

SACRAMENTO-YOLO  
MOSQUITO & VECTOR  
CONTROL DISTRICT

FEBRUARY 19, 2019

BOARD OF TRUSTEES  
REGULAR MEETING

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

**AGENDA  
February 19, 2019  
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](http://www.fightthebite.net).*

**CALL TO ORDER:**

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

1. **Items for Approval by General Consent:**
  - a. **Minutes of the January 15, 2019 Board of Trustees Meeting**
  - b. **Expenditures for January 2019**
  - c. **District Investment Report for Period Ending December 31, 2018**
2. **Opportunity for Public Comment**

*This item is reserved for members of the public who wish to speak on items not on the agenda*
3. **Board Review and Discussion of the 2017-2018 District Audit**
4. **Reports to the Board**
  - a. **Manager's Report**
  - b. **Reports from Trustees Attending the MVCAC Annual Conference**
  - c. **Reports from District Departments**
    - **Lab/Surveillance**
    - **Ecological Management**
    - **Biological Control**
    - **Larval and Adult Control**
    - **Public Outreach**

5. **Board Review and Discussion for Public Outreach Advertising Budget**
6. **Board/Staff General Discussion**
7. **Adjournment**



# **Sacramento-Yolo Mosquito and Vector Control District**

## **February 19, 2019 Board Meeting**

### **1. Items for Approval by General Consent:**

- a. Minutes of the January 15, 2019 Board of Trustees Meeting;
- b. Expenditures for January 2019;
- c. District Investment Report for Period Ending December 31, 2018

### **Recommendation:**

**Approve the Items by General Consent**

**MINUTES OF THE JANUARY 15, 2019  
SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE  
SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT**

PLACE: 8631 Bond Road, Elk Grove, CA 95624  
TIME: 10:00 a.m.

**TRUSTEES PRESENT:**

Susan Maggy	President	Sacramento County
Raymond LaTorre	Vice President	Sacramento
Jayna Karpinski-Costa	Secretary	Citrus Heights
Christopher Barker		Davis
Craig Burnett		Folsom
Raul DeAnda		West Sacramento
Sean Denny		Woodland
Bruce Eldridge		Yolo County
Frederick Goethel		Galt
Lyndon Hawkins		Elk Grove
Gar House		Winters
Robert McGarvey		Rancho Cordova
Rosemarie Moore		Isleton

**TRUSTEES ABSENT:**

**LEGAL COUNSEL:**

Jennifer Buckman

**STAFF PRESENT:**

Gary Goodman	Manager
Samer Elkashef	Assistant Manager
Janna McLeod	Administrative Manager
Marcia Reed	Laboratory Director
Marty Scholl	Ecological Management Supervisor
Steven Ramos	Program Coordinator
Tony Hedley	Fisheries Supervisor
Michael Fike	Field Supervisor

**CALL TO ORDER**

The meeting was called to order at 10:00 a.m. by President Susan Maggy.

**Roll Call**

All Trustees were present at the meeting. Trustee Goethel left the meeting at 11:42am.

## **Pledge of Allegiance**

*All phones and electronic devices are requested to be silenced during the meeting.*

## **1. ITEMS FOR APPROVAL BY GENERAL CONSENT**

Trustee Karpinski-Costa commended staff on the Safety Report. On a motion by Trustee Goethel seconded by Trustee Denny the Board voted to approve General Consent Items a. through c. The motion passed by the following vote: Ayes: 13, Noes: 0, Absent: 0.

- a. Minutes of the December 18, 2018 Board of Trustees Meeting;
- b. Expenditures for December 2018;
- c. Board Review and Consideration of District Annual Safety Committee Report.

## **2. OPPORTUNITY FOR PUBLIC COMMENT**

*This item is reserved for members of the public who wish to speak on items not on the agenda.*

There were none.

## **3. REPORTS TO THE BOARD**

### **a. Manager's Report:**

District staff is taking earned vacation time and completing annual training during this time of year. Staff is working on the annual NPDES report that will be due to the SWRCB in March. The MVCAC Annual Conference in Burlingame will be held February 3<sup>rd</sup> through the 6<sup>th</sup>. Please be advised that Conflict of Interest Form 700 is due by April 2<sup>nd</sup>.

**b. Reports from District Departments:** Written reports were provided in the Board packet from each department. Department supervisors gave an oral presentation and were available to answer any questions.

**Lab/Surveillance:** Laboratory Director, Marcia Reed reported on Laboratory activities including preparations for presenting at MVCAC and AMCA, updating of trap site information, repairing traps and making new traps. Tick flagging is ongoing with some delays getting out to sites due to weather conditions. Marcia and Sarah will be attending the PACVEC annual progress and planning meeting next week. Technicians are completing annual training and continuing education.

**Ecological Management:** Ecological Management Supervisor, Marty Scholl discussed the Storm Water Drainages program and the UAS program. Marty discussed a talk he gave at the DPR Agricultural Oversight Committee meeting which included information and discussion about the UAS program at the District. Staff is working on updating the UAS program operations binders including procedures, record keeping, manuals, and other pertinent information. Marty will be moderating an hour long symposium and discussion on UAS programs at the MVCAC conference.

**Biological Control:** Fisheries Supervisor, Tony Hedley reported on department activity including ongoing maintenance such as repairing nets, refurbishing feeders and preparing for next season. Fish yields and usage were down this year due to an increase in crayfish and predatory birds with staff evaluating ways to be able to address this challenge moving forward. Tony talked about the DPR IPM grant proposal that was submitted. The District proposal has passed through the first round and staff is waiting to hear more sometime in March. Tony will be presenting at the MVCAC conference and is preparing, practicing, and exchanging feedback with other District presenters.

**Larval and Adult Control:** Program Coordinator, Steve Ramos discussed activities including regular maintenance and training including annual safety and continuing education. Yellow Jacket service requests are still coming in possibly due to the weather still being a bit warm for this time of year. Calibration of vehicles and equipment has begun along with an update to the pesticide storage room. Michael Fike, North Yolo Field Supervisor, reported on North Yolo county crew activities including training, maintaining equipment, assembling catch basin water-soluble product packets and yard maintenance. Technicians in North Yolo County performed 60% more Service Requests than last year. Rice acreage in the northern portion of the county was up 12.5% this year over last year including 2700 acres of organic rice. The Fall Flooding program for the area included the treatment of 1054 acres prior to October 1st.

**Public Outreach:** Public Information Officer, Luz Robles provided a written report in the Board packet.

#### **4. BOARD CONSIDERATION AND APPROVAL OF DISTRICT OFFICERS FOR PRESIDENT, VICE PRESIDENT, AND SECRETARY AND DELEGATING THE MANAGER TO PERFORM THE RESPONSIBILITIES OF THE SECRETARY**

At this time President Maggy opened up the nominations for the 2019 Board Officers. Trustee Burnett nominated, and Trustee Goethel seconded, Ray LaTorre to serve as Board President. Trustee Burnett nominated, and Trustee Goethel seconded, Jayna Karpinski-Costa to serve as Vice President. Trustee Moore nominated, and Trustee McGarvey seconded, Craig Burnett to serve as the Secretary. The Board voted and approved the nominations and delegation of the responsibilities of Secretary to the Manager. The item passed by the following vote: Ayes: 13, Noes: 0, Absent: 0.

#### **5. BOARD REVIEW OF DISTRICT 5 YEAR PLAN**

Assistant Manager, Samer Elkashef presented the item and was available to answer any questions. Samer highlighted projects that have been completed during the past year as well as ongoing and new projects. The 5 Year Plan is a “living” document and projects will continue to be updated and new ones added as the plan rolls forward. No Board action was taken as this was an information only item.

**6. CLOSED SESSION-PUBLIC EMPLOYEE PERFORMANCE EVALUATION: MANAGER**

At 11:05 am President Maggy adjourned the regular meeting to go into the Closed Session. The Board adjourned the Closed Session at 12:03pm and re-opened the Regular meeting at 12:04pm with nothing to report from the Closed Session.

**7. BOARD/STAFF GENERAL DISCUSSION**

MVCAC Conference in Burlingame is February 3<sup>rd</sup> through the 6<sup>th</sup>

AMCA Conference in Orlando is February 24<sup>th</sup> through March 1<sup>st</sup>

VCJPA Annual Meeting and Workshop will be taking place March 7<sup>th</sup> and 8<sup>th</sup>

A potential contingency contract with Dynamic Aviation was discussed

**8. ADJOURNMENT**

The meeting adjourned at 12: 14 pm.

\* \* \* \* \*

I certify that the above minutes substantially reflect the general business and actions taken by the Board of Trustees at the January 15, 2019 meeting.

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Gary Goodman, Manager

Approved as written and/or corrected by the Board of Trustees at the February 19, 2019 meeting.

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Jayna Karpinski-Costa, Board Secretary

**January 2019 Check Register**  
**Activity From: 1/1/2019 to 1/31/2019**  
**Sacramento Yolo MVCD (SYC)**

Check Number	Check Date	Vendor Number	Name	Check
<u>Bank</u>	<u>U US Bank</u>			
052423	1/11/2019	0000014	Alhambra & Sierra Springs	154.45
052424	1/11/2019	0000018	ANDKO Building Maintenance Inc.	2,777.94
052425	1/11/2019	0000034	AutoZone Inc	202.27
052426	1/11/2019	0001011	Buckmaster Office Solutions	106.62
052427	1/11/2019	0001019	Cintas Corporation	1,702.55
052428	1/11/2019	0000117	City of Woodland	424.55
052429	1/11/2019	0000119	Clarke Mosquito Control Products Inc	22,412.13
052430	1/11/2019	0000126	Complete Welders Supply Inc	837.32
052431	1/11/2019	0000128	Consolidated Communications	2,512.02
052432	1/11/2019	0000182	Elk Grove Ford	496.21
052433	1/11/2019	0000186	Elk Grove Water District	524.60
052434	1/11/2019	0000202	Ferrellgas	20.94
052435	1/11/2019	0000958	GreatAmerica Financial Services	372.82
052436	1/11/2019	0000240	Hunt & Sons Inc	247.69
052437	1/11/2019	0000354	Omni Bags Inc	13,852.50
052438	1/11/2019	0000356	OReilly Automotive Stores Inc	988.78
052439	1/11/2019	0000367	PG & E	3,349.47
052440	1/11/2019	0000371	Placer MVCD	1,425.00
052441	1/11/2019	0000388	Republic Services #922	33.78
052442	1/11/2019	0001012	Riebes Auto Parts	47.19
052443	1/11/2019	0000413	Sacramento County Utilities	960.54
052444	1/11/2019	0000424	Safe Side Security	1,048.50
052445	1/11/2019	0000427	Safety Kleen Corp	251.25
052446	1/11/2019	0000451	SMUD	3,252.33
052447	1/11/2019	0000937	Staples Business Advantage	385.94
052448	1/11/2019	0000461	Stericycle Inc	77.20
052449	1/11/2019	0000972	Tender Corporation	25,397.66
052450	1/11/2019	0000479	Texas Refinery Corp	394.37
052451	1/11/2019	0000494	Totlcom Inc	2,375.00
052452	1/11/2019	0000500	United Parcel Service	55.44
052453	1/11/2019	0000505	US Bank Equipment Finance	102.36
052454	1/11/2019	0000518	Vector Disease Control International	50,000.00
052455	1/11/2019	0000522	Verizon Wireless	3,354.82
052456	1/11/2019	0000529	Waste Management	408.94
052457	1/15/2019	0000141	CSAC Excess Insurance Authority	475.80
052458	1/15/2019	0000267	Kaiser Foundation Health Plan	18,098.75
052459	1/15/2019	0000267	Kaiser Foundation Health Plan	1,447.90
052460	1/15/2019	0000267	Kaiser Foundation Health Plan	2,171.85
052461	1/15/2019	0000267	Kaiser Foundation Health Plan	19,761.31
052462	1/15/2019	0000357	P & A Administrative Services Inc	103.50
052463	1/15/2019	0000373	Preferred Benefit Ins Administrators	8,202.60
052464	1/15/2019	0000957	Sutter Health Plus	4,240.06
052465	1/15/2019	0000531	Western Health Advantage	4,324.65
052466	1/15/2019	0000531	Western Health Advantage	5,081.44
052467	1/24/2019	0000014	Alhambra & Sierra Springs	122.64
052468	1/24/2019	0000038	Bartkiewicz Kronick & Shanahan	1,376.60
052469	1/24/2019	0000062	CA Department of Fish & Game Sac. Valley	64.89
052470	1/24/2019	0000116	City of Woodland	24.00
052471	1/24/2019	0000126	Complete Welders Supply Inc	293.98
052472	1/24/2019	0000200	Fastenal Company	8.53

