookkeeper. We are confident that these measures will address the concerns for future audits and allow for more seamless transitions when changeover of staffing occurs.

SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

There were no findings reported for the year ended June 30, 2021.

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August 9, 2023

To the Board of Trustees
Sacramento-Yolo Mosquito & Vector Control District
8631 Bond Road
Elk Grove, California 95624

We have audited the financial statements of the governmental activities and the major fund of Sacramento-Yolo Mosquito & Vector Control District (the District) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 26, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Notes 1 and 12 to the financial statements, the District changed accounting policies related to operating leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases, in 2022. We noted no transactions entered into by District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Depreciation – Management's estimate for depreciation is based on the District's capitalization policy.
- Net pension and net other post-employment benefit (OPEB) liabilities – Management's estimates for the net pension and net OPEB liabilities are based on actuarial valuations and assumptions.
- Lease receivable and deferred inflows – Management's estimates for the recording of operating leases in accordance with GASB 87 is based on the present value of future rental payments.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit; however, the completion of the audit was delayed due to turnover with District accounting staff and unfamiliarity with the accounting system.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Attachment A summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. The following misstatements in Attachment B were detected as a result of audit procedures and were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 9, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis; the schedule of the District's proportionate share of the net pension liability; the schedule of contributions to the pension plan; the schedule of changes in the District's net OPEB liability and related ratios; and the schedule of contributions to the OPEB plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of Sacramento-Yolo Mosquito & Vector Control District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mann, Urrutia, Nelson CPAs & Associates LLP

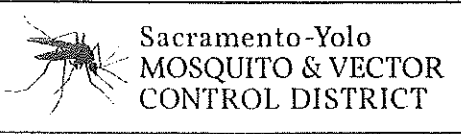
SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT
SUMMARY OF PASSED AUDIT ADJUSTMENTS
June 30, 2022

Description	Effect - Increase (Decrease)				
	Assets & Deferred Outflows	Liabilities & Deferred Inflows	Equity	Revenue	Expenses
<u>Current Year Differences</u>					
True-up of FSA activity		\$ (2,792)			\$ (2,792)
Total Income Statement Effect				<u>\$ -</u>	<u>\$ (2,792)</u>
Balance Sheet Effect	<u>\$ -</u>	<u>\$ (2,792)</u>	<u>\$ -</u>		

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SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT
SUMMARY OF AUDIT ADJUSTMENTS
June 30, 2022

Description	Effect - Increase (Decrease)				
	Assets & Deferred Outflows	Liabilities & Deferred Inflows	Equity	Revenue	Expenses
<u>Current Year Differences</u>					
To record 4th quarter LAIF receivable	\$ 21,690			\$ 21,690	
To record prepayment to Farm Air	\$ 151,596				\$ (151,596)
To true-up inventory	\$ (27,488)				\$ 27,488
To record capital asset disposals	\$ (10,260)				\$ 10,260
To true-up depreciation	\$(124,893)				\$ 124,893
Assistance with GASB 68 - net pension liability	\$ 775,146	\$(2,973,898)			\$(3,749,044)
Assistance with GASB 75 - net OPEB liability	\$ 113,348	\$ 122,394			\$ 9,046
Assistance with GASB 87 - Leases	\$ 172,277	\$ 171,733		\$ 544	
Total Income Statement Effect				<u>\$ 22,234</u>	<u>\$(3,728,953)</u>
Balance Sheet Effect	<u>\$1,071,416</u>	<u>\$(2,679,771)</u>	\$ -		



SACRAMENTO COUNTY
8631 Bond Road
Elk Grove, CA 95624

August 9, 2023

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1760 Creekside Oaks Drive, Suite 160
Sacramento, California 95833

Gary Goodman
General Manager

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This representation letter is provided in connection with your audits of the financial statements of Sacramento-Yolo Mosquito & Vector Control District (the District), which comprise the respective financial position of the governmental activities and the major fund as of June 30, 2022, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 9, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 26, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) There are no known related-party relationships or transactions that need to be accounted for or disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

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SACRAMENTO COUNTY

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www.FIGHTtheBITE.net

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General Manager

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Rancho Cordova

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have a process to track the status of audit findings and recommendations.

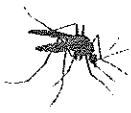
21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

24) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.



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- 26) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 29) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
- 33) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 36) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 42) We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with GASB 87, Leases.
- 43) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 44) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

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45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature:

Title: District Manager