052473	1/24/2019	0000223	Grainger	156.02
052474	1/24/2019	0000958	GreatAmerica Financial Services	372.82
052475	1/24/2019	0000277	Kimball Midwest	476.46
052476	1/24/2019	0001060	London Fog	525.35
052477	1/24/2019	0000367	PG & E	1,746.83
052478	1/24/2019	0000461	Stericycle Inc	77.20
052479	1/24/2019	0000466	Sunrise Enviromental	361.81
052480	1/24/2019	0000486	The Tire Rack	1,050.90
052481	1/24/2019	0000500	United Parcel Service	54.34
052482	1/25/2019	0000083	CA State Board of Equalization	7,759.74
052483	1/25/2019	0000510	US Postal Service	2,100.00
052484	1/31/2019	0000043	Benefit Coordinators Corporation	3,369.01
052485	1/31/2019	0000084	CA State Disbursement Unit	694.00
052486	1/31/2019	0000084	CA State Disbursement Unit	350.00
052487	1/31/2019	0000339	Nationwide Retirement Solutions	1,300.00
052488	1/31/2019	0000339	Nationwide Retirement Solutions	3,375.00
052489	1/31/2019	0001035	Operating Engineers Local Union No. 3	1,260.00
052490	1/31/2019	0000357	P & A Administrative Services Inc	103.50
052491	1/31/2019	0000454	Spark Creative Design	9,875.00
052492	1/31/2019	0000504	US Bank	19,318.87
W00068	1/31/2019	0000087	CalPERS Financial Reporting & Accounting	73,539.66
W00069	1/31/2019	0000086	CalPERS 457 Plan	22,562.58
W00070	1/31/2019	0000561	United States Treasury	50,909.38
W00071	1/31/2019	0000176	EDD	14,243.99
<b>Bank U Total:</b>				<u>421,934.14</u>
<b>Report Total:</b>				<u><u>421,934.14</u></u>

I hereby authorize the use of my signature plate on  
the above-listed warrants, 052423-052492, and EFTs W00068-W00071

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 Signature

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 Date

Susan Maggy, President of the Board

S.Y.M.V.C.D  
FY 2018-2019 Budget Update  
January 2019

	Account #	Account Description	7 Months Ended January 31, 2019	Annual Budget	Unused
T	4000	REVENUE	\$ -	\$ -	\$ -
T	5000	SALARIES/BENEFITS/WC	\$ 4,804,068.99	\$ 8,056,523.70	\$ 3,252,454.71
T	5200	OPERATIONAL	\$ 4,149,872.98	\$ 5,433,364.00	\$ 1,283,491.02
T	5210	LIABILITY INSURANCE	\$ 127,641.00	\$ 136,922.00	\$ 9,281.00
T	5250	AUDITING/FISCAL	\$ 15,500.00	\$ 15,500.00	\$ -
T	5270	COMMUNICATIONS	\$ 44,046.80	\$ 79,500.00	\$ 35,453.20
T	5310	PUBLIC INFORMATION	\$ 209,670.69	\$ 434,800.00	\$ 225,129.31
T	5340	STRUCTURE & GROUNDS	\$ 34,195.14	\$ 65,000.00	\$ 30,804.86
T	5370	MEMBER/TRAINING	\$ 58,804.76	\$ 113,000.00	\$ 54,195.24
T	5390	DISTRICT OFFICE EXPENSES	\$ 9,615.48	\$ 15,000.00	\$ 5,384.52
T	5430	PROFESSIONAL SERVICES	\$ 71,990.72	\$ 139,200.00	\$ 67,209.28
T	5440	MATERIALS & SUPPLIES	\$ 5,336.82	\$ 10,000.00	\$ 4,663.18
T	5450	RENTS & LEASES	\$ 5,853.58	\$ 8,750.00	\$ 2,896.42
T	5470	SAFETY PROGRAM	\$ 612.45	\$ 5,000.00	\$ 4,387.55
T	5480	UTILITIES	\$ 52,938.88	\$ 100,000.00	\$ 47,061.12
T	6120	AIRCRAFT SERVICES	\$ 597,567.05	\$ 809,297.00	\$ 211,729.95
T	6140	ECOLOGICAL MANAGEMENT	\$ 2,333.98	\$ 17,600.00	\$ 15,266.02
T	6160	MICROBIAL	\$ 979,309.37	\$ 1,336,000.00	\$ 356,690.63
T	6170	BIORATIONALS (Formerly IGR)	\$ 675,905.05	\$ 902,620.00	\$ 226,714.95
T	6180	INSECTICIDES	\$ 1,007,261.73	\$ 765,000.00	\$ (242,261.73)
T	6220	FISHERIES	\$ 7,841.40	\$ 24,990.00	\$ 17,148.60
T	6280	GEOGRAPHIC INFO SYSTEMS	\$ 3,056.75	\$ 6,925.00	\$ 3,868.25
T	6320	INFORMATION TECHNOLOGY	\$ 12,648.69	\$ 31,450.00	\$ 18,801.31
T	6350	CONTROL OPERATIONS	\$ 7,764.15	\$ 28,710.00	\$ 20,945.85
T	6370	SHOP	\$ 65,674.17	\$ 88,000.00	\$ 22,325.83
T	6420	LAB SERVICES	\$ 74,346.62	\$ 156,600.00	\$ 82,253.38
T	6450	GAS & PETROLEUM	\$ 79,957.70	\$ 143,500.00	\$ 63,542.30
T	7000	CAPITAL ACCOUNTS	\$ 110,544.84	\$ 414,000.00	\$ 303,455.16
T	7011/1510	Capital Outlay/Construction In Progress	\$ 110,544.84	\$ 204,000.00	\$ 93,455.16
T	7030	Research Fund	\$ -	\$ 50,000.00	\$ 50,000.00
T	7035	Building Improvement	\$ -	\$ 160,000.00	\$ 160,000.00
T		TOTALS			
T		Salaries/Benefits	\$ 4,804,068.99	\$ 8,056,523.70	\$ 3,252,454.71
T		Operational	\$ 4,149,872.98	\$ 5,433,364.00	\$ 1,283,491.02
T		Capital Accounts	\$ 110,544.84	\$ 414,000.00	\$ 303,455.16
T		Total Budget	\$ 9,064,486.81	\$ 13,903,887.70	\$ 4,839,400.89



## Sacramento-Yolo Mosquito and Vector Control District Investment Report

### MAILING ADDRESS

**SACRAMENTO COUNTY**  
 8631 BOND ROAD  
 ELK GROVE, CA 95624

**1.800.429.1022**  
**FIGHTtheBITE.net**

The District investment policy authorizes District funds and monies to be invested in only one or a combination of the following institutions and investment types:

- A. Yolo County Treasurer Investment Pool
- B. State Treasurer's Local Agency Investment Fund (L.A.I.F.)
- C. Member and Property Contingency Fund deposits with the Vector Control Joint Powers Agency (VCJPA)
- D. Prefunding of Other Post-Employment Benefits (OPEB) through California Public Employer's Retiree Benefit Trust Program (CERBT)

As the District receives revenue from taxes and other resources they are deposited with the Yolo County Treasurer. The following is the interest earnings, fund balances and investments of the District for the quarter ending **December 31, 2018.**

**Gary Goodman, MANAGER**

### 2019 BOARD OF TRUSTEES

**RAYMOND LATORRE**  
 PRESIDENT, SACRAMENTO

**JAYNA KARPINSKI-COSTA**  
 VICE PRESIDENT, CITRUS HEIGHTS

**CRAIG BURNETT**  
 FOLSOM

**CHRISTOPHER BARKER**  
 DAVIS

**RAUL DEANDA**  
 WEST SACRAMENTO

**SEAN DENNY**  
 WOODLAND

**BRUCE ELDRIDGE**  
 YOLO COUNTY

**FREDERICK GOETHEL**  
 GALT

**LYNDON HAWKINS**  
 ELK GROVE

**GAR HOUSE**  
 WINTERS

**SUSAN MAGGY**  
 SACRAMENTO COUNTY

**ROBERT J. MCGARVEY**  
 RANCHO CORDOVA

**ROSEMARIE MOORE**  
 ISLETON

Institution		Earnings	Total as of 12/31/2018
Yolo County Treasurer Investment Pool	2.241%*	\$(9,702.94)	\$1,351,126.81
L.A.I.F.	2.40%	\$45,819.46	\$4,419,080.82
VCJPA-Member Contingency Fund	1.3%	\$17,626.00	\$1,373,473.00
VCJPA-Property Contingency Fund	1.3%	\$ 1,395.00	\$104,821.00
CERBT-Strategy 3		\$(68,977.54)	\$1,691,853.00
		District Total:	\$8,940,354.00

*\*Rates are reflected as annualized earning rates*



# County of Yolo

www.yolocounty.org

## DEPARTMENT OF FINANCIAL SERVICES

625 Court Street, Room 102

PO BOX 1268

WOODLAND, CA 95776

PHONE: (530) 666-8190

FAX: (530) 666-8215

DFS @ yolocounty.org

**HOWARD H. NEWENS, CIA, CPA**

Chief Financial Officer

**DOUGLAS K. OLANDER, CPA**

Assistant Chief Financial Officer

- Financial Strategy Leadership
- Budget & Financial Planning
- Treasury & Finance
- Tax & Fee Collection

- Financial Systems Oversight
- Accounting & Financial Reporting
- Internal Audit
- Procurement

February 13, 2019

Mr. Gary Goodman  
Sacramento-Yolo Mosquito Abatement District  
8631 Bond Road  
Elk Grove, CA 95624

Dear Mr. Goodman:

Listed below for your information and that of the Board of Directors, is data pertaining to interest earnings, fund balances and investments of the District for the quarter ended December 31, 2018. The Yolo County Treasurer's Investment Report is available electronically. Should you or the Board wish additional information or have any questions, please let me know.

<u>PERIOD</u>	<u>YOLO COUNTY</u>	<u>LAIF</u>	<u>EARNINGS</u>
Quarter ending December 31, 2018:	2.241%*		\$ (9,702.94)
Quarter ending December 31, 2018:		2.40%	\$ 45,819.46
Placement of Funds as of December 31, 2018:			
Yolo County Treasurer's Pool (Fund 6953)		\$ 1,351,126.81	
Flexible Spending Account		27,519.50	
LAIF		<u>4,419,080.82</u>	
Total		\$ 4,794,727.12	

\*Rates are reflected above as annualized earning rates.

Sincerely,

Edward Burnham  
Accounting Manager, Treasury & Finance



# Vector Control Joint Powers Agency

## Member Contingency Fund

For the Quarter Ended  
December 31, 2018

Member District	Balance at Beginning of Quarter	Contributions	(Withdrawals)	Interest Earned	Allocated Admin.	Balance at End of Quarter
Alameda County	339,153			4,571	(9)	343,715
Burney Basin	28,004	2,305		393	(1)	30,701
Butte County	309,002			4,165	(8)	313,159
Coachella Valley	990,184			13,347	(26)	1,003,505
Coalinga-Huron	4,381	503		62	0	4,946
Colusa	67,896	5,188		950	(2)	74,032
Compton Creek	60,538			816	(2)	61,352
Consolidated	283,330			3,819	(7)	287,142
Contra Costa	1,006,359	93,587	(436)	14,193	(27)	1,113,676
Durham	3,989			54	0	4,043
Fresno	207,331	820		2,800	(5)	210,946
Glenn County	36,709			495	(1)	37,203
Greater Los Angeles	1,017,972	140,865		14,671	(28)	1,173,480
Lake County	129,946			1,752	(3)	131,695
Los Angeles County West	508,119	64,398		7,283	(14)	579,786
Marin-Sonoma	666,716	33,970		9,216	(18)	709,884
Napa County	326,226	38,374		4,656	(9)	369,247
No Salinas Valley	510,889	14,740		6,986	(13)	532,602
Northwest	803,216	27,432		11,011	(21)	841,638
Orange County	335,005			4,516	(9)	339,512
Oroville	10,980			148	0	11,128
Pine Grove	25,539			344	(1)	25,882
Placer	172,767			2,329	(4)	175,092
Sacramento-Yolo	1,259,641	96,241		17,626	(35)	1,373,473
San Joaquin County	513,731	66,980		7,376	(14)	588,073
San Mateo County	428,006			5,769	(11)	433,764
Santa Barbara County	51,500			694	(1)	52,193
Shasta	223,804			3,017	(6)	226,815
Sutter-Yuba	272,985			3,680	(7)	276,658
Tehama County	228,607			3,081	(6)	231,682
Turlock	200,613	15,730		2,810	(5)	219,148
West Valley	262,656			3,540	(7)	266,189
<b>Total</b>	<b>11,285,794</b>	<b>601,133</b>	<b>(436)</b>	<b>156,170</b>	<b>(300)</b>	<b>12,042,361</b>

**Note:**

Yield to maturity rate on the VCJPA portfolio is 1.3% as of the above date. As required by GASB 31, the allocated interest shown also reflects market value changes to the securities held in the portfolio. Therefore, the actual interest allocated to this fund, and all program year funds, may or may not equal the yield to maturity rate from quarter to quarter. However, the average overall allocated interest, over the life of this fund, should provide a close approximation.



# Vector Control Joint Powers Agency

## Property Contingency Fund

For the Quarter Ended  
December 31, 2018

Member District	Balance at Beginning of Quarter	Contributions	(Withdrawals)	Interest Earned	Balance at End of Quarter
Alameda County	\$50,649			\$683	\$51,332
Burney Basin	14,619			197	14,816
Butte County	49,976			674	50,650
Coachella Valley	53,298			718	54,016
Coalinga-Huron	1,492			20	1,512
Colusa	6,525			88	6,613
Compton Creek	3,727			50	3,777
Consolidated	46,908			632	47,540
Contra Costa	67,702			913	68,615
Delta	0			0	0
Durham	0			0	0
Fresno	25,995			350	26,345
Glenn County	2,966			40	3,006
Greater Los Angeles	51,762			698	52,460
Kings	0			0	0
Lake County .	0			0	0
Los Angeles County	0			0	0
Marin-Sonoma	59,164			797	59,961
Napa County	838,515			11,302	849,817
No Salinas Valley	26,314			355	26,669
Northwest	17,298			233	17,531
Orange County	73,610			992	74,602
Oroville	0			0	0
Pine Grove	2,540			34	2,574
Placer	591			8	599
Sacramento-Yolo	103,426			1,395	104,821
San Gabriel Valley	97,656			1,316	98,972
San Joaquin County	92,397			1,245	93,642
San Mateo County	37,375			504	37,879
Santa Barbara County	1,729			23	1,752
Shasta	30,624			413	31,037
Sutter-Yuba	62,169			838	63,007
Tehama County	22,671			306	22,977
Turlock	0			0	0
West Valley	71,025			957	71,982
Total	\$1,912,723	\$0	\$0	\$25,781	\$1,938,504

**Note:**

Yield to maturity rate on the VCJPA portfolio is 1.3% as of the above date. As required by GASB 31, the allocated interest shown also reflects market value changes to the securities held in the portfolio. Therefore, the actual interest allocated to this fund, and all program year funds, may or may not equal the yield to maturity rate from quarter to quarter. However, the average overall allocated interest, over the life of this fund, should provide a close approximation.

# Sacramento-Yolo Mosquito & Vector Control District

CERBT Strategy 3

Entity #: SKB8-1375523307

Quarter Ended December 31, 2018



## Market Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Balance	\$1,761,195.20	\$1,751,040.62
Contribution	0.00	0.00
Disbursement	0.00	0.00
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	(68,977.54)	(58,445.68)
Administrative Expenses	(210.64)	(428.57)
Investment Expense	(154.02)	(313.37)
Other	0.00	0.00
Ending Balance	\$1,691,853.00	\$1,691,853.00
FY End Contrib per GASB 74 Para 22	0.00	0.00
FY End Disbursement Accrual	0.00	0.00
Grand Total	\$1,691,853.00	\$1,691,853.00

## Unit Value Summary:

	QTD Current Period	Fiscal Year to Date
Beginning Units	123,845.370	123,845.370
Unit Purchases from Contributions	0.000	0.000
Unit Sales for Withdrawals	0.000	0.000
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	123,845.370	123,845.370
Period Beginning Unit Value	14.220920	14.138926
Period Ending Unit Value	13.661010	13.661010

Please note the Grand Total is your actual fund account balance at the end of the period, including all contributions per GASB 74 paragraph 22 and accrued disbursements. Please review your statement promptly. All information contained in your statement will be considered true and accurate unless you contact us within 30 days of receipt of this statement. If you have questions about the validity of this information, please contact CERBT4U@calpers.ca.gov.

Statement of Transaction Detail for the Quarter Ending 12/31/2018  
Sacramento-Yolo Mosquito & Vector Control District  
Entity #: SKB8-1375523307

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Client Contact:  
CERBT4U@CalPERS.ca.gov

# **Sacramento-Yolo Mosquito and Vector Control District**

## **February 19, 2019 Board Meeting**

### **3. Board Review and Discussion of the 2017-2018 District Audit**

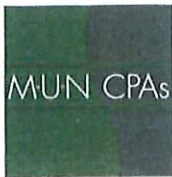
#### **Staff Report:**

Please find enclosed the 2017-2018 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.**





MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP  
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

February 8, 2019

To the Board of Trustees of  
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, 2018. 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 May 29, 2018. 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 Note 1 to the financial statements, the District changed accounting policies related to other post-employment benefits (OPEB) by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, in 2018. Accordingly the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. We noted no transactions entered into by the 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 the estimates of depreciation, the other postemployment benefit liability and the net pension liability. Management's estimate of the depreciation is based on the District's capitalization policy. Management's estimate for the other postemployment benefit liability and the net pension liability were based on actuarial valuations. We evaluated the key factors and assumptions used to develop the estimates in determining that it is 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*

The completion of our audit was delayed because of challenges encountered with the transition and conversion to the District's new accounting software. Upon our initial fieldwork visit in September, it was brought to our attention that the District identified activity that was not being posted correctly in the new system. In order to reconcile the activity, over thirty journal entries were recorded to the initial trial balance received for audit. We received a final trial balance on February 1, 2019.

##### *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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. As noted above, the District identified journal entries as a result of the accounting system conversion reconciliation.



#### *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 February 8, 2019.

#### *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 Sacramento-Yolo Mosquito & Vector Control District (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 cost sharing defined benefit pension plan, the schedule of changes in the 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 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*

Mann, Urrutia, Nelson CPAs & Associates, LLP

SACRAMENTO-YOLO  
MOSQUITO  
& VECTOR  
CONTROL  
DISTRICT



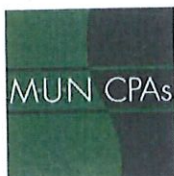
Annual Financial Statements and  
Independent Auditor's Report  
For the Year Ended  
June 30, 2018

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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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**

We have audited the accompanying 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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above and the respective budgetary comparison for the General Fund present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of June 30, 2018 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter****Change in Accounting Principle**

As described in Note 1 to the financial statements, during the year ended June 30, 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 10, schedules related to the District's net pension liability on pages 36 - 37, and the schedules related to the District's net OPEB liability on pages 38 - 39 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 February 8, 2019, 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.

*Mann, Winitia, Nelson CPA's*

Sacramento, California  
February 8, 2019



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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, 2018.

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 county and city officials 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.

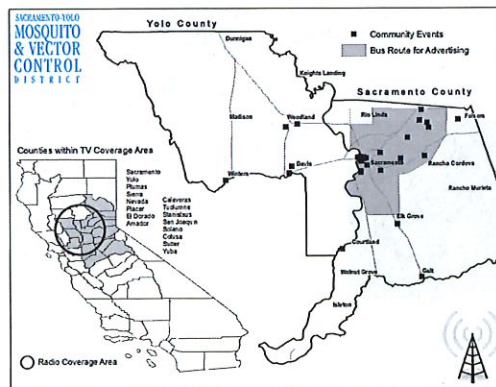
Mosquitoes that can carry encephalitis, malaria, West Nile virus and canine heartworm are prevalent throughout the District. Yellow jacket infestation outbreaks can occur seasonally and become a public health threat and severe nuisance to the public and domestic animals. Ticks are sampled and analyzed 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 \$14,306,583 in revenues for fiscal year 2017-2018, an increase of \$1,033,583 from fiscal year 2016-2017. Expenditures increased by \$838,657 from the previous fiscal year. The increase in revenues is consistent with the continued stabilization of the housing market and the increase in expenditures is mainly due to an increase in the required CalPERS benefit payments and an increase in pesticide purchases.

**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 on bus ads. 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.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

Ecological Management

Three full-time employees work with local, state, and federal resource agencies as well as private landowners 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 majority of the revenues are used to facilitate changes in land management that is anticipated to ultimately reduce mosquito development overall and reduce costs in other categories.



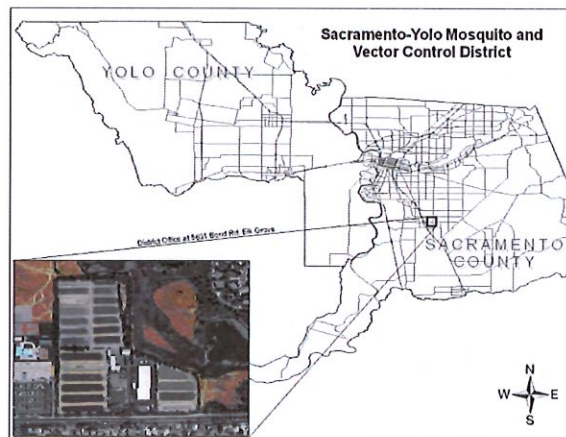
Before



After

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. Sites include irrigated agriculture, permanent and semi-permanent wetlands, and recently unmaintained swimming pools that have been stocked with mosquito fish.





**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

Larval Mosquito Surveillance and Control

Thirty-six full time and ten 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.

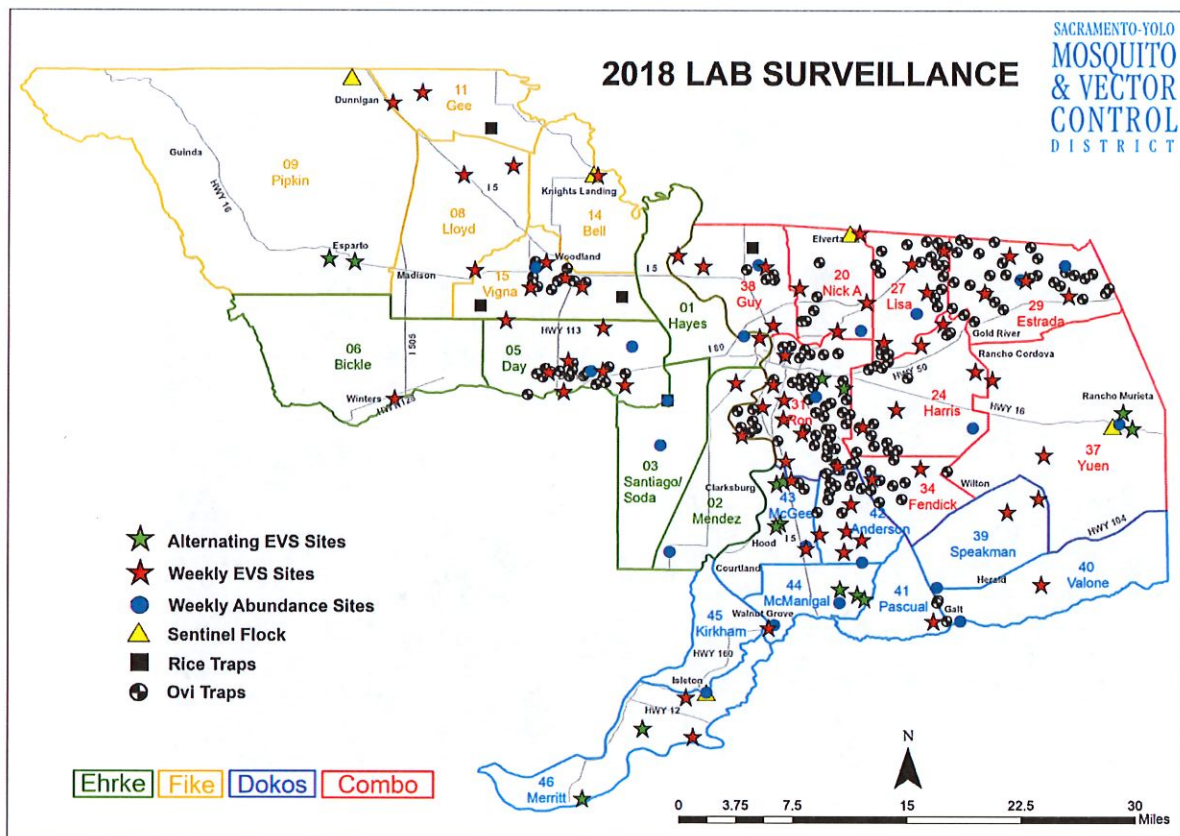




**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

### Adult Mosquito Surveillance and Adult Mosquito Control Agents

Twelve full-time employees and three 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.



### 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.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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.

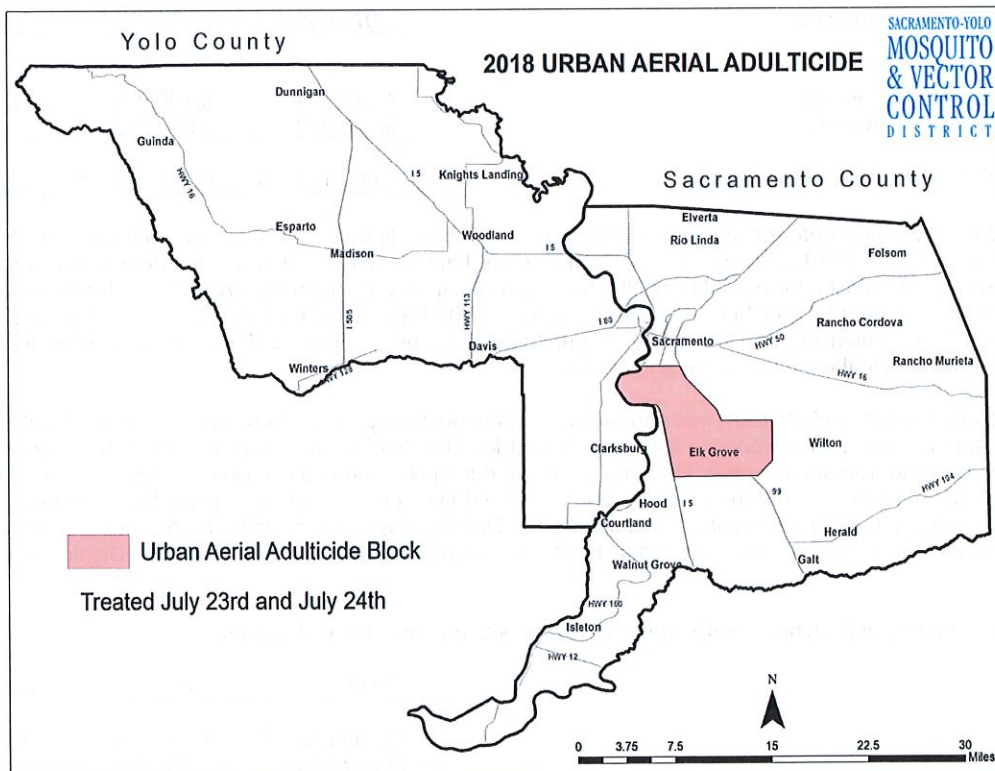
Other Post Retirement Benefits

The District implemented GASB 75 which resulted in a net other post retirement benefits (OPEB) liability for the fiscal year 2017-2018. See Notes 7 and 11 for more detail.

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 2017-2018, the District continued to see increased WNV activity in areas of Sacramento and Yolo Counties resulting in the need to treat various areas of the District for adult mosquitoes.

The District contracted 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. The urban applications for this fiscal year were made on July 23 and 24 over the parts of the cities of Sacramento and Elk Grove in Sacramento County as highlighted by the figure below. Numerous rural applications were also made by VDCI during the mosquito season.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**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:

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Assets			
Current and other assets	\$ 15,321,747	\$ 13,046,770	\$ 2,274,977
Capital assets, net	<u>4,872,904</u>	<u>5,190,921</u>	<u>(318,017)</u>
Total Assets	<u>20,194,651</u>	<u>18,237,691</u>	<u>1,956,960</u>
Deferred outflows of resources	<u>4,137,655</u>	<u>3,145,682</u>	<u>991,973</u>
Liabilities			
Current and other liabilities	490,959	257,922	233,037
Long-term liabilities	<u>14,799,581</u>	<u>12,097,024</u>	<u>2,702,557</u>
Total Liabilities	<u>15,290,540</u>	<u>12,354,946</u>	<u>2,935,594</u>
Deferred inflows of resources	<u>972,649</u>	<u>794,130</u>	<u>178,519</u>
Net Position			
Invested in capital assets	4,872,904	5,190,921	(318,017)
Unrestricted net position	<u>3,196,213</u>	<u>3,043,376</u>	<u>152,837</u>
Total Net Position	<u>\$ 8,069,117</u>	<u>\$ 8,234,297</u>	<u>\$ (165,180)</u>

The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,069,117 at June 30, 2018, a decrease of \$165,180 from June 30, 2017. This change does not include the net position prior period adjustment recorded of 854,524 as a result of implementing GASB 75. This decrease in net position can be attributed to a higher expenditures than expected. Net capital assets decreased \$318,017 in 2018 mainly due to depreciation of \$360,140 offset by purchase of various projects including new software for the front office, new equipment in the lab insectary, and others.

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 semi-annual 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>2018</u>	<u>2017</u>	<u>Change</u>
Revenues	\$ 14,306,583	\$ 13,273,000	\$ 1,033,583
Expenses	<u>13,617,239</u>	<u>12,778,582</u>	<u>838,657</u>
Excess (deficiency) of revenues over expenses	<u>\$ 689,344</u>	<u>\$ 494,418</u>	<u>\$ 194,926</u>



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**FINANCIAL OPERATIONS HIGHLIGHTS FOR FISCAL 2017-2018**

- Revenues increased by \$1,033,583. This is due to the turnaround of the housing market from the past few years and the increase in home values.
- Operating expenses increased 7% from \$12,778,582 to \$13,617,239. The increase in expenditures is mainly due to the required payment for PERS retirement which was over \$97,338 more than in FY 2016-2017 and a significant increase in pesticide purchases needed for the mosquito season. 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>Budget</u>	<u>June 30, 2018 Actual</u>	<u>Variance</u>
Revenues	\$ 12,998,781	\$ 14,307,843	\$ 1,309,062
Expenditures	<u>12,800,311</u>	<u>12,122,423</u>	<u>677,888</u>
Net increase (decrease)	<u>\$ 198,470</u>	<u>\$ 2,185,420</u>	<u>\$ 1,986,950</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 2017-2018 revenues exceeded budget by \$1,309,062. Property values have appeared to stabilize, and most analysts expect to see an increase in property values and sales which were reflected in 2016-2017 and continued in 2017-2018. 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.

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.

Expenditures were under budget primarily due to the efforts of staff and the timing of personnel vacancies.

**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.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**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 2018, the District made capital investment purchases totaling \$133,031.

**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.

**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, 2018**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash and investments (Note 2)	\$ 12,510,659
Cash with fiscal agent (Note 2, Note 9)	1,357,564
Accounts receivable	538,124
Interest receivable	39,284
Inventory	876,116
Capital assets, net of accumulated depreciation (Note 3)	<u>4,872,904</u>
<b>Total Assets</b>	<u>20,194,651</u>
Deferred outflows of resources	
Related to net other post employment benefits (OPEB) liability (Note 7)	322,091
Related to net pension liability (Note 6)	<u>3,815,564</u>
<b>Total Deferred Outflows of Resources</b>	<u>4,137,655</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 24,332,306</u>
<b><u>LIABILITIES</u></b>	
Accounts payable and other accrued liabilities	\$ 261,124
Compensated absences (Note 4):	
Due within one year	229,835
Due in more than one year	186,129
Net other post employment benefits (OPEB) liability (Note 7)	
Due in more than one year	980,162
Net pension liability (Note 6)	
Due in more than one year	<u>13,633,290</u>
<b>Total Liabilities</b>	<u>15,290,540</u>
Deferred inflows of resources	
Related to net other post employment benefits (OPEB) liability (Note 7)	113,280
Related to net pension liability (Note 6)	<u>859,369</u>
<b>Total Deferred Inflows of Resources</b>	<u>972,649</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>16,263,189</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	4,872,904
Unrestricted	<u>3,196,213</u>
<b>Total Net Position</b>	<u>8,069,117</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 24,332,306</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, 2018

		<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b><u>Governmental Activities</u></b>				
General Government	\$ 13,617,239	\$ 58,276	\$ -	\$ (13,558,963)
Total Governmental Activities	<u>\$ 13,617,239</u>	<u>\$ 58,276</u>	<u>\$ -</u>	<u>(13,558,963)</u>
General Revenues:				
				13,849,409
				125,322
				30,083
				47,799
				<u>195,694</u>
Total General Revenues				<u>14,248,307</u>
Change in Net Position				689,344
Net Position - July 1, 2017				<u>8,234,297</u>
Prior period adjustment (Note 11)				(854,524)
Net position - July 1, 2017, restated				<u>7,379,773</u>
Net Position - June 30, 2018				<u>\$ 8,069,117</u>

See accompanying notes to the basic financial statements.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**JUNE 30, 2018**

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 12,510,659
Cash with fiscal agent	1,357,564
Accounts receivable	538,124
Interest receivable	39,284
Inventory	<u>876,116</u>
Total Assets	<u>15,321,747</u>
<b><u>LIABILITIES</u></b>	
Accounts payable and other accrued liabilities	<u>261,124</u>
Total Liabilities	<u>261,124</u>
<b><u>FUND BALANCE</u></b>	
Non-spendable	
Inventory	876,116
Committed	
Disease response	2,000,000
Capital outlay	700,000
Assigned	
Cash with fiscal agent	1,357,564
Unassigned	<u>10,126,943</u>
Total Fund Balance	<u>15,060,623</u>

*Amounts reported for governmental activities in the Statement of Net Position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund, net of accumulated depreciation of \$6,311,404.	4,872,904
Other long-term assets used in governmental activities are not financial resources and therefore not reported in the funds.	
Deferred outflows related to changes in net OPEB liability	322,091
Pension contributions made subsequent to the measurement date	1,063,754
Deferred outflows related to changes in the net pension liability	2,751,810
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	(859,369)
Net pension liability	(13,633,290)
Deferred inflows related to changes in net OPEB liability	(113,280)
Net OPEB liability	(980,162)
Compensated absences	<u>(415,964)</u>
Net position of governmental activities	<u>\$ 8,069,117</u>

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, 2018**

	<u>General Fund</u>
<b><u>REVENUES</u></b>	
Property taxes	\$ 13,080,480
Interest	125,322
Other tax revenue	768,929
Other revenues	<u>333,112</u>
Total Revenues	<u>14,307,843</u>
<b><u>EXPENDITURES</u></b>	
Aircraft services	577,685
Auditing / fiscal	14,800
Capital outlay	133,031
Communications	68,633
Control operations	25,341
District office expenses	16,329
Ecological management	7,419
Fisheries	23,577
Gas and petroleum	119,726
Geographic information systems	4,467
Information technology	31,311
Insecticides	806,767
Insect growth regulator	796,709
Laboratory services	154,086
Liability insurance	121,643
Materials and supplies	9,200
Member / training	89,526
Microbial	994,583
Professional services	92,835
Public information	360,140
Research	50,000
Rents and leases	8,182
Safety program	3,727
Salaries and benefits	7,370,779
Structure and grounds	56,610
Utilities	92,471
Vehicle parts and labor	<u>92,846</u>
Total Expenditures	<u>12,122,423</u>
Change in Fund Balance	2,185,420
Fund Balance - July 1, 2017	<u>12,875,203</u>
Fund Balance - June 30, 2018	<u>\$ 15,060,623</u>

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, 2018**

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

Change in fund balance - governmental fund	\$ 2,185,420
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	133,031
Depreciation expense	(449,788)
Gain or loss from disposal of capital assets - in the governmental fund, the entire proceeds are recorded as revenue, but only the resulting gain or loss is recorded in the government wide statements net of the disposed assets book value.	
	(1,260)
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	(54,166)
Changes in the net pension liability and related deferrals	(1,148,701)
Other post employment benefits and related deferrals	<u>24,808</u>
Change in net position of governmental activities	<u>\$ 689,344</u>

See accompanying notes to the basic financial statements.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<b>REVENUE</b>				
Total Revenue	\$ 12,998,781	\$ 12,998,781	\$ 14,307,843	\$ 1,309,062
<b>EXPENDITURES</b>				
Aircraft services	684,040	684,040	577,685	106,355
Auditing / fiscal	15,500	15,500	14,800	700
Capital outlay	294,029	294,029	133,031	160,998
Communications	80,850	80,850	68,633	12,217
Control operations	29,557	29,557	25,341	4,216
District office expenses	15,000	15,000	16,329	(1,329)
Ecological management	36,260	36,260	7,419	28,841
Fisheries	24,990	24,990	23,577	1,413
Gas and petroleum	103,880	103,880	119,726	(15,846)
Geographic information systems	7,963	7,963	4,467	3,496
Information technology	32,879	32,879	31,311	1,568
Insecticides	735,000	735,000	806,767	(71,767)
Insect growth regulator	862,400	862,400	796,709	65,691
Laboratory services	148,659	148,659	154,086	(5,427)
Liability insurance	124,880	124,880	121,643	3,237
Materials and supplies	9,800	9,800	9,200	600
Member / training	88,220	88,220	89,526	(1,306)
Microbial	1,078,000	1,078,000	994,583	83,417
Professional services	91,140	91,140	92,835	(1,695)
Public information	416,500	416,500	360,140	56,360
Research	50,000	50,000	50,000	-
Rents and leases	8,820	8,820	8,182	638
Safety program	4,900	4,900	3,727	1,173
Salaries and benefits	7,610,734	7,610,734	7,370,779	239,955
Structure and grounds	59,780	59,780	56,610	3,170
Utilities	87,550	87,550	92,471	(4,921)
Vehicle parts and labor	98,980	98,980	92,846	6,134
Total Expenditures	12,800,311	12,800,311	12,122,423	677,888
<b>Excess (deficiency) of revenue over expenditures</b>	\$ 198,470	\$ 198,470	2,185,420	\$ 1,986,950
<b>Fund balance - July 1, 2017</b>			12,875,203	
<b>Fund balance - June 30, 2018</b>			\$ 15,060,623	

See accompanying notes to the basic financial statements.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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 eight incorporated City Councils or by one 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: invested 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, 2018**

**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, 2018 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. Interest and other inflows of resources are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

**F. Inventory**

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.

**G. 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

**H. 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, 2018 was \$415,964.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. 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:

	<u>Secured</u>	<u>Unsecured</u>
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

**J. 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.

**K. 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, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 - June 30, 2017

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. 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 position that applies to a future period(s) and so will be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category, related to pensions and other post-employment benefits which are described further in Notes 6 and 7.

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 position 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 two items that qualify for reporting in this category related to pensions and other post-employment benefits as described further in Notes 6 and 7.

**M. 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 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."



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 5.

**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.

**O. 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.

**P. Implementation of Government Accounting Standards Board Statements**

Effective July 1, 2017, the District implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 75

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB, and replaces Statements No. 45 and 57. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB. See note 7 for further information and note 11 for the prior period adjustment recorded as a result of implementation.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Government Accounting Standards Board Statement No. 85

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

**Q. Future Government Accounting Standards Board Statements**

These statements are not effective until July 1, 2018 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. 86

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishments Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2019.

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. Application of this statement is effective for the District's fiscal year ending June 30, 2021. The District has not determined what impact, if any, this pronouncement will have on the financial statements.

Government Accounting Standards Board Statement No. 88

In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this statement is to clarify which liabilities governments should include in their note disclosures related to debt. GASB is requiring debt borrowings and direct placements to be presented separately because they may expose a government to risks that are different from, or in addition to, risks related to other types of debt. The new standard also requires the disclosure of additional essential debt-related information for all types of debt, including amounts of unused lines of credit and assets pledged as collateral for debt. Also required to be disclosed are terms specified in debt agreements related to: (1) significant events of default with finance-related consequences, (2) significant termination events with finance-related consequences, (3) significant subjective acceleration clauses. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2020.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The purpose of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The new standard clarifies the differences between a majority equity interests reported as an investment and majority equity interest reported as a component unit of the governmental entity. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2020.

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments at June 30, 2018 were classified in the accompanying financial statements as follows:

Cash and Investments	\$ 12,510,659
Cash with Fiscal Agent	<u>1,357,564</u>
Total Cash and Investments	<u>\$ 13,868,223</u>

Cash and investments at June 30, 2018 consisted of the following:

Pooled Funds:	
Cash in County Treasury	\$ 197,388
LAIF	12,312,671
Cash with Fiscal Agent	1,357,564
Non-Pooled Deposits:	
Cash	<u>600</u>
Total Cash and Investments	<u>\$ 13,868,223</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, 2018**

**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, 2018, 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, 2018, 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, 2018, the deposits with financial institutions in excess of the federal depository insurance limits were collateralized as required by law. As of June 30, 2018, the carrying amount of the District's cash in county treasury (including LAIF balances held by the County) totaled \$12,510,059 and the bank balance totaled \$12,934,414. 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, 2018, 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 losses are proportionately shared by all funds in the pool.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 3: CAPITAL ASSETS**

The District's capital asset activity during the year was as follows:

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
Work-In process	\$ 6,335	\$ 26,999	\$ -	\$ 33,334
Land, buildings and improvements	1,175,093	-	-	1,175,093
Equipment and vehicles	4,292,801	106,032	(192,921)	4,205,912
Bond road facility	5,061,395	-	-	5,061,395
Woodland facility	<u>708,574</u>	<u>-</u>	<u>-</u>	<u>708,574</u>
Total	11,244,198	133,031	(192,921)	11,184,308
Accumulated depreciation	<u>(6,053,277)</u>	<u>(449,788)</u>	<u>191,661</u>	<u>(6,311,404)</u>
Capital assets, net	<u>\$ 5,190,921</u>	<u>\$ (316,757)</u>	<u>\$ (1,260)</u>	<u>\$ 4,872,904</u>

Depreciation expense totaled \$449,788 for the year ended June 30, 2018.

**NOTE 4: LONG-TERM LIABILITIES**

A summary of long-term liability activity for the year ended June 30, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Compensated absences	\$ <u>361,798</u>	\$ <u>552,559</u>	\$ <u>(498,393)</u>	\$ <u>415,964</u>	\$ <u>229,835</u>
Total	\$ <u>361,798</u>	\$ <u>552,559</u>	\$ <u>(498,393)</u>	\$ <u>415,964</u>	\$ <u>229,835</u>



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 5: 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 \$876,116 as of June 30, 2018 and consisted of inventory.

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, 2018, 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, 2018, the District had an assignment of \$1,357,564 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 6: 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, 2018**

**NOTE 6: 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, 2018, 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%	6.5%
Required Employer Contribution Rate*	26.324%	6.657%

\* 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, 2018 were \$1,063,754.

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

As of June 30, 2018, the District reported a net pension liability of \$13,633,290 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, 2017, 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, 2016 rolled forward to June 30, 2017 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, 2016 and 2017 measurement dates was as follows:

Proportion - June 30, 2016	0.13729%
Proportion - June 30, 2017	<u>0.13747%</u>
Change - Increase (Decrease)	<u>0.00018%</u>



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 6: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

For the year ended June 30, 2018, the District recognized pension expense of \$2,517,318, which included employer paid member contributions for Tier I. At June 30, 2018, 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	\$ 1,063,754	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	-	470,280
Differences between actual and expected experience	15,845	227,015
Changes in assumptions	1,966,044	149,913
Adjustment due to differences in proportions	325,283	12,161
Net differences between projected and actual earnings on plan investments	<u>444,638</u>	<u>-</u>
Total	<u>\$ 3,815,564</u>	<u>\$ 859,369</u>

\$1,063,754 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, 2019. 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,	
2019	\$ 474,703
2020	1,062,365
2021	619,365
2022	<u>(263,992)</u>
Total	<u>\$ 1,892,441</u>

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 6: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
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 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study Report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, 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

In the fiscal year ending June 30, 2018, the financial reporting discount rate for the Plan was lowered from 7.65 percent to 7.15 percent.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 6: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website at <https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>.

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. The target allocation shown was adopted by the Board effective on July 1, 2017.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%

(a) An expected inflation of 2.50% used for this period.

(b) An expected inflation of 3.00% used for this period.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 6: 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:

Net Pension Liability (Asset)	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	\$ 20,113,932	\$ 13,633,290	\$ 8,265,905

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 7: 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.

Under the plan service or disability, retirees for all employees hired before August 1, 2006 and all employees with 20 years of District service hired after August 1, 2006 are eligible to receive post-retirement health insurance benefits. Participants do not contribute to the Healthcare Plan.

Employees covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan.

Active employees	65
Inactive employees currently receiving benefits	10
Total	<u>75</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, 2018, the District contributed \$172,880.

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

Net OPEB Liability

The District's net OPEB liability ("NOL") was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 based on the following actuarial methods and assumptions.

Discount Rate	6.12 %
Inflation	2.75 %
Salary increases per annum	3.25 %
Investment Rate of Return	6.12 %
Healthcare Trend Rate	7.50 %
Assumed Wage Inflation	3.00 %
Mortality rates	
Miscellaneous	Mortality Tables - 2014 CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover rates	
Miscellaneous	2014 CalPERS Vested Terminated and Refund Rates for Miscellaneous Employees
Retirement Rates:	
All Participants	Hired before 2013: 2014 CalPERS 2.5%@55 Rates for Miscellaneous Employees Hired on or after 2013: 2014 CalPERS 2.0%@62 Rates for Miscellaneous Employees adjusted to reflect minimum retirement age of 52
Service Requirements	
All participants	Hired after 8/1/06: 100% at 20 Years of Service Hired before 8/1/06: Government Code Section 22893

Discount Rate

The discount rate used to measure the total OPEB liability was 6.12% based on an assumption that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The discount rate was derived using historic 30 year real rates of return for each asset class along with an assumption of long-term inflation offset by expected investment expenses of 25 basis points.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

Changes in the Net OPEB liability

The District invoked Paragraph 244 of GASB 75 for the transition. Consequently to determine the beginning NOL, the District used a "roll-back" technique. The following table shows the results of the roll-back:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2017 (valuation date of June 30, 2016)	\$ 2,559,956	\$ 1,609,682	\$ 950,274
Service cost	81,329	-	81,329
Interest in TOL	156,931	-	156,931
Employer Contributions	-	154,115	(154,115)
Actual Investment Income	-	66,433	(66,433)
Differences in Actual and Expected Experience	(124,875)	-	(124,875)
Changes of Assumptions	136,216	-	136,216
Administrative Expense	-	(835)	835
Benefit Payments	(154,115)	(154,115)	-
Net change	95,486	65,598	29,888
Balance at June 30, 2018 (valuation date of June 30, 2017)	\$ <u>2,655,442</u>	\$ <u>1,675,280</u>	\$ <u>980,162</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, 2017:

	1% Decrease 5.12%	Current Discount Rate 6.12%	1% Increase 7.12%
Net OPEB Liability	\$ <u>1,277,839</u>	\$ <u>980,162</u>	\$ <u>720,035</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, 2017:

	1% Decrease 6.50%	Current Healthcare Cost Trend Rate 7.50%	1% Increase 8.50%
Net OPEB Liability	\$ <u>645,676</u>	\$ <u>980,162</u>	\$ <u>1,394,327</u>

**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: 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, 2018, 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	\$ 123,568	\$ -
Differences Between Expected and Actual Experience	-	113,280
Net Difference Between Projected and Actual Earnings on Investments	25,643	-
Contributions Made Subsequent to the Measurement Date	172,880	-
Total	<u>\$ 322,091</u>	<u>\$ 113,280</u>

The \$172,880 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, 2019. 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
2019	\$ 7,464
2020	7,464
2021	7,464
2022	7,463
2023	1,053
Thereafter	5,023
Total	<u>\$ 35,931</u>

OPEB Expense

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$148,072.



**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 8: 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 \$1,300 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, 2018, the District contributed \$15,600.

**NOTE 9: 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, 2018, the District did not withdraw funds to pay for their insurance premiums. Cash in the amount of \$1,357,564 was held with the VCJPA at June 30, 2018.

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 10: COMMITMENTS**

A service contract relating to aerial pesticide application services was entered into with Vector Disease Control International, LLC 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 2017 and extends until December 2019. Under the terms of the contract, monthly payments of \$50,000 will be made in return for aerial spraying not to exceed 1,000,000 acres per year. If this acreage is exceeded, an additional \$.60 per acre will be due. Future minimum payments for the fiscal years ending June 30, 2019, and 2020 total \$600,000, and \$300,000, respectively.

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. Each cost sharing agreement is valid through December 31, 2019. 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 \$.60 per acre will be due. Future minimum receipts for the fiscal years ending June 30, 2019, and 2020 total \$282,000 and \$141,000, respectively.

**NOTE 11: PRIOR PERIOD ADJUSTMENT**

For the year ending June 30, 2018, the District implemented GASB 75 for their valuation of their Net Other Post Employment Benefit Liability. As mentioned in Note 7, the District used a "roll-back" technique for their net OPEB Liability at the beginning of the year. In the fiscal year end June 30, 2017, the District reported a net OPEB asset of \$58,365. As a result of the roll-back, the District determined that an OPEB liability of \$950,274 and a deferred outflow related to OPEB of \$154,115 should have been recorded as of June 30, 2017. The overall change of \$854,524 was recorded as a decrease in beginning net position.

## Required Supplementary Information

**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, 2018  
LAST 10 YEARS\***

	Measurement Period			
	2017	2016	2015	2014
Proportion of the net pension liability	0.13747 %	0.13729 %	0.13730 %	0.11274 %
Proportionate share of the net pension liability	\$ 13,633,290	\$ 11,879,946	\$ 9,423,831	\$ 7,059,972
Covered payroll	\$ 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	305.84 %	279.25 %	217.84 %	163.97 %
Plan fiduciary net position as a percentage of the total pension liability	73.31 %	74.06 %	78.40 %	79.82 %

**Notes to Schedule:**

**Changes in assumptions-**

For the measurement period ended June 30, 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, the discount rate remained at 7.65 percent. In 2015, amount reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses). In 2014, amounts reported were based on the 7.50 percent discount rate.

\* Fiscal year 2015 was the 1st year of implementation, therefore only four 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, 2018  
LAST 10 YEARS\***

	Fiscal Year-End			
	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 1,063,754	\$ 952,340	\$ 861,986	\$ 669,180
Contributions in relation to the actuarially determined contributions	<u>1,063,754</u>	<u>952,340</u>	<u>861,986</u>	<u>669,180</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,635,066	\$ 4,457,590	\$ 4,254,251	\$ 4,326,094
Contributions as a percentage of covered payroll	22.95 %	21.36 %	20.26 %	15.47 %

\* Fiscal year 2015 was the 1st year of implementation, therefore only four 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>2017</u>
<b>Total OPEB liability</b>	
Service cost	\$ 81,329
Interest	156,931
Difference between expected and actual experience	(124,875)
Changes in assumptions	136,216
Benefit payments	<u>(154,115)</u>
Net change in total OPEB liability	95,486
Total OPEB liability, beginning	<u>2,559,956</u>
Total OPEB liability, ending (a)	<u><u>\$ 2,655,442</u></u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ 154,115
Net investment income	66,433
Benefit payments	(154,115)
Administrative expenses	<u>(835)</u>
Net change in plan fiduciary net position	65,598
Plan fiduciary net position, beginning	<u>1,609,682</u>
Plan fiduciary net position, ending (b)	<u><u>\$ 1,675,280</u></u>
District's net OPEB liability, ending (a) - (b)	<u><u>\$ 980,162</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	63.09 %
Covered-employee payroll	<u>\$ 4,872,530</u>
District's net OPEB liability as a percentage of covered-employee payroll	20.12 %

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



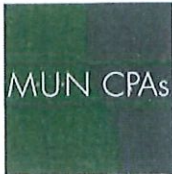
**SACRAMENTO - YOLO MOSQUITO AND VECTOR CONTROL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION**

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

Last 10 Years\*

	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 152,515
Contributions in relation to the ADC	<u>172,880</u>
Contribution deficiency (excess)	\$ <u>(20,365)</u>
Covered-employee payroll	\$ <u>5,067,381</u>
Contributions as a percentage of covered-employee payroll	3.41 %

\* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only one year is 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, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Sacramento - Yolo Mosquito and Vector Control District's basic financial statements, and have issued our report thereon dated February 08, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Sacramento - Yolo Mosquito and Vector Control District's internal control over financial reporting (internal control) to determine the 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 Sacramento - Yolo Mosquito and Vector Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sacramento - Yolo Mosquito and Vector Control 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sacramento - Yolo Mosquito and Vector Control 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 determination of financial statement amounts. 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*.

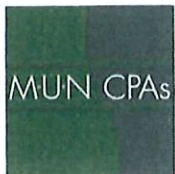
**Purpose of this Report**

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.

*Mann, Wnaha, Nelson CPA's*

Sacramento, California  
February 8, 2019





MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP  
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

### Management Letter

February 8, 2019

Sacramento-Yolo Mosquito & Vector Control District

8631 Bond Road

Elk Grove, California 95624

In planning and performing our audit of the financial statements of Sacramento-Yolo Mosquito & Vector Control District as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Sacramento-Yolo Mosquito & Vector Control District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated February 8, 2019, on the financial statements of Sacramento-Yolo Mosquito & Vector Control District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Trustees, and others within the District, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

*Mann, Urrutia, Nelson CPA's*

Mann, Urrutia, Nelson CPAs & Associates LLP



## **Sacramento-Yolo Mosquito & Vector Control District**

### **Summary of Control Deficiencies**

**June 30, 2018**

#### **Payroll**

During our operating effectiveness testing of the internal controls over the payroll process, we selected three pay periods for testing. The results of our testing identified that out of the eleven employees selected for testing, one employee's time card did not have a signature of approval from his supervisor for one of the pay periods selected. We recommend that when an employee's supervisor is absent, the Administrative Services Manager or other designated employee review and initial the time cards as evidence of review and approval.

#### **Cash Disbursements**

During our operating effectiveness testing of the internal controls over cash disbursements, we selected forty cash disbursements for testing. We identified one packing slip from the Public Information Department that was not signed off by the department head after receiving the items. We recommend that the District establish a consistent practice of review for items purchased and received and ensure this practice is communicated to all departments.

#### **Bank Reconciliation**

Our initial review of the bank reconciliation for the District's primary checking account was determined to have been prepared improperly as of June 30, 2018. The original reconciliation provided did not reconcile the June 30, 2018 bank balance to the June 30, 2018 cash balance recorded on the trial balance; rather it presented a roll forward of general ledger activity from May 31, 2018 to June 30, 2018. A cash reconciliation that reconciles from the bank balance to the general ledger should be prepared to determine that all cash transactions have been recorded properly and to discover potential bank errors. We recommend the Administrative Manager improve the bank reconciliation process as such to ensure that the newly implemented accounting system is recording all transactions properly. During this time of transition, the District may want to consider additional review of the bank reconciliation by the General Manager.



# **Sacramento-Yolo Mosquito and Vector Control District**

## **February 19, 2019 Board Meeting**

### **4. Reports to the Board**

- a. Manager's Report**
- b. Reports from Trustees Attending the MVCAC Annual Conference**
- c. Reports from District Departments**
  - **Lab/Surveillance (Marcia Reed)**
  - **Ecological Management (Marty Scholl)**
  - **Biological Control (Tony Hedley)**
  - **Larval and Adult Control (Steve Ramos)**
  - **Public Outreach (Luz Maria Robles)**

#### **a. Manager's Report**

District staff is taking earned vacation time and completing annual training during this time of year. Staff has submitted the NPDES Annual Report to the State Water Resources Control Board.

Staff did an excellent job with their presentations at the MVCAC Annual conference in Burlingame. The District gave eleven talks at the meeting and moderated one symposium. The MVCAC Board meeting discussed the live session requirements for continuing education units. The vector control research committee is also focused on trying to engage with the PacVec Regional Center of Excellence on operational research ideas.

The MVCAC Spring Quarterly meeting will be held on April 2<sup>nd</sup> in conjunction with the Annual Legislative Day on April 3<sup>rd</sup> in Sacramento. The MVCAC is trying to ensure that we visit all of our state legislators and we may be making visits to other Districts representatives. Our main concern will be focused on getting the CalSurv Gateway into statute along with securing funding for the program. The last day for bill introduction is February 22<sup>nd</sup>.

The AMCA Annual Legislative Day will be May 13-16 in Washington DC. Epidemiology and Laboratory Capacity Funding, USFWS Mosquito Control Practices and NPDES issues will again be the main ask of our federal legislators.

Please be advised that you will need to submit your Conflict of Interest Form 700 by April 2, 2019.

**b. Reports from Trustees Attending the MVCAC Annual Conference**

**c. Reports from District Departments**

- **Lab/Surveillance (Marcia Reed)**
- **Ecological Management (Marty Scholl)**
- **Biological Control (Tony Hedley)**
- **Larval and Adult Control (Steve Ramos)**
- **Public Outreach (Luz Maria Robles)**



# LABORATORY

## Monthly Report for February 2019 Board Meeting

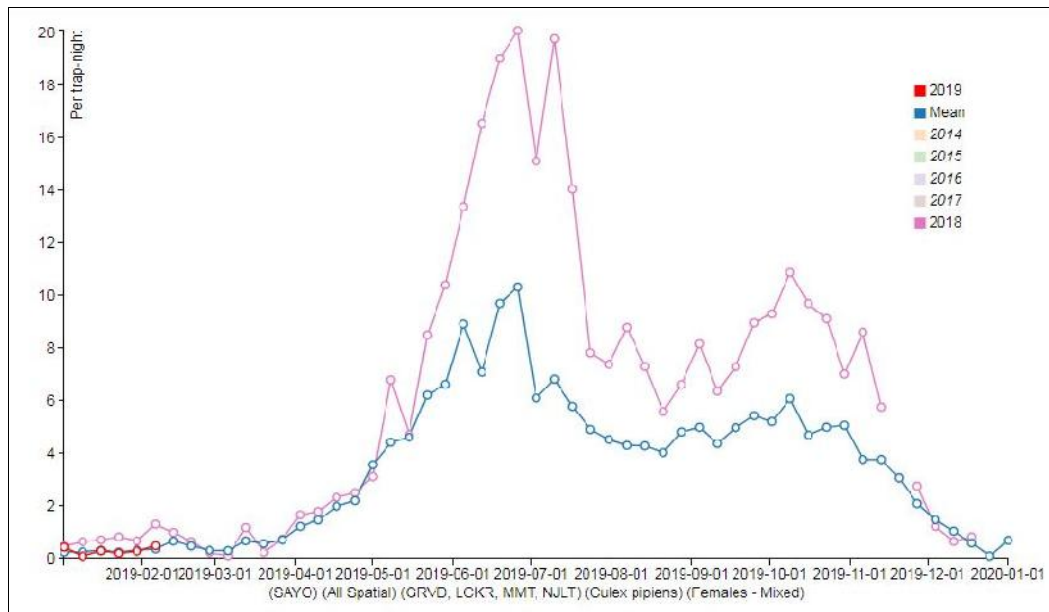
### Insectary:

Colonies maintained: *Culex tarsalis* Bakersfield from CDC (susceptible)  
*Culex tarsalis* Kern National Wildlife (susceptible)  
*Culex quinquefasciatus* Cq1 (susceptible)  
*Culex pipiens* Woodland (resistant)  
*Culisita incidens* wild - Sacramento County  
*Aedes sierrensis* wild  
*Culex tarsalis* Conaway Ranch - wild

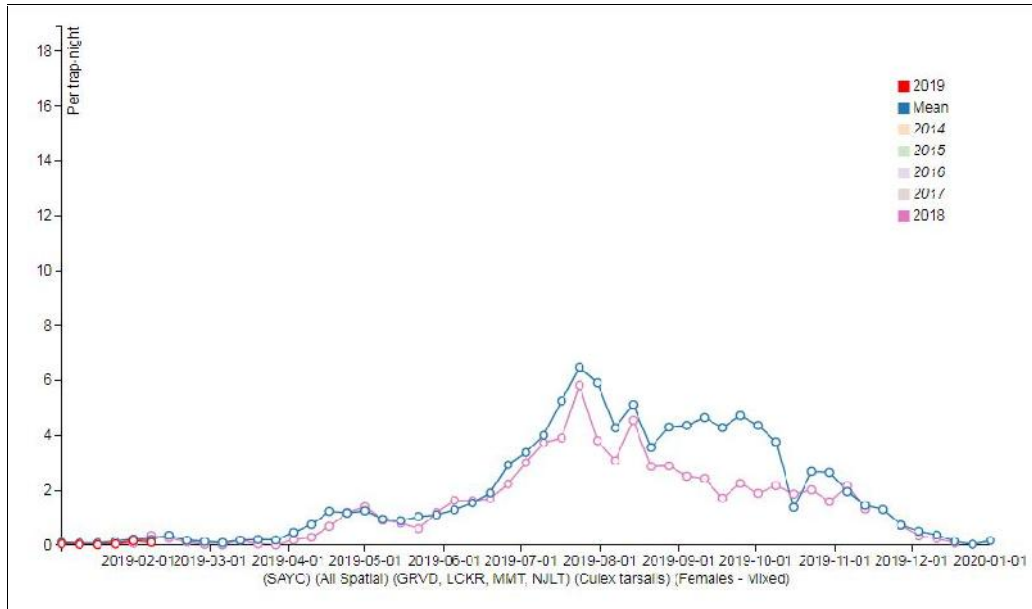
### Surveillance:

- Weekly collections** – New Jersey Light traps (NJLTs), Mosquito Magnet traps (MMTs), Locker CO<sub>2</sub> Traps (LCKRs) and Gravid traps (GTs) results are presented in the graphs below. *Culex pipiens* and *Culex tarsalis* trap counts are low in the weekly abundance traps, and following the usual winter activity levels. An *Anopheles freeborni* graph is also included.

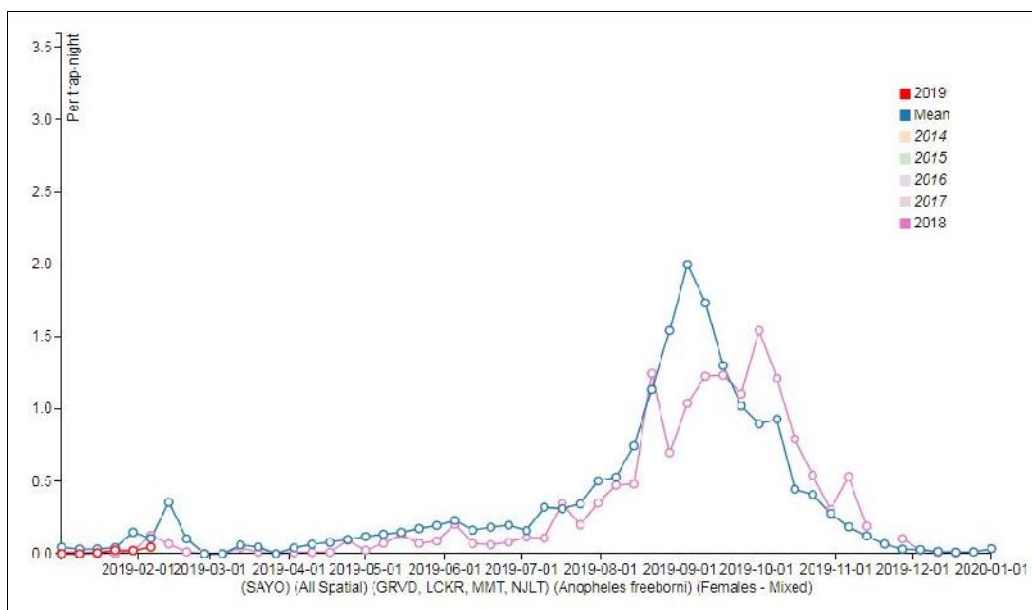
*Culex pipiens* on abundance traps (NJLT, MMT, LCKR, GT):



*Culex tarsalis* on abundance traps (NJLT, MMT, LCKR, GT):



*Anopheles freeborni* on abundance traps (NJLT, MMT, LCKR, GT):



**Encephalitis virus surveillance (EVS) – Mosquitoes** – New catch bags have been made and we are currently evaluating our weekly EVS runs for the upcoming season. One technician will also be trying out a rechargeable battery for use instead of “D” cell batteries for our CO<sub>2</sub> EVS traps this season. If the trial goes well, we will retrofit all of our CO<sub>2</sub> EVS traps to the rechargeable batteries for next season. We will begin limited trapping at our EVS sites for abundance only in April again this season.

**Encephalitis virus surveillance (EVS) – Sentinel Chickens** – We are planning on having the same flock locations as last season: Isleton, Rancho Murieta and Gibson Ranch in Sacramento County and Dunnigan and Knights Landing in Yolo County. The chickens are scheduled to be picked up on April 4<sup>th</sup>.

**Encephalitis virus surveillance (EVS) – Dead Birds** – The dead bird hotline opens in April and we will be picking up and testing dead birds again this season.

**Exotic/Invasive Species Surveillance** – We plan on utilizing primarily the BG Sentinel traps baited with CO<sub>2</sub> and the BG lure in our invasive species surveillance program this season. We will be incorporating them into our weekly EVS runs.

**Tick and Lyme disease surveillance** – Tick flagging for *Ixodes pacificus* ticks is continuing at 20 sites for this season. December’s collections yielded 2 positive pools from the Nimbus Dam overlook site in Sacramento County. 70 pools consisting of 261 individual ticks were tested from these collections. We were able to collect ticks in January, but have not yet tested them. The frequent rainy days is making tick collecting challenging this winter.

**BG Counter Traps** – We plan on acquiring more of these traps this season and will utilize them in both the rice field adult surveillance program as well as in monitoring urban/suburban mosquito populations.

**Mosquito Resistance Testing** – We have performed several bottle bioassay tests this winter on the colonies we have in house. We will continue to perform tests as the colony populations allow.

**Non-WNV Disease Response Surveillance** – We have been notified of one non-WNV disease cases this month and are responding accordingly.

**District Studies** –

**Suspend Polyzone study** – Results of this study were presented at the annual MVCAC meeting. The lab in collaboration with control will determine which residual product is best suited for our area before the start of the season.

## **Collaborations –**

**Rice Residue study** – Results were presented at the annual Center of Excellence meeting at UC Davis last month. We are currently working with Dr. Gan to determine what we will be investigating this season to further our rice residue knowledge.

**WDG WALs study** – Results of this study were presented at the annual MVCAC meeting and will also be presented at the annual AMCA meeting later this month.

**kdr in *Cx tarsalis*** –Dr Thieman's lab is continuing their analysis of our mosquitoes.

**BioGents REMOSIS Project** – We are looking forward to testing the latest version of this trap this season.

**Additional Projects** – The DeltaGard truck ULV study was presented at the annual MVCAC meeting. We expect to perform more trials this season as this material is utilized in our truck ULV treatments.

**California Arbovirus Surveillance Bulletins from CDPH will resume in the spring.**



**ECOLOGICAL MANAGEMENT DEPARTMENT**  
**Monthly Report for the February 2019 Board Meeting**

**Storm Water / Drainages Program**

Oak Ranch Pl. Drainage: Staff received a request from a private landowner regarding possible improper slope of the neighborhood drainage located off Bader Rd. After talking with the reporting homeowner, staff was able to procure recent survey and drainage plans conducted by the City of Elk Grove. Staff will fly the area with the District's survey UAS unit and compare the results with the City's before making a BMP project determination.

**UAS Program**

Staff has started testing the new spacial accuracy of the Districts' new survey drone. Staff is working with drone mapping software companies to determine the best platform for the District to use for BMP project evaluations, spray block design, and UAS spray software programming.

Departmental staff has been working with Leading Edge Associates to map out potential UAS treatment sites for the 2019 season. Numerous weekly test sites are being considered as well as larger scale agricultural treatments.

**MVCAC Annual Conference**

Staff opted for a panel discussion over giving a presentation at the annual MVCAC conference this year. Audience questions ranged from basic mapping to software analysis of backyard source types. Staff will continue to collaborate with the panelists to help develop UAS tools for use in our control program.

## BIOLOGICAL CONTROL

### Monthly Report for February 2019 Board Meeting

In the month of January the Fisheries Department has finished some required annual continuing education training and finished the majority of required annual Target solutions training. All fisheries vehicles are serviced and ready for the upcoming season. The Fisheries Department also continues to conduct maintenance around the facility including cleaning and organizing work trucks, utility vehicles and cleaning the fisheries building.

2.66 pounds of fish were used in the month of January. The majority of this usage were for service requests. Daily activities such as water quality testing, medical treatments and tank cleaning were also performed to maintain high quality fish.

#### Log of Treatment Applied

<u>Material</u>	<u>AMT</u>	<u>Area Treated</u>	<u>Applic Rate</u>	<u>Treatments</u>
Mosquitofish	2.66 lbs	6.76Acres	.39lb/acre	34
Guppies	0 lb	0 Sqft	lb/acre	0

#### Fish Plants by Crew

Fisheries-0 lbs, North Sac-2 lbs, South Sac-0.66 lbs, Yolo-0 lbs

#### Fisheries Budget

<u>Total</u>	<u>Spent</u>	<u>Remaining</u>	<u>% Spent</u>
24,990.00	9,529.73	15,460.27	38%

#### Running total of fish usage for 2019

Fisheries- lbs, North Sac- 2lbs, South Sac-.66 lbs, Yolo-lbs, Eco-



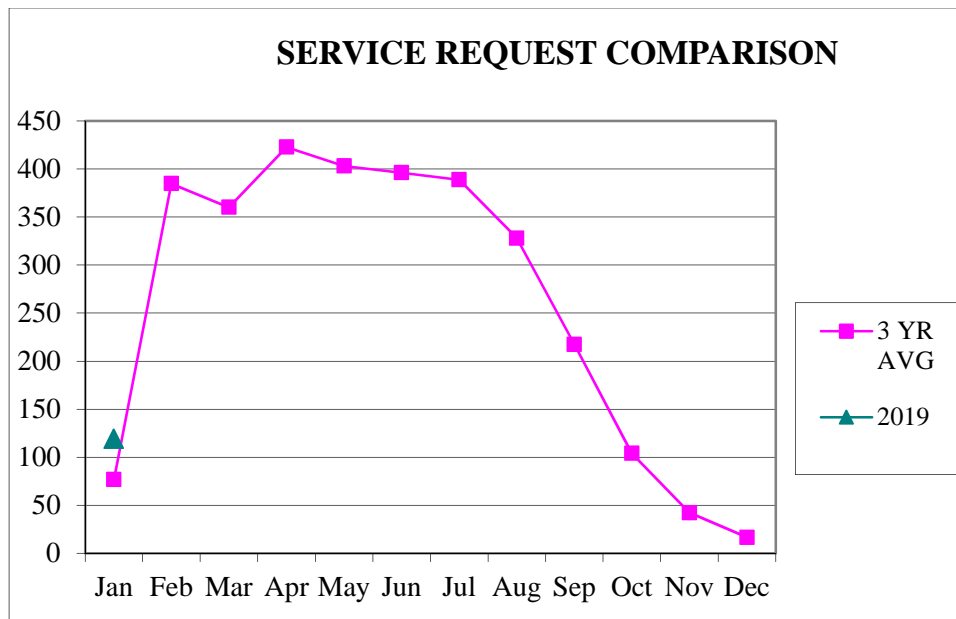
Overhead of our district with the completed bike path on the west side of our facility. A few of the ponds that appear empty are the ponds that were rehabbed this year.

## CONTROL OPERATIONS

### Monthly Report for February 2019 Board Meeting

Control operations staff is busy with many onsite projects such as making WSP packets, updating technician manuals, calibrating equipment and building maintenance. Warm weather in early January caused a spike in service requests for *Anopheles* mosquitoes which has since declined with the now cooler temperatures. Plans for the implementation of Wide Area Larvicide Spray applications are being made. Annual trainings, including pesticide training, are scheduled for March.

Control operations is looking to expand staff by two individuals to help expand the services provided by the District. In addition, seasonal positions have been posted and applications are being received. Interviews for these positions will be scheduled in the upcoming months.



<b>Larvicide Applications thru January 31<sup>st</sup></b>				
	<u>2019</u>		<u>2018</u>	
<u>Locations/Roles</u>	<u>Treatments</u>	<u>Acres</u>	<u>Treatments</u>	<u>Acres</u>
Sacramento County	49	8.3	211	48.3
Sac County Aerial	0 Orders	0	0 Orders	0
Yolo County	1	0.04	12	0.5
Yolo County Aerial	0 Orders	0	0 Orders	0
CB Treated	0	--	0	--
CB Inspected -not treated	0	--	0	--

<b>Aerial Adulticide Summary thru January 31<sup>st</sup></b>				
	<u>2019</u>		<u>2018</u>	
<u>County</u>	<u># Applications</u>	<u>Acres</u>	<u># Applications</u>	<u>Acres</u>
Sacramento Ag	0	0	0	0
Sacramento Urban	0	0	0	0
Yolo Ag	0	0	0	0
Yolo Urban	0	0	0	0
Totals		0		0

**VDCI Summary through January 31<sup>st</sup>, 2019**

**compared to: 2018**

Contract Acres (our portion) =	530,000	530,000
Acres used =	0	0
Acres remaining =	(530,000)	(530,000)
% Acres used =	0%	0%
% Acres remaining =	100%	100 %

San Joaquin County MVCD has used 0 acres of their 190,000 acre contract commitment.

Placer MVCD has used 0 acres of their 100,000 acre commitment.

Turlock MAD has used 0 acres of their 180,000 acre commitment.



## **PUBLIC INFORMATION AND EDUCATION**

### **Monthly Report for February 2019 Board Meeting**

#### **Advertising**

As part of our 2019 Fight the Bite advertising campaign we will once again use our consultant Luken/ Benjamin to assist in placing the media buys. Together we've met with some account executives and media vendors to discuss new creative strategies and ideas that will be implemented this season. We have put together a draft plan that includes a wide mix of advertising outlets and will launch during Mosquito Awareness Week in April and last through October.

#### **Events:**

Over the past weeks we've been receiving vendor applications and information to return as sponsors for various community events that we've attended in past years. We've been gathering information and putting together the list of outreach events that we'll be attending during the 2019 season. On February 2<sup>nd</sup> we attended the Galt Bird Festival where we engaged guests and discussed West Nile virus as it relates to birds. Later in the month we will participate in Duck Days at the Vic Fazio Wetlands.

#### **Fight the Bite Contest**

The 2019 annual Fight the Bite Contest has begun. In preparing for the contest, the flier was updated and sent to all school districts for approval. Once the school districts approved the flier, our print company made all the copies and delivered them to the schools for distribution.

The contest has been promoted on social media, at classroom presentations and also by emailing past teachers who have submitted entries as well as contacting schools that consistently submit entries.

#### **Presentations:**

Currently there are 4 presentations scheduled for this month as part of our school program. In addition, a District tour for approximately 20 kids and their families enrolled with Heritage Home School Guild was provided earlier this month. Classroom presentations are currently being scheduled for upcoming months.

#### **Repellent Distribution**

Repellent requests have started to come in for the season and earlier this month 20 boxes of repellent were given to Harm Reduction Services, a local agency that works closely with homeless residents.

#### **MVCAC Conference**

A presentation titled "Targeted and real time community outreach in response to elevated West Nile Virus Activity" was given at the 2019 MVCAC Annual Conference as part of the Advocacy and Community Engagement Symposium.



# **Sacramento-Yolo Mosquito and Vector Control District**

## **February 19, 2019 Board Meeting**

### **5. Board Review and Consideration of \$ 260,000 to Fund Public Outreach Advertising Plan for 2019 Mosquito Season**

#### **Staff Report:**

The District's Public Information and Education Department strives to raise awareness of mosquitoes, prevention of mosquito transmitted diseases as well as District services and activities. This is achieved by utilizing various elements including a paid advertising campaign, numerous special events, on-air interviews and public service announcements, media relations, government affairs as well as general public outreach and community involvement.

#### **Campaign Goals:**

- Educate and inform the community about mosquitoes, prevention of West Nile virus and other vector-borne diseases
- Increase the use of the stories of Real Survivors and increase awareness of the real and growing threat of harm that we work so hard to abate
- Highlight and continue to emphasize District message of draining standing water, personal protection and overall importance of "mosquito control matters to all"
- Increase public awareness of how residents can participate to prevent mosquito breeding sites
- Enhance and influence public awareness/behavior – and especially enhance the awareness of the extraordinary benefits that the District provides for our community
- Inform the public about the District and services provided
- Build public trust and enhance our "brand" by advancing awareness that we are a reliable and responsive resource in the community
- Increase public recognition of the Fight the Bite campaign and the District 7 D's

#### **2019 Advertising Plan:**

***Data Analysis/Research:*** The District has utilized economic, media, demographic, and consumer behavior data to help us better target of our advertising and media campaign. This data is collected by our media consultant, Luken/Benjamin, to reach our target audience which primarily consists of homeowners between the ages of 25-65 with a special emphasis on women and seniors.

***Media:*** Paid advertising campaign utilizing a mix of elements including:

- Television commercials
- Radio commercials

- Cable TV
- Traffic and weather radio sponsorships
- Social media outreach via Facebook, Twitter, Instagram
- Outdoor billboard and/or transit (bus /light rail)
- Digital web ads served by zip code

### **Advertising Strategy:**

The 2019 Advertising Campaign will incorporate a mix of several media elements including Television (Broadcast and Cable TV), Radio, Social Media, and Digital Media that will include the use of a “longer format” to disseminate a depth of messaging objectives. Messages will focus on the importance of controlling mosquitoes, use of personal protection and awareness of West Nile virus. We will also include messaging on invasive mosquito species and the importance of being prepared or on the lookout for these types of mosquitoes.

Television, both traditional and cable will be a strong foundation of the advertising campaign. Radio ads will also be a significant element of the campaign and will include traffic and weather sponsorships, on-air appearances and interviews, and public service announcements. Our negotiation with Radio also includes a significant amount of bonus commercials. The TV and Radio spots will be in English, Spanish, Russian, and also be distributed on Crossings KBTW, a local station that specifically targets the Asian and other ethnic communities.

Due to the increased use of digital media we will continue to implement our social media campaign utilizing Facebook, Twitter and Instagram. We will concentrate on increasing the number of fans using Facebook Ads, engaging with the public, as well as posting timely, relevant, interesting, and shareable content that will increase our exposure to the online community giving the District higher visibility.

We will debut the advertising campaign during Mosquito Awareness Week in April to kick off the season – as we especially seek as much value-added support from our media partners during this time. The primary campaign will then build and more heavily launch at end May as we lead into the Memorial Day holiday. Memorial Day is recognized as the season’s first major outdoor weekend when people are enjoying the outdoors and messages will especially focus on the use of repellent for personal protection and that this is the time to be most cognizant of mosquito prevention.

Beginning in June when the weather starts to get warm and we begin to see virus activity, the advertising weight will be increased to obtain more public awareness. July and August are the hottest months and when virus activity peaks. These will be the heaviest advertising months with our messages airing consistently across all platforms to ensure that key messages will reach the communities we serve especially around the Fourth of July holiday, National Night Out and through Labor Day.

As mentioned earlier, as part of our paid advertising negotiations, we obtained a high amount of free public service announcements and bonus coverage that also includes the



opportunity to appear in various public affairs shows. These shows are hosted by several different stations and we use these shows to disseminate more of entire messaging objectives as described herein. Media partners also distribute our materials and repellent at many of their station's promotional events and community appearances.

The paid advertising buy will also be supported by press releases and the free news coverage they help us to generate.

**Recommendation:**

Approve the 2019 Advertising Plan not to exceed \$260,000